



Transport Education Training Authority

*Driven by Vision*

TRANSPORT EDUCATION TRAINING AUTHORITY

# ANNUAL REPORT



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2022-23





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**ANNUAL REPORT 2022/23**



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

## PART A: GENERAL INFORMATION

The Public Entity's General Information .....	06
List of abbreviation/acronyms .....	07
Chairperson's foreword .....	16
Chief Executive Officer's Overview .....	18
Statement of Responsibility and Confirmation of Accuracy for the Annual Report .....	24
Strategic Overview .....	25
Legislative and Other Mandates .....	26
TETA Organisational Structure .....	28

## PART B: PERFORMANCE INFORMATION

Auditor's Report: Annual Performance .....	30
Overview of TETA Performance .....	30
Progress towards Achievement of Institutional Impacts and Outcomes 2020/21 to 2022/23 .....	49
Performance Information by Programme .....	50
Strategy to Overcome Areas of Underperformance .....	69
Linking Performance with Budget .....	69
Institutional Response to the COVID-19 Pandemic and other Pandemics .....	70
Revenue Collection .....	70
Business Performance .....	71

## PART C: GOVERNANCE

Introduction .....	90
Accounting Authority .....	90
Audit and Risk Committee Report .....	100
B-BBEE Compliance Performance Information .....	102

## PART D: HUMAN RESOURCE MANAGEMENT

Introduction .....	106
Human Resource Oversight Statistics .....	107

## PART E: PFMA COMPLIANCE REPORT

Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses .....	112
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## PART F: FINANCIAL INFORMATION

Report of the Auditor-General to Parliament on Transport Education Training Authority .....	117
Transport Education Training Authority Financial Statements for the year ended 31 March 2023 ...	127



The background of the entire page is a photograph of a port at sunset. A large black and red ship is docked at a pier, with its bow facing the viewer. In the foreground, there are stacks of red and blue shipping containers. The sky is a mix of orange, pink, and blue. Overlaid on the image are several white icons: a truck, a bus, a taxi, a globe, a factory, a box, and an airplane, all connected by a thin white line. A large, stylized '2022' is also overlaid in the upper left.

# 2022

# 23

## PART A

# General Information

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

**REGISTERED NAME:** Transport Education Training Authority (TETA)

**HEAD OFFICE:** TETA HOUSE

Physical address: 344 Pretoria Avenue, Randburg, Gauteng

Postal address: Private Bag X10016, Randburg 2125

Telephone number: 011 577 7000

Email address: [coms@TETA.org.za](mailto:coms@TETA.org.za)

Website address: [www.teta.org.za](http://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: 19 Bok Street, Polokwane

Telephone number: 015 917 0002

### **MPUMALANGA OFFICE:**

Road Freight Chamber

Physical address: 16 Brander Street, Bi-water Building, Nelspruit

Contact number: 013 912 0000

### **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](mailto:IshmaelM@teta.org.za)

### **PUBLISHER:**

TETA: Chief Executive Officer

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

# LIST OF ABBREVIATIONS/ACRONYMS

4IR:	Fourth Industrial Revolution
AASA:	Airline Association of Southern Africa
ACSA:	Airport Company of South Africa
AET:	Adult Education and Training
AGSA:	Auditor-General of South Africa
APP:	Annual Performance Plan
AR:	Annual Report
ARC:	Audit and Risk Committee
ATNS:	Air Traffic and Navigation Services
ATR:	Annual Training Report
AUSA:	Aviation Union of South Africa
BRT:	Bus Rapid Transit
CAASA:	Commercial Aviation Association of Southern Africa
CBO:	Community-Based Organisation
CoS:	Centers of Specialisation
CPUT:	Cape Peninsula University of Technology
DETAUWU:	Democratised Transport Logistics and Allied Workers Union
DG:	Discretionary Grant
DHET:	Department of Higher Education and Training
DoT:	Department of Transport
DPWRT:	Department of Public Works, Roads and Transport
DSD:	Department of Social Development
DUT:	Durban University of Technology
ERRP:	Economic Reconstruction and Recovery Plan
ESP:	Economic Stimulus Programmes
ETQA:	Education and Training Quality Assurance
EXCO:	Executive Committee
GDP:	Gross Domestic Product
GRAP:	Generally Recognised Accounting Practice
HEI:	Higher Education Institution
HET:	Higher Education and Training
HRD:	Human Resources Development
IMC:	Independent Management Committee
IPAP:	Industrial Policy Action Plan
IRSE:	Institute of Railway Signal Engineers
LRA:	Labour Relations Act (66 of 1995)
M&E:	Monitoring and Evaluation
MG:	Mandatory Grant





MTSF:	Medium-Term Strategic Framework
NASASA:	National Stevedoring Association of South Africa
NBCRFLI:	National Bargaining Council for the Road Freight and Logistics Industry
NDP:	National Development Plan
NEASA:	National Employers Association of South Africa
NGO:	Non-Governmental Organisation
NGP:	New Growth Path
NLPE:	Non-Levy-Paying Enterprise
NMU:	Nelson Mandela University
NQF:	National Qualifications Framework
NSA:	National Skills Authority
NSDP 2030:	National Skills Development Plan 2030
NUMSA:	National Union of Metalworkers of South Africa
NWU:	North-West University
PAJA:	Promotion of Administrative Justice Act (3 of 2000)
PESTEL	Political, Economic, Social, Technology, Environment and Legal
PFMA:	Public Finance Management Act (29 of 1999)
PIVOTAL:	Professional, Vocational, Technical and Academic Learning
PM&E:	Performance Monitoring and Evaluation
PRASA:	Passenger Rail Agency South Africa
PSET:	Post School Education and Training
PTWU:	Professional Transport Workers Union
QAS:	Qualification Assessment Specifications
QCTO:	Quality Council for Trades and Occupations
RFA:	Road Freight Association
RPL:	Recognition of Prior Learning
RRA:	Railroad Association
RSR:	Rail Safety Regulator
SAAFF:	South African Association of Freight Forwarders
SAASOA:	South African Associations of Ship Operators and Agents
SABEA:	South African Bus Employers Association
SABOA:	Southern African Bus Operators Association
SACAA:	South African Civil Aviation Authority
SACCA:	South African Cabin Crew Association
SACCAWU:	South African Commercial, Catering and Allied Workers Union
SAEPA:	South African Express Parcel Association
SADSTIA:	South African Deep Sea Trawling Industry Association
SAIMI:	South African International Maritime Institute

SAMBF:	South African Maritime Business Forum
SAMSA:	South African Maritime and Safety Authority
SAMTRA:	South African Maritime Training Academy
SANSBOC:	South African National Small Bus Operators Council
SANTACO:	South African National Taxi Council
SAQA:	South African Qualifications Authority
SARS:	South African Revenue Service
SATA:	South African Tuna Association
SATAWU:	South African Transport and Allied Workers Union
SCM:	Supply Chain Management
SD&LP:	Skills Development and Learning Programmes
SDA:	Skills Development Act (97 of 1998)
SDF:	Skills Development Facilitator
SDLA:	Skills Development Levies Act (9 of 1999)
SETA:	Sector Education and Training Authority
SIC:	Standard Industrial Classification
SIPs:	Strategic Infrastructure Projects
SLA:	Service-Level Agreement
SMME:	Small, Micro and Medium Enterprises
SSP:	Sector Skills Plan
TAWUSA:	Transport and Allied Workers Union of South Africa
TETA:	Transport Education Training Authority
TLEA:	Transport and Logistics Employers Association
TOWU:	Transport and Omnibus Workers Union
TVET:	Technical and Vocational Education and Training
UASA:	United Association of South Africa
UIF:	Unemployment Insurance Fund
UNTU:	United National Transport Union
UTATU:	United Transport and Allied Trade Unions
WIL:	Work Integrated Learning
WMU:	World Maritime University
WSP:	Workplace Skills Plan



# About this Report

This report documents activities undertaken by the Transport Education Training Authority (TETA) during the 2022/23 financial year. It seeks 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 the TETA

strategic plan, which guides the organisation on specific action plans 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 is a Sector Education and Training Authority (SETA) established in terms of the Skills Development

Act 97 of 1998 (SDA) responsible for skills development in the transport sector.

## TETA's 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
- To conduct quality assurance on education and training that falls within the sector's scope.

## Eight TETA Subsectors

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

**Aerospace Chamber**



**Rail Chamber**



**Forwarding and Clearing Chamber**



**Road Freight Chamber**



**Freight Handling Chamber**



**Road Passenger Chamber**



**Maritime Chamber**



**Taxi Chamber**



# TETA Subsectors

## **AEROSPACE** Chamber

The aerospace industry involves the moving of goods and passengers by air. The industry caters for both cargo and passenger transport and includes military activities, scheduled flights, charter flights, business operated aircrafts and recreational flying. It further includes:

- Regulatory Services;
- Air Traffic Services;
- Unmanned Aerial Vehicles;
- Remotely Piloted Aircraft System;
- Airport and Aerodrome Management Entities.

South Africa has a well-established aviation industry and network, providing world-class international airports in the major cities of the country, and a significant number of smaller airports throughout the country.

### **Employer and employee representative bodies include:**

- Commercial Aviation Association of Southern Africa (CAASA);
- Airline Association of Southern Africa (AASA);
- Air Traffic and Navigation Services (ATNS);
- South African Civil Aviation Authority (SACAA);
- Airports Company of South Africa (ACSA);
- South African Transport and Allied Workers Union (SATAWU);
- Aviation Union of Southern Africa (AUSA);
- Democratised Transport Logistics and Allied Workers Union (DETAWU);
- South African Equity Workers Association (SAEWA);
- United Association of South Africa (UASA);
- National Union of Metal Workers of South Africa (NUMSA);
- Solidarity; and
- South African Cabin Crew Association (SACCA).

## **FORWARDING AND CLEARING** Chamber

The forwarding and clearing industry, globally referred as the 'architect of world transport', facilitates the international logistics and supply chain of goods for importers and exporters, while applying the most cost-effective solutions using all modes of transport (air, sea, road and rail).

This subsector moves 90% of South Africa's international trade globally. Over the past 10 years, the subsector has evolved into the world of supply chain management (SCM). It recognises the importance of international logistics within the management of supply chains worldwide. In addition, it provides importers and exporters with end-to-end supply chain solutions.

The forwarding and clearing subsector incorporate stakeholders from the following subsectors:

- Freight Forwarding and Customs Clearing;

- Ships Agents and Brokers;
- International Couriers; and
- Importers and Exporters.

### **Employers and employees within the Forwarding and Clearing industry are represented by the following Employer Associations:**

- South African Association of Freight Forwarders (SAAFF);
- South African Express Parcel Association (SAEPA);
- South African Association of Ship Operators and Agents (SAASOA);
- South African Transport and Allied Workers Union (SATAWU); and
- United National Transport Union (UNTU).





## FREIGHT HANDLING Chamber

Freight handling is an integral part of the supply chain management system and provides vital support services to industries, which span all modes of transport. People involved in freight handling play a key role in the movement of goods since they represent the physical link that ensures that the freight is efficiently and safely handled. Its operations centers around handling, storage and stock control of cargo through seaports, airports, distribution centres, factories and other depots.

### Areas of business activities are:

- Warehousing and distribution;
- Bulk cargo handling;
- Break-bulk cargo handling;
- Container handling;
- Car (on wheels) handling; and
- Transport via pipelines.

### Employer and employee representative bodies include:

- The Chartered Institute of Logistics & Transport SA (CILTSA);
- Transport and Logistics Employers Association (TLEA);
- South African Transport and Allied Workers Union (SATAWU);
- South African Commercial Catering and Allied Workers Union (SACCAWU);
- United Transport and Allied Trade Unions (UTATU)
- National Stevedoring Association of South Africa (NASASA); and
- United National Transport Union (UNTU).



## MARITIME Chamber

The maritime industry relates to all activities of vessels at sea, for example, merchant shipping and fishing operations, as well as the activities of the country's eight commercial ports and inland waterways. Specific areas of business activity include:

- Ocean and Coastal Fishing;
- Water Transport;
- Coastal Shipping;
- Ocean Shipping; and
- Inland Water Transport.

In delivering its services, the chamber works closely with other public sector agencies such as the South African Maritime Safety Authority (SAMSA) and the South African International Maritime Institute (SAIMI).

### Employer and employee representative bodies include:

- South African Maritime Business Forum (SAMBF);
- Transport and Logistics Employers Association (TLEA);
- South African Deep Sea Trawling Industry Association (SADSTIA);
- South African Tuna Association (SATA);
- United National Transport Union (UNTU);
- South African Transport and Allied Workers Union (SATAWU); and
- National Union of Mineworkers South Africa (NUMSA); and Workers Union (DETAWU).



## RAIL Chamber

The rail industry deals with safe, reliable and efficient transportation of goods (including dangerous goods), passengers, and livestock by rail; the control, management, maintenance and exploitation of railways and rail services; the maintenance, servicing, repair, overhaul and testing of the entire rolling stock including locomotives, carriages, wagons, or other vehicles used on a railway; as well as related support services.

The main companies in the subsector are Transnet SOC Ltd and the Passenger Rail Agency South Africa (PRASA). Medium-sized rail enterprises active in the subsector comprise rail entities at the ports, cross-border railway operations, rail heritage societies and surface operators on mines. Also involved are municipal rail sidings and service lines that provide access from the national network to private sidings for numerous operators in the agricultural, manufacturing, and petrochemical sectors.

The rail industry is also underpinned by the National Rail Policy (NRP) which is central to the delivery and promotion of third party access to the rail network.

It further stipulates that Transnet Freight Rail should provide access to private operators on the rail network for logistics business purposes.

### Employer and employee representative bodies include:

- South African Transport and Allied Workers Union (SATAWU);
- United National Transport Union (UNTU);
- Rail Road Association (RRA);
- Railway Safety Regulator (RSR);
- Transport and Logistics Employers Association (TLEA);
- Democratised Transport Logistics and Allied Workers Union (DETAWU);
- Institution of Railway Signal Engineers (IRSE); and
- The National and Provincial Departments of Transport (NDoT and PDoT).



## ROAD FREIGHT Chamber

The road freight industry covers both public and private transportation, including but not limited to, trucks moving freight to and from the airports; to and from rail; to and from clients and from pipeline distribution centres to petrol stations. As an element of an integrated freight logistics supply chain, it is also integral to the implementation of the Freight Logistics Strategy. This industry deals with the daily movement of freight which is an estimate of 80% of all freight in the country by road. The road freight market totals about 640 million tons of traffic per annum.

The road freight chamber provides skills development support to companies that deal with the transportation of goods using goods vehicles on public roads. These include:

- Bulk transport carriers;
- Retail fleets;
- Removal companies;
- Courier companies;
- Waste Management;
- Storage of goods, including receiving, opening, unpacking, packing, accounting, dispatching, and clearing; and

- Hiring out-of-employment services, employees for activities or operations that ordinarily or naturally fall within the transportation or storage of goods.

The road freight industry covers both public and private transportation and includes trucks moving freight:

- To and from airports;
- To and from rail;
- To and from clients; and
- From pipeline distribution centres to petrol stations.

As an element of an integrated freight logistics supply chain, it is also integral to the implementation of the freight logistics strategy.

### Employer and employee representative bodies include:

- South African Transport and Allied Workers Union (SATAWU);
- Motor Transport Workers Union (MTWU);
- Professional Transport Workers Union (PTWU);
- Transport and Allied Workers Union of South Africa (TAWUSA);
- South African Express Parcel Association (SAEPA);



- Road Freight Association (RFA);
- National Employers Association South Africa (NEASA);
- Democratised Transport Logistics and Allied Workers Union (DETAWU);
- National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI);

- South Africa Black Bulk Transporters Association; and
- Chartered Institute of Logistics & Transport: South Africa.



## ROAD PASSENGER Chamber

The road passenger industry deals with the transportation of passengers by bus at a fee. The National Land Transport Transition Act classifies the bus industry to include the following:

- Long-distance bus services;
- Tour and charter bus services;
- Cross-border bus services;
- Intercity bus services;
- School/learner bus services;
- Commercial/contract bus services;
- Special-hire or private-hire bus services;
- Subsidised and non-subsidised bus services; and
- Scheduled and unscheduled bus services.

### Employer and employee representative bodies include:

- South African Transport and Allied Workers Union (SATAWU);
- Transport and Omnibus Workers Union (TOWU);
- South African National Small Bus Operators Council (SANSBOC);
- South Africa Bus Operators Association (SABOA);
- Vhembe Bus Operators Association (VHEBOA);
- South African Bus Rapid Transit Association (SABRATA);
- South African Bus Employers Association (SABEA); and
- United National Transport Union (UNTU).



## TAXI Chamber

The taxi industry brings together employers (taxi operators, associations, and cooperatives), employees (drivers, queue marshals, patrollers, mechanics, and administrators) for the transportation of passengers by road other than buses.

This subsector includes the following modes of transport:

- Minibus taxis;
- Metered taxis;
- E-hailing services;
- Scholar transport;
- Shuttle services; and
- Chauffeur services.

### Employer and employee representative bodies include:

- South African National Taxi Council (SANTACO);
- National Taxi Alliance (NTA);
- South African Meter Taxi Association (SAMTA);
- South African Transport and Allied Workers Union (SATAWU); and
- South African Taxi Drivers Workers Union.





# CHAIRPERSON'S FOREWORD



The overall performance of the SETA against the pre-determined targets, comprehensive reporting on the financial health and performance of the SETA are encapsulated in the 2022/23 Annual Report. The epitome of the sustenance of the Transport Education Training Authority has been pillared by governance and executive as per the provision of the TETA Constitution structures, other legislations like the Public Finance Management Act and regulations core to the functioning of a Schedule 3(a) entity.

At the backdrop of this report and reporting period, lies the global economy turmoil, exacerbated by the war between Russia and Ukraine, spike of petrol/diesel, loadshedding and interest rates within the South African market, constrained economic growth, and significant rise in consumer goods with depressed household revenues. Within the transport sector, we saw Comair (British Airways and Kulula Airlines) being permanently grounded after business rescue practitioners concluded that there is no reasonable prospect that the aviation company could be rescued. South African Airways has not yet taken to the skies fully and such constrained operations and demise

of significant companies in the transport sector put a severe strain in the revenue collected by the SETA and thereby limit the magnitude of impact on skills development and training. Though these published constraints and challenges exist in the sector and the economy of the country, we are pleased to have seen

an increase in the quality of our performance from 89 to 93%.

In advancing the cause and mandate of the SETA, the TETA's strategy is anchored and driven by skills development priorities drawn from Sector Skills Plan (SSP), published national priorities, dictates of the NSDP, and emerging national strategic approaches such as District Development Model (DDM), Economic Reconstruction and Recovery Plan (ERRP), Strategic Infrastructure Projects (SIPs), Centre of Specialisation (CoS) and the overall transformation agenda for the country. The 2022/23 financial year marks the medium-term point of our medium-term strategic expenditure framework. It is exciting to report that despite the dynamic and volatile environment that we are operating in, our strategic outcomes and priorities were not negatively affected.

The transport sector is mostly referenced as the engine of any economy, so TETA's operational environment mirrors this important sector through the movement of people and products for both commercial and social needs. The rollout of our mandate lead to a significant number of young people and workforce impacted by our skills development, training programmes and initiatives.

As the Board of TETA, we applaud the industry as our strategic partners for opening their workplaces as learning spaces, without which, we wouldn't be able

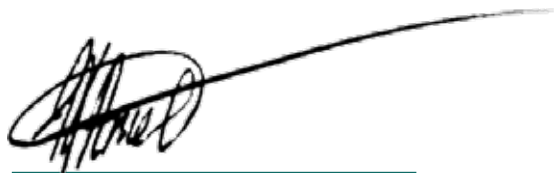
to achieve these numbers. It is our belief that together, we will break the barriers of transformation and gender imbalance in the transport sector while taking the lead in the advancement of future skills galvanized by the dawn of new technologies. Our research arm as a SETA continues to inform our planning and strategic implementation of programmes geared towards readying the workforce for the 4IR implementation. Similarly, our Sector Skills Plan provides a research platform that provides sound guidance to the industry and is housed on [www.teta.org.za](http://www.teta.org.za).

The Auditor General of South Africa gave the SETA a qualified audit opinion for the year under review. The rationale for the qualification is fully expressed in the AG report preceding our financial performance reports. Though this is a bitter pill to swallow for the TETA Board, we are confident that the institution is on the correct path of correction and improving on the areas identified as lacking in the audit outcomes. We appreciate the work of the AGSA.

The growth of the brand, improvement in performance and quality of service rendered to our stakeholders

provides for an assurance that the SETA wants to do even better in the next reporting cycle.

The Minister of Higher Education, Science and Technology ought to be appreciated for the leadership accorded to the SETA together with all the support deployed to manage, monitor the TETA operations. On behalf of the board, I submit that we are humbled by the outcomes of the 2022/23 audit period. However, the assurance is the Executive proactive strategy to address the findings and gives us greater comfort that we will revert to unqualified audit opinion in the next audit period. Once again, I applaud Board, the Executives and team TETA including all stakeholders involved in ensuring that we attained 93% on our performance for the year 2022/23



**Dr Eugenia Xoliswa Kula**  
*Accounting Authority*

# CHIEF EXECUTIVE OFFICER'S OVERVIEW



## General Performance Overview

The 2022/23 TETA Annual Report covers the institution's performance against its predetermined targets and audited financial statements for the financial year under review as audited by the Auditor General of South Africa (AGSA). It further lays bare the non-financial performance, risk management modalities, overall governance outlook and human capital practices.

Business operations across the globe are fully exposed to the constant and unpredictable change in business environments which have become a norm and given birth to the volatility, uncertainty, complexity, and ambiguity (VUCA) frameworks designed to keep businesses afloat. It would be amiss if TETA were to underestimate the overall effects of the deteriorating status of many companies within the transport sector either through downsizing, closure, liquidation, or business rescue. All of these interventions stretch the resource base of the institution solely dependent on the strength of levy paying companies in the country.

## Impact of Economic Downturn and Global Pandemic

The aviation sector has been severely affected by economic downturn and effect COVID-19. Recovery of some airlines has proven difficult, therefore, airlines such as, SA Express, Comair (Kulula and British Airways), Mango Airline and with South African

Airways still reflective of its shadow in anticipation of a quick takeoff.

Overall, the effects of COVID-19 and economic downturn coupled with social unrests and vandalism were felt in various sectors in the transport sector. Forwarding and clearing experienced declines in performance owing to suppressed consumer spending post COVID-19 pandemic while the freight handling and logistics saw a surge in demand for shipping as more people were opting for online shopping during and post the pandemic. The systemic and coordinated attacks targeted at buses and trucks coupled with loadshedding and vandalism of infrastructure affected the road freight logistics value chain, rail, and road passenger sub sectors significantly. Unregulated fishing, dumping of toxic waste as well as environmental crimes relating to oil spills, illegal bunkering and climate change are some of the factors affecting the ocean economy environment. The bottom line for the SETA in relation to collection of levies, especially for the top 20 levy paying companies who are directly affected by these challenges remains an area of focus as the SETA rolls out its mandate.

With varying challenges affecting the operational environment of the transport sector, The SETA is also cognisant of the dictates aligned to the Skills Development Commission, increasing priorities and demand for skills development.

## Strategic Partnerships and Collaborations

Fostering strong partnerships with other SETAs, strategic institutions, government entities and employers, coupled with focused stakeholder engagements proved to be one of the key operational drivers for the institution in the quest to deliver on its commitments for the financial year under review. Varying our capacity building across business and brand touchpoints through workshops in hybrid formats afforded us an opportunity to significantly improve our service delivery models. Being intentional in our service excellence approaches, applying foresight in the implementation of our strategic priorities and consistent upskilling and reskilling of our human capital remains the backdrop through which the SETA performed.

## Performance Output

The unwavering support, determination, zeal and work ethic of the industry stakeholders, the TETA Accounting Authority, executive management, management and all staff saw the SETA's overall performance increase by 4% from 89% in the previous year to 93% in the year under review. Duplications in the quality of the data reported and audited resulted in material findings for our performance information in the year under review.

TETA implements its projects through the agency of approximately 831 companies. This militates for greater collaboration between TETA and the stakeholders to ensure a significant reduction of errors in our performance data. Such collaboration would ensure accuracy and quality of our performance information. Further, stringent business processes aligned to root cause analysis metrics are being implemented to ensure improvement in the areas identified by the AGSA.

The SETA appreciates the independent work of the AG in ensuring that inaccuracies and quality of information are at the required standards across the organisation. Moving forward, the companies implementing funded contracts and beneficiaries would need to appreciate the reality that it is not business as usual. The quality of information uploaded in our system ought to be accurate and authentic, for the institution to mitigate on the error rate in performance information.

## ICT System - Change Management

In the year under review, we continued to improve our Information Communication Technology systems with stratified approaches to manage multiple contracts, we transitioned from old Learner Management, Discretionary Grant and Mandatory systems with a view of enhancing user experience and improve the quality of our services. The launch of our online bursary system and career portals signaled TETA's commitment in driving digitisation. The career portal serve to ensure a linkage between potential beneficiaries and opportunities in the sector.

## TETA Contribution to National Initiatives

The SETA continued its strategic support of the District Development Model (DDM) through the EmpowaYouth programmes geared towards exposing unemployed youth to tangible opportunities from various industries impacting more than 100 000 patrons digitally, physically and through new and traditional media platforms. This resulted in the youth in Gauteng, Limpopo, KwaZulu Natal and North West provinces. In the new financial year, the SETA will look at expanding to Mpumalanga, Eastern Cape and Northern Cape provinces. The Economic Stimulus Programmes (ESP) and the Economic Reconstruction and Recovery Plan (ERRP) were core to the delivery of services in the year under review for programmes such as back yard mechanics, women empowerment, entrepreneurship, e-commerce, the development of the last mile delivery services through the motorbike online delivery and business startup services.

World Skills South Africa is one of the 85 registered members of World Skills International, a movement that supports and promotes six focus areas, namely: skills development, career building, education and training, international cooperation, research, and competitions. As part of the broader post school network, TETA made provision to support participants from the transport sector across six skills for an amount of R25 million. The support enabled young people with the necessary training and capacitation to compete at all World Skills Competitions that were held in various countries internationally during the World Skills International Competition.



## Risk Management Framework

Our risk management policy and strategy that is reviewed and approved by the Audit and Risk Committee and by the Accounting Authority annually, informs TETA's ongoing risk assessments that are 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. Participation of managers in these workshops allows the institution an opportunity to receive all the risks for better mitigation strategies.

## Research and Knowledge Management

The research arm of the SETA provided sound insights and strategic information for management to make decisions in the year under review. The research projects undertaken include focus on investigating barriers to entry for Small, Micro and Medium Enterprises (SMMEs) within the transport sector; investigation of women and youth participation in skills development with a key focus on impediments to entry and access to the transport sector labour market; aligning skills development to the Fourth Industrial Revolution (4IR) and new technologies in partnership with various institutions of higher learning impacting 100 learners specifically on green technologies and investigation of the number of learners absorbed in the industry post the work-based learning programmes. To stay abreast of the emergent skills development needs in our country and

especially the transport sector, TETA commissioned research in the year under review to inform the review and updating of the Sector Skills Plan (SSP). The SSP analysis report by DHET recorded positive feedback and commended TETA for the hard work towards the well-rounded researched submission.

## Key Highlights

Our commitment to skills development and training continues to impact young people in need of bursary support. To this end, the SETA supported 274 unemployed youth with bursaries. Our adopted school programme supports 59 schools from the rural communities of South Africa, these learners were supported with STEM capacitation and career support for both teachers and learners as well as digital learning equipment for grade 12 and bursaries for the top performers.

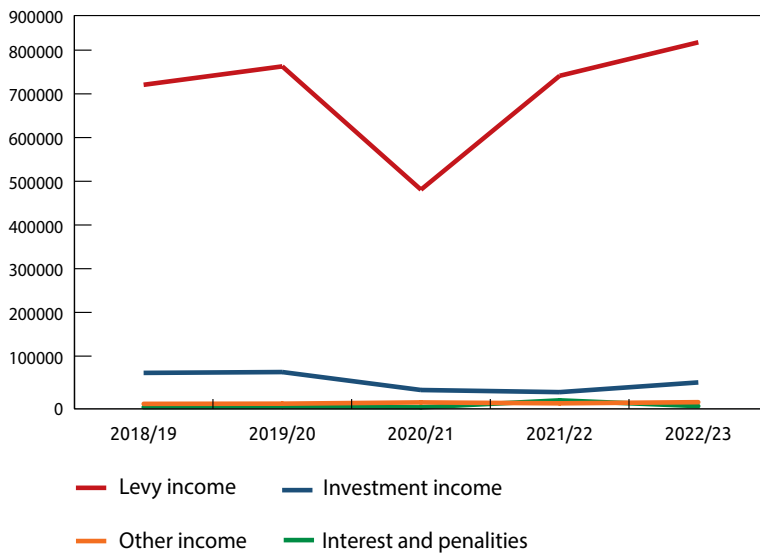
Amongst others, the following are performance highlights encapsulated in this report:

- **3 750 grade 12 learners** from 59 adopted schools were supported with tablets to access e-learning material and maximise chances of success in their Grade 12 final examination;
- **800 learners** from TETA adopted schools have been enrolled into a driver's license programme;
- **150 TVET graduates** have been trained on DSTV installation and maintenance programme; and
- **1 747 Learners** completed New Venture Creation training, acquired motorbike licenses and are in the process of signing contracts with various online delivery companies.

## General financial review of the public entity

The financial highlights for the 2022/23 financial year reflect a sense of stability in the industry, especially in the collection of levies. This is demonstrated by marginal increases in skills development levies compared to the previous financial year.

**Five year income Trend**



- Total income including Skills development levies grew from R832m in 2021/22 to R920m in 2022/23, an increase of R88m 11% year on year

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.

### The following are the highlights on revenue trends:

- Total revenue increased by R88m, which translates to 11% relative to the 2021/22 financial year;
- Expenditure in administration, mandatory and discretionary grant expenses had a slight increase of R7m compared to the previous financial year;
- Expenditure as a percentage of revenue was 103%, a 10% decrease compared to 113% for the previous financial year;
- Administration budget was 12.8%, which is above the legislated 10.5% administration cost ceiling. TETA obtained approval from DHET Minister to exceed the 10.5% in line with the grant regulations;
- Mandatory grant pay-out slightly decreased to 91% compared to the previous financial year.

### Capacity constraints and challenges facing the public entity

The overall mandate of the SETA, Service Level Agreements and annual performance targets do not measure up to the human capital resources as well the ICT dictates. As

such, The SETA has managed to retain 85% of its overall personnel in the year under review thus improving its levels of efficiency and optimising performance within the constraints of the 10.5% administration budget. Continuous roll out of ICT infrastructure and transitioning from old ICT system introduced higher cost challenges as the SETA had to manage the transition with minimal interruption to the services offered to stakeholders.

### Discontinued key activities or activities to be discontinued

TETA did not discontinue any operations or activities for the 2022/23 financial year despite the spike in load shedding and constrained economic climate in the country.

### New or proposed key activities

Support of national priorities such as the DDM where more than 62 000 unemployed youth were exposed to various industries for the purpose of increasing access to opportunities through the TETA Empowerment Youth programmes implemented in Gauteng, Limpopo,

KwaZulu Natal and North West provinces. Economic Stimulus Programmes as well as the Economic Reconstruction and Recovery Plan remains core to how TETA rolls out its strategy. Last mile delivery programmes a vehicle to introduce unemployed youth into E-commerce opportunities through new venture creation and motorbike licenses has been central to TETA's approach in getting young people economically active.

### Requests for roll over of funds

The surplus funds of R956m includes projects commitments to the value of R818m. TETA has applied for the retention of the R138m surplus which is the variance of the R956m and R818m mentioned above from National Treasury and DHET in terms of section 53(3) of the PFMA and Skills Development Act.

### Supply chain management

Supply Chain Management (SCM) unit is established under the office of the Chief Financial Officer (CFO) in compliance with the National Treasury Regulation 16A4.1. During the year under review, TETA subscribed 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.

No unsolicited procurement was processed in the year under review. TETA continued to follow competitive procurement processes with regards to invitation for quotations and bids. Only in unavoidable circumstances were deviations 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 continued level 2 B-BBEE rating in the year under review. TETA SCM has been operating at its maximum potential over the past few years, and we are proud to state that the SCM unit has once again achieved a clean audit outcome (no material findings) from the AGSA for the financial year 2022/23.

### Outlook/Plans for the future to address financial challenges

TETA continues to forge partnerships with key stakeholders with a view to collaborate and share funding models towards skills development and training. The partnership with BANKSETA for a co-funding programme towards the last mile delivery project valued at R84 million is one such example of meaningful collaborations to benefit 1200 unemployed youth in South Africa. A further R46 million co-funding partnership with NYDA will benefit 400 unemployed youth across South Africa within the last mile delivery sector. TETA is currently rolling out various strategies and action plans geared towards mitigating the risk of exceeding the allocated 10,5 % administration budget.

### Events after the reporting date

There were no significant events after the balance sheet date.

### Economic Viability

Total revenue for the SETA increased by R88m, which translates to 11% relative to the 2021/22 financial year. As forecast in the previous reporting cycle, this growth trajectory is testament of cautious stability in the transport sector.

### Acknowledgement/s or Appreciation

The TETA received a qualified audit opinion from the AGSA in the year under review, ending its 14 successive unqualified audit opinions in the past 15 years. The refined approaches of auditing and the subsequent outcome have propelled the SETA to review its business processes and approaches to properly align with the dictates of the audit framework across business touchpoints including stakeholders and training providers implementing funded contracts together with beneficiaries. TETA appreciates the work of the AGSA, the staff, management team, Accounting Authority, stakeholders and training providers at large for continuing to support the

mandate of the SETA in the achievement of the 93% performance against the predetermined objectives.

The close monitoring and oversight roles played by the National Treasury and the Department of Higher Education, Science and Innovation kept us within the confines and dictates of the accountability instruments while affording us an opportunity to thrive and stretch ourselves as far as the SLA parameters and beyond, and

we appreciate that kind of accountability.



**Mrs. Maphefo Anno-Frempong**

TETA Chief Executive Officer

“

*TETA appreciates the work of the Auditor General of South Africa, the staff, management team, Accounting Authority, stakeholders and training providers at large for continuing to support the mandate of the SETA and achievement of 93% performance against the predetermined objectives.*

”



# Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the AGSA.

The Annual Report is complete, accurate, and free from any omissions. The Annual Report was prepared in accordance with the guidelines on annual reports issued by National Treasury.

The Annual Financial Statements (Part E) were prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to TETA. The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements within the statements. The Accounting Authority is also responsible for establishing and implementing a system of internal control.

This system was purposefully designed to provide reasonable assurance on the integrity and reliability of the performance information, human resources information, and Annual Financial Statements. The external auditors were engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operational, human resources and performance information as well as the financial affairs of TETA for the financial year ended 31 March 2023.

Yours faithfully



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



**Dr Eugenia Xoliswa Kula**  
*TETA Accounting Authority*



Transport Education Training Authority  
*Driven by Vision*



**higher education  
& training**

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



# 1. Strategic Overview



## PHILOSOPHY STATEMENT

Enhancing economic development and financial sustainability through globally aligned skills development, rural development, industry transformation, strategic partnerships, research, and innovation



## VISION STATEMENT

Inspired visionary leadership through skills development within the transport sector



## MISSION STATEMENT

Building a forward thinking and globally competitive workforce by facilitating skills development programmes that support the outcomes of the NSDP and respond to emerging skills needs of the transport sector

### VALUES



Trust



Accountability



Respect



Positive attitude



Responsibility



Commitment

### KEY STRATEGY DRIVERS



Economic Development



Industry Skills Needs



National Priorities



Transformation

### PROGRAMMES ALIGNMENT TO NATIONAL IMPERATIVES

Strategic Goals	Interventions
Administrative support services	<ul style="list-style-type: none"> <li>Contract support services</li> <li>Administration services</li> </ul>
Skills planning and research	<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>
Access to occupationally directed programmes	<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>
Strengthening quality assurance systems	<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	ERRP	Nine-Point Plan	SIPs	SONA February 2022
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## 2. Legislative and Other Mandates

TETA is a schedule 3A, Public Entity as per the Public Finance Management Act (29 of 1999) (PFMA) and was established in terms of the Skills Development Act (97 of 1998) (SDA) and is mandated to:

- Facilitate equitable skills development in the transport sector to cultivate empowered workers;
- Ensure access to training, education and work placement opportunities for graduates and the unemployed;
- Align skills development initiatives to emergent needs and national imperatives;
- Facilitate workplace learning and partnerships between employers and educational institutions;
- Collaborate with and support Technical and Vocational Education and Training (TVET) capacitation;
- Collaborate with Higher Education Institutions (HEIs); and
- Implement training on road safety to alleviate road carnage.

### 2.1 Legislative Mandates

#### 2.1.1 Constitutional Mandate

Sections of the Constitution of the Republic of South Africa, 1996 that guides the operations of TETA include the following:

- Promoting and maintaining high standards of ethics;
- Providing service impartially, fairly, equitably and without bias;
- Utilising resources efficiently and effectively;
- Responding to people's needs while citizens are encouraged to participate in policy making;



## 2.1.2 Updates to Institutional Policies and Strategies

### Constitutional

- The Constitution of the Republic of South Africa, 1996
- National Development Plan
  - National Skills Development Plan
  - New Growth Path

### Substantive

- Skills Development Act (No. 97 of 1998)

### Financial

- Skills Development Levies Act (No. 9 of 1999)
  - SETA Grant Regulations No. 35940 of December 2012
  - National Treasury Regulation
  - Income Tax Act (No. 58 of 1962)
  - Public Finance Management Act (No. 29 of 1999)

### Supporting

The list below is not exhaustive:

- National Qualifications Framework Act (No. 67 of 2008)
- Higher Education Act (No. 101 of 1997)
- Further Education and Training Act, 2006 (No. 98 of 1998)
- White Paper for Post-School Education and Training
- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1998)
- Broad-Based Black Economic Empowerment Act (No. 53 of 2003)
- Promotion of Access to Information Act (No. 2 of 2000)
- The Promotion of Administrative Justice Act (No. 3 of 2000)
- Protection of Personal Information Act (No. 4 of 2013)
- Disaster Management Act; 2002 Act (No. 57 of 2002)
- Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF)
- Economic Reconstruction and Recovery Plan (ERRP)

### Other Frameworks

- National Transport Master Plan 2050
- Human Resources Development Strategy of South Africa
- Medium-Term Strategic Framework (MTSF)
- Industrial Policy Action Plan (IPAP)
- National Skills Accord
- Strategic Integrated Projects
- National Digital Future Skills Strategy
- Framework for Strategic Plans and Annual Performance Plans
- Framework for Managing Programme Performance Information

### 2.1.3 Policy Mandate

- Implement the SSP and promote learnerships in each of the subsectors of the SETA;
- Perform the functions of an ETQA body and liaise with the NSA on skills development matters;
- Conclude an SLA with the Director-General of the Department of Higher Education and Training (DHET) in terms of Section 10A of the Act;
- Promote the national standards established in;
  - Industrial Policy Action Plan
  - National Skills Accord
  - Strategic Integrated Projects
  - White Paper for Post-School Education and Training
- Comprehensive Rural Development Programme
- Corporate Governance of Information and Communication Technology Policy Framework
- Submit budgets, reports, and financial information to the Director-General of the DHET, as stipulated by the PFMA;
- Facilitate the involvement of government departments in addressing competency requirements for the social development and learning needs of the most vulnerable segments of the sector;
- Promote the training needs of SMMEs to increase capacity to qualify for public contracts; and
- Actively pursue concrete measures to achieve the objectives of the Act.

## 3. TETA Organisational Structure







2022

23



PART B

Performance Information



# 1. Auditor's Report: Annual Performance

The 2022/23 external audit conclusions on the annual performance report for the Transport Education Training Authority is included in the auditor's report section: The report on the audit of the annual performance report on pages 118 to 121.

## 2. Overview of TETA Performance

### 2.1 Situational Analysis

Transportation is critical to all aspects of the economy. It supports clusters of agglomerations, increases productivity, enhances job and labour market accessibility, opens new markets for businesses and enhances supply chain efficiency. This section will outline the overall operational environment of the SETA covering the external environment using PESTEL, specific transport sector key forces extracted from the Sector Skills Plan, and the internal analysis using SWOT analysis and other related instruments.

to lay bare all forces that influenced the performance and operations of the SETA in the year under review.

Organisationally, South Africa's Transport sector is divided into eight chambers/subsectors according to the four modes of Transport, namely:

- Land (which consists of rail, road freight, road passenger and taxi);
- Air (which consists is aerospace);
- Sea (which consists of maritime); and
- Inter-or multi-modal (which consists of forwarding & clearing and freight handling).

### 2.2 Standard Industrial Classification Codes

Table 1 below provides more insight and breakdown of the transport sub-sectors and standard industry codes (SIC) where training and development in the sector resides.

Table 1: A breakdown of the transport sub-sectors and Standard Industry Classification Codes (SIC)

SUB-SECTOR	SIC CODE	DESCRIPTION
Aerospace	73000	Air Transport
	73001	Civil Aviation
Forwarding and Clearing	71232	Freight Forwarding and Clearing
Freight Handling	71300	Transport via Pipelines
	74110	Cargo Handling
	74120	Storage and Warehousing
Maritime	13100	Ocean and Coastal Fishing
	72000	Water Transport
	27111	Coastal Shipping
	72112	Ocean Fishing
	72200	Inland Water Transport
Rail	71112	Railway Commuter Services
	49120	Freight Rail Transport
Road Freight	71230	Freight Transport by Road
	94004	Waste Management
Road Passenger	71200	Other Land Transport
	71211	Urban, Sub-Urban/Inter-Urban Bus/Coach
	71212	School Buses
Taxi	71221	Taxi

Source: Statistics South Africa, Gross Domestic Product (2020)

## 2.3 Key role players

The transport sector consists of a variety of key stakeholder performance drivers as summarised and consolidated into six groups under Table 2.

Table 2: Key role players in the transportation sector

Categories	Roles	Contribution to linking education and workplace in relation to the NSDP 2030
Civil Society	Engage in advocacy and offer alternative policies for the government on societal matters such as (gender, transformation, youth skills development and employment).	In most cases, these self-organised groups are implementers of skills programmes on the “ground”. They are at the forefront of the interventions.
Employer Associations	Influencing skills development through submission of the workplace skills plan (WSP), representation on committees of TETA, representation and articulation of employer’s interest in various policy platforms.	These key role players are the main drivers of the sector. They lead technological advances, they contribute to training content and the development thereof. They are the creators of employment opportunities.
Government	Represent interests of the state in national skills development, policy making for education and training in the transport sector delivery.	The government provides an enabling environment for the possibility of skills development and employment for the sector. It provides a regulatory framework as well as holding other parties accountable to their social contract.
Organised labour movement	Help in the articulation of organised labour’s interest in various policy platforms, contribution to education and training negotiations, public management of transport resources and dispute resolution.	Acting on behalf of the workforce, labour movements are there to ensure a conducive environment in the workplace. Unions play a critical role in ensuring that skills innovations and changes happen.
Regulatory bodies	Ensures that workers competently perform their jobs and protect workers’ right to practice, advocate for the introduction of skills training in hard-to-fill skills areas.	These bodies contribute to quality standards in the transport sector. They ensure that the quality and safety in both training and practice in the sector are of the highest quality.
Training providers	Represent interests of training providers in policy platforms, contribute to education and training quality assurance, curriculum development and delivery thereof.	These institutions are there to supply skills to the sector. They ensure that new entrants are ready for the workplace.
Post-School Education System (PSET)	Interfaces with the SETAs in benefiting those in need of funding and curriculum alignment with industry	The PSET system provides the country with educational institutions – universities, TVET and community colleges – that are largely funded directly from the fiscus through grants from the DHET budget.

These performance drivers assist the SETA in linking training and education with employment:

## 2.4 Service delivery environment

### 2.4.1 Environment Analysis

TETA's service delivery environmental analysis is encapsulated in the Political, Economic, Socio-cultural, and ethical, Technology and information, Environmental and Legal including regulatory (PESTEL) framework. The PESTEL table 3 below provides a short summary of the factors per dimension:

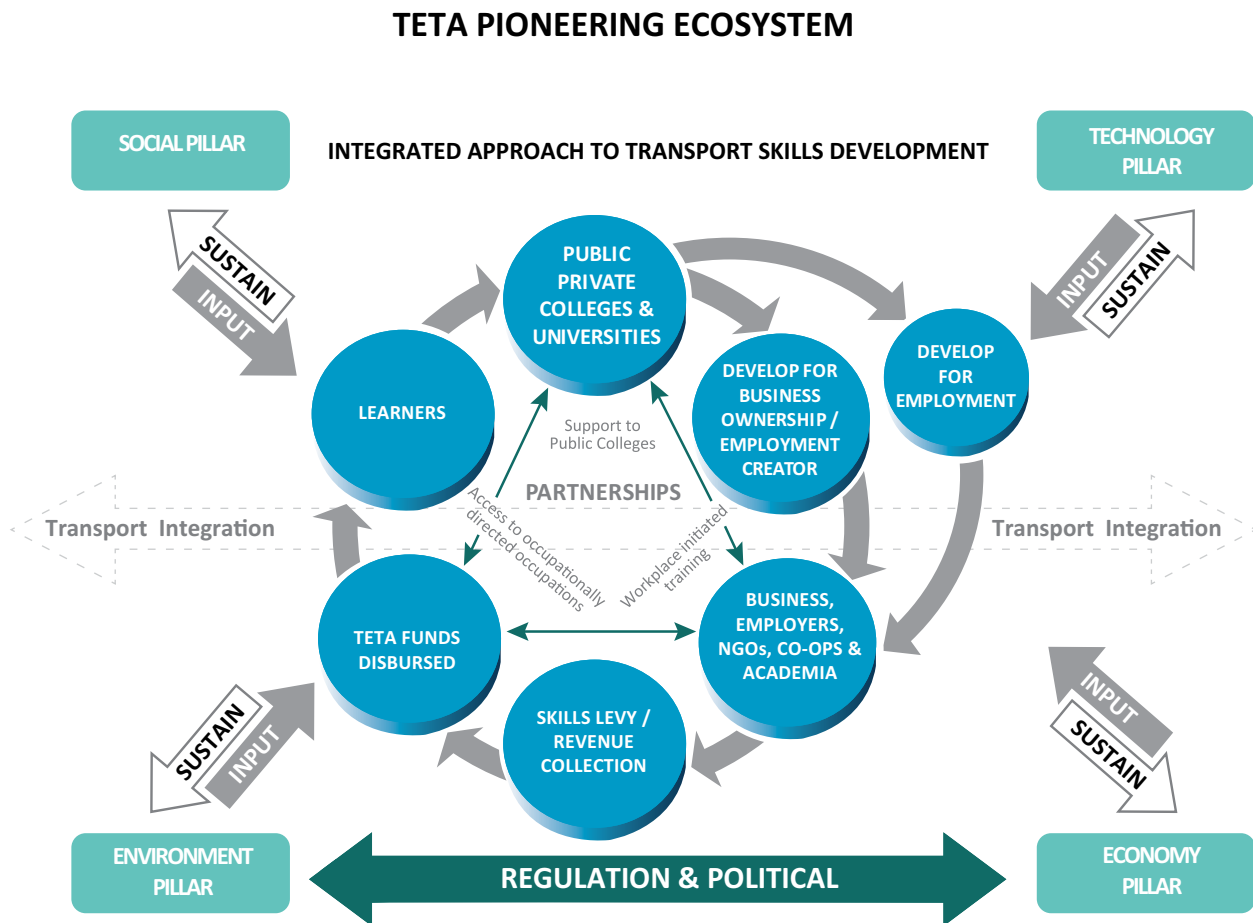
Table 3: External factors that have a bearing on the effective delivery of skills development (PESTEL)

Political	Economic	Socio-cultural and Ethical
<ul style="list-style-type: none"> <li>Political pressure</li> <li>Employers not embracing transformation imperatives, demonstrated resistance to change</li> <li>Labour Policies</li> <li>Lack of inter-ministerial collaboration</li> <li>Changes in government structure (departments and leadership)</li> <li>Taxi industry transformation</li> <li>Trade agreements</li> </ul>	<ul style="list-style-type: none"> <li>Labour disputes and protests</li> <li>Utilisation of training budget in the public service</li> <li>Company closures</li> <li>Fraud and corruption</li> <li>Competition and barriers to entry</li> <li>Unstable global economy</li> <li>SETA mandate stretched without matching budget increases</li> <li>High unemployment rate</li> <li>Skills drain due to pandemics</li> <li>Destruction of infrastructure</li> <li>Interruptions of the supply chain</li> <li>Loadshedding</li> </ul>	<ul style="list-style-type: none"> <li>Prevalence of pandemics</li> <li>Significant societal disparities between rural and urban areas</li> <li>Protests and vandalization of transport infrastructure</li> <li>Taxi industry disputes</li> <li>Road carnage</li> <li>Substance abuse</li> <li>Employee wellness</li> <li>Vaccination rollout</li> </ul>
Technology and Information	Environmental (Natural)	Legal and Regulatory
<ul style="list-style-type: none"> <li>Shift to technology increases the elitist group of participants</li> <li>The Sector Education and Training Management Information System (SETMIS) and the Quality Council for Trades and Occupations (QCTO) quarterly management reporting</li> <li>Fourth industrial revolution, (e.g., electric buses) shift to technology/ automation</li> <li>High cost of data and IT infrastructure</li> <li>Limited access to technology by rural areas</li> <li>Shortage of IT equipment</li> </ul>	<ul style="list-style-type: none"> <li>Focus on the green economy provides opportunities for research and awareness programmes</li> <li>Green economy also places pressure on transport operators to comply or face hefty penalties</li> <li>Volatile energy supply</li> </ul>	<ul style="list-style-type: none"> <li>Change in legislation (e.g. BBBEE)</li> <li>Bureaucracy in legislation approvals</li> <li>Disaster Management Act and Related Regulations (Lockdown)</li> </ul>

## 2.4.2 TETA Pioneering Eco-System

The transport sector continues to implement a pioneering ecosystem to avert and take advantage of the effects of the PESTEL elements. The pioneering ecosystem is underpinned by social, technological, economic and environmental pillars. The Figure 1 below provides more insight into how the SETA integrates its approach towards skills development in the sector:

Figure 1: TETA Pioneering Eco-system



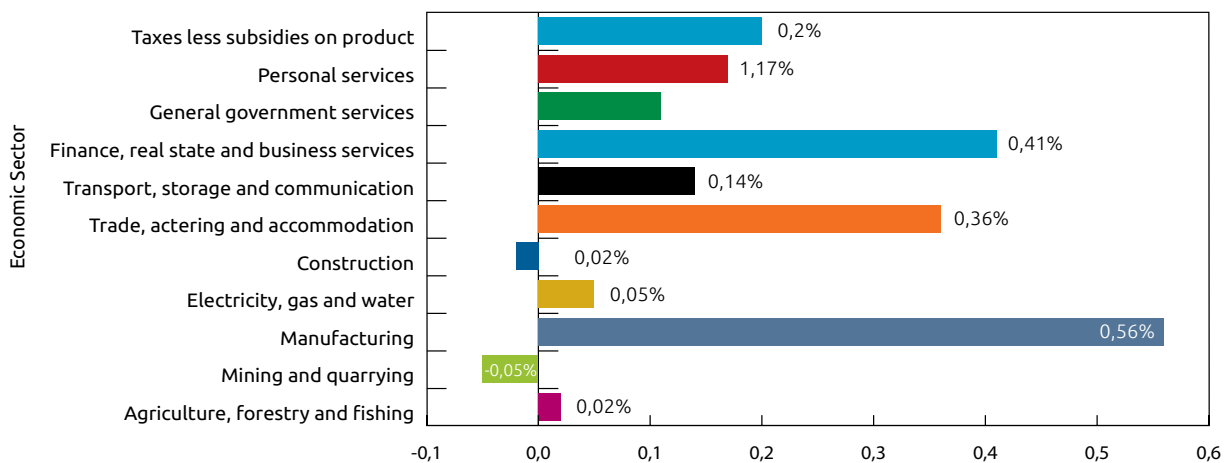
### 2.4.3 Economic Performance

The planning cycle for 2022/23 considered the economic performance of the sector against the overall performance of the country. The year under review had to mirror the economic performance of the sector in the first quarter as a baseline to estimate revenue collection to implement or roll-out planned programmes for 2022/23 financial year.

The real Gross Domestic Product (measured by production) increased by 1,9% in the first three months of 2022, following an increase of 1,4% in the fourth quarter of 2021 (STATSSA, 2022). This growth rate is slightly higher than it was before COVID-19 lockdown. The increase in economic performance is partly due to the relaxation of COVID-19 lockdown restrictions.

The Figure 2 below presents the contribution to GDP growth by sector, the transport, storage and communications industry contributed 0,1 percentage point to the GDP growth, and this is mainly attributed to the slow recovery from the covid pandemic disruptions further, Table 4 below represents annualised percentage change in the seasonally adjusted quarterly growth rate by industry.

Figure 2: Contributions to growth in GDP by sector in Q1 2022 (% points)



Source: STATSSA (GDP Q1 2022)

Table 4: Annualised percentage change in the seasonally adjusted quarterly growth rate by industry

Sector	2021 – Q1	2021 – Q2	2021 – Q3	2021 – Q4	2022 – Q1
Agriculture, forestry and fishing	6.1	11.3	-24.7	16.4	0.8
Mining and quarrying	4.1	2.0	-1.1	-3.2	-1.1
Manufacturing	0.4	-1.8	-4.3	2.4	4.9
Electricity, gas and water	-0.6	0.6	0.3	-3.1	2.0
Construction	0.2	-1.6	-1.1	-2.6	-0.7
Trade, catering and accommodation	0.9	3.2	-4.4	3.9	3.1
Transport, storage and communication	-2.8	6.7	-1.6	2.9	1.8
Finance, real estate and business services	0.9	-0.5	1.2	-0.7	1.7
General government services	0.2	-0.5	0.3	-0.3	1.4
Personal services	1.0	2.7	0.3	2.5	1.1
Total value added at basic prices	0.8	1.4	-1.9	1.4	1.9
Taxes less subsidies on products	1.4	1.1	-1.2	1.3	2.1
GDP at market prices	0.8	1.4	-1.8	1.4	1.9

Source: STATSSA (GDP Q1 2022)

## 2.4.4 Transport sector

The transport sector as the engine of the South African economy remained resilient amidst post COVID-19 effects and after effects of the July 2021 social unrests. This section unpacks economic growth post-COVID-19, transport infrastructure considerations, competitiveness and size of the transport sector operational environment. The geographical footprint of the transport sector is highlighted to give context to performance information contained in the report.

### 2.4.4.1 Economic growth post-COVID-19 pandemic

After the resurgence of COVID-19 infections towards the end of 2021, the International Monetary Fund (IMF) lowered its expectation for global growth in 2022 from 4,9 to 4,4 per cent (National Treasury, 2022). This happened alongside elevated inflation rates, the withdrawal of the United States fiscal support package and the consequences of volatility in China's troubled real-estate sector. Alongside elevated inflation rates, the withdrawal of the United States fiscal support package and the consequences of volatility in China's troubled real-estate sector. It is projected that by the end of 2022, developed countries will have returned to pre-pandemic output levels, but developing countries will not have fully recovered. In many cases, employment continues to recover more slowly than GDP. South African unemployment is still heavily affected by the COVID-19 pandemic. The official unemployment rate was 34,5% in the first quarter of 2022, according to Quarterly Labour Force Survey (STATSSA, 2022a).

Fortunately, the South African government has lifted the National State of Disaster, as of 4 April 2022. However, there remains a high degree of uncertainty over the trajectory of the virus and policy responses. It has been reported that the country is experiencing a new surge of COVID-19 from the Omicron sub-variant (NICD, 2022). The new variant is expected to prolong the pandemic and disrupt economic activity. The National Treasury projected real economic growth of 2,1 per cent in 2022, compared with 2021 Medium Term Budget Policy Statement (MTBPS) estimates of 1,8 per cent. Real GDP growth is expected to moderate to 1,7 per cent in 2024. Although South Africa is still expected to return to pre-pandemic production levels this year, it is important to note that the economy was in recession before the outbreak of the pandemic – largely due to the impact of existing structural constraints (National Treasury, 2022).

### 2.4.4.2 Transport Infrastructure

There is consensus amongst both public and private sector stakeholders that there is an urgent need for the South African Government to upgrade infrastructure across multiple economic sectors. Investment in and the prioritisation of transport infrastructure to boost economic growth and create jobs has been highlighted by the Infrastructure Fund (IF) and Infrastructure South Africa (ISA). According to a report by the IMF, "amongst OECD countries, an increase of 1% in infrastructure investment, decreases unemployment by 0,11% in the short term and 0,35% in the medium term. However, South Africa has not yet tapped into this potential at scale" (Kobus, 2022).

### 2.4.4.3 Transport sector competitiveness

The transport sector is critical in driving the various sectors of the South African economy and the competitiveness of South Africa in the global markets. The sector is the engine that drives the South African economy and socio-economic development in the country. In addition to serving the South African economy the sector also plays a critical role in serving regional countries that use the sector's infrastructure i.e., roads, ports, rail, air etc. to transport goods. To strengthen the competitiveness of the sector, the South African government is putting several measures and interventions such as the rail sector reforms that are aimed at improving efficiency, effectiveness, and competitiveness (Kneale, 2021). In addition, during the State of the Nation Address, the State President highlighted the plans to corporatize the Transnet National Port Authority to create greater efficiency, lower costs and increase the competitiveness of the sector (SONA, 2022). These plans are also complemented with further plans to allow the private sector rail operators to have access to the rail freight network – this will increase investment in the sector by the private sector and increase the volume of goods that are transported through rail.



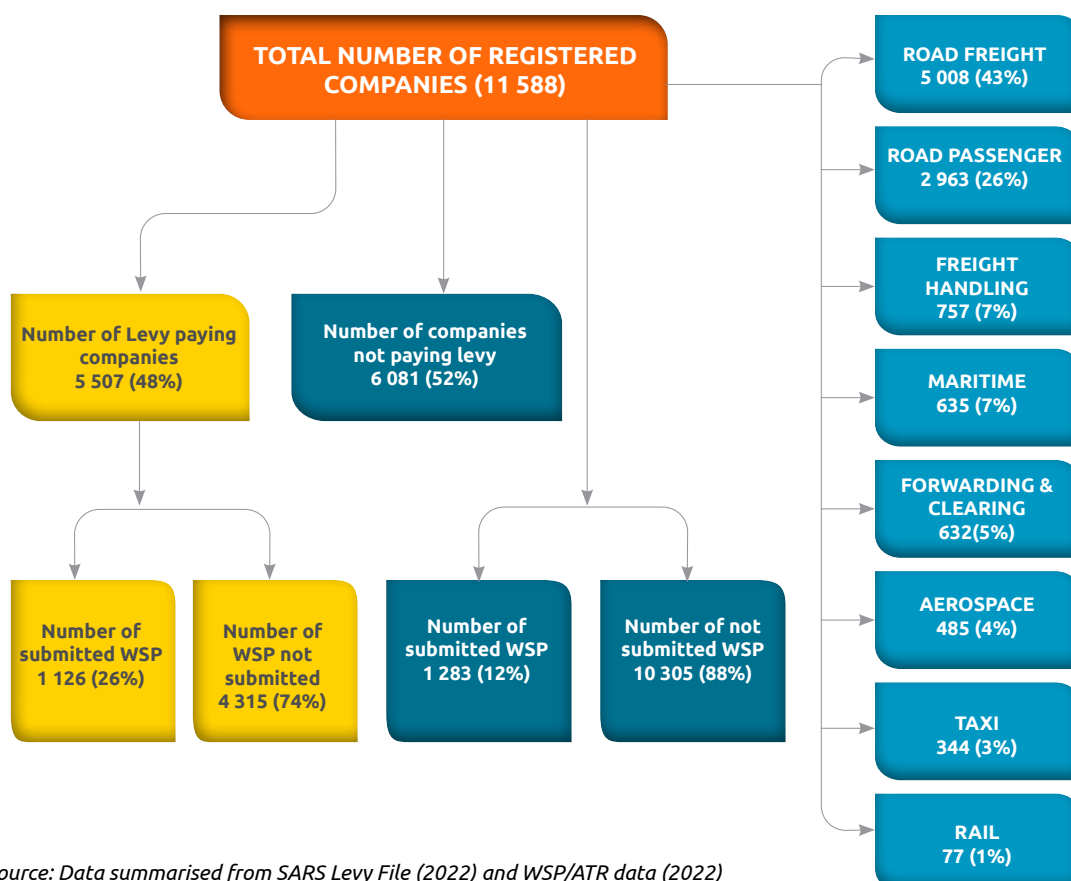
The road freight sector is the preferred mode for most of the goods transported in South Africa and to other regional countries. Despite its importance the road freight is facing several challenges that include floods in KwaZulu Natal, high global oil prices, sporadic unrests that disrupt the movement of goods and damage to infrastructure. In addition to these challenges, there is also a reduced demand due to limited consumer spending, high input costs and competition from e-commerce and labour demands (Kneale, 2021).

With regard to Aerospace, the subsector is competitive, however, it is facing some challenges. South Africa's ten airports handle more than 98% of the country's commercial traffic, with 200 000 aircraft landings and 10 million departing passengers annually. These are the OR Tambo International in Johannesburg, Cape Town International, and the King Shaka International, outside Durban. The seven smaller airports are domestic airports: Port Elizabeth, East London, George, Kimberley, Upington, Pilanesberg, Lanseria (Midrand), Gateway (Polokwane), Kruger Mpumalanga International Airport (Mpumalanga). The competitiveness of the sector is threatened by the reduced capacity of South African Airways and the current liquidation process of Comair airline. The implication is that jobs are lost and the contribution of the sector to the economy is also reduced.

The sector is also increasing its competitiveness through adopting 4IR technologies and capitalising on opportunities that arose from the pandemic. The sector has been capitalising on growth in the e-commerce and food delivery business. In addition, the sector is also exploring new skills that complement the current new business models and shifts in technological advancements.

#### 2.4.4.4 Employer Profile

Figure 3: Number of companies represented in the sector and its subsectors.



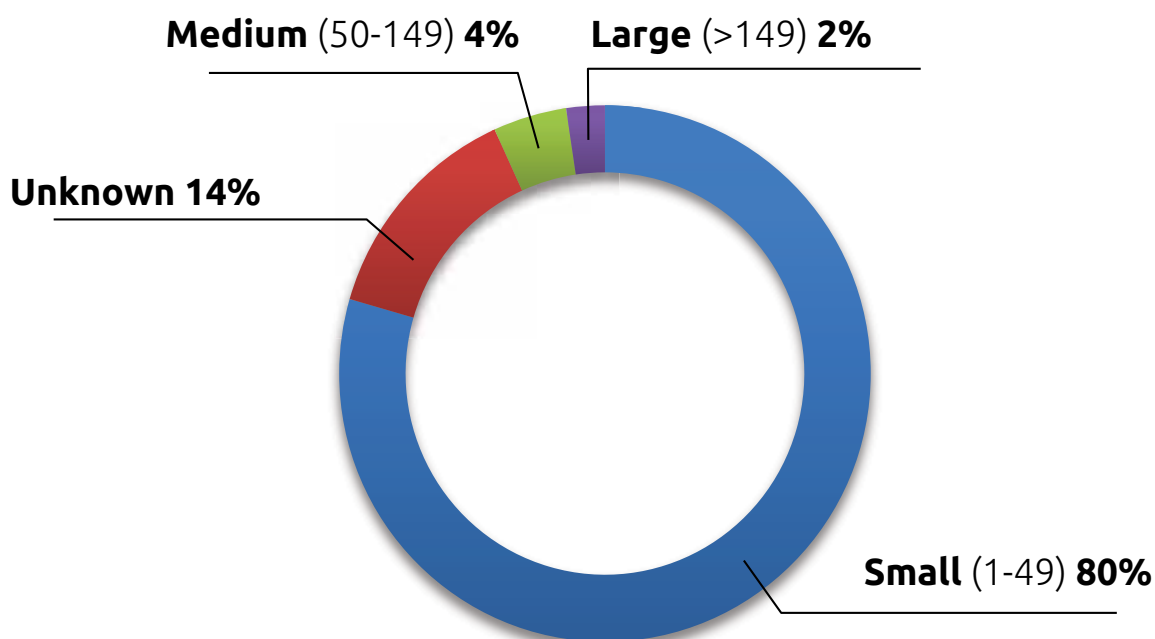
Source: Data summarised from SARS Levy File (2022) and WSP/ATR data (2022)

Out of the 11 588 active companies, 5 507 (48%) companies are paying levies. With regards to companies paying levies, they increased by over a thousand from the previous year. The high market concentration of the transport sector suggests that skills levy payments and WSP/ATR submissions will always be relatively low as small companies are exempted from paying levies according to the Skills Development Levy Act, and the submission of WSP/ATR is perceived to be a costly exercise, with little to no benefit by sector SMMEs. Figure 3 also shows that the highest number of registered and active companies are in the Road Freight subsector (43%), followed by those in the Road Passenger subsector (26%), Maritime and Freight Handling (both at 7%). The rail subsector has the least number of active companies, at 1%.

#### 2.4.4.5 Transport sector employer sizes

The transport sector has a high SMMEs market concentration. The Figure 4 below shows that 80% of the transport industry companies employ between 1 to 49 persons and are thus classified as small businesses. Companies classified as large companies (i.e., those employing over 149 people) account for a small proportion of registered and active companies in the transport sector (2%). The medium size companies (those employing between 50 and 149 people) account for 4% of the transport sector, while the size of 14% is unknown in the South African Revenue Service (SARS) Levies file.

Figure 4: Transport sector companies by size

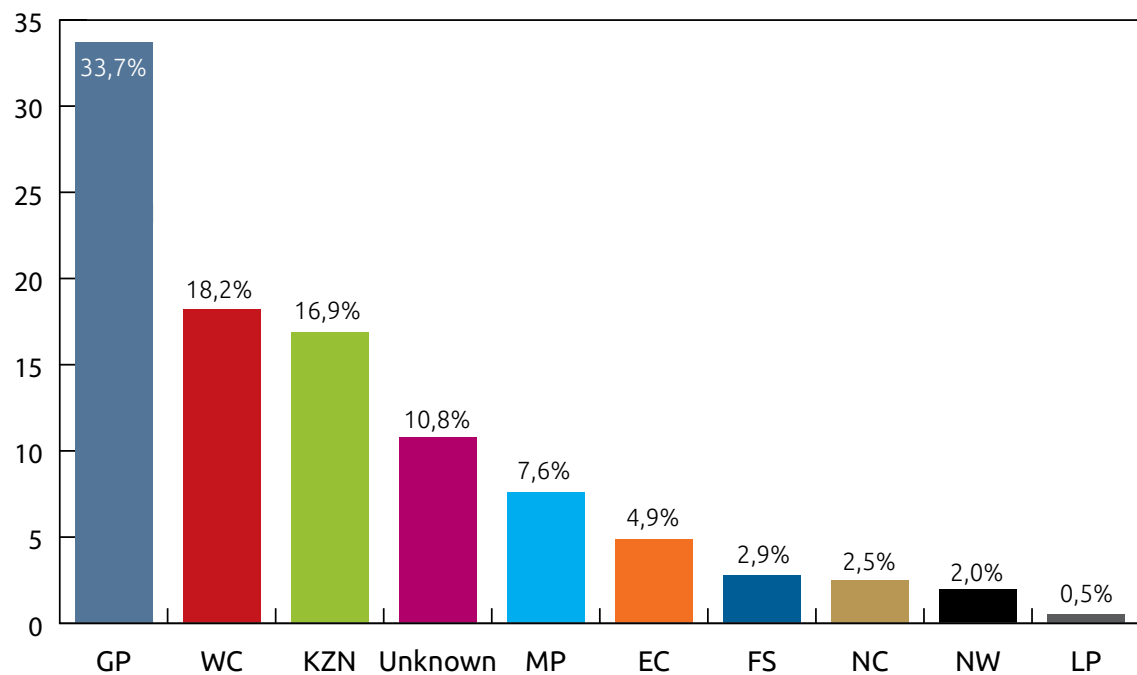


Source: Data summarised from SARS Levies File (2022)

#### 2.4.4.6 Employers geographical spread

Figure 5 represents the geographical distribution of the transport sector companies across the nine provinces in South Africa. The 2022 SARS Levies file shows that transport sector companies are mainly concentrated around major metropolitan and coastal cities. According to STATSSA (2017; 2019), the three largest provinces in terms of GDP are Gauteng, Western Cape, and KwaZulu-Natal. Therefore, it is no surprise that most of the transport sector companies are located within these provinces. Gauteng hosts 33,7% companies, the Western Cape hosts 18,2% companies, and KwaZulu-Natal has 16,9%. The other registered and active transport companies are located in Mpumalanga (7,6%), the Eastern Cape (4,9%), the Free State (2,9%), Northern Cape (2,5%), North West (2,0%) and Limpopo (0,5%).

Figure 5: Geographical distribution of Transport sector companies (n=11 588)



Source: SARS Levies File (2022)



## 2.4.5 Labour market profile

It is imperative for the reader to take cognisance of the transformational imperatives of the country and how the transport sector is represented to bring context to the performance information reported by the SETA in this report. The analysis in this section shows the number of persons employed in the industry/sector, including distribution by race, gender, age and disability, employment by subsectors, provincial distribution of employees and employment by occupational group.

### 2.4.5.1 Number of individuals employed in the sector

According to the latest South Africa's Quarterly Labour Force Survey (STATSSA QLFS Q1 2022) released on the 31st of May 2022, the transport sector ranks seventh in the employment industry list. Table 5 below shows that the Transport, Storage and Communication industry experienced a quarter-to-quarter increase of 9 000 new employees between December 2021 and January 2022. There was also an annual increase of 58 000 new employees. While the statistics presented also include the Telecommunications sector, the annual increase in employment is reflective of the increase in activity in various subsectors including the Road Freight subsector, as the growth of e-commerce has continued.

Table 5: Employment by industry

	Jan-Mar 2021	Oct-Dec 2021	Jan-Mar 2022	Quarter- to- Quarter Change	Year- on-year Change	Quarter- to- Quarter Change	Year- on-year change
	Thousand					Percent	
<b>Total Employed</b>	<b>14 995</b>	<b>14 544</b>	<b>14 914</b>	<b>370</b>	<b>-81</b>	<b>2,5</b>	<b>-0,5</b>
Agriculture	792	868	844	-23	52	-2,7	6,6
Mining	395	370	406	36	11	9,7	2,7
Manufacturing	1 497	1 316	1 579	263	82	20,0	5,5
Utilities	115	82	103	21	-12	26,3	-10,5
Construction	1 079	1 133	1 073	-60	-6	-5,3	-0,5
Trade	2 979	2 896	2 994	98	15	3,4	0,5
<b>Transport</b>	<b>903</b>	<b>951</b>	<b>960</b>	<b>9</b>	<b>58</b>	<b>1,0</b>	<b>6,3</b>
Finance	2 527	2 404	2 332	-72	-195	-3,0	-7,7
Community and social services	3 567	3 264	3 546	281	-21	8,6	-0,6
Private households	1 127	1 258	1 072	-186	-55	-14,8	-4,9

Source: SARS Levies File (2022)

### 2.4.5.2 Employment by gender

While the Q1 2022 Quarterly Labour Force Survey in Table 6 below indicates that more men were employed in the transport sector, however there was a higher quarter-to-quarter change amongst female employees (7,4%), but a quarter-to-quarter decrease in male employees (-0,4%). Moreover, while the figures in the same table below show a higher year-on-year increase in the number of male employees (33 000), the percentage of the year-on-year increase in female employees (16,6%) was far higher than that of the male employees (4,4%). The latter shows that the transport sector has been making a concerted effort to employ more women each quarter, as well as annually.

Table 6: Employment by Gender

	Oct-Dec 2021	Jan-Mar 2022	Quarter-to-Quarter change	Year-on-year change	Year-on-year Change	Quarter-to-Quarter Change	Year-on-year change
	Thousand					Percent	
<b>Total</b>	<b>903</b>	<b>951</b>	<b>960</b>	<b>9</b>	<b>57</b>	<b>1,0%</b>	<b>6,3%</b>
<b>Women</b>	150	163	175	12	25	7,4%	16,6%
<b>Men</b>	752	788	785	-3	33	-0,4%	4,4%

Source: Statistics South Africa 2022. Quarterly Labour Force Survey Quarter 1: 2022.

### 2.4.5.3 Employment by race

Table 7 below shows the racial distribution of employees in the transport sector.

Table 7: Racial distribution of employment in the transport sector

	Jan-Mar 2021	Oct-Dec 2021	Jan-Mar 2022	Quarter-to-Quarter Change	Year-on-year Change	Quarter-to-Quarter Change	Year-on-year change
	Thousand					Percent	
<b>Total</b>	<b>903</b>	<b>951</b>	<b>960</b>	<b>9</b>	<b>57</b>	<b>0,9</b>	<b>6,3</b>
<b>African/Black</b>	711	729	698	-31	-13	-4,3	-1,8
<b>Coloured</b>	77	78	98	20	21	25,6	27,3
<b>Indian/Asian</b>	33	17	44	27	11	158,8	33,3
<b>White</b>	82	127	120	-7	38	-5,5	46,3

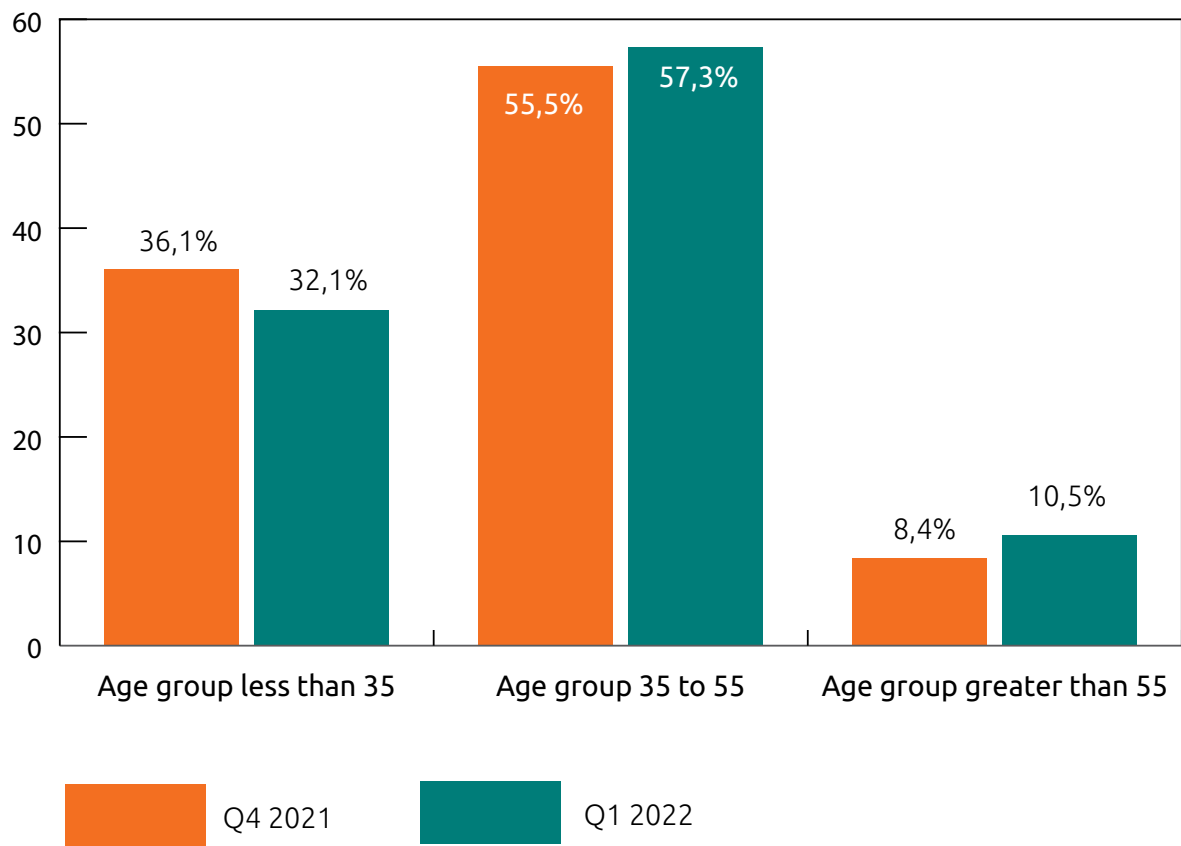
Source: Statistics South Africa 2022. Quarterly Labour Force Survey Quarter 1: 2022.

The QLFS data shows that in quarter 1 of 2022 black African employees (72,3%) constituted most of the workforce in the transport sector. This was followed by White employees (12,7%), Coloured employees (10,4%), and 4,7% of the Transport sector workforce is made up of Indian/Asian employees. The statistics show that there is large representation of black African people, which is in line with the country's demographics. It is however important to note that both the quarter-to-quarter change (-4,3%), and year on year change (-1,8%) reveal that the proportion of black African employees in the transport sector has in fact decreased. In addition, data provided by the QLFS shows that most black African employees (56,4%) of transport sector companies are employed as Plant and Machine Operators and Assemblers, 13,7% are employed in Elementary Occupations, and 8,6% are Clerks. Only 10,5% of the Black African employees hold Managerial positions across all transport sector companies and only 2,5% are professionals employed in transport companies. This suggests that there is no true transformation occurring in the transport sector.

#### 2.4.5.4 Employment by Age

The dominant age group of employees within the transport sector is 35 to 55 years old (57,3%) as shown in Figure 6 below. In quarter 1 of 2022, there was a slight increase in the number of employees between the age of 35 to 55. Secondly, employees aged 35 years and younger represented every 3 in 10 (32,1%) employees in the transport sector companies in quarter 1 of 2022. There was a 4% decrease in the youth employed between quarter 4 of 2021 (36,1%) and quarter 1 of 2022 (32,1%). The over 55 years age group of employees made up 10,6% of the transport sector labour force, which was a slight increase from quarter 4 of 2021. The latter highlights the concern that stakeholders raised during the SSP workshops, that some companies must retain retiring staff or re-hire retired employees because of the lack of skilled young people entering the sector.

Figure 6: Employment in the transport sector by Age Group



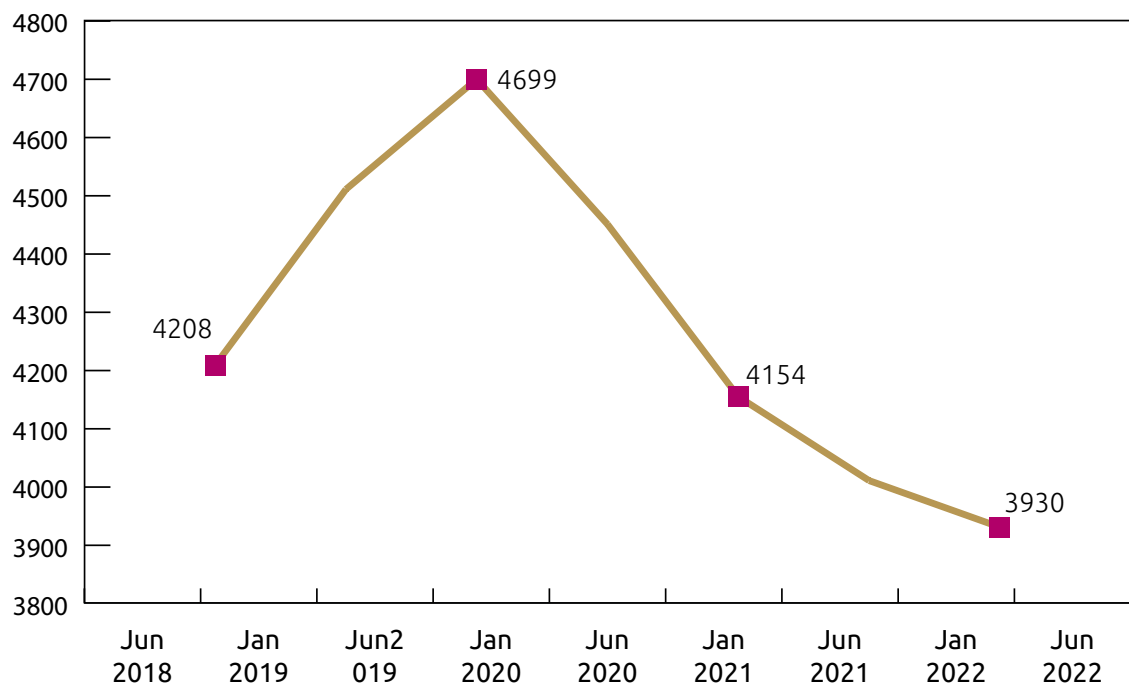
Source: Statistics South Africa 2022. Quarterly Labour Force Survey Quarter 1: 2022.



#### 2.4.5.5 Employment of Persons with disability

The information on the proportion of Persons with Disabilities (PwDs) working in the transport sector was obtained from the 2022 WSP/ATR. Figure 7 below shows that the number of PwDs employed by transport companies that submitted the WSP/ATR has continued to decrease from 4 699 in 2020, to 4 154 persons in 2021, and in 2022, 3 930 showing a further decline. This is a 13% decline and shows a serious need to prioritise this demographic group because Employment Equity Act requires that this group be prioritised, and the White Paper on the Rights of Persons with Disabilities highlights issues around the inadequate training of PwDs, and the need to facilitate skills development to enhance their ability to access employment opportunities (Department of Social Development, 2016). This decline might have been exacerbated by the effects of the COVID-19 pandemic.

Figure 7: Number of Persons with Disabilities employed by companies who submitted the WSP



Source: WSP/ATR (2019 - 2022)

#### 2.4.5.6 Employment by subsectors

Table 8 below shows the employee distribution according to transport subsector, based on data generated from the WSP/ATR 2022. The road passenger subsector is the largest employer, employing 28,6% of the transport sector labour market. This is followed by the rail subsector, which employs 23,1% of the employees. Thirdly, the road freight companies account for 18,6% of the total employee make up. Freight handling is the fourth largest employer (10,8%), this is followed by forwarding and clearing companies that submitted at 8,4% of the employee count, then Aerospace, Maritime and the Taxi industry at 4,7%, 4,3% and 0,1%; respectively.

Table 8: Employment Distribution by transport subsector in 2022

SUB-SECTOR	NUMBER OF EMPLOYEES	PERCENT
Aerospace	14 104	4,7
Forwarding and Clearing	25 151	8,4
Freight Handling	32 124	10,8
Maritime	12 830	4,3
Rail	69 012	23,1
Road Freight	55 500	18,6
Road Passenger	85 442	28,6
Taxi	312	0,1
Unknown	4 287	1,4
<b>Total No. of Employees</b>	<b>298 762</b>	<b>100,0</b>

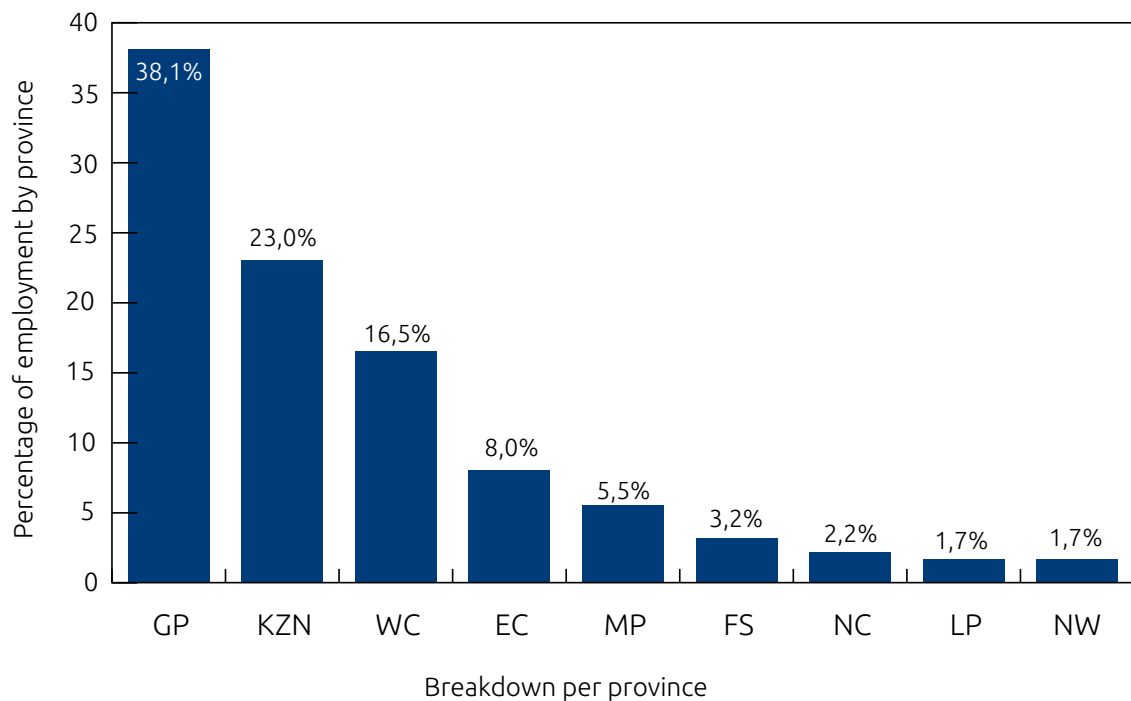
Source: WSP/ATR File (2022)



#### 2.4.5.7 Provincial Distribution of employees

Figure 8 below represents the provincial distribution of Transport sector employees, based on the 2022 WSP/ATR data. It is not surprising that the number of employees in the provinces corresponds to the economic performance. Thus, Gauteng province is the largest employer of Transport sector staff (38,1%), which is not surprising given its economic status in the country's economy. The KwaZulu Natal province is the second largest employer of Transport sector employees as it employs 23,0% labour force in the sector. This province has been hard hit by a multitude of factors in addition to the pandemic, including the July 2021 social unrest which began in the KZN province, and more recently the floods that devastated the province. The third largest employer is the Western Cape province, with 16,5% of the labour force in the sector. This is followed by the Eastern Cape province (8,0%), the Mpumalanga province (5,5%), the Free State province (3,2%), Northern Cape (2,2%), the Limpopo province (1,7%), and the North West province (1,7%).

Figure 8: Transport sector employment by province

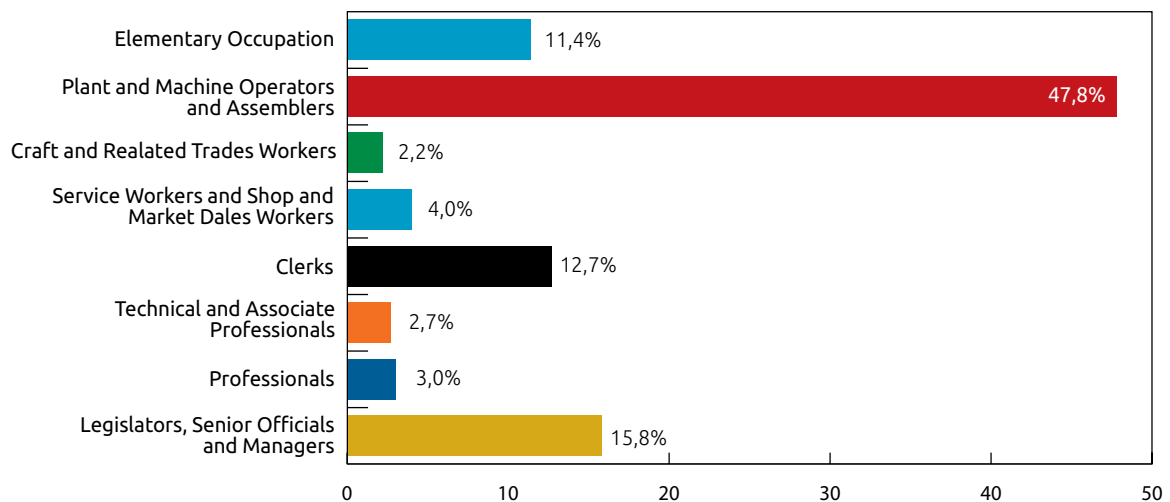


Source: WSP/ATR (2022)

#### 2.4.5.8 Employment by Occupational Group

Findings presented in this section are based on the QLFS Q1 of 2022. Figure 9 below shows that there are four dominant occupational groups. The first dominant occupational group are those employees employed as Plant and Machine Operators and Assemblers (47,8%). The second dominant group are the Managers. The third dominant occupational group are the Clerical Support Work (12,7%). The fourth dominant group are those working in Elementary Occupations (11,4%). The occupational groups with fewer than 10% of the employee divide include those categorised as Professionals (3,0%), Technical and associate professionals (2,7%); and Craft and Related Trades Workers (2,2%).

Figure 9: Employee Distribution according to Major Occupational Group



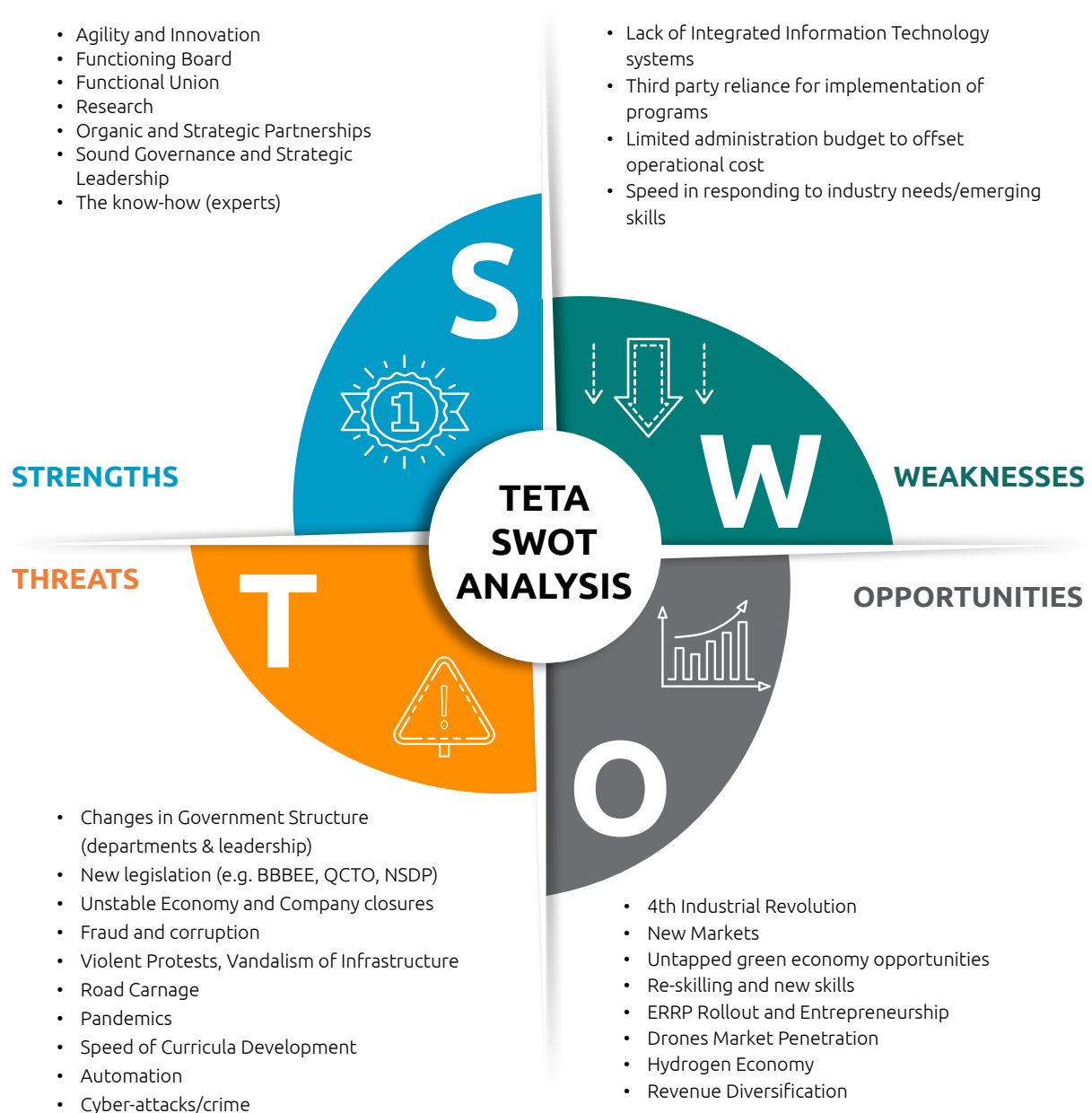
Source: Statistics South Africa 2022. Quarterly Labour Force Survey Quarter 1: 2022



## 2.5 Organisational Environment

### 2.5.1 Swot Analysis Matrix

The internal operational environment for TETA is analysed using the SWOT analysis matrix. This tool has been used to diagnose pain points for the SETA's operating environment and highlight areas leveraged in the course of service delivery in the year under review. The results of the SWOT analysis are summarised below to provide insight into the internal organisational environment. The insights provide mitigations for the challenges identified and equally expound on opportunities and strengths leveraged to enhance TETA's organisational performance in executing its mandate.



## Strengths

Leverage on staff expertise, competence and quality service delivery allowed the SETA to improve its performance from 89% in the previous year to 93% in the year under review. The overall leadership of the SETA assisted in the proper functioning of the organisation with sound governance from the accounting authority, executive management, and management staff. Delegation of TETA staff into strategic committees and task teams within the transport sector affirms the quality and trust afforded to the SETA personnel which is a strength leveraged in the year under review. Direct interface and segmentation of stakeholders for revenue assurance, priority projects and agility in the implementation key projects supporting national priorities remained the strength of the SETA in the year under review. The research arm of the institution and related collaborations assisted the organisation with strategic insights and empirical data to formulate focussed strategies and plans to advance the mandate of the SETA.

## Weaknesses

The SETA manages over 800 third parties contracted through the discretionary grant funding to rollout skills development and training programmes across beneficiaries. The quality of service rendered by the third parties in the delivery of the services subjects the SETA brand into reputational risks owing to non-delivery of required services, quality of information entered into reporting systems and not prioritising the needs of beneficiaries in the delivery of service. The ICT systems that are still lagging behind in integration limits the ability of the institution to optimise the speed, efficiency and quality provided by optimal functioning ICT systems. Constrained budgets to leverage the demands of skills development and training within the 10,5% threshold for administration, stretches the organisational resources beyond capacity compared to the number of third parties implementing programs for the SETA.

## Opportunities

The transport sector is central to the economy of the country, as such, the SETA leverages collaborations, and partnerships for mutual benefit. The dawn of hydrogen economy propelled the SETA to forge partnerships with other SETAs to take advantage of the opportunities presented by hydrogen and tap into the research hub of such SETAs to advance skills and programme planning. Revenue diversification through organic collaborations to offset costs for training were opportunities leveraged by SETA in the year under review. Targeted stakeholder engagements to improve program management, appraise on new legislative developments and increase alignment of processes afforded all stakeholders in the skills development value chain an opportunity to deliver on the mandate of the SETA and increase the population of beneficiaries trained through the SETA.

## Threats

The devolution of the QCTO functions to new structures continues to be a threat to the existence of the ETQA units within the SETA. Subsequently, the slow turnaround in the development of new occupations to offset legacy qualifications reaching the end of life poses a greater threat to the skills development and training arena. Slow uptake and accreditation of providers to offer the new occupations threatens to the overall offering of the SETA.

The institution is threatened by the funding model for administration expenses which is not sustainable. The threshold of 10.5% has remained static over a number of years against the inflation and rising costs on general and operating expenses. The primary funding stream (Levy income) is influenced by market forces beyond the control of TETA, as such, the growth of the stream is dependent on the increase in the number of levy-paying companies and/or growth in the business operations of the levy-paying companies – thus the sluggish economic growth, closure of various businesses, vandalism of infrastructure and burning of trucks directly affects the bottom line of the SETA.



### 2.5.2 Key Policy Developments and Legislative changes

There were no changes to policy or legislation however, the NSDP 2030, as crafted in the context of the National Development Plan remains the key policy that informs the work of TETA. In the wake of COVID-19, an ERRP strategy was developed to enhance economic growth and mitigate the impact of the global pandemic. SETAs were identified as key strategic partners in the implementation of the ERRP strategy. TETA as a key role player in the PSET system will ensure that skills required to implement ERRP within the transport sector are available.



### 3. Progress towards Achievement of Institutional Impacts and Outcomes 2020/21 to 2022/23

The NSDP 2030 challenged TETA to move towards delivering services that are impactful bearing in mind the national priorities that may arise during the MTSF period. Table 9 below gives an account of the progress made towards achieving outcomes as set out in our 5-year strategy. The second year of our MTSF period presented challenges emanating from the COVID-19 pandemic that necessitated the review of our annual performance plans. The performance on these outcomes is affected by the review. In addition, Outcome 3 was mainly affected

by the retrenchments that were taking place within the transport sector for the past three financial years. TETA is hopeful that the NSDP outcomes will be realised at the end of the MTSF period.

It must be noted that some of the outcomes have already been achieved and specific attention is drawn to Outcome 6 where the support of the ERRP contributed to the overachievement of target.

Table 9: Institutional Impact and Outcomes

OUTCOME NUMBER	OUTCOMES	5 YEAR TARGET	3-YEAR ACHIEVEMENT	% ACHIEVEMENT
Outcome 1	Identify and increase production of occupations in high demand	229	148	65%
Outcome 2	Linked education institutions and the workplace	425	233	55%
Outcome 3	Improving the level of skills in the South African workforce	10 695	5673	53%
Outcome 4	Increase access to occupationally directed programmes	15 631	12132	78%
Outcome 5	Support the growth of the public college institutional type as a key provider of skills required for socio-economic development	14	8	57%
Outcome 6	Skills development support for entrepreneurship and cooperative development	546	2084	382%
Outcome 7	Encourage and support worker- initiated training	14	9	64%
Outcome 8	Support career development services	182	287	158%
Outcome 9	Support transport safety interventions	32	35	109%
Outcome 10	Provide administrative support services	94	81	87%

## 4. Performance Information by Programme

### 4.1. Performance on entered targets (2022/23)

#### PROGRAMME 1: ADMINISTRATION

PURPOSE: To provide administrative support services and enable TETA to deliver on its mandate and ensure compliance with all government imperatives.								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Institutional mandate met	Unqualified audit opinion	(1.1a) Achieve unqualified audit opinion on the annual financial statements at the end of the financial year	Unqualified audit opinion from the Auditor-General for 2019/20	Unqualified audit opinion from the Auditor-General for 2020/21	Unqualified audit opinion from the Auditor General for 2021-22	Unqualified audit opinion from the Auditor General for 2021-22	NIL	N/A
	Administration expenditure within 10.5% ceiling	(1.1b) Percentage levy income used towards administration expenditure	15%	11%	10.5%	12.7%	2,2%	TETA applied to exceed 10.5%, in line with grant regulations, which was approved by the Minister of Higher Education Science and Innovation, and the Minister approved 13,3%
	Discretionary grant allocations for PIVOTAL Programmes	(1.1c) Percentage of discretionary grant funding allocated to PIVOTAL programmes	105%	85%	80%	91%	11%	Increased funding model on PIVOTAL Programmes together with the focused approach on implementing these programmes resulted in overachievement
	Procurement plan achieved	(1.1d) Percentage achievement of TETA procurement plan	84%	94%	80%	100%	20%	Target overachieved due to early advertising of bids ahead of time

**PURPOSE: To provide administrative support services and enable TETA to deliver on its mandate and ensure compliance with all government imperatives.**

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Institutional mandate met	Retained staff	(1.2a) Percentage of annual permanent staff retained	93%	92%	85%	85%	Nil	N/A
	Reviewed Organisational Structure	(1.2b) Review of Organisational Structure	N/A	Reviewed organisational Structure Approved	Reviewed Organisational structure Approved	Reviewed organisational structure Approved	Nil	N/A
	WSP/ATR for TETA submitted	(1.2c) Submission of TETA Workplace Skills Plan and Annual Training Report to ETDP SETA	WSP/ATR Submitted by 30 April	WSP/ATR Submitted by 30 April	Submission of TETA Workplace Skills Plan and Annual Training Report by 30 April	Submitted TETA Workplace Skills Plan and Annual Training Report by 30 April	Nil	N/A
	Wellness activities conducted	(1.2d) Number of wellness activities conducted	5	4	4	7	3	Target overachievement was due to an increased need to support employees
	Surveys conducted	(1.2e) Number of stakeholder satisfaction surveys conducted	2	2	2	2	Nil	N/A
	Systems report	(1.3) Percentage availability of ICT systems achieved	99%	99.48%	90%	100%	10%	The regular maintenance of systems and hosting environment enabled availability and efficiency of the systems above agreed SLA target

PROGRAMME 2: SKILLS PLANNING AND RESEARCH

PURPOSE: To establish mechanisms for skills planning and research capacity								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Increased access to occupations in high demand through skills interventions	Research reports	(2.1) Number of research studies conducted	2	3	3	6	3	Three of the completed research studies were commissioned in the 2021/22 financial year but were completed in the first quarter of 2022-23, hence overachievement
	Sector Skills Plan (SSP)	(2.2a) Produce an approved TETA Sector Skills Plan (SSP)	Approved TETA SSP	Approved TETA SSP	Approved TETA SSP	Approved TETA SSP	Nil	N/A
	Tracer study report	(2.2b) Tracer study conducted	1	1	1	1	Nil	N/A
	Partnerships	(2.3a) Number of research partnerships supported	3	2	2	2	Nil	N/A
	Approved mandatory grants for large firms	(2.4a) Number of mandatory grants approved for large firms	211	213	150	218	68	Target overachieved due to stakeholder capacitation workshops conducted and additional support provided
	Approved mandatory grants for medium firms	(2.4b) Number of mandatory grants approved for medium firms	253	225	170	252	82	Target overachieved due to stakeholder capacitation workshops conducted and additional support provided
	Approved mandatory grants for small firms	(2.4c) Number of mandatory grants approved for small firms	734	721	500	709	209	Target overachieved due to stakeholder capacitation workshops conducted and additional support provided
	Mandatory grants paid	(2.4d) Percentage of mandatory grants paid	97.6%	90%	80%	90%	10%	This target was exceeded as a result of more Mandatory Grants applications being approved

PURPOSE: To establish mechanisms for skills planning and research capacity								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Increased access to occupations in high demand through skills interventions	Capacitation workshops	(2.4e) Number of provincial capacitation workshops conducted	17	17	10	10	Nil	N/A
	Skills Development Facilitator Capacitation	(2.4f) Number of learners enrolled on Skills Development Facilitator training	N/A	51	70	80	10	Target overachieved due to more trainees enrolled on the programme by provider at no extra cost
	Monitoring visits and due diligence	(2.4g) Number of verifications conducted for mandatory grants/ discretionary grants/ due diligence	140	194	140	281	141	Target overachieved due to legacy contracts being monitored
	Discretionary grants for bursaries	(2.5a) Percentage of discretionary grants budget allocated to developing high level skills	13%	16.12%	13%	17%	4%	Overachievement due to higher demand for high-level skills programmes
	Discretionary grants for skills programmes, learnerships, apprenticeships, and internships	(2.5b) Percentage of discretionary grants budget allocated to developing intermediate skills	56%	49.15%	47%	63%	16%	Overachievement due to higher demand for intermediate level skills programmes
	Discretionary grants for AET	(2.5c) Percentage of discretionary grants budget allocated to developing elementary skills	1%	2.5%	1%	1%	Nil	N/A



## PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS

Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Improved level of skills in the South African workforce	Learners on bursaries	(3.1a) Number of employed learners on bursaries	144	78	70	71	1	Overachievement due to prior year contracts implemented in the current year
		(3.1a) Number of employed learners on bursaries completed	41	40	35	24	-11	Target not achieved due to higher than-expected learners not completing their studies during the current year
	Learners on skills programmes	(3.1b) Number of employed learners on skills programmes	350	388	430	615	185	Overachievement due to prior year contracts implemented in the current year
		(3.1b) Number of employed learners on skills programmes completed	316	350	215	483	268	Overachievement due to prior year contracts completed in the current year
	Learners on learnerships	(3.1c) Number of employed learners on learnership programmes	1 141	941	700	747	47	Overachievement due to contracts signed in the previous year and implemented in the current year
		(3.1c) Number of employed learners on learnerships programme completed	1 190	575	350	871	521	Overachievement due to prior year contracts completed in the current year

Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Improved level of skills in the South African workforce	Learners on occupational qualifications	(3.1d) Number of learners enrolled for occupational qualifications	N/A	64	60	73	13	Target overachieved due to prior year contract implemented in current year
		(3.1d) Number of learners completed for occupational qualifications	N/A	19	30	47	17	Overachievement due to prior year contracts completed in the current year
	Learners on AET	(3.1e) Number of employed learners on AET programmes	56	93	100	461	361	Target overachieved due to prior year contract implemented in current year
		(3.1e) Number of employed learners on AET completed	15	13	50	26	-24	Learners were not found competent in all learning areas, resulted in non-achievement
	Learners on apprenticeships	(3.1f) Number of employed learners on apprenticeship programmes	76	20	20	116	96	Target overachieved due to prior year contract implemented in current year
		(3.1f) Number of employed learners on apprenticeship completed	21	26	10	51	41	Overachievement due to prior year contracts completed in the current year
	Learners on ARPL	(3.1g) Number of learners on ARPL programmes	N/A	122	70	71	1	Target overachieved due to prior year contract implemented in current year
		(3.1g) Number of learners on ARPL programmes completed	N/A	21	35	100	65	Overachievement due to prior year contracts completed in the current year

Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Improved level of skills in the South African workforce	Learners on RPL	(3.1h) Number of learners on RPL programme	10	50	20	110	90	Funding from prior year surplus assisted to address the demand for RPL programmes
		(3.1h) Number of learners on RPL programme completed	18	0	10	10	Nil	N/A
	Learners on leadership development programmes	(3.1i) Number of candidates on leadership development programmes	15	15	15	15	Nil	N/A
		(3.1i) Number of candidates on leadership development programme completed	0	13	15	15	Nil	N/A
	Learners on executive development programmes	(3.1j) Number of candidates on executive leadership development programmes	15	15	15	15	Nil	N/A
		(3.1j) Number of candidates on executive leadership development programmes Completed	0	15	15	15	Nil	N/A
	Learners on women’s leadership development programmes	(3.1k) Number of women on leadership development programmes	15	15	15	15	Nil	N/A
		(3.1k) Number of women on leadership development programmes Completed	0	15	15	15	Nil	N/A

Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Improved level of skills in the South African workforce	Learners on board members leadership development programmes	(3.1l) Number of board members on leadership development programmes Completed	N/A	0	15	0	-15	Programme still underway
	Learners on Masters programmes	(3.1m) Number of candidates on masters programmes in maritime affairs	4	5	5	5	Nil	N/A
		(3.1m) Number of candidates on masters programme in maritime Completed	5	4	4	5	1	Overachievement due to prior year contracts completed in the current year
Increased access to occupationally directed programmes	Learners on bursaries	(3.2a) Number of unemployed learners on bursaries	283	201	200	274	74	With the budget available and the qualifications applied for we were able to allocate/award more learners than planned
		(3.2a) Number of unemployed learners on bursaries completed	81	142	80	95	15	Overachievement due to prior year contracts completed in the current year
	Learners on skills programmes	(3.2b) Number of unemployed learners on skills programmes	735	1 541	800	1672	872	Target overachieved due to availability of budget because of a high number of skills programmes at lower NQF levels taken up by stakeholders
		(3.2b) Number of unemployed learners on skills programmes completed	688	892	400	1215	815	Overachievement due to prior year contracts completed in the current year

Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Increased access to occupationally directed programmes	Learners on learnerships	(3.2c) Number of unemployed learners on learnership programmes	1 776	1 307	850	1001	151	Target overachieved due to availability of budget because of a high number of learnership programmes at lower NQF levels taken up by stakeholders and a high demand for learnerships
		(3.2c) Number of unemployed learners on learnership programmes completed	1 577	849	425	1532	1107	Overachievement due to prior year contracts completed in the current year
	Learners on AET	(3.2d) Number of unemployed learners on AET programmes	301	304	200	265	65	Target overachieved due to availability of budget because of a high number of AET programmes at lower levels and a high demand for AET
		(3.2d) Number of unemployed learners on AET programmes completed	137	157	100	43	-57	Target not achieved due to learners not found competent on all learning areas
	Learners on apprenticeships	(3.2e) Number of unemployed learners on apprenticeship programmes	110	324	250	167	-83	Operational requirements from stakeholders led to this shortfall
		(3.2e) Number of unemployed learners on apprenticeship programmes completed	441	208	100	165	65	Overachievement due to prior year contracts completed in the current year

Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Increased access to occupationally directed programmes	Learner on cadetships	(3.2f) Number of learners on cadetships	25	67	75	89	14	Overachievement due to prior year contracts entered in the current year
		(3.2f) Number of learners on cadetships completed	13	22	35	7	-28	Delay in external quality assurance processes
	Learners on candidacy programmes	(3.2g) Number of learners on candidacy programmes	15	15	15	15	Nil	N/A
		(3.2g) Number of learners on candidacy programmes completed	N/A	3	7	2	-5	Delay in external quality assurance processes
	Learners on grade 12 improvements	(3.2h) Number of out-of-school youths trained on grade 12 improvement programmes	70	100	70	70	Nil	N/A
		(3.2h) Number of out-of- school youths trained on grade 12 improvement programmes completed	40	57	35	70	35	Overachievement due to prior year contracts completed in the current year
Linked education institutions and the workplace	Partnerships established	(3.3a) Number of partnerships established with employers	2	5	1	2	1	Target overachieved due to proactive participation by employers to partner with TETA
		(3.3a) Number of partnerships implemented with employers	N/A	2	1	1	Nil	N/A

Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Linked education institutions and the workplace	Partnerships established	(3.3b) Number of partnerships established with TVET colleges	2	0	2	4	2	Target overachieved due to proactive participation by TVET Colleges to partner with TETA
		(3.3b) Number of partnerships implemented with TVET colleges	N/A	2	2	3	1	Target overachieved due to proactive participation by TVET Colleges to partner with TETA
		(3.3c) Number of partnerships established with universities	1	1	1	2	1	Target overachieved due to proactive participation by universities to partner with TETA
		(3.3c) Number of partnerships implemented with universities	N/A	1	1	1	Nil	N/A
		(3.3d) Number of partnerships established with CET colleges	2	2	2	3	1	Target overachieved due to proactive participation by CET college to partner with TETA
		(3.3d) Number of partnerships implemented with CET colleges	N/A	2	2	2	Nil	N/A
		(3.3e) Number of tripartite partnerships established (education institutions, workplaces, and TETA)	5	6	6	7	1	Target overachieved due to proactive participation by education institutions and workplaces to partner with TETA
		(3.3e) Number of tripartite partnerships Implemented (education institutions, workplaces, and TETA)	N/A	1	6	7	1	Target overachieved due to proactive participation by education institutions and workplaces to partner with TETA



Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Linked education institutions and the workplace	Graduates on internships	(3.4a) Number of graduates placed on internshipprogrammes (Graduate Internship)	208	241	300	477	177	Target overachieved due to prior year contract implemented in current year
		(3.4a) Number of graduates placed on internship programmes (Graduate Internship) completed	276	186	150	205	55	Target overachieved due to prior year contract completed in current year
	Learners in employment	(3.4b) Number of learners absorbed into employment (internships, skills programmes, bursaries, and learnerships upon completion)	87	146	50	289	239	Target overachieved due to prior year contract implemented in current year
	HEI learners on workplace experience programmes	(3.4c) Number of Higher Education Institute (HEI) learners on workplace experience programmes (Internship Category A)	146	132	85	103	18	Target overachieved due to prior year contract implemented in current year
		(3.4c) Number of Higher Education Institute (HEI) learners on workplace experience programmes (Internship Category A) completed	71	137	40	93	53	Target overachieved due to prior year contract completed in current year
	Learners on workplace experience (TVET)	(3.4d) Number of TVET learners placed on workplace experience programmes (Internship for N Diploma)	130	223	250	279	29	Target overachieved due to prior year contract implemented in current year
		(3.4d) Number of TVET learners placed on workplace experience programmes (Internship for N Diploma) Completed	219	190	125	160	35	Target overachieved due to prior year contract completed in current year

Note, indicators in the *Blue Colour* are completions

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Linked education institutions and the workplace	Graduates on work readiness programmes	(3.4e) Number of graduates on work readiness programmes	275	339	200	200	Nil	N/A
		(3.4e) Number of graduates on work readiness programmes completed	221	348	100	116	16	Overachievement due to prior year contracts completed in the current year
	Workplace approvals for Apprenticeships	(3.4f) Number of workplaces approved	69	78	30	69	39	Target overachieved due to the changes in legislation (the WBLPA regulations require that 7 additional interventions be workplace approved). Previously only learnerships and apprenticeships required it
Increased support to TVET and CET colleges as the key providers of occupational skills	Stakeholders in Limpopo assisted	(3.5) Number of stakeholders assisted in TETA's Limpopo-based offices	111	122	100	110	10	Target overachieved due to increased number of stakeholders in Limpopo Province receiving assistance
	Contract management workshops	(3.6a) Number of TETA stakeholder capacitation workshops on contract management	12	17	8	21	13	A hybrid approach in the rollout of workshops reduced the estimated budgets and increased the number of workshops conducted
	Empowerment seminars	(3.6b) Number of women's empowerment seminars conducted	3	3	3	3	Nil	N/A

**PURPOSE: To increase access to occupationally directed programmes within the transport sector**

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Stakeholder engagement sessions	Stakeholder engagement sessions	(3.6c) Number of provincial stakeholder engagement sessions conducted	6	6	6	6	Nil	N/A
Supported career development services	Career platforms	(3.7a) Number of careers platforms produced or developed	3	3	3	4	1	Target overachieved due to update of the career book to a digital format
	Career Exhibitions	(3.7b) Number of TETA career exhibitions conducted for urban areas	22	33	30	36	6	Target overachieved due to ad hoc requests that come from various stakeholders like government departments or provincial invitations for TETA to participate
		(3.7c) Number of TETA career development exhibitions in rural areas on occupations in high demand	9	6	6	20	14	Target overachieved due to new media, which at times leverages traditional media used to support TETA funded programmes
	Capacity-building workshops	(3.7d) Number of capacity-building workshops conducted for teachers	8	11	9	16	7	Adhoc proposals for teacher capacitation workshops received were supported resulting in the overachievement of the target
	Promotional packs	(3.8a) Number of promotional packs procured	34 060	10 000	10 000	10 000	Nil	N/A

**PURPOSE: To increase access to occupationally directed programmes within the transport sector**

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Supported career development services	Media information systems	(3.8b) Number of media information sessions conducted	7	6	6	15	9	Target overachieved due to the maturity of the TETA brand which attracted an increased media presence
	Sponsored events	(3.8c) Number of events sponsored to enhance TETA brand	6	5	5	7	2	Target overachieved due to Events related to the hosting of the Namibian delegation and the National Skills Authority
	Internal career guidance advisors	(3.9) Number of internal career guidance advisors capacitated	49	10	30	76	46	TETA recruits Interns from time to time and these resources further form part of the support system for career development services resulting in the overachievement of the target
	Schools supported	(3.10) Number of schools supported	51	55	59	59	Nil	N/A
Increased access to business development programmes	Small and medium enterprises	(3.11a) Number of small and medium enterprises funded	517	716	100	490	390	Target overachieved due to focus on issues of national priority (ERRP)
	NLPEs funded	(3.11b) Number of small NLPEs funded	350	714	134	147	13	Target overachieved due to focus on issues of national priority (ERRP)
	Cooperatives funded	(3.11c) Number of cooperatives funded	13	13	13	13	Nil	N/A
	NGOs Funded	(3.11d) Number of NGOs funded	4	7	3	3	Nil	N/A

**PURPOSE: To increase access to occupationally directed programmes within the transport sector**

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Increased access to business development programmes	CBOs funded	(3.11e) Number of CBOs funded	3	3	3	4	1	Target overachieved due to prior year contract implemented in the current year
	Learners on entrepreneurship training	(3.11f) Number of people trained on entrepreneurship supported to start their businesses (new venture creations)	20	20	20	20	Nil	N/A
	Rural development projects	(3.11g) Number of rural development projects supported	4	6	4	7	3	Target overachieved due to prior year contract implemented in the current year
Improved worker-initiated training Increased transport safety interventions	Trade unions funded	(3.12) Number of trade unions funded	2	4	2	3	1	Target overachieved due to higher- than-expected demand for trade union support
	Partnerships	(3.13a) Number of road safety partnerships implemented	2	2	2	2	Nil	N/A
	Road safety awareness initiatives	(3.13b) Number of Safety initiatives funded in the Transport Sector	29	3	3	3	Nil	N/A
	Learners on accident prevention programmes	(3.14) Number of learners on accident prevention training programmes	300	40	40	40	Nil	N/A
	Pandemic awareness programmes	(3.15) Number of pandemic awareness programmes supported	3	3	3	3	Nil	N/A

PROGRAMME 4: QUALITY ASSURANCE SYSTEM

PURPOSE: To strengthen the quality assurance system								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Increased access to occupationally directed programmes	Occupational qualifications developed	(4.1a) Number of curricula developed for occupational qualifications	1	9	2	3	1	Target was overachieved due to occupational qualifications previously developed that were reviewed in line with QCTO policies and industry
	QAS Addenda and RPL toolkit	(4.1b) Number of Qualification Assessment Specifications (QAS) developed	1	1	1	3	2	Due to the necessity of qualification reviews to conform to the updated Occupational Qualifications Sub Framework (OQSF) Policy, the target was exceeded
	Learning materials	(4.1c) Number of learning materials developed for QCTO approved occupational qualification	1	1	1	1	Nil	N/A
	Occupational qualifications conducted	(4.1d) Number of occupational qualifications with EISA exams conducted	N/A	N/A	2	3	1	Target was overachieved due to qualification review requirements to align to revised Occupational Qualifications Sub-Framework (OQSF) Policy
	Training providers capacitated	(4.2a) Number of training providers capacitated on TETA ETQA systems	209	249	200	241	41	More training providers than expected attended the capacity building workshop resulting in the overachievement of the target
	ETD Practitioners supported	(4.2b) Number of ETD practitioners supported	101	206	200	200	Nil	N/A

**TRANSPORT EDUCATION TRAINING AUTHORITY**  **ANNUAL REPORT 2022/23**



Note, indicators in the *Blue Colour* are completions

PURPOSE: To strengthen the quality assurance system								
Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
			2020/21	2021/22	2022/23			
Increased support to TVET and CET colleges as key providers of occupational skills	TVET lecturers trained	(4.5a) Number of TVET lecturers trained on TETA quality assurance system	36	191	100	100	Nil	N/A
		(4.5a) Number of TVET lecturers trained on TETA quality assurance system completed	36	191	50	86	36	Target overachieved due to prior year contract completed in current year
	TVET/CET Managers trained	(4.5b) Number of TVET/CET Managers trained on Curriculum related studies	N/A	N/A	20	50	30	Target overachieved due to more managers enrolled on the programme by provider at no extra cost
		(4.5b) Number of TVET/CET Managers trained on Curriculum related studies completed	N/A	N/A	20	47	27	Target overachieved due to more managers enrolled on the programme by provider at no extra cost
	TVET/CET lecturers in the industry	(4.5c) Number of TVET/CET lecturers exposed to the industry	11	30	50	50	Nil	N/A
		(4.5c) Number of TVET/CET lecturers exposed to the industry implemented	11	30	25	0	-25	Unavailability of workplaces to host lecturers resulted in this target not being met
	TVET /CET college support through infrastructure	(4.5d) Number of TVET / CET colleges infrastructure development supported	1	3	2	2	Nil	N/A

## 5. Strategy to Overcome **Areas of Underperformance**

To overcome areas of underperformance, the following strategies will be implemented by TETA management:

- Optimisation of technology: TETA is in the process of automating the entire DG application and evaluation process. Stakeholders will be supported via a virtual platform to reduce the impact of potential lockdowns in future;
- Implementation of sectoral guidelines for phasing in learning and training;
- Strengthening of partnerships with institutions and other Government departments; and
- Intensification of capacity-building engagements with stakeholders via virtual platforms.

## 6. Linking Performance **with Budget**

Programme	2021/22			2022/23		
	Budget (R'000)	Actual Expenditure (R'000)	(Over)/Under Expenditure (R'000)	Budget (R'000)	Actual Expenditure (R'000)	(Over)/Under Expenditure (R'000)
Programme 1: Admin	0	0	0	500	0	500
Programme 2: Research	13 297	11 556	1 741	12 485	14 419	(1 934)
Programme 3: Learning Programmes	490 542	635 542	(145 000)	500 974	626 737	(125 763)
Programme 4: ETQA	55 905	21 664	34 240	50 626	16 107	34 519
Total DGs	559 744	668 762	(109 018)	564 585	657 263	(92 678)

## 7. Institutional Response to COVID-19 and other Pandemics

PROGRAMME OR SUB-PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE, DISTRICT OR LOCAL MUNICIPALITY) COMMENTS	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO APP OUTPUTS	IMMEDIATE OUTCOMES
Programmes 3	Pandemic Awareness	Eastern Cape	N/A	Pandemic Awareness Programme	R1 865 000,00	R1 865 000,00	3.15	Pandemic Awareness Programme
	Pandemic Awareness	Kwa-Zulu Natal	50	HIV/AIDS Awareness Campaign	R175 000,00	R175 000,00	3.15	HIV/AIDS Awareness Campaign
	Pandemic Awareness	Kwa-Zulu Natal	50	HIV/AIDS Awareness Campaign	R210 000,00	R210 000,00	3.15	HIV/AIDS Awareness Campaign

## 8. Revenue Collection

SOURCES OF REVENUE	2021/22			2022/23		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	OVER-/UNDER-COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	OVER-/UNDER-COLLECTION R'000
Revenue from non-exchange transactions	761 930	793 928	31 998	804 591	858 801	54 210
Revenue from exchange transactions	50 533	38 249	(12 284)	56 520	61 668	5 148
Total	812 463	832 177	(19 714)	861 211	920 469	59 358

### Revenue from non-exchange transactions

The surplus of R54 210 000 against the budget, was due to higher-than-budgeted levies received during the 2022/23 financial year due to increased levies received.

### Revenue from exchange transactions

The surplus of R5 148 000 against the budget is due to higher interest income received on invested funds.

## 9. Business Performance

### 9.1 Project office

The project office delivered projects and supported the organisation to achieve its objectives through the implementation of the interventions described in the following sections:

#### Highlights

##### *Adopted schools*

- 3 750 grade 12 learners from 59 adopted schools were supported with tablets to access e-learning material and maximise chances of success in Grade 12 final examination.
- A total of 800 learners from TETA adopted schools have been enrolled into a driver's license programme to have licenses.
- Members of the senior management team of selected adopted schools were identified to attend an Executive Leadership/ management capacity development programme.

##### *Strategic partnerships*

- Partnership with World Skills South Africa afforded 15 TVET students training to participate in the Regional World Skills Competition held in Namibia in the year under review with eight of the students winning gold medals;
- 5 learners were trained and participated in the 2022 World Skills Competition in Germany, Austria and UK;
- Co-funding Partnership concluded with BankSETA, at a value of R84 million, as part of revenue diversification to train 1200 unemployed youth to acquire motorbike driver's licenses and kickstart delivery service businesses;
- Co-Funding partnership secured between TETA and NYDA as part of revenue diversification on last mile

delivery implementation, at a value of R42,6 million targeting training of 400 unemployed youth on new venture creation and motorbike driver training for participation in the last mile delivery as entrepreneurs.

##### *Post Graduation Impact*

- 100 TVET students enrolled in the annual China Internships programme have now been taken by Barloworld on a 4-year Heavy Machinery apprenticeship/artisan programme;
- 150 TVET graduates trained on DSTV installation and maintenance programme have registered their own DSTV installation business, secured tools of trade, and have started to do business.
- A total of 300 TVET graduates have been enrolled on a programme to secure drivers' licences.
- 625 learners who graduated in new venture creation, registered businesses and secured motorbike drivers licenses to do online delivery businesses are in the process of securing motorbikes and signing contracts with delivery companies.

##### *EmpowaYouth Weekends*

- More than 5000 unemployed youth exposed to tangible opportunities and more than 100 000 reached through live streaming, traditional media and new media during the implementation of the EmpowaYouth programmes in Limpopo, KwaZulu Natal and North West provinces.

##### *Last Mile Delivery Entrepreneurship*

- A total of 1747 learners completed New Venture Creation training, acquired motorbike licenses and are in the process of signing contracts with various online delivery companies.

## 9.2 Skills Development and Learning Programmes Unit

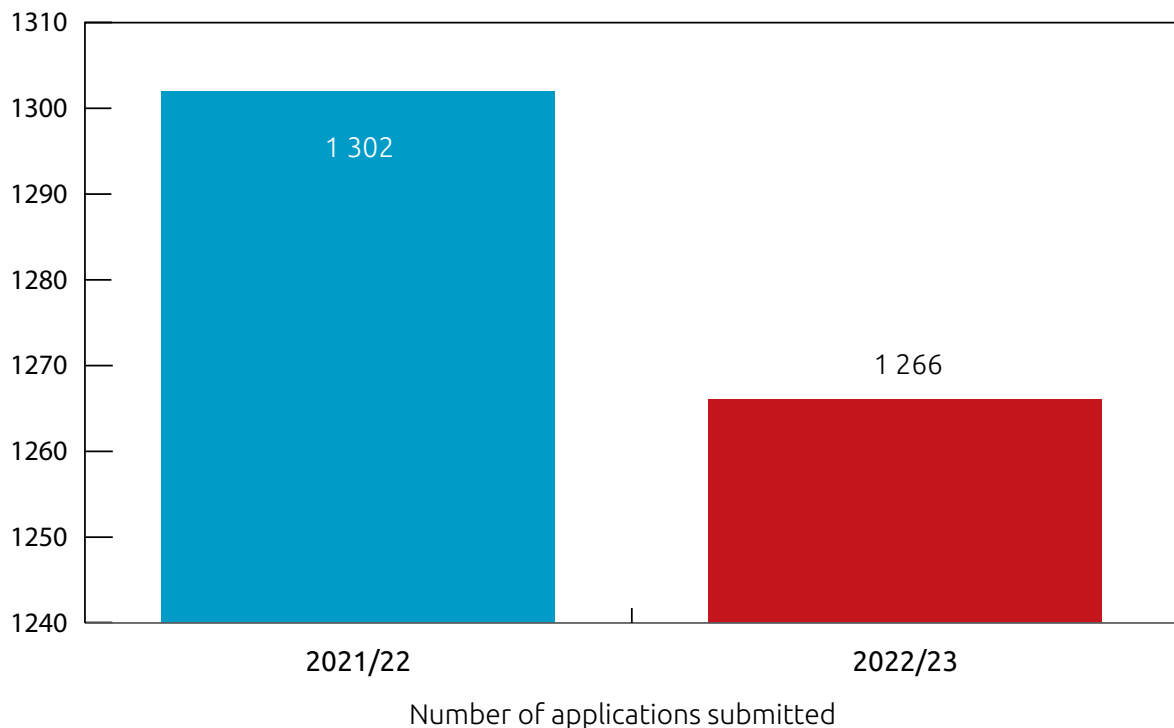
The unit assisted the organisation with the implementation and compliance protocols as espoused in the Skills Development Act. This section captures the operational environment for the unit, provides performance highlights, challenges and interventions to support overall organisational performance.

### Mandatory Grants

The Mandatory Grant (MG) application submissions for the year 2022/23 declined by 3% when compared to the 2021/22 submissions.

The graph below depicts submissions between 2021/22 and 2022/23.

Figure 10: Mandatory Grant (MG) submissions



### Highlights

- 274 unemployed bursaries were awarded in the year under review for formal qualifications and programmes offered by diving and flying schools;
- HEI relationships were enhanced to increase efficiencies in the rollout of bursary related funds;
- 137% of learners were reported as entered in the year under review and 119% as completed from previous years recording overachievement of targets for the SETA.

### Challenges

- Lack of participation from TVET College learners during unemployed bursaries window;

- A high number of incomplete or non-submission of applications on the online system;

### Strategic Interventions

- TETA will implement research recommendations regarding TVET college partnerships and forge close relations with Provincial TVET Forums;
- A handbook for application phase of unemployed bursary to be developed and distributed at the Department of Basic Education district offices, municipalities as well as Institutions of Higher Learning, Flying and Diving Schools;
- A survey will be conducted to establish reasons for non-submission of applications.

### New Learner Information Management System

- In the year under review TETA transitioned from the old Learner Management System into a new system with a new provider, and Clarity 4.0 was launched successfully as the new MIS system with stakeholders immediately accessing the:
  - Online Mandatory Grant Module;
  - Online Discretionary Grant Module; and
  - Online Unemployed Bursary Module.

### 9.3 Education and Training Quality Assurance Unit

In the year under review, the Education and Training Quality Assurance (ETQA) Unit performed all functions in alignment with the Quality Assurance Partner (QAP) agreement signed with the Quality Council for Trade and Occupations (QCTO).

#### Highlights

- Transitional arrangements informed by the legislative framework were implemented and this will continue into the new financial year;
- Rapid developments and changes with quality assurance were implemented and such will continue into the new financial year; and
- Improving service delivery through diagnostic surveys and conducting service excellence workshops were achieved in the year under review;

#### Key achievements

In the year under review ETQA successfully implemented and rolled out the following programmes:

- External Moderation;
- Issuing of Learner Certificates;
- Issuing of Statement of Results;
- Monitoring of skills development providers;
- Capacity building of Skills Development Providers; and
- Implementation of occupational qualifications, conducting EISA examinations and certification of learners by QCTO.

### 9.4 Research and Knowledge

In the year under review the research and knowledge unit was able to provide the organisation with credible data and resourceful insights derived from the Sector Skills Plan to inform the strategic planning and annual performance of the SETA.

Overall, the unit commissioned various research studies which were used in evidence-based decision-making and informed the allocation of resources to support learning programme interventions.

#### Key achievements

- Successful development and production of a high quality and well researched TETA Sector Skills Plan 2023/2024 as accredited by the Department of Higher Education and Training;
- Increased response rates on Tracer Studies through successful capture of learner information forms;

#### Insights on Research and Studies Undertaken in the year under review

##### Support for SMMEs

- The transport sector consists of about 98% small to medium sized companies. The government promotes the formation of SMMEs as vehicles of growth to address poverty, unemployment, and inequality. It is therefore imperative that the Transport SETA leverages on SMMEs to alleviate the country's socio-economic crisis.
- A research study to Investigate Barriers to Entry, Success, and Sustainability for Transport SMMEs was conducted with the aim of establishing the nature and extent of barriers and enablers which prevent and support SMMEs from entering and thriving in a mainstream economy.
- TETA's Skills Development Priorities include the support of SMMEs in the transport sector through skills development. As a short-term measure, TETA commits to support SMMEs to overcome the effects of COVID-19. To achieve this, it was important to establish the impact of COVID-19 on SMMEs to support the SMMEs effectively.
- A research study was completed to assess the impact of COVID-19 on Transport SMMEs and establish the challenges experienced by SMMEs due to the pandemic; support required from TETA and government to ensure sustainability; and identify skills needs for the SMMEs.

### *The Fourth Industrial Revolution (4IR) and aligning skills development initiatives to emergent technological skills needs.*

- New and emerging occupations and skills, as a result of 4IR, were identified through research. The implementation of the 4IR research findings will assist the sector to acquire relevant skills to increase productivity and remain competitive. First it was necessary to assess Transport skills programmes and qualifications offered by TVET colleges and Higher Education Institutions and measure the extent of alignment to the technological changes in the sector. It was evident from this study that there is a need for curriculum review to ensure that Transport qualifications include technological skills required by the sector.
- Furthermore, a study on Skills repurposing and reskilling needs in the transport sector was completed. The study aimed at identifying measures to close the gap between technological skills demands and supply; minimising skills mismatches and ensuring graduates are employable in the sector. The findings of the study will provide insight on the strategic approach that TETA should adopt in developing support initiatives for future programmes.
- The research and knowledge unit through research partnerships with University of Johannesburg, Tshwane University of Technology and Stellenbosch University is implementing some of the 4IR research recommendations. The partnerships involve further research to understand technological skills relevant to transport sector; development of short learning programmes on technological skills and providing training to the sector to upskill and reskill the workforce.
- University of Johannesburg has developed a short learning programme on Introduction to Green Transport. About 100 learners from the transport stakeholders benefited from this programme. This is a step-forward into fulfilling the TETA strategic priority of 4IR and objectives of implementing research findings.

### *Provide and increase access opportunities for women and youth in the transport sector*

- A research study on attracting and retaining women in the transport sector was completed. The objective of the study was to establish challenges and barriers for women to enter the transport

sector labour market and assess challenges faced by women employed in the sector. The findings of this study will be used to develop strategies to ensure increase in the participation of women in the transport sector workforce and responding to the TETA's transformation imperatives.

- To provide support to the youth and ensure that they participate in training and education, a research study to identify factors that hinder access and success in PSET was conducted with the aim of assessing the impact of lack of access and throughput in PSET on skills demand and supply in the transport sector.

### *Number of learners who have completed workplace-based learning programmes absorbed in employment.*

- In collaboration with TETA Chambers, the unit reached more than 100% of this target

### **Unit Challenges**

- Participation of stakeholders (Employers and Training Providers) in surveys and Focus Group Discussions to ensure representativeness and reliable research results;
- Lack of available employment data, including demographics of the employees, at sub-sector level to inform the SSP;
- Reliance on the WSP/ATR data for employment data which is only 26% of the levy paying transport companies

### **Interventions to address challenges**

- Explore physical interaction for consultative groups and combine with virtual approaches for maximum reach in focus groups;
- Request Employer Associations for employment data in their specific constituencies. To continue creating awareness around the importance of WSP/ATR submissions to increase participation.

### **9.5 Performance Monitoring and Evaluation Unit (PM&E)**

The unit successfully carried out performance monitoring across the organisation holding departments and units accountable to the approved annual performance plans for the year under review. The unit complied with the dictates of the monitoring



and evaluation function, guidelines and standards as published by the Department of Planning, Monitoring and Evaluation in the rollout of its performance evaluation for the organisation.

### Key Achievements

Recorded key achievements for the unit include tracking and reporting on the key strategic priorities of the organisation as published in the 2022/23 Annual Performance Plan and these are outlined in Table 10 below :

### TETA Skills Development Priorities

Table 10: Skills Development Priorities

STRATEGIC PRIORITIES	ACHIEVED/PARTIALLY ACHIEVED/NOT ACHIEVED	COMMENTS
Fourth Industrial Revolution / Digitalisation	Achieved	The effects of 4IR on the transportation industry were investigated, and the results will be incorporated in the SETA's strategic planning for the upcoming fiscal years.
Strategic Partnerships	Achieved	TETA is gradually implementing the recommendations of the ICT level of maturity assessment to meet the current and future computing needs.
Provincial Visibility	Ongoing	TETA established cooperative relationships with businesses and academic institutions. Through these partnerships, graduates will have easier access to jobs and other workplace experience opportunities to get them ready for the world of work.
Road Safety Initiatives	Achieved	The slogans "Qaphela", "Phepha", "Road to Immunity" "Hlokomela", and "Ndlela Nhle" were used to promote continuous campaigns for TETA funded TETA road safety initiatives across the country using the strength of live activations, broadcast and online media outlets. TETA continued supporting safety initiatives for small bus operators with programmes such as firefighting.
Employer Participation	Achieved	More employers are now taking part and submitting WSP/ ATR at a higher rate and TETA is using various methods to lure more mandatory grant participants.
Rural Development	Achieved	To increase economic activity in rural regions, TETA continues to fund projects for rural development.
SMME development	Achieved	Post pandemic effects introduced the economic recovery and reconstruction (ERRP) programme which has become a vehicle for TETA to support existing SMMEs while investing in new entrants through last mile delivery programmes and other initiatives geared towards assisting SMME sustainability.
COVID-19	Ongoing	Though COVID-19 has reasonably elapsed, continued e-learning support to 59 adopted schools across the country saw a significant number of TETA adopted schools topping the class of 2022 matric, especially those in rural areas of the country. Integration of stakeholder management into the internet of things continued in the year under review with hybrid stakeholder engagements on the TETA mandate.

## Performance of the organisation

In the year under review, TETA demonstrated agility, prowess, and resistance in the rollout of various learning programmes and interventions. Compared to the previous year performance of 89%, the SETA recorded 93% in the year under review.

## Sector Challenges

- In the PSET sector, the Monitoring and Evaluation function is not comprehensively and precisely defined, each SETA utilises Monitoring and Evaluation (M&E) in different ways according to the individual SETA's understanding and interpretation;
- Diverse techniques and processes of M&E application in SETAs results in challenges when it comes to benchmarking with other SETAs, seeking best practices for improvement purposes and standardisation of M&E tools.

– **Strategic intervention:** Advance discussion with other SETAs on the uniform interpretation and application of the monitoring and evaluation function across SETAs to increase efficiencies and service delivery.

- Large amounts of data often result in erroneous information being produced through manual data mining, which is then utilized to undertake research and assessment studies.

– **Strategic intervention:** Data will be collected, stored, and validated with the use of an integrated, efficient and effective information system solution which will help to reduce human error.

– Prioritise implementation of the ICT maturity assessment recommendations.

## 9.6 Aerospace Chamber

Table 11: Representation of the employer profile in the Aerospace sub-sector

Chambers	Number of registered companies	Number of registered and active companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Aerospace	867	494	262	605	77	185

## Growth and decline of the sub-sector

- The subsector constitutes 4,0% of the total registered companies in the Transport sector, ranking sixth among all 8 subsectors;
- The Aerospace subsector recorded 867 registered companies, and 494 registered and active companies according to the March 2023 SARS levy file;
- Number of Registered and Active Companies in the Aerospace subsector increased from 485 in March 2022 to 494 in March 2023;
- The global aerospace sector has made a good and steady recovery after being hard hit by COVID-19 related border closures and national lockdowns;
- The African aerospace market is operating at 93% of where the industry was in 2019, prior to COVID-19, as such, the passenger numbers, both domestic and international, are nearly at pre-COVID levels;
- There was a slight decline in the number of levy-paying companies, from 267 in March 2022 to 262

in March 2023;

- The Aerospace subsector is the sixth employer, contributing 4,7% to the Transport sector workforce;
- The WSP/ATR 2022 data recorded 14 404 persons employed in the sub-sector, a decline from 19 725 employees reported in the WSP/ATR 2021;
- The decline in employment in the subsector can be attributed to the impact of COVID-19 which resulted in job losses and limited business travel;
- The sub-sector saw reduced operational capacity of South African Airways and the placement of Comair under business rescue that led to the suspension of flights;
- The effects of the pandemic and the war between Ukraine and Russia have disrupted shipping and air freight, negatively impacting the aerospace sub-sector; and
- The number of companies in the sub-sector participating in the submission of WSP/ATR



increased from 76 (April 2021 WSP/ATR) to 77 (April 2022 WSP/ATR).

### Highlights

- Pilots were employed as First Officers; and
- New Air Cargo airline launched in the year under review.

## 9.7 Forwarding and Clearing Chamber

Table 12: Representation of the employer profile in the Forwarding and Clearing sub-sector

Chambers	Number of registered companies	Number of registered and active companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Forwarding and Clearing	1 152	665	430	722	147	283

### Growth and decline of the sub-sector

- The subsector constitutes 5,3% of the total registered companies in the Transport sector, ranking fifth among all 8 subsectors;
- The Forwarding and Clearing subsector recorded 1 152 registered companies, 665 registered and active companies according to the March 2023 SARS levy file;
- Number of Registered and Active Companies in the Forwarding and Clearing subsector increased from 632 in March 2022 to 665 in March 2023;
- The subsector showed improvement post COVID-19 lockdown with revenues of most companies increasing by the beginning of 2022;
  - As a result, there was an increase in the number of levy paying companies, from 414 in March 2022 to 430 in March 2023.
- The Forwarding and Clearing subsector is the fifth employer, contributing 8,4% to the Transport sector workforce;
- The WSP/ATR 2022 data recorded 25 151 persons employed in the sub-sector, a decline from 26 090 employees reported in the WSP/ATR 2021:
  - The decline in employment can be attributed to the riots that affected Gauteng and KwaZulu-Natal which disrupted trucks and port operations;
- The number of companies in the sub-sector participating in the submission of WSP/ATR information increased from 145 (April 2021 WSP/ATR) to 147 (April 2022 WSP/ATR);

### Opportunities in the sector

- Development of Remote Piloted Aircraft Systems (RPAS) Maintenance Technicians;
- Small Business Development; and
- Conversion of more Aviation Maintenance Technicians and Pilots to Drone technology.

- There is a greater need for people with cybersecurity skills to prevent fraud and access to information as a significant number of transactions are electronic and customer information is stored electronic as well;
- The sub-sector would benefit from the investment in the development and adoption of new technologies such as Robotic Automation (RPA) and Blockchain to eliminate repetitive data capturing; and Forwarding and Clearing processes and documentation.

### Highlights

- Successful support of the World Skills Competition - Austria and Khanyo Fulani from Orbit TVET college in Mankwe – North West Province, who participated in the heavy motor vehicle category;
- Increased programmes implemented in rural areas of the Limpopo province impacting more than 2500 beneficiaries;
- Continuous support of the Limpopo Provincial Government through strategic participation in provincial skills development forum; and
- Published qualifications for comments in line with applicable legislations;
  - Higher occupational certificate in Clearing & Forwarding Agent-NQF Level 5 with 450 credits.
  - Higher occupational certificate in Freight Forwarder-NQF Level 5 with 272 credits.
  - Higher occupational certificate in Customs compliance agent-NQF Level 5 with 225 credits.

## 9.8 Freight Handling Chambers

Table 13: Representation of the employer profile in the Freight Handling sub-sector

Chambers	Number of registered companies	Number of registered and active companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Freight Handling	1 634	870	418	1 216	108	310

### Growth and decline of the sub-sector

- The subsector constitutes 7,6% of the total registered companies in the Transport sector, ranking third among all 8 subsectors;
- The Freight Handling subsector recorded 1 634 registered companies, and 870 registered and active companies according to the March 2023 SARS levy file;
- Number of Registered and Active Companies in the Freight Handling subsector increased from 757 in March 2022 870 in March 2023;
- There was an increase in the number of levy paying companies, from 399 in March 2022 to 418 in March 2023;
- The Freight Handling subsector is the fourth highest employer, contributing 10,8% to the Transport sector workforce;
- The number of companies in the sub-sector participating in the submission of WSP/ATR information decreased from 115 (April 2021 WSP/ATR) to 108 (April 2022 WSP/ATR);
- The WSP/ATR 2022 data recorded 32 124 persons employed in the sub-sector, a huge decline from 96 040 employees reported in the WSP/ATR 2021;
- The decline in employment in the subsector is explained by the use of emerging technology by companies;
  - Automation and robotics, underpinned by artificial intelligence and the internet of things are becoming a norm in freight Handling and disrupting warehousing.
  - Freight Handling companies are inclined to automated warehousing leaving jobs in the subsector replaced by robotics.

### Highlights

- 100 learners funded for a programme in Adult Education and Training (AET). The programme aims to educate learners at a foundation level of learning. The target group is out of school youth and adults with less than a Grade 7 pass;
- 5 learners funded on an internship programme. The project is aimed at providing work experience for unemployed graduates in the field of economic regulation of South Africa's commercial ports as undertaken by the Port Regulator;
- 20 unemployed learners based at eThekweni Municipality have been funded on an apprenticeship programme for electricians. The Municipality seeks to empower municipal staff by enhancing their skills in order that the services they render are sustainable, effective and efficient which is aligned to the city's Long-Term Growth and Development Strategy; and
- 64 learners funded on the Work Integrated Learning programmes. The programme will allow learners from TVET Colleges to receive workplace-based experience.

### Key Strategic Partnerships

The Chamber established MOUs with colleges to support skills development initiatives in the transport sector within the province;

- Elangeni TVET College
- Majuba TVET College
- Mnambithi TVET College
- Mtshana TVET College
- KwaZulu-Natal Community Education and Training Centre

## 9.9 Maritime Chamber

Table 14: Representation of the employer profile in the Maritime sub-sector

Chambers	Number of registered companies	Number of registered and active companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Maritime	1 249	661	394	855	220	174

### Growth and decline of the sub-sector

- The subsector constitutes 5,8% of the total registered companies in the Transport sector, ranking fourth among all 8 subsectors;
- The Maritime subsector recorded 1 249 registered companies, and 661 registered and active companies according to the March 2023 SARS levy file;
- Number of Registered and Active Companies in the Maritime subsector increased from 635 in March 2022 to 661 in March 2023;
- South Africa has almost 3 000km of coastline that provides an exclusive economic zone, making the maritime industry a critical vein of the country's economy. Up to 90% of the country's global trade is by sea through ports;
- There was an increase in the number of levy paying companies, from 383 in March 2022 to 394 in March 2023;
- The Maritime subsector is the sixth employer, contributing 4,3% to the Transport sector workforce;
- The WSP/ATR 2022 data recorded 12 830 persons employed in the sub-sector, a significant decline from 21 673 employees reported in the WSP/ATR 2021;
- The subsector has not fully recovered from the devastating impact of COVID-19 lockdown. Small Medium and Micro Enterprises (SMMs) were the most affected companies by COVID-19 lockdown;
- The pandemic and lack of funding further made it difficult for emerging companies in the subsector to afford training for the crew;
- The number of companies in the sub-sector participating in the submission of WSP/ATR increased from 218 (April 2021 WSP/ATR) to 220 (April 2022 WSP/ATR);
- The Global Maritime Forum published a report highlighting the importance of the decarbonisation of vessels and use of alternative energy sources - resulting in the development of new engines;

- Skills development programmes are needed to ensure that South Africa is ready to incorporate these changes;
- The potential of autonomous vessels and new types of surveillance systems (involving artificial intelligence and robotics) deployed to track ships on the ocean may also drive skills demand for the future; and
- Most companies in Maritime are heavily electronic/digital, driven to overcome delays when dealing with companies globally in the different time zones where time loss is money loss.

### Highlights

For the year under review, the chamber achieved the following milestones:

- **Qualification development/registration:** Significant progress on the learning programme development for the Occupational Certificate: Fishing Hand, together with assessment guide, facilitator guide and RPL toolkit and finalisation of the learning material and QAS Addenda for the Occupational Certificate: Maritime Search and Rescue Mission Coordinator (# 102579);

### Key Strategic Partnerships

- The chamber was involved with successfully concluding partnership agreements with the following bodies;
- Cape Peninsula University of Technology: having signed a partnership agreement with CPUT, the project entails implementation of bursary support to two academic staff of the university;
- Federati, a fishing development fund and dedicated economic development institute for small scale fisheries, with a view to supporting business coaching and mentoring for co-operatives in this sector;
- A tripartite agreement (i.e., provider, employer and TETA) involving Sea Harvest and Northlink College which will focus on apprentice training and placements, work integrated learning (WIL) and SAMSA engineering workshop training; and

- **World Maritime University:** The chamber continues to manage TETA's prestigious World Maritime University (WMU) scholarship project. During the year under review, five South African learners graduated with their Masters in Maritime Studies; these students once again highlighted the impact

that South Africans are making at the university with the award of certain prizes and election to certain positions on student councils. Five new learners have also been recruited into the 2022/23 academic cycle.

## 9.10 Rail Chamber

Table 15: Representation of the employer profile in the Rail sub-sector

Chambers	Number of registered companies	Number of registered and active companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Rail	180	90	44	136	25	19

### Growth and decline of the sub-sector

- The subsector constitutes 0,8% of the total registered companies in the Transport sector, ranking last among all 8 subsectors, yet the biggest levy income contributor;
- The Rail subsector recorded 180 registered companies, and 90 registered and active companies according to the March 2023 SARS levy file;
- Number of Registered and Active Companies in the Rail subsector increased from 77 in March 2022 to 90 in March 2023;
- There was a slight decline in the number of levy paying companies, from 45 in March 2022 to 44 in March 2023;
- The Rail subsector is the second highest employer, contributing 23,1% to the Transport sector workforce;
- The number of companies in the sub-sector participating in the submission of WSP/ATR information decreased from 26 (April 2021 WSP/ATR) to 25 (April 2022 WSP/ATR);
- The WSP/ATR 2022 data recorded 69 012 persons employed in the sub-sector, an increase from 63 685 employees reported in the WSP/ATR 2021;
- To strengthen the competitiveness of the sub-sector, the South African government is putting several measures and interventions such as the rail sector reforms that are aimed at improving the efficiency, effectiveness, and competitiveness;

- The subsector is still recovering from the adverse economic impact of COVID-19;
- Other factors which affect the subsector include theft and vandalism of the railway infrastructure; and
- Government has invested in rebuilding the vandalised properties, rebuilding the rail lines in the KZN area, and purchasing new trains.

### Highlights

Following are the milestones:

- 20 Learners with disabilities completed the new venture creation programme from Qwaqwa – Free State Province;
- 40 learners from Foschini Group completed the Supply Chain Management learnership programme from Gauteng; and
- 50 SATAWU members completed the public administration learnership.

### Key Strategic Partnerships:

- Transnet SoC Limited;
- PRASA;
- Bombela Operating Company;
- The National and Provincial Departments of Transport; and
- Gibela Rail Consortium.



## 9.11 Road Freight Chamber

Table 16: Representation of the employer profile in the Road Freight sub-sector

Chambers	Number of registered companies	Number of registered and active companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Road Freight	9 058	5 145	2 435	6 623	468	1 967

### Growth and decline of the sector

- The subsector constitutes 41,9% of the total registered companies in the Transport sector, ranking first among all 8 subsectors;
- The Road Freight subsector recorded 9 058 registered companies, and 5 145 registered and active companies according to the March 2023 SARS levy file;
- Number of Registered and Active Companies in the Road Freight subsector increased from 5 008 in March 2022 to 5 145 in March 2023;
  - The increase in registered and active companies is reflective of the continued growth in e-commerce
  - The change in customer buying patterns and the increase in online shopping has positively affected the Road Freight subsector. As a result, there has been an increase in demand for delivery drivers, courier drivers, and motorbike drivers for food and grocery delivery services
- There was a slight decline in the number of levy paying companies, from 2 443 in March 2022 to 2 435 in March 2023;
- The Road Freight subsector is the third highest employer, contributing 18,6% to the Transport sector workforce;
- The WSP/ATR 2022 data recorded 55 500 persons employed in the sub-sector, a decline from 57 318 employees reported in the WSP/ATR 2021;
  - The decline in employment in the subsector can be attributed to the 2021 July unrest in the country and the April 2022 KZN floods
  - The July unrest resulted in over 40 trucks being damaged along the N3 at an estimated cost of R250 to R300 million
  - Trucks in KZN had to suspend movement due to the floods that caused damage to roads infrastructure

- The number of companies in the sub-sector participating in the submission of WSP/ATR information decreased from 469 (April 2021 WSP/ATR) to 468 (April 2022 WSP/ATR).

### Highlights

#### Opportunities in the sector

- The growth of food courier services brought opportunities and created various job opportunities;
- Serving in the Road Freight and Logistics Task Team established by the Minister of Transport;
- Loadshedding increases the demand for fuel products, which increases the cycle of fuel deliveries;
- Upskilling of truck drivers on dangerous and hazardous goods through professional driving training; and
- Rollout of focused road safety campaigns for the trucking industry.

#### Challenges in the sector

- Violent protests by the truck drivers;
- Road Traffic Management Corporation (RTMC) (2021) records that heavy load vehicles accounted for 9.4% of all fatal crashes on South African roads;
- Damaged road infrastructure reduces overall safety of road users; and
- TETA continue to provide Road safety campaigns and educate drivers and the public on road safety.



## 9.12 Road Passenger Chamber

Table 17: Representation of the employer profile in the Road Passenger sub-sector

Chambers	Number of registered companies	Number of registered and active companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Road Freight	6 907	3 073	1 311	5 596	251	1 060

### Growth and decline of the sector

- The subsector constitutes 32,0% of the total registered companies in the Transport sector, ranking second among all 8 subsectors;
- The Road Passenger subsector recorded 6 907 registered companies, and 3 073 registered and active companies according to the March 2023 SARS levy file.
- Number of Registered and Active Companies in the Road Passenger subsector increased from 2 963 in March 2022 to 3 073 in March 2023. The economic outlook of the sub-sector showed improvement as bus companies started loading at full capacity from the 5th of April 2022 when National State of Disaster was lifted. Companies which closed in 2020 due to COVID-19 started operating and other companies expanded their reports.
- StatsSA reported a 23,3% increase in road passenger trips from 47 283 000 in Quarter 1 of 2022 to 53 306 000 in Quarter 2 of 2022.
- There was a notable increase in the number of levy paying companies, from 1 023 in March 2022 to 1 311 in March 2023.
- The Road Passenger subsector is the highest employer, contributing 28,6% to the Transport sector workforce.
- The WSP/ATR 2022 data recorded 85 442 people employed in the sub-sector, an increase from 39 227 employees reported in the WSP/ATR 2021. The low employment numbers in 2021 illustrate the impact COVID-19 had in the loss of employment in the sub-sector when movement of commuters was restricted.
- The number of companies in the sub-sector participating in the submission of WSP/ATR information decreased from 255 (April 2021 WSP/ATR) to 251 (April 2022 WSP/ATR).

### Key strategic partnerships

The Chamber entered Memorandum of Understanding with the following entities from the Eastern Cape

- University of Fort Hare
- Eastern Cape Community Education and Training College
- Eastcape Midlands College

### Challenges in the sector

The Chamber has existing Memorandum of Understanding with the following entities from the Eastern Cape

- Eastern Cape Office of the Premier
- Lovedale TVET College
- Port Elizabeth TVET College
- Esayidi TVET College
- Provincial Department of Social Development

### Key Achievements

#### Chamber contribution in addressing strategic imperatives of TETA

The Chamber is also responsible for and oversees TETA's activities in the Eastern Cape province. This responsibility is implemented through the assistance of the Office of the Premier and the Provincial Skills Development Forum

### Chamber Challenges

- The passenger industry is also heavily affected by the fuel and parts increases experienced by South Africa.
- Buses are under attack in certain provinces. Bus companies requested assistance from SAPS and the Department of Transport.

### 9.13 Taxi Chamber

Table 18: Representation of the employer profile in the Taxi sub-sector

Chambers	Number of registered companies	Number of registered and active companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Taxi	553	382	89	464	15	74

#### Growth and decline of the sector

- The subsector constitutes 2,6% of the total registered companies in the Transport sector, ranking seventh among all 8 subsectors;
- The Taxi subsector recorded 553 registered companies, and only 382 of the registered companies are active according to the March 2023 SARS levy file;
- Number of registered and active companies in the Taxi subsector increased from 344 in March 2022 to 382 in March 2023 – 11% increase. This increase demonstrates efforts to formalise and regulate the sub-sector;
- There was an increase in the number of levy paying companies, from 54 in March 2022 to 89 in March 2023 – an increase of 65%;
- The Taxi subsector contributed 0,1% to the Transport sector workforce in 2022;
- The WSP/ATR 2022 data reported 312 persons employed in the subsector compared to 293 recorded in the 2021 WSP/ATR – this is an increase of about 7%;
- The number of companies in the sub-sector participating in the submission of WSP/ATR increased from 9 (April 2021 WSP/ATR) to 15 (April 2022 WSP/ATR) – an increase of 67%.
- The taxi subsector is the lowest levy income contributor and employer, however, the largest employer in the informal sector;
- The sub-sector is an essential part of the transport sector in South Africa and plays an important role in the economy;
- The sub-sector employs around 300 000 drivers and 100 000 taxi marshals;
- The global energy crisis, exacerbated by the Ukraine war, resulted in rising fuel prices affecting vehicle purchases and operating costs in the subsector. These effects have amplified calls by minibus taxi associations for government subsidy; and

- Taxis create 23% of the carbon emissions in Gauteng alone. Therefore, there is a need to introduce green technology and the use of alternative renewable energy sources in the Taxi industry.

#### Opportunities in the sector

- Express parcel delivery remains an opportunity for the sector to explore in the quest to diversify revenue streams and introduce new technologies to compete in the fast digitized economic era.

#### Key strategic partnerships

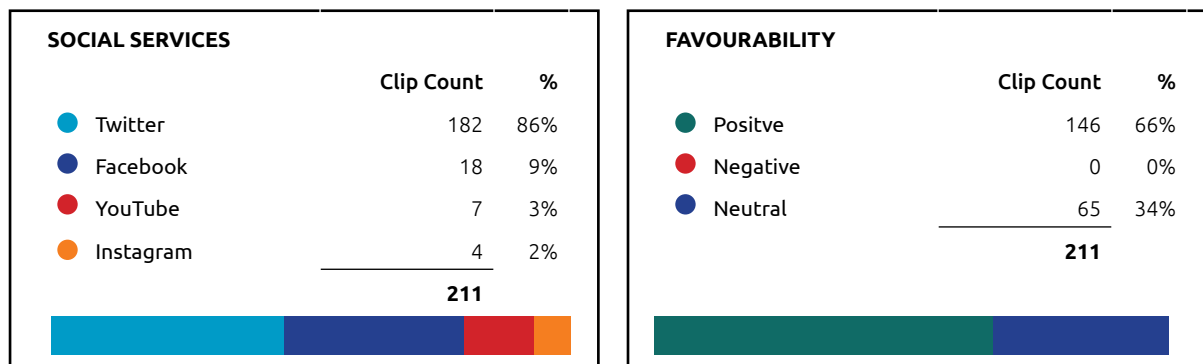
- In the year under review, the SETA had active partnerships with the South African National Taxi Council (SANTACO) and the National Taxi Alliance (NTA).

#### Key Achievements

- Rollout of the Express Parcel Delivery Pilot project in various provinces;
- Recognisable increases in skills levy contributions, participation in skills development programmes and progressive formalization of the taxi industry;
- Successful participation in the implementation of the National Taxi Lekgotla resolutions;
- Maintaining top performance in the service offering and support to the industry;
- Maintaining good operational and strategic relations with the taxi subsector.

## 9.14 Marketing Communications

Figure 11: Overall Social Media Presence Value for 2022/23 Financial Year

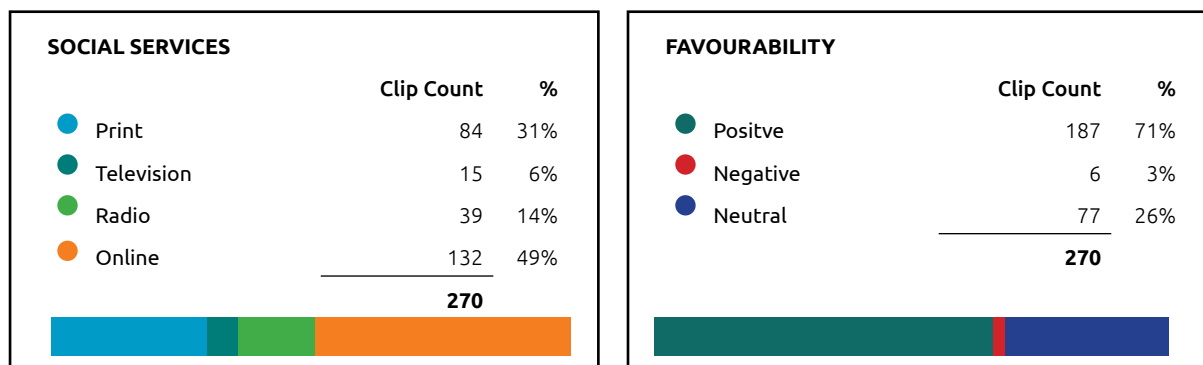


During the measurement period (April 2022 to March 2023), a total of 211 mentions were received for TETA, which amounted to an AVE of R4 388 380.

86% of the overall social media traction was derived from Twitter, followed by Facebook Media (9%), YouTube (3%), as well as Instagram (2%).

Positive media content accounted for 66% of the overall media share, followed by neutral mentions (34%).

Figure 12: Overall Editorial Media Value for 2022/23 Financial Year



During the measurement period (April 2022 to March 2023), a total of 270 mentions were received for the TETA, which amounted to an AVE of R12 554 435.

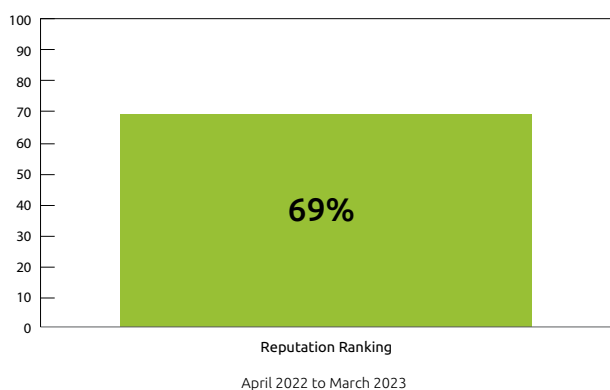
49% of the overall media traction was derived from online media sources, 31% from print publications, while the remaining 20% derived from broadcast stations. Radio stations accounted for the majority of the broadcast stations received, with 14%, while television stations accounted for the remaining 6%.

Positive media content accounted for 69% of the overall media share, followed by neutral mentions (26%), as well as negative media traction (3%).

## Reputation Management Index

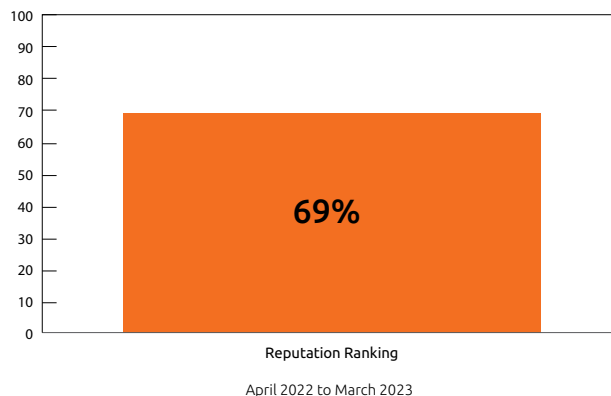
TETA received a total of 211 social media clips for the period, of which 146 were positive articles, followed by 65 neutral mentions. Therefore, according to the Reputation Index calculation, TETA's Index score for social media content is 69% positive for April 2022 to March 2023.

Figure 13: Media Reputation Index for Social Media



Reputation Management is measured through Reputation Index, which is calculated by taking articles with a positive tone and subtracting articles with a negative tone. This number is then divided by the total coverage of the organization (positive, neutral, and negative) and multiplied by 100. This results in a score between -100, only negative coverage, or 100, only positive coverage.

Figure 14: Media Reputation Index for Editorial Media

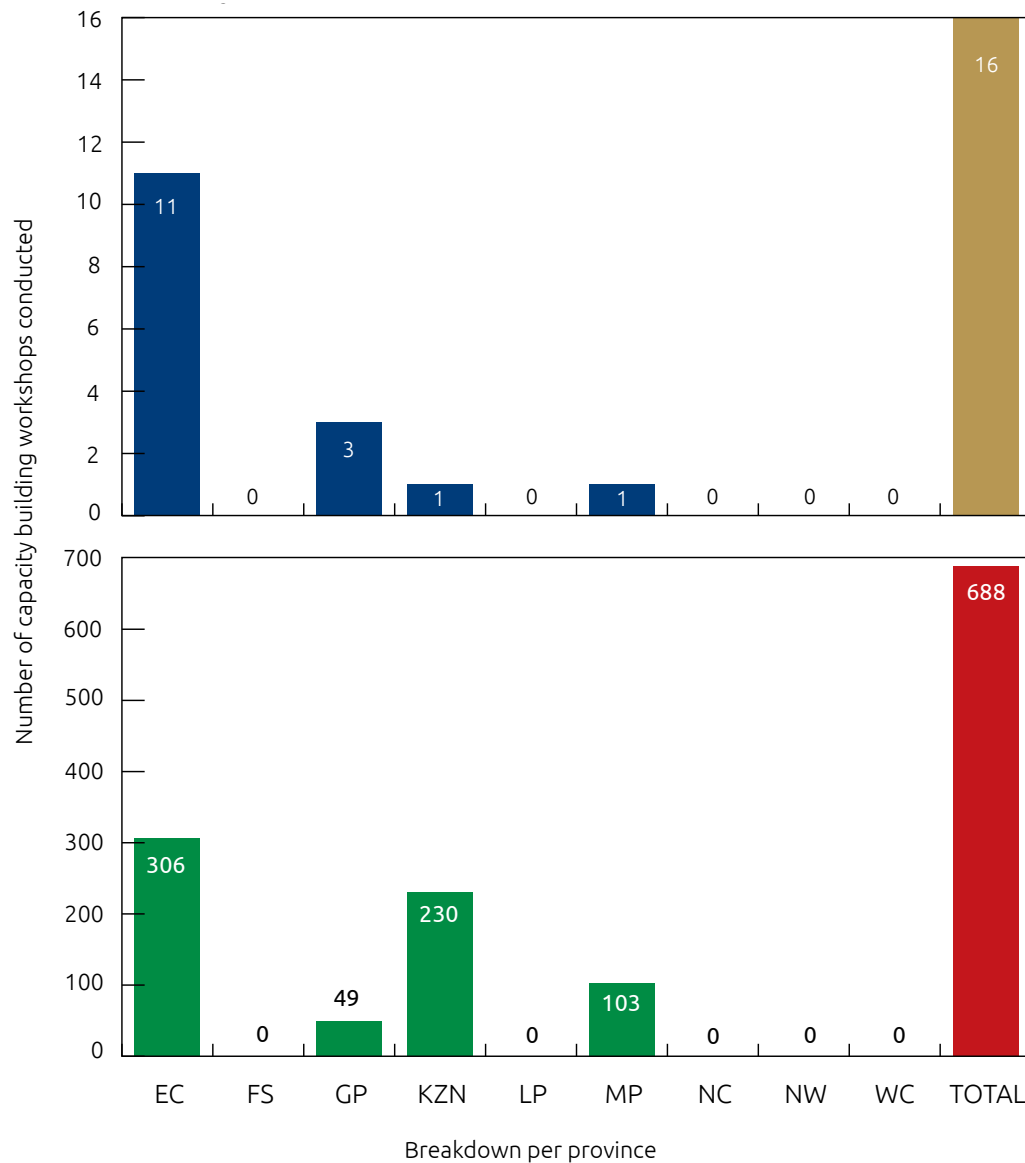


TETA received a total of 270 articles, of which, 191 were positive, 73 were neutral mentions, while negative coverage accounted for six articles. Therefore, according to the Reputation Index calculation, TETA's Index score for editorial media is 71% positive for April 2022 to March 2023.

## Outreach and Brand Awareness Interventions 2022/23 Financial Year

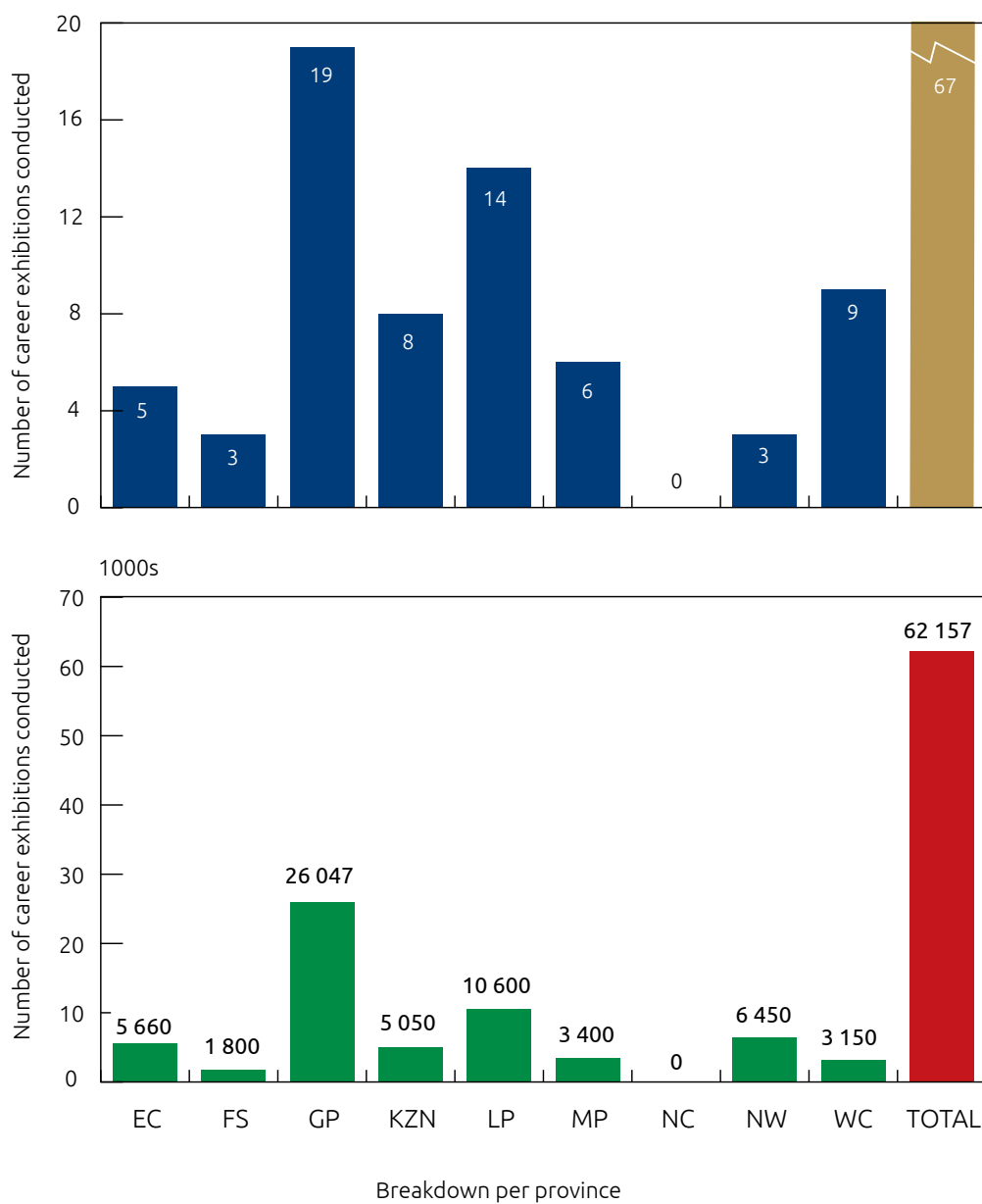
Between the period April 2022 and March 2023, the SETA, through its career champions who are empowered annually on best practices for career development services interacted with more than 62000 young people from schools and at exhibitions around the country and more than 600 Life Orientation Educators in four provinces were also capacitated.

Figure15: Number of capacity building workshops conducted for teachers for the 2022/23 financial year



- Number of teacher capacitation workshops conducted per province
- Total number of teacher capacitation workshops conducted nationally
- Number of teachers capacitated per province
- Total number of teachers capacitated nationally

Figure16: Number of TETA Career Exhibitions conducted in urban areas for the 2022/23 financial year



- Number of TETA Career Exhibitions conducted per province
- Total Number of TETA Career Exhibitions conducted per province
- Number of learners impacted
- Total umber of learners impacted



The background of the slide is a photograph of a port at sunset. A large cargo ship with a black hull and red bottom is docked. In the background, a large cable-stayed bridge is visible. The sky is a mix of orange, pink, and blue. Overlaid on the image are various white icons representing different modes of transport: a truck, a bus, a taxi, a train, a globe, a ship, a cargo box, and an airplane. A large, semi-transparent teal and orange graphic is also present, partially obscuring the ship and the bridge.

# 2022

# 23

PART C  
**Governance**





# 1. Governance

## 1. INTRODUCTION

Corporate governance entails processes and systems by which TETA, a public entity established in terms of Section 9 of the Skills Development Act (Act No. 97 of 1998) (SDA), facilitates public accountability. In addition to legislative requirements derived from the SDA and Skills Development Levies Act (Act No. 9 of 1999) (SDLA), corporate governance pertaining

to public entities is effectuated through the precepts of the Public Finance Management Act (Act No. 1 of 1999) (PFMA), and related Treasury regulations and relevant directives. The principles contained in the King Report on Corporate Governance are also applicable. Parliament, through its committee system, as well as the Executive and the TETA Accounting Authority are responsible for corporate governance and public accountability.

## 2. Accounting Authority

Report by the Accounting Authority of the Transport and Education Training Authority (TETA) as the Accounting Authority, to the Minister of Higher Education, Science and Innovation (as the Executive Authority) and Members of Parliament of the Republic of South Africa.

of the Public Finance Management Act 1 of 1999 read together with the Treasury Regulations.

### 2.1. Statement of responsibility

#### 2.1.1 TETA establishment

TETA is a schedule 3A public entity established by the Minister of Labour on 20 March 2000, and subsequently reestablished from 31 March 2005 to 31 March 2010 as contemplated in section 9(1)(b) of the Skills Development Act. The Minister of Higher Education, Science and Innovation then granted an extension until March 2016 to all SETAs, and again from 1 April 2016 to 31 March 2018. This was further extended to 31 March 2020, and currently to March 2030. The objective of TETA is to develop skills in and for the transport industry in South Africa. The following sub-sectors fall within the scope of TETA:

- Aerospace
- Forwarding and Clearing
- Freight Handling
- Maritime
- Rail
- Road Freight
- Road Passenger
- Taxi

#### 2.1.2 TETA financial records

The TETA Accounting Authority kept full and proper accounting records for the financial years ending 21 March 2023 in compliance with provisions of the

#### 2.1.3 Corporate governance

For the Accounting Authority to successfully implement its mandate of providing strategic direction; determining strategies and policies; and managing performance against specific goals and business plans, new Accounting Authority members are thoroughly capacitated in terms of the King Code IV, including the PFMA and the skills development environment within TETA. This is done through a comprehensive induction process for all Accounting Authority members. The Accounting Authority members undertook a self-evaluation during the year. The self-evaluation was also implemented for Accounting Authority's committees. The Accounting Authority placed a strong emphasis on risk management controls and the reviewing and implementation of investments.

### 2.2. Legal costs

There were legal expenses incurred during the year under review due to normal operating activities.

### 2.3. Going concern

The Minister of Higher Education, Science and Innovation promulgated SETAs for the period 1 April 2016 to 31 March 2018. The SETA landscape was extended to 31 March 2020 and now has been finally extended until 31 March 2030. This allows for a longer time horizon for planning purposes with better tracking of impact of the training initiatives.

The Accounting Authority is satisfied that TETA is a going concern.

## 2.4. Portfolio Committees

In the year under review, TETA has not appeared before the Portfolio Committee and SCOPA. These committees have not raised any specific challenges and concerns relating to the organisation.

## 2.5. Executive Authority

The PFMA empowers the Executive Authority to hold oversight of TETA. The Accounting Authority is appointed by and is accountable to the Executive Authority. The TETA Accounting Authority concludes overarching governance instruments with the Executive Authority that set out organisational objectives and aspirations that appropriately relate to the compact between the Executive Authority and TETA. The TETA concluded an SLA with the Director-General pursuant to section 10A of the Skills Development Act. The SDA contemplates that the SETA should produce an SSP, and the transport SSP was produced and submitted for ministerial approval on 31 August 2021. The plan was approved with some improvements. The TETA also submitted planning documents for the subsequent year (strategic plan and Annual performance plan) as prescribed by the EA. The TETA submits quarterly performance reports and governance reports to the DHET highlighting organisational compliance with provisions of the PFMA. The organisation received positive feedback on its efforts to attain government imperatives as set out in the instruments described above.

### 2.5.1. TETA Accounting Authority

The Accounting Authority is the Accounting Authority for TETA. The Accounting Authority constitutes a fundamental base for the application of corporate governance principles within the institution. TETA is headed and controlled by an effective and efficient Accounting Authority comprising highly skilled, extensively experienced and hardworking individuals. The majority of the Accounting Authority includes non-executive members, who guarantee independence and objectivity in decision-making. The Accounting Authority has absolute responsibility for the performance of the organisation and is fully accountable to the organisation for such performance. The Accounting Authority provides

strategic leadership and direction to TETA. In the year under review, TETA submitted the transport SSP, TETA Strategic Plan, and a revised APP, which considers the challenges brought on by the global health pandemic. In addition, TETA participated in a due diligence exercise conducted under the auspices of the DHET to enhance economic recovery in the transport sector. TETA received positive feedback on its contribution towards the realisation of sectoral objectives and aspirations.

### 2.5.2. Role of the Accounting Authority

The Accounting Authority fulfils the following roles:

- Hold absolute responsibility for the performance of TETA;
- Retain full and effective control of TETA;
- Ensure that the organisation complies with the SDA and other applicable legislations, regulations, and government policies;
- Retain unrestricted access to TETA information;
- Formulate, monitor, and review TETA's corporate strategy, strategic plans, risk policy, annual budgets, and business affairs;
- Ensure that the DHET performance imperatives are realised;
- Avoid conflicts of interest;
- Develop a clear definition of levels of materiality;
- Attend annual meetings;
- Ensure financial statements are prepared;
- Appraise the performance of the Chairperson;
- Ensure effective Accounting Authority induction; and
- Maintain integrity, responsibility and accountability.

### 2.5.3. TETA Accounting Authority Charter

In line with the recommendations of the King Code IV, the Accounting Authority has a charter setting out its responsibilities, which should be disclosed in its annual report. The Accounting Authority Charter, inter alia, confirms the following:

- The Accounting Authority has a responsibility to approve annual budget, business plan, strategic plans and reports required for public accountability;
- Monitoring of operational performance and management and ensure organisational sustainability;
- Policy development to ensure the integrity of the TETA risk management and internal controls;
- Provide strategic direction and leadership to the public entity and delegate powers and functions to functionaries;
- Development of charters for the committees.

The Accounting Authority observes the provisions of the Accounting Authority Charter in its workings. The Accounting Authority keeps records of its meetings, and such meetings are conducted in accordance with good governance principles contained in the Charter. The current Accounting Authority is poised to revise the TETA Constitution and the Charters to effect necessary improvements and evolve with changing conditions.

The TETA Accounting Authority members are as follows: Dr. Eugenia Kula is the chairperson of the TETA Accounting Authority and EXCO, Mr. Saki Tlou (EXCO Member and Chairperson of Governance and Strategy Committee, Mr. Matthews Ramosie, Mr. Roland Setlako (EXCO Member and FINHRR Chair), Mr. Hardhaw Tikum, Ms. Fezeka Ntlemaza, Ms. Zonke Cebekhulu (EXCO Member), Mr. Irvin Phenyane, Ms. Nokuthula Sifunda (EXCO Member), Ms. Olivia Maponya, Mr. Anele Kiet, Mr. Wilfred Mogudi, Ms.

Norah Munyai, Mr. Solomon Mahlangu, Ms. Dinah Maleka, Mrs. Maphefo Anno-Frempong (CEO), Mr. Famanda Shirindza (COO), Mr. Nchaupae Maepa (new CFO), and Adv. Ishmael Malale (Company Secretary).

The Minister of Higher Education, Science and Innovation appointed the TETA Accounting Authority to serve from 1 April 2020 to 31 March 2025, as contemplated in the TETA Constitution. The TETA Accounting Authority members attend Accounting Authority meetings in accordance with the TETA Constitution and the Accounting Authority Charter. The TETA Accounting Authority Chairperson resigned following his appointment as the Deputy Director-General: TVETs in the DHET. Consequently, Mr. Saki Tlou was appointed as Interim chairperson of the TETA Accounting Authority. Ultimately, the Executive Authority appointed Dr. Eugenia Kula as the TETA Accounting Authority Chairperson effective 05 August 2022.





#### 2.5.4. Composition of the TETA - Accounting Authority

NAME	DESIGNATION	DATE APPOINTED	STATUS	QUALIFICATION	EMPLOYMENT	AFFILIATION	ACCOUNTING AUTHORITY COMMITTEE	NO. OF MEETINGS ATTENDED
<b>Dr. Eugenia Kula</b>	Accounting Authority Chairperson	05 August 2022	Active	MBA Doctorate in Business Leadership (DBL)	Office of the Citizen (NPC)	• None	• Board Chair • Board EXCO (Chair)	5
<b>Mr. Saki Tlou</b>	Accounting Authority Member	31 March 2020	Active	MSc in Business and Strategic Leadership	Neutrino	• NEUTRINO Investments • Deverneux Dynamics • Sea Energies Africa	• Chair: Governance and Strategy Committee • Chair: Aerospace Chamber	7
<b>Mr. Anele Kiet</b>	Accounting Authority Member	1 April 2020	Active	Labour Law certificate	SATAWU	• Kamulizwa Projects	• Governance and Strategy Committee	7
<b>Ms. Dina Maleka</b>	Accounting Authority Member	1 April 2020	Active	Masters in Public Administration	Department of Transport	• None	• Governance and Strategy Committee • Chair: Rail Chamber	7
<b>Mr. Matthew Ramosie</b>	Accounting Authority Member	1 April 2020	Active	Labour Law certificate, Postgraduate Diploma in Management	N/A	• None	• Audit and Risk Committee • Finance and Human Resources (HR) Committee • Chair: Road Freight Chamber	7
<b>Ms. Norah Munyai</b>	Accounting Authority Member	1 April 2020	Active	Masters in Industrial Psychology	Thai Enablement	• None	• Finance and HR Committee	7
<b>Ms. Olivia Maponya</b>	Accounting Authority Member	1 April 2020	Active	BTech, Diploma in Transport Management	Kopano Bus Service	• Kopano Bus Service • Blue Sands Trading • Polokwane Kopano Properties • SANSBOC • Alriglo Trading	• Finance and HR Committee	6

NAME	DESIGNATION	DATE APPOINTED	STATUS	QUALIFICATION	EMPLOYMENT	AFFILIATION	ACCOUNTING AUTHORITY COMMITTEE	NO. OF MEETINGS ATTENDED
<b>Mr. Solomon Mahlangu</b>	Accounting Authority Member	1 April 2020	Active	Labour Law certificate, Introduction to Financial Management	SATAWU	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Finance and HR Committee</li> </ul>	6
<b>Mr. Irvin Phenyane</b>	Accounting Authority Member	1 April 2020	Active	Masters in Public Development and Management	NTEP Investments	<ul style="list-style-type: none"> <li>NTEP Investments</li> <li>N4 Logistics</li> <li>Drones Council SA</li> </ul>	<ul style="list-style-type: none"> <li>Governance and Strategy Committee</li> <li>Chair: Taxi Chamber</li> </ul>	7
<b>Ms. Fezeka Ntlemeza</b>	Accounting Authority Member	1 April 2020	Active	BJuris, MBA	Department of Cooperative Governance Traditional Affairs (EC)	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Audit and Risk Committee</li> <li>Chair: Forwarding and Clearing Chamber</li> </ul>	7
<b>Mr. Hardhaw Tikum</b>	Accounting Authority Member	1 April 2020	Active	Diploma in Business Management	UNTU	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Governance and Strategy Committee</li> </ul>	7
<b>Mr. Roland N. Setlako</b>	Accounting Authority Member	1 April 2020	Active	Maritime certificates and Training Management Certificate	Southern Seas Institute	<ul style="list-style-type: none"> <li>Southern Seas Institute</li> <li>SETLAS Group</li> <li>Maritime Cargo Shipping, Edu, Training and Development</li> </ul>	<ul style="list-style-type: none"> <li>Finance and HR Committee</li> <li>Board EXCO</li> <li>Chair: Maritime Chamber</li> </ul>	7
<b>Ms. Zonke Cebekhulu</b>	Accounting Authority Member	1 April 2020	Active	Diploma in Management Development and Logistics Management	Transnet	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Board EXCO</li> </ul>	7
<b>Ms. Nokuthula Sifunda</b>	Accounting Authority Member	1 April 2020	Active	Labour Law Certificate, Customer Management Certificate, ABET Certificate	SATAWU	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Board EXCO</li> </ul>	7

NAME	DESIGNATION	DATE APPOINTED	STATUS	QUALIFICATION	EMPLOYMENT	AFFILIATION	ACCOUNTING AUTHORITY COMMITTEE	NO. OF MEETINGS ATTENDED
Mr. Wilfred Mogudi	Accounting Authority Member	1 April 2020	Active	Masters in Business Leadership	DETRUSA	<ul style="list-style-type: none"> <li>MEGTREND</li> <li>APA</li> <li>SEBOWA (all non-active)</li> </ul>	<ul style="list-style-type: none"> <li>Chair: Freight Handling Chamber</li> </ul>	7

#### 2.5.5. Audit and Risk Committee members (Excluding Board Members above)

NAME	QUALIFICATION	INTERNAL/ EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Mr Pascalis Mokupo	Chartered Accountant (CA)	External ARC member	Independent Chairperson	15 May 2020	Active	4
Mr Thiru Mudaly	Chartered Accountant (CA)	External ARC member	Independent Member	15 May 2020	Active	4
Mr Mlamli Magigaba	B Juris (LLB)	External ARC member	Independent Member	15 May 2020	Active	4

#### 2.5.6. Delegation of Authority

The TETA has a comprehensive delegation of authority framework that assists in ensuring effective decision-making without diluting members' accountability and responsibilities.

#### 2.5.7. Accounting Authority Member Assessment

The Accounting Authority has conducted self-assessments and also assessed its committees.

#### 2.5.8. Accounting Authority Sub-committees

The TETA Accounting Authority has four main committees ensuring the execution of its mandate. These are described below:

##### 2.5.8.1. Executive Committee (EXCO)

EXCO is established in terms of section 10 of the TETA Constitution and is delegated the power to process matters between the quarterly Accounting Authority meetings.

EXCO facilitates submissions of information and reports for deliberation and decision-making by the TETA Accounting Authority. EXCO held four meetings during the period under review in compliance with prescripts.

##### 2.5.8.2. Finance, Human Resources and Remuneration Committee

The FHRRC is delegated the function of providing oversight regarding TETA financial affairs by assisting the Accounting Authority to oversee the following:

- TETA's financial position;
- Financing plans and programmes;
- Cash management;
- Investment management; and
- Employee retirement.

The FHRRC convened meetings in line with the terms of reference during the period under review.



### 2.4.8.3. Audit and Risk Committee

The Audit and Risk Committee (ARC) is responsible for the monitoring of internal control systems and processes to ensure TETA interests and assets are protected. The ARC reviews any accounting concerns raised by the internal and external audits as well as the Annual Financial Statements. The ARC ensures that TETA has an effective internal audit function in place and that the roles and functions of internal and external audits conducted and overseen by the committee.

This is to ensure that an objective overview of the operational effectiveness of the entity's systems of internal control, risk management, governance and reporting is provided.

The ARC ensures that the Accounting Authority's risk management strategies and processes are aligned with best practices. The management is fully involved in the processes and in reporting to the ARC on risk exposure and emerging risks, among other factors. Committee meetings were held in accordance with the ARC Charter during the period under review. External and internal auditors and senior executives also attended and participated these meetings.

## 2.5. Accounting Authority and Accounting Authority committee meeting attendance

During the period under review, the Accounting Authority, EXCO and Accounting Authority committees held meetings in line with the approved Constitution of the TETA Accounting Authority and the Accounting Authority Charter. The tables below record members' attendance at these meetings as well as Accounting Authority members' remuneration for the year under review.

### TETA BOARD attendance for 2022/23

NAME	CONSTITUENCY	23 MAY 2022	28 JUL 2022	24 AUG 2022 (SPECIAL)	23 SEP 2022	12 OCT 2022 (SPECIAL)	24 NOV 2022	24 MAR 2023
Dr. Eugenia Kula	Accounting Authority Chairperson	NA	NA	P	P	P	P	P
Mr Saki Tlou	Accounting Authority Member	P	P	P	P	P	P	P
Mr Anele Kiet	Accounting Authority Member	P	P	P	P	P	P	P
Mr Matthew Ramosie	Accounting Authority Member	P	P	P	P	P	P	P
Ms Norah Munyai	Accounting Authority Member	P	P	P	P	P	P	P
Ms Olivia Maponya	Accounting Authority Member	P	P	AP	P	P	P	P
Mr Solomon Mahlangu	Accounting Authority Member	P	P	P	AP	P	P	P
Mr Irvin Phenyane	Accounting Authority Member	P	P	P	P	P	P	P
Ms Fezeka Ntlemeza	Accounting Authority Member	P	P	P	P	P	P	P
Mr Hardhaw Tikum	Accounting Authority Member	P	P	P	P	P	P	P
Mr Roland N. Setlako	Accounting Authority Member	P	P	P	P	P	P	P
Ms Zonke Cebekhulu	Accounting Authority Member	P	P	P	P	P	P	P
Ms Nokuthula Sifunda	Accounting Authority Member	P	P	P	P	P	P	P
Mr Wilfred Mogudi	Accounting Authority Member	P	P	P	P	P	P	P

*P = Present; AP = Apology; R = Resigned ; NA = Not Active*

### EXCO attendance in 2022/23

NAME	CONSTITUENCY	01 JUNE 2022	12 AUG 2022	28 OCT 2022	27 FEB 2023
<b>Dr. Eugenia Kula</b>	Committee Chairperson	NA	NA	P	P
<b>Mr. Saki Tlou</b>	Committee Member	P	P	P	P
<b>Mr Roland N. Setlako</b>	Committee Member	P	P	P	P
<b>Ms Zonke Cebekhulu</b>	Committee Member	P	P	P	P
<b>Ms Nokuthula Sifunda</b>	Committee Member	P	P	P	P

P = Present; AP=Apology; NA = Not Active

### Finance, Human Resources and Remuneration Committee attendance in 2022/23

NAME	CONSTITUENCY	19 MAY 2022	04 JUL 2022 (Special)	20 JUL 2022	20 OCT 2022	11 NOV 2022 (Special)	22 FEB 2022	20 MAR 2023 (Special)
<b>Mr Roland Setlako</b>	Committee Chairperson	P	P	P	P	P	P	AP
<b>Ms Norah Munyai</b>	Committee Member	P	P	P	P	P	P	P
<b>Mr Matthew Ramosie</b>	Committee Member	P	P	P	P	P	P	P
<b>Ms Olivia Maponya</b>	Committee Member	P	P	P	P	P	P	P
<b>Mr Solomon Mahlangu</b>	Committee Member	P	P	P	P	P	P	P

P = Present; AP = Apology

### Audit and Risk Committee attendance in 2022/23

NAME	CONSTITUENCY	23 MAY 2022	25 JUL 2022	26 OCT 2022	SPECIAL ARC 14 DEC 2022	16 FEBRUARY 2023
<b>Mr Pascal Mokupo</b>	Independent Chairperson	P	P	P	P	P
<b>Mr Thiru Mudaly</b>	Independent Member	P	P	P	P	P
<b>Mr Mlamli Magigaba</b>	Independent Member	AP	P	P	P	P
<b>Mr Mathews Ramosie</b>	Board Member	P	P	P	P	P
<b>Ms Fezeka Ntlemeza</b>	Board Member	P	P	P	P	P

P = Present; AP = Apology

### Governance and Strategy Committee attendance in 2022/23

NAME	CONSTITUENCY	14 APR 2022	14 JULY 2022	14 OCT 2022	15 MARCH 2023
<b>Mr Saki Tlou</b>	Committee Chairperson	P	P	P	P
<b>Mr Irvin Phenyane</b>	Committee Member	P	P	P	P
<b>Mr Anele Kiet</b>	Committee Member	P	P	P	P
<b>Ms Dinah Maleka</b>	Committee Member	P	P	P	P
<b>Mr Anele Kiet</b>	Committee Member	P	P	P	P

P = Present; AP = Apology

## Remuneration of board members

NAME	SITTING ALLOWANCE (RATE PER SITTING)	REMUNERATION	OTHER ALLOWANCE	OTHER RE-IMBURSE- MENTS	TOTAL
<b>Dr. Eugenia Kula</b>	R10 460.00	R 137,298.00	Included	R 5,132.75	R 142,430.75
<b>Ms. Khuthazwa Fezeka Ntlemeza</b>	R8 010.00	R 144,462.00	Included	R 28,304.25	R 172,766.25
<b>Mr. Mogoenyane Ramosie</b>	R8 010.00	R 321,354.00	Included	R 15,914.00	R 337,268.00
<b>Mr Roland Setlako</b>	R8 010.00	R 358,888.00	Included	R 10,884.00	R 369,772.00
<b>Mr. Saki Tlou</b>	R8 010.00	R 282,719.00	Included	R 7,657.36	R 290,376.36
<b>Ms. Zonke Evidence Cebekhulu</b>	R8 010.00	R 224,280.00	Included	R 27,147.25	R 251,427.25
<b>Mr. Nqobizitha Irvin Phenyane</b>	R8 010.00	R 235,336.00	Included	R 0. 00	R 235,336.00
<b>Mr. Hardhaw Tikum</b>	R8 010.00	R 216,270.00	Included	R 0. 00	R 216,270.00
<b>Ms. Nokhuthula Sifunda</b>	R8 010.00	R 216,270.00	Included	R 7,827.00	R 224,097.00
<b>Mr. Wilfred Mogudi</b>	R8 010.00	R 176,502.00	Included	R 8,275.36	R 184,777.36
<b>Mr. Anele Kiet</b>	R8 010.00	R 134,929.00	Included	R 1,254.00	R 136,183.00
<b>Ms. Norah Ndanduleni Munyai</b>	R8 010.00	R 208,190.00	Included	R 5,249.60	R 213,439.60
<b>Ms. Olivia Maponya</b>	R8 010.00	R 401,252.00	Included	R 54,051.97	R 455,303.97
<b>Mr. Solomon Mahlangu</b>	R8 010.00	R 211,190.00	Included	R 12,701.50	R 223,891.50
<b>Ms. Dinah Maleka</b>	R 0.00	R 0.00	Included	R 3,040.00	R 3,040.00

*The amount for allowance and reimbursements for travel and toll gate fees are inclusive of Board meetings and its committees*

## 2.6. Internal control Unit

The internal control function is fulfilled by TETA management. To reduce and/or eliminate risk exposure in certain key functions of the organisation, policies and procedures are continuously developed, reviewed and implemented. These controls are then tested for design and effectiveness by an outsourced internal audit function, which reports functionally to the ARC and administratively to the CEO.

The following activities, approved by the ARC, were performed by the Internal Auditors during the year under review:

- Strategic plan and annual performance plan alignment;
- Pre-determined objectives review (Q3 and Q4);
- Follow-up on previous audit findings – information technology general controls; and
- Review of draft AFS 2021/22; and

- Adequacy of internal financial controls.

The ARC's key activities and responsibilities, as outlined in the approved charter, include:

- Maintaining full and unrestricted access to the TETA CEO, executive management team, external and internal auditors, and the Accounting Authority;
- Initiating investigations on any matter it may deem necessary, and obtaining legal and any other advice from external experts;
- Hiring special counsel or experts to assist in special opinions or investigations, subject to TETA procurement procedures and financial stipulations in TETA's financial delegation; and
- Reviewing the effectiveness of the internal audit function and ensuring that the roles and functions of the external and internal auditors are sufficiently clarified and coordinated. This provides an objective overview of the operational effectiveness

of TETA systems of internal control, risk management, governance and reporting.

## 2.7. Avoiding Conflict of Interest

The TETA Accounting Authority members disclosed and avoided any potential and actual conflicts of interest at the commencement of their tenure and during each meeting dealing with substantive matters. The culture of disclosure of conflicts of interest is practiced by the Accounting Authority, its four (4) committees, and the eight (8) subsector committees. TETA SCM Policy is strictly executed to guarantee the integrity of the organisation.

The following are some of the aspects covered by the policy:

- Prohibitions on awards to state employees, advisors or consultants contracted with TETA; and

- Declaration-of-interests forms are to be completed and submitted by the authorised representative of the service provider, as stipulated in Treasury Instruction note no. 32 dated 31 May 2011.

The SCM Policy further makes provision to regulate and prohibit awards to close family members of persons within the service of the state.

## 2.8. Code of Conduct

All governance structure members have to subscribe to and abide by the TETA Code of Conduct, as articulated in the governance charter and TETA Constitution. No misconduct was recorded in the year under review. The SETA has provisions within its policy and Accounting Authority Charter to regulate any misconduct.



### 3. Audit and Risk Committee Report

I am pleased to present you with the report of TETA Audit and Risk Committee for the financial year ended 31 March 2023. The Audit Committee is responsible for overseeing:

- Quality and integrity of TETA's financial statements and sustainability issues;
- Overseeing the appointment, remuneration, independence and performance of external auditor and the integrity of the audit process including the approval of non-audit services;
- Effectiveness of the internal financial control and system of system of internal control and risk management; and
- Effectiveness of governance and assurance processes within TETA, including adequately resourced internal audit function.

#### 3.1. Audit and Risk Committee Members and Attendance

The Audit and Risk Committee consists of members listed hereunder and is required to meet at least

four times per annum as per its approved terms of reference. During the current year five (5) meetings were held by the Audit and Risk Committee inclusive of special meetings.

#### 3.2. Significant and financial statement reporting issues

Assumptions and estimates or judgement are a significant part of the financial reporting process and are evaluated carefully by the committee ahead of finalisation of the financial statement. Detailed review was judgments and assumptions made by managements made were reviewed and assessed by the committee. Where deemed fit, the committee sort inputs from external auditors and encouraged rigorous engagement on controls, accounting policies and disclosure matters. In addition to the above, the committee covered matters relating to the budgeting, forecasting and legal matters.

#### Audit and Risk Committee Attendance in 2022/23

NAME	CONSTITUENCY	23 May 2022	25 Jul 2022	26 Oct 2022	SPECIAL ARC 14 Dec 2022	16 Feb 2023
Mr Pascalis Mokupo	Independent Chairperson	P	P	P	P	P
Mr Thiru Mudaly	Independent Member	P	P	P	P	P
Mr Mlamli Magigaba	Independent Member	AP	P	P	P	P
Mr Mathews Ramosie	Board Member	P	P	P	P	P
Ms Fezeka Ntlemeza	Board Member	P	P	P	P	P

Chairperson P=Present AB=Absent

AP=Apology R=Resigned N/A=Not Applicable

As shown in the table above, the majority of the audit committee members are independent from the Accounting Authority. The committee has met all legal and regulatory requirements from a composition and independence perspective.

#### 3.3. Audit and Risk Committee Responsibility

The committee is a statutory committee in terms of in terms of the Public Finance Management Act, Act No 1 of 1999 (PFMA) and as such, reports to the Accounting Authority and as Accounting Authority Sub-Committee. The committee adopted appropriate formal terms of reference in our charter in line with

the requirements of Section 51(1)(a) of the Public Finance Management Act, No. 1 of 1999 and Treasury Regulation 27 approved by the Accounting Authority. The affairs of the committee were conducted in compliance with this audit charter. The committee provided oversight and monitoring on the following issues:

- Internal controls, risk management and compliance process;
- Delegated levels of authority, combined assurance and business continuity; and
- Controls to prevent irregular expenditure, fruitless and wasteful expenditure.

### 3.4. The Effectiveness of Internal Control

The system of controls is designed to provide assurance that assets are safeguarded, laws are complied with, information is reliable and liabilities are efficiently managed. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Having considered the above, the Audit Committee has no reason to believe that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review, except those noted in the audit report.

### 3.5. Internal Audit

We are satisfied that the Internal Audit function has operated effectively and that it has addressed the risks pertinent to TETA's audits as per approved plan. The committee has:

- Reviewed significant findings emanating from the Internal Audit Reports and management's response thereto;
- Reviewed cooperation and co-ordination between the internal and external audit functions to ensure coordination between the internal audit work plan with external auditors' strategy to eliminate duplication of work;
- Ensured that internal audit has unrestricted access to the chairman of the audit and or committee;
- Provided an opportunity for Internal Audit at every committee meeting to meet, without presence of management, to discuss any issues arising from internal audit carried out.

### 3.6. Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the Annual Report with the Auditor-General and the Accounting Officer;

Reviewed the Auditor-General's management letter and management's response thereto;

- Reviewed the appropriateness of accounting policies and practices adopted; and
- Reviewed significant adjustments resulting from the Audit.

Having regard to all material risks and factors that may impact the financial statement of TETA for the year ended 31 March 2022, the committee recommends approval of financial statement for 31 March 2023 to the accounting authority.

The Audit Committee accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the Report of Auditor-General and has therefore recommended the adoption and approval of the annual financial statements by the Accounting Authority.

### 3.7. Appreciation

The Audit Committee expresses its sincere appreciation to the Accounting Authority, senior management team, Internal Audit and the Auditor-General of South Africa for their co-operation towards us achieving the requirements of our Charter as mandate.



**Mr Pascalis Mokupo**  
*Audit and Risk Committee Chairperson*  
 Date: 31 July 2023

## B-BBEE Compliance Performance Information

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

CRITERIA	RESPONSE YES / NO	DISCUSSION (INCLUDE A DISCUSSION ON YOUR RESPONSE AND INDICATE WHAT MEASURES HAVE BEEN TAKEN TO COMPLY)
Discussion (include a discussion on your response and indicate what measures have been taken to comply)	Yes	TETA follows the SANAS guidelines in determining its BEE Status Level Certificate and is currently at Level Two (2).
Developing and implementing a preferential procurement policy?	Yes	In its Supply Chain Management (SCM) Policy TETA applies the Broad Based Black Economic Empowerment Act, Act No. 53 of 2003, Preferential Procurement Policy Framework Act, Act No. 5 OF 2000 and its Regulations (2017) to comply with the preferential procurement policy. The SCM Policy is approved by TETA Board and revised when new policy changes arise.
Determining qualification criteria for the sale of state-owned enterprises?	No	TETA is not involved in this procurement practice.
Developing criteria for entering partnerships with the private sector?	Yes	TETA procures its goods and services through a competitive bidding process. Any other partnerships are conducted through the Independent Management Committee (IMC) processes
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The SCM legislation does not allow for such processes, preferential points as per the BEE Act and PPPFA are used to promote Black Economic Empowerment



# Ownership and Management Control

Please indicate % of black shareholding and number of directors/managers by providing relevant information below:

Categories	%/ Number for each category	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Age (provide nr in chronological order)	Location (indicate nr in each Province)	Disability (indicate nr in terms of F & M)
Black Ownership	N/A	N/A	N/A	N/A	N/A	N/A
Non-Exec Directors	100%	15 A 1 I	7 F 9 M	Not Specified	RNB	0
Exec Directors	0	N/A	N/A	N/A	N/A	N/A
Senior Management	94.11%	13 A	7 F 6 M	Not Specified	RNB	0
Middle Management	88.89%	22 A 1 C 1 I	9 F 13 M	Not Specified	CPT, DBN, RNB	0
Junior Management	100%	11 A 1 C	10 F 1 F	Not Specified 0	CPT, DBN, RNB	0
Dividends declared	N/A					

# Skills Development

Provide number of black persons trained by providing relevant information as follows:

Categories	Number for each category	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Age (provide nr in chronological order)	Location (indicate nr in each Province)	Disability (indicate nr in terms of F & M)	Value thereof
Black employees	114	105 A 2 C 7 I	69 F 45 M	Not Specified	CPT, DBN, RNB	0	R1 202 290
Black People on internships, apprenticeship, learnership	40	40 A	24 F 16 M	Not Specified	CPT, DBN, RNB	0	R4 428 564
Exec Unemployed black people	0	0	0	0	0	0	0
Black people absorbed	0	0	0	0	0	0	0



## Enterprise and Supplier Development

Number of enterprise and supplier development beneficiaries and value thereof by providing relevant information below:

Number of enterprise development beneficiaries (EMEs)	% of Black ownership	Number of enter- prise development beneficiaries (QSEs)	% of Black ownership	Number of supplier development beneficiaries (EMEs)	% of Black ownership	Number of supplier development beneficiaries (QSEs)	% of Black ownership	Value thereof (enterprise development)	Value thereof (supplier development)
770	100%	0	0	N/A	N/A	N/A	N/A	R27 994 580	N/A

## Socio-Economic Development

Number of black participants, race classification, gender, geographical indication and value thereof by providing relevant information below:

Number of participants	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Geographical indication (indicate nr in each Province)	
59	100% A	–	GP	6
		–	MP	6
		–	FS	5
		–	LP	8
		–	WC	4
		–	EC	9
		–	NC	6
		–	KZN	9
		–	NW	6
Value thereof		R3 531 938		



2022

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PART D

**Human Resources**

STRATEGIC PLAN

## 1. INTRODUCTION

### 1.1. An Overview of Human Resource Matters

In our quest to crystallize human capital management as the vehicle that transforms the traditional administrative functions within the organisation and to optimise overall performance, our human resources department in the year under review continued to support the organisation in areas such as recruitment, training and development, payroll, and performance management.

For the year under review, the Human Resource Department ensured succinct implementation of the of its strategy and overall organisational goals through:

- Managing TETA's structure and implementing the HR plan to capacitate the organisation to meet its business performance imperatives;
- Timeous selection and recruitment to ensure that vacant positions are filled;
- Training and development of TETA staff, aligned with personal development plans;
- Continuous improvement of HR policies, plans and strategies to eliminate uncertainties in the workplace;
- Devolution of sound employment relations to all business units of the organisation;
- Creating awareness of the importance of living a healthy lifestyle;
- Ensuring effective and efficient performance management systems are in place;
- Recognition of the National Education, Health and Allied Workers' Union (NEHAWU) as the employees' voice in the workplace and continuous improvement of the relationship with the union

### 1.2. HR Priorities and their Impact

- Training and development of personnel remained a high priority for TETA in the year under review, and this improved organisational performance, staff confidence and skills;
  - Internal staff bursaries ( Pivotal and Informal training) to improve employee qualifications and increase relevance in the delivery of the job;
  - Workshops aligned with personal development plans and industry-specific matters, such as

trend updates to increase knowledge capacity and optimise employee performance;

- Personal uplifting and wellness related training to support overall welfare of employees;
- Submission of the WSP/ATR to the ETDP SETA to ensure that TETA's overall training is accounted for and supports the dictates of skill development and training.

### 1.3. Workforce Planning Framework

TETA HR plan provided guidance for the workforce planning framework, which is aligned with the institution's overall strategy.

### 1.4. Employee Performance Management Framework

TETA's performance management framework assisted in setting objectives for all TETA employees at the beginning of every financial year. Achievement was measured quarterly.

### 1.5. Employee Wellness Programmes

TETA prides itself in being a caring employer. Thus, the promotion of healthy living – physical, emotional and mental – were significant during the year under review. Employees had access to professional assistance in social, psychological, legal, and professional matters.

### 1.6. Policy Development

The organisation reviewed and updated its HR policies as and when required in line with amendments to legislation or operational changes.

### Highlights

The HR department made notable strides and achievements in the reporting year in the following areas:

- An increase in the training expenditure owing to the number of training interventions ranging from formal qualifications and various skills programmes benefiting the employees;
- Successful implementation of the improved performance management system to optimise the overall experience of staff;

- Increased uptake and number of workshops focused on policy awareness to improve the quality of service and overall compliance to service delivery;
- Focused interventions aligned to the upkeep and wellness of employees in areas such as financial management, general welfare and provision of overall wellness support through accredited wellness providers;
- Strategic support towards Internship holders hosted by TETA with special focus on social inclusion, emotional intelligence and overall capacitation on service excellence to optimise learning and performance.

### Challenges

- Striking a balance between the new world of work and preserving the organisational culture will continue to challenge the organisation to pay close attention to any deviations that may occur and come up with appropriate interventions to augment the organisational culture in the new dispensation;
- Though the SETA did not experience any specific challenges in the year under review, loadshedding

effects will continue to hamper on logistical and welfare plans of employees, thus the organisation will need to be on high alert to bring about solutions to ensure employees are not hindered from their operations by providing alternative power supply in the workplace and alternative supply of water in extreme circumstances through a borehole.

### 1.7. Plans/goals

- Prioritise employment equity with special focus on people with disabilities;
- Continue to prioritise transformation in the organisation;
- Ensure more employees enroll in pivotal training and development programs;
- Introduce recognition and reward programmes for performance management;
- Introduce succession planning; and
  - Intensify the rollout of employee wellness programmes

## 2. Human Resource Oversight Statistics

### Personnel cost by programme/activity/objective

PROGRAMME/ACTIVITY/OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE (R'000)	No. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration and project monitoring for Programme 3	943 743	107 177	11.35%	130	824

\*130 employees includes terminations and appointments during the year under review

### Personnel cost by salary band

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST (R'000)	No. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top management	10 338	9.66%	4	2 585
Senior management	32 125	30.08%	18	1 785
Professional qualified	27 339	25.54%	26	1 052
Skilled	8 555	8.00%	12	713
Semi-skilled	26 437	24.7%	55	481
Unskilled	2 256	2.10%	15	150
<b>TOTAL</b>	<b>107 050</b>	<b>100%</b>	<b>130</b>	<b>824</b>

\*Total Personnel Expenditure as per the financials is R107 177. The difference of R127 is in compliance with the Workmen's Compensation Act (WCA)

### Performance rewards

LEVEL	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL
Top management	1 034	10 338	10.00%
Senior management	2 983	32 125	9.28%
Professional qualified	2 752	27 339	10.00%
Skilled	913	8 555	10.67%
Semi-skilled	2 105	26 437	7.96%
Unskilled	144	2 256	6.38%
<b>TOTAL</b>	<b>9 931</b>	<b>107 050</b>	<b>9%</b>

### Training costs

PROGRAMME ACTIVITY/ OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	No. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
Administration and project monitoring for Programme 3	107 050	1 428	1.33%	115	R12 417

### Employment and vacancies

LEVEL	2021/22 No. OF EMPLOYEES	2022/23 APPROVED POSTS	2022/23 No. OF EMPLOYEES	2022/23 VACANCIES	% OF VACANCIES
Top management	3	3	4	0	0%
Senior management	15	22	15	7	32%
Professional qualified	26	37	26	11	30%
Skilled	11	19	11	8	42%
Semi-skilled	47	56	53	10	18%
Unskilled	6	7	7	0	0%
<b>TOTAL</b>	<b>108</b>	<b>144</b>	<b>115</b>	<b>36</b>	<b>25%</b>

\*The number of 115 employees at the end of financial year includes 7 employees approved as additional to the structure.



## Employment change

SALARY BAND	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top management	3	1	1	3
Senior management	15	3	3	15
Professional	26	3	2	27
Skilled	11	0	1	10
Semi-skilled	47	14	8	53
Unskilled	6	1	0	7
<b>TOTAL</b>	<b>108</b>	<b>22</b>	<b>15</b>	<b>115</b>

## Reasons for staff leaving

REASON	NUMBER	% OF TOTAL No. OF STAFF LEAVING
Death	0	0
Resignation	8	53%
Dismissal	0	0
Retirement	1	7%
Ill health	0	0
End of contract	6	40%
<b>TOTAL</b>	<b>15</b>	<b>100%</b>

## Labour relations: misconduct and disciplinary actions

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	2
Written warning	0
Final written warning	0
Dismissal	0
<b>TOTAL</b>	<b>2</b>

## Equity target and employment equity status

LEVEL	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	2	0	0	0	0	0	0	0
Senior management	5	0	1	0	0	0	1	0
Professional qualified	14	0	1	0	0	0	2	0
Skilled	1	0	0	0	0	0	0	0
Semi-skilled	17	0	0	1	0	1	0	0
Unskilled	2	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>41</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>0</b>

LEVEL	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	1	0	0	0	0	0	0	0
Senior management	7	0	0	1	1	0	0	0
Professional qualified	10	0	0	1	0	0	0	0
Skilled	8	0	1	0	0	0	0	0
Semi-skilled	35	0	0	0	0	1	1	0
Unskilled	5	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>66</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>

LEVEL	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	1	0	0
Semi-skilled	0	0	1	0
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

The zero targets are due to the current targets being met.



2022

23

PART E

PFMA Compliance Report



# Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses

## IRREGULAR EXPENDITURE

### a) Reconciliation of irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
<b>Opening Balance</b>	92 667	358
<b>Add: Irregular Expenditure Confirmed</b>		92 309
<b>Less: Irregular Expenditure condoned</b>		
<b>Less: Irregular Expenditure not condoned and removed</b>		
<b>Less: Irregular Expenditure recoverable</b>		
<b>Less: Irregular Expenditure not recovered and written off</b>	-555	
<b>Closing Balance</b>	<b>92 112</b>	<b>92 667</b>

The amount of R555 000 previously disclosed as irregular expenditure related to fees paid to members of the Accounting Authority. TETA received correspondence on 30 May 2021 regarding outstanding verification checks regarding members of the board. The verification check results for board members were submitted before their appointment and have been resubmitted to DHET on 31 May 2021.

DHET conducted the determination test in line with the framework and provided evidence to TETA. The Accounting Authority subsequently approved the write off in line with the framework.

The amount of R92 112 000 included in irregular expenditure in the prior year, relates to an amount identified by AGSA as irregular. There is a variance between the budget and actual expenditure of R92

112 000 in the 2021/2022 financial year. The variance represents payments for historical commitments from the rollover surplus approved by National Treasury in terms of section 53(3) of the PFMA.

There are ongoing discussions between TETA, AGSA and National Treasury to resolve the matter. Irregular expenditure recorded in the prior year is not indicated as an opening balance in the current financial year as per National Treasury Instruction Note 4 of 2023 which states:

Irregular expenditure previously disclosed in the annual financial statements of the budget holder and not addressed must remain in the register and recorded in the annual report of the budget holder and addressed in terms of Annexure to the instruction.

### Reconciling notes to the annual financial statement disclosure

Description	2022/23	2021/22
	R'000	R'000
<b>Irregular expenditure that was under assessment in 2021/22</b>	0	0
<b>Irregular expenditure that relates to 2021/22 and identified during 2022/23</b>	0	0
<b>Irregular Expenditure for the current year</b>	0	92 309
<b>Total</b>	<b>0</b>	<b>92 309</b>

## (b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under investigation	0	92 309
Irregular expenditure under determination	0	0
<b>Total</b>	<b>0</b>	<b>92 309</b>

## (c) Details of current and previous year irregular expenditure condoned

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure condoned	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## (d) Details of irregular expenditure removed - (not condoned)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Irregular expenditure under investigation	0	0
Irregular expenditure under determination	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## (e) Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recovered	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## (f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	555	0
<b>Total</b>	<b>555</b>	<b>0</b>

## (g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
None
<b>Total</b>

(h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/23	2021/22
	R'000	R'000
None	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

(i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Description	2022/23	2021/22
	R'000	R'000
None	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

(j) Other material losses written off

Nature of losses	2022/23	2021/22
	R'000	R'000
Theft of IT equipment, consisting of both new and old laptops	542	0
<b>Total</b>	<b>542</b>	<b>0</b>

Information on late and / or non-payment of suppliers

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	0	0
Invoices paid within 30 days or agreed period	6 322	709 499
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0
<b>Total</b>	<b>6 322</b>	<b>709 499</b>

## INFORMATION ON SUPPLY CHAIN MANAGEMENT

Procurement by other means

Project Description	Name of Supplier	Type of procurement by other means	Contract Number/ Purchase Order Number	Value of contract
Mailcomp/Egis - Documents Papertrail (3rd year and last year of SLA)	Mailcomp/Egis	Sole Source	PO/2022/24042/0/0	R4 191 950,80
<b>Total</b>				<b>R4 191 950,80</b>

## Contract variations and expansions

Project Description	Name of Supplier	Contract Modification Type (Expansion or Variation)	Contract Number	Original Contract Value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Qualified ICT Service Provider to Provide An Integrated Management Information System (MIS) And Commercially Off-The Shelf (Cots) ERP Solution/s for a period of two (2) years (with an option to extend the Contract for further two (2) years)	Solugrowth (Pty) Ltd	Variation	TETA17/IT/0016B/MIS_ERP	R7 026 960.00	R7 504 587.80	R5 243 491.29
Increase on the CTC of the resource as the quotation was percentage based	Okhela Consulting	Variation	RFP/2022/24441	R367 094.14	N/A	R74 905.86
Increase of Sage Licenses from 250 employees to 400 employees.	Msuthu Technologies	Variation	RFP/2022/24243	R496 482.60	N/A	R99 834.66
Consultation to submit TETA Mid-year submission for 2022/23 to SARS	Adinga (Pty) Ltd	Variation	RFP/2022/24699	R9 200.00	N/A	R3 450.00
<b>Total</b>				<b>R7 899 736.74</b>	<b>R7 504 587.80</b>	<b>R5 421 681.81</b>



2022

23



PART F

Financial Information



# Report of the Auditor-General to Parliament on Transport Education Training Authority

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Qualified opinion

1. I have audited the financial statements of the Transport Education Training Authority set out on pages 129 to 173, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Transport Education Training Authority as at 31 March 2023, and financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for qualified opinion

#### Skills development grants payable – discretionary

3. The skills development grants payable (discretionary) was not recognised in accordance with GRAP 1, Presentation of financial statements. Adequate records of outstanding payments for discretionary grants and project expenditure not yet paid at year-end were not maintained. I was unable to determine the full extent of the misstatement on skills development grants payable (discretionary), as well as the related discretionary grants and project expenses and commitments, as it was impractical to do so. Consequently, I was unable to determine whether any adjustments relating to skills development grants payable (discretionary) of R4 388 000 disclosed in note 15, discretionary grants and project expenses of R657 263 000 disclosed in note 6 and commitments of R818 574 000 disclosed in note 22 to the financial statements were necessary.

4. Additionally, there was an impact on the surplus for the period and on the accumulated surplus in the financial statements.

### Context for opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
6. I am independent of the public entity in accordance with the *International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Restatement of corresponding figures

9. As disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2023.

### Other matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

11. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 24 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Transport Education Training Authority. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

### Retention of 2021-22 surplus

12. There are current deliberations with the National Treasury and the Department of Higher Education and Training regarding the appropriate approval process for the retained surplus of R977 317 000, for the financial year 2021-22, as disclosed in note 20 of the financial statements. The ultimate outcome of the matter could not be determined and no provision for any liability was disclosed in the financial statements.

### Responsibilities of the accounting authority for the financial statements

13. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards

of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

### Responsibilities of the auditor-general for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

### Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported



performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

18. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page Purpose numbers	Purpose
<b>Programme 3 – learning programmes and projects</b>	54 - 65	To increase access to occupationally directed programmes within the transport sector
<b>Programme 4: Quality assurance</b>	66 - 68	To strengthen the quality assurance system

19. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
20. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
  - the targets can be linked directly to the achievement of the indicators and are specific,
- time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
  - the reported performance information is presented in the annual performance report in the prescribed manner.
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance conclusion.

22. The material findings on the performance information of the selected programme are as follows:

### Programme 3: Learning programmes and projects

#### Various indicatorss

23. Based on audit evidence, the actual achievement for 17 indicators did not agree to what was reported. I could not determine the actual achievement, but I estimated them to be materially more or less than reported.

Indicators	Target	Reported Achievement
3.1 b Number of employed learners on skills programme entered	430	615
3.1 b Number of employed learners on skills programme completed	215	483
3.1f Number of employed learners on apprenticeship programmes completed	10	51
3.1g Number of learners on Artisan recognition of prior learning programmes	70	71

Indicators	Target	Reported Achievement
3.1g Number of learners on Artisan recognition of prior learning programmes completed	35	100
3.2a Number of unemployed learners on bursaries entered	200	274
3.2a Number of unemployed learners on bursaries completed	80	95
3.2b Number of unemployed learners on skills programmes entered	800	1 672
3.2b Number of unemployed learners on skills programmes completed	400	1 215
3.2c Number of unemployed learners on leadership programmes completed	425	1 532
3.2d The number of unemployed learners in AET programmes entered	200	265
3.2d The number of unemployed learners in AET programmes completed	100	43
3.2e Number of unemployed learners on apprenticeship programmes	250	167
3.2e Number of unemployed learners on apprenticeship programmes completed	100	165
3.2f the number of learners on cadetship entered	75	89
3.11a Number of small and medium enterprises funded	100	490
3.11b Number of small NLPEs funded	134	147

24. Based on audit evidence, the actual achievement for 7 indicators did not agree to the achievements reported. Consequently, the achievements are more or less than reported.

Indicators	Target	Reported Achievement	Actual Audited Achievement
3.1h Number of learners on recognition of prior learning programmes completed	10	10	22
3.3b Number of partnerships implemented with TVET colleges	2	3	0
3.3c Number of partnerships implemented with universities	1	1	0
3.3d Number of partnerships implemented with CET colleges	2	2	0
3.7a Number of career platforms produced or developed	3	4	3
3.8b Number of media information sessions conducted	6	15	0
3.11d Number of NGOs funded	3	3	0

#### Programme 4: Quality assurance

25. I did not identify any material findings on the reported performance information of programme 4: Quality assurance.

#### OTHER MATTERS

26. I draw attention to the matters below.

#### Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.

Indicators	Planned Target	Reported Achievement
<b>Programme 3: Learning programmes and projects</b> <b>Targets achieved: 92%</b> <b>Budget spent: 57%</b>		
(3.1 a) Number of employed learners on bursaries completed	35	24
(3.1e) Number of employed learners on AET completed	50	26
(3.11) Number of candidates on executive leadership development programmes completed	15	0
(3.2d) Number of employed learners on AET completed	100	43
(3.2e) Number of unemployed learners on apprenticeship programmes	250	167
(3.2f) Number of learners on cadetships completed	35	7
(3.2g) Number of learners on candidacy programmes completed	7	2
<b>Programme 4: Quality assurance</b> <b>Targets achieved: 94%</b> <b>Budget spent: 85%</b>		
(4.5c) Number of TVET / CET lecturers exposed to the industry implemented	25	0

### Material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3: learning programme and projects. Management did not correct all of the misstatements and I reported material findings in this regard.

performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

32. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### REPORT ON COMPLIANCE WITH LEGISLATION

29. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
30. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
31. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and

### Annual financial statements, performance and annual report

33. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.
34. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

## OTHER INFORMATION IN THE ANNUAL REPORT

35. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
36. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
37. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## INTERNAL CONTROL DEFICIENCIES

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
40. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

41. Management's inability to implement adequate internal controls related to the financial reporting process, which resulted in non-compliance with the requirements of the applicable financial reporting framework. This deficiency may have contributed to errors or misstatements in the financial statements.
42. Management did not establish sufficient oversight controls for the performance reporting process, leading to inaccuracies in performance reporting. The lack of adequate oversight may have compromised the reliability and accuracy of reported performance metrics.
43. Management's oversight responsibility over compliance with performance information was inadequate, leading to repeated findings in the annual financial statements, performance reports, and annual report. The lack of adequate oversight raises concerns about the organization's adherence to legal and regulatory requirements.

## OTHER REPORTS

44. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
45. The National Intelligence Bureau is currently conducting investigations into the theft of assets that occurred on the premises. As a matter of national security, the agency is diligently working to identify the perpetrators and recover the stolen assets. The ongoing investigation underscores the importance of safeguarding sensitive assets and upholding the integrity of security measures. Further updates on the progress of the investigation will be follow up next year audit.

*Auditor-General*

Pretoria

Date: 31 July 2023



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

### AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Treasury regulations	Treasury reg 16A6.1
	Treasury reg 16A3.2 (fairness)
	Treasury reg 16A3.2(a) and (b)
	Treasury reg R16A6.3 (a), (b) (c) & (e)

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Communication with those charged with governance.

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

LEGISLATION	SECTIONS OR REGULATIONS
Treasury regulations	Treasury reg 16A6.4
	Treasury reg 16A6.5
	Treasury reg 16A6.6
	Treasury reg. 16A.7.1
	Treasury reg. 16A.7.3
	Treasury reg. 16A.7.6
	Treasury reg. 16A.7.7
	Treasury reg 16A8.3
	Treasury reg.16A8.4
	Treasury reg 16A9.1(b)(ii), (d), (e)
	Treasury reg 16A9.1(d), (e) & (f)
	Treasury reg 16A9.2(a)(ii)
	Treasury reg. 8.2.1
	Treasury reg. 8.2.2
	Treasury reg. 29.1.1(a) & (c)
	Treasury reg. 29.3.1
	Treasury reg. 30.1.1
	Treasury reg. 30.1.3(a), (b) & (d)
	Treasury reg. 30.1.3(b)
	Treasury reg. 30.1.3(d)
	Treasury reg. 30.2.1
	Treasury reg. 31.1.2(c)
	Treasury reg. 31.2.1
	Treasury reg. 31.3.3
	Treasury reg. 33.1.1
	Treasury reg. 33.1.3
PFMA instruction note no.3 of 2021/22	Par.4.1
	Par.4.2(b)
	Par. 4.3
	Par. 4.4 and
	Par. 4.4(c), (d)
I PFMA SCM instruction note 03 of 2021/2	Par 4.1.
	Par. 4.2 (b)
	Par. 4.3 and 4.4
	Par. 4.4 (c)
	Par. 4.4.(d)
	Par. 7.2
SCM Instruction Note 02 of 2021/22	Par.3.2.1
	Par.3.2.4
	Par. 3.3.1
SCM Instruction Note 3 of 2016	Note 3
SCM Instruction 3 of 2016	Note 6

LEGISLATION	SECTIONS OR REGULATIONS
National Treasury Instruction 01 of 2021/2022	Par. 4.1
Treasury Instruction note 11 of 2020/21	Par. 3.1
	Par 3.4 (b)
	Par. 3.9
National Treasury Instruction No. 5 of 2020/21	Par. 1
	Par. 2
	Par. 4.8
	Par. 4.9
	Par. 5.3
National Treasury Instruction 07 of 2017/18	Par. 4.3
National Treasury Instruction 4A of 2016/17	par 6
National Treasury Instruction note 4 of 2015/16	Par. 3.4
Practice Note 7 of 2009/10	Par 4.1.2
Practice Note 5 of 2009/10	Par.3.3
PFMA	PFMA 35(4)
	PFMA 38(1)(b)
	PFMA44
	PFMA 45(b)
	PFMA 51(1)(b)(ii)
	PFMA 51(1)(e)(iii)
	PFMA 52(b)
	PFMA 54(2)(c), (d)
	PFMA 57{b}
	PFMA 55(1 )(a), (b)
	PFMA 55(1 )(c)(i)
PPPFA	Definition ""acceptable tender""
	Section 2(1 )(a) and (b)
	Par. 2(1 )(f)
Preferential Procurement Regulations 2011	Reg. 9(1 ), 9(5)
Preferential Procurement Regulations 2017	Under functionality
	Reg. 4(1 ), 4(2)
	Reg. 5(1 ), 5(3), 5(6), 5(7)
	Reg. 6(8),
	Reg. 7(8)
	Reg. 8(2), 8(5)
	Reg. 9(1)
	Reg. 10(1)
	Reg.11(1)
Preferential Procurement reg 2022	Reg. 4{4}
CIBD Act	Section 18( 1 )
CIBD regulations	Reg.17
	Reg. 25(7A)





LEGISLATION	SECTIONS OR REGULATIONS
<b>SBD</b>	SBD 6.2 issued in 2015/16
<b>SITA Act</b>	Section 7(3)
<b>Public Service regulation</b>	Reg. 18(1), (2)
<b>PRECCA</b>	Section 34( 1 )
<b>Grants regulations</b>	GNR.990 2(1)
	GNR.990 3(3) & (4)
	GNR.990 4(3), (8)
	GNR.990 6(9)(iii)



Transport Education Training Authority

*Driven by Vision*

## Transport Education Training Authority Financial Statements for the year ended 31 March 2023

The Annual Financial Statements for the period ended 31 March 2023, set out on pages 129 to 173, have been approved by the Accounting Authority on 31 July 2023 in terms of section 51(1) of the Public Finance Management Act (PFMA), No 1 of 1999 as amended, and are signed on their behalf by:

**Mrs Maphefo Anno-Frempong**  
*Chief Executive Officer*  
*Transport Education Training Authority*  
*Date: 31 July 2023*

**Dr Eugenia Xoliswa Kula**  
*TETA Accounting Authority*  
*Transport Education Training Authority*  
*Date: 31 July 2023*



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Index

The reports and statements set out below comprise the financial statements presented to the Accounting Authority:

	Page
Statement of Financial Position .....	129
Statement of Financial Performance.....	130
Statement of Changes in Net Assets.....	131
Cash Flow Statement .....	132
Statement of Comparison of Budget and Actual Amounts .....	133
Accounting Policies .....	134-140
Notes to the Financial Statements .....	141-173

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Statement of Financial Position as at 31 March 2023

	Note(s)	2023 R'000	2022 R'000
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from non-exchange transactions	11	389	810
Receivables from exchange transactions	12	2 520	1 607
Inventories	13	223	254
Cash and cash equivalents	14	1 009 272	1 047 164
		<b>1 012 404</b>	<b>1 049 835</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	21 569	22 389
Intangible assets	10	744	1 913
		<b>22 313</b>	<b>24 302</b>
Non-Current Assets		22 313	24 302
Current Assets		1 012 404	1 049 835
<b>Total Assets</b>		<b>1 034 717</b>	<b>1 074 137</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	16	6 673	9 263
Payables from non-exchange transactions	15	23 338	42 758
Provisions	17	26 107	20 244
		<b>56 118</b>	<b>72 265</b>
Non-current liabilities		-	-
Current liabilities		56 118	72 265
<b>Total Liabilities</b>		<b>56 118</b>	<b>72 265</b>
Assets		1 034 717	1 074 137
Liabilities		(56 118)	(72 265)
<b>Net Assets</b>		<b>978 599</b>	<b>1 001 872</b>
<b>Reserves</b>			
Administration reserve		22 313	24 302
Employer grant reserve		331	145
Discretionary reserve		955 955	977 425
<b>Total Net Assets</b>		<b>978 599</b>	<b>1 001 872</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Statement of Financial Performance

	Note(s)	2023 R'000	2022 R'000
<b>Revenue</b>			
Revenue from Exchange Transactions			
Other income	5	1 203	34
Interest received - investment	3	60 465	38 215
<b>Total Revenue from Exchange Transactions</b>		<b>61 668</b>	<b>38 249</b>
<b>Revenue from Non-Exchange Transactions</b>			
<b>Transfer Revenue</b>			
Other income	5	4 990	19 419
Skills Development Levy transfer	4	838 562	761 910
Skills Development Levy penalties and interest	4	15 249	12 599
<b>Total revenue from non-exchange transactions</b>		<b>858 801</b>	<b>793 928</b>
<b>Total revenue</b>		<b>920 469</b>	<b>832 177</b>
<b>Expenditure</b>			
Employee related costs	8	(76 137)	(61 790)
Grants and project expenses	6	(806 652)	(829 788)
Administration Expenses	7	(60 954)	(44 830)
<b>Total expenditure</b>		<b>(943 743)</b>	<b>(936 408)</b>
<b>(Deficit) / Surplus for the Year</b>		<b>(23 274)</b>	<b>(104 231)</b>

The Deficit of R23 274 (2022: Deficit of R104 231) forms part of the Discretionary Grant Reserve.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Statement of Changes in Net Assets

	Administration reserve R'000	Mandatory grant reserve R'000	Discretionary grant reserve R'000	Accumulated surplus R'000	Total net assets R'000
<b>Balance at 01 April 2021</b>	<b>22 763</b>	<b>470</b>	<b>1 082 865</b>	<b>-</b>	<b>1 106 098</b>
Surplus for the year	-	-	-	(104 231)	(104 231)
Allocation of unappropriated surplus	(4 275)	30 685	(130 641)	104 231	-
Excess reserves transferred to Discretionary reserve	5 814	(31 010)	25 201	-	5
<b>Balance at 01 April 2022</b>	<b>24 302</b>	<b>145</b>	<b>977 425</b>	<b>-</b>	<b>1 001 872</b>
Changes in net assets					
Surplus / (Deficit) for the year as per Statement of Financial Performance	-	-	-	(23 274)	(23 274)
Allocation of unappropriated surplus/ (deficit) as per note 2	(24 221)	60 589	(59 642)	23 274	-
Excess reserves transferred to Discretionary reserve	22 232	(60 403)	38 171	-	-
<b>Balance at 31 March 2023</b>	<b>22 313</b>	<b>331</b>	<b>955 955</b>	<b>-</b>	<b>978 599</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Cash Flow Statement

	Note(s)	2023 R'000	2022 R'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Levies, interest, penalties received and other		858 801	793 928
Other cash receipts/(payments) from stakeholders		(534)	885
Interest income		60 465	38 215
		<b>918 732</b>	<b>833 028</b>
<b>Payments</b>			
Employee costs		(76 138)	(61 790)
Suppliers		(54 969)	(37 600)
Grants and Projects payments		(822 724)	(802 612)
		<b>(953 831)</b>	<b>(902 002)</b>
<b>Net cash flows from operating activities</b>	18	<b>(35 099)</b>	<b>(68 974)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(3 440)	(3 304)
Proceeds from sale of property, plant and equipment	5	-	34
Purchase of other intangible assets	10	-	(2 326)
Profit on sale of assets		647	554
		<b>(2 793)</b>	<b>(5 042)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(37 892)</b>	<b>(74 016)</b>
Cash and cash equivalents at the beginning of the year		1 047 164	1 121 180
<b>Cash and cash equivalents at the end of the year</b>	14	<b>1 009 272</b>	<b>1 047 164</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Actual Basis

	Approved budget R'000	Adjustments R'000	Final budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000	Reference
<b>Statement of financial performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Other income	2 014	986	3 000	1 203	(1 797)	Note 19.4
Interest received - investment	42 816	10 704	53 520	60 465	6 945	Note 19.3
<b>Total revenue from exchange transactions</b>	<b>44 830</b>	<b>11 690</b>	<b>56 520</b>	<b>61 668</b>	<b>5 148</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Other Income	-	-	-	4 990	4 990	Note 19.4
Deficit Funds approved	-	39 694	39 694	-	(39 694)	Note 19.1
Retention of surplus	-	554 249	554 249	-	(554 249)	Note 19.1
Skills Development Levy transfer	790 583	121 587	912 170	838 562	(73 608)	Note 19.1
Skills Development penalties and interest	14 008	2 803	16 810	15 249	1 561	Note 19.2
<b>Total revenue from non-exchange transactions</b>	<b>804 591</b>	<b>718 332</b>	<b>1 522 923</b>	<b>858 801</b>	<b>(664 122)</b>	
<b>Expenditure</b>						
Personnel	(81 550)	(7 663)	(89 213)	(76 137)	13 076	Note 19.7
Grant and Project Expenses	(743 638)	(674 644)	(1 418 282)	(806 652)	611 630	Note 19.5
Administration Expenses	(63 927)	(8 021)	(71 948)	(60 954)	10 994	Note 19.6
<b>Total expenditure</b>	<b>(889 115)</b>	<b>(690 328)</b>	<b>(1 579 443)</b>	<b>(943 743)</b>	<b>635 700</b>	
<b>Actual amount on comparable basis as presented in the budget and actual comparative statement</b>	<b>(39 694)</b>	<b>39 694</b>	<b>-</b>	<b>(23 274)</b>	<b>(23 274)</b>	

The approved original budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities Part 2, Par 53(1). TETA performed a rebudgeting exercise and adjusted the initial approved budget with the retention of surpluses as required per section 53(3) of the PFMA. All adjustments to the approved budget were approved by the Accounting Authority and the Executive Authority.

For details regarding the variances between budget and actual, refer to note 19.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements have been prepared on accrual basis of accounting and are in accordance with the historical cost conversion as the basis of measurement unless specified otherwise.

These accounting policies are consistent with the previous period.

##### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, denominated in thousands (R'000), which is the functional currency of the entity.

##### 1.2 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the TETA, usually in accordance with a binding arrangement.

When TETA receives levies as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that TETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred in accordance with GRAP 23.

Where the resources transferred to TETA are subject to the fulfilment of specific conditions, it recognises an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education, income from the National Skills Fund, and grants from the national government as per DPSA.

In terms of the DPSA circular, circular HRD 1 of 2013, all departments are required to set aside a minimum of 1 % of the total department's annual personnel budget for training and development of personnel and potential employees. 30% of this amount is appropriated to the SETA with which the department is affiliated. For departments belonging to more than one SETA, 30% levy is apportioned proportionally. TETA receives contributions in this regard from the Department of Transport across the 9 provinces.

- Discretionary 2/3 of total allocation
- Administration 1 /3 of total allocation

##### 1.3 Levy income

The accounting policy for the recognition and measurement of skills development levy income has been amended on the basis of a revised interpretation of the Skills Development Act, Act No 97 of 1998 as amended and the Skills Development Levies Act, Act No 9 of 1999 as amended.

Skills Development Levy (SOL) transfers are recognised when

it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training (DHET) either makes an allocation or payment, which ever comes first, to the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act no 9 of 1999) as amended. In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended, registered member companies of the SETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training (DHET). Companies with an annual payroll cost less than R500 000 are exempted in accordance with Section 4 (b) of the Levies Act as amended, effective 1 August 2005.

80% of skills development levies are paid over to the SETA (net of the 20% contribution to the National Skills Fund). The SETA was not in a position to verify that SARS has collected all potential skills levy income.

A receivable / payable is recognised for SARS adjustments. An estimate as a result of retrospective adjustments by SARS due at year end is based on historical trends and actual data where these amounts are available subsequent to year end.

TETA refunds an amount to the employer in the form of grants, based on information received from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the TETA is permitted to have granted to the employers.

## Accounting Policies

A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts. TETA recognises a payable in respect of Skills Development Levy refunds due to levy exempt employers. This payable is a provision based on levies received from possible levy exempt entities. Levy exempt income is monies received from employers who are exempt from paying SOL levies, as per the Skills Development Circular 09/2013. This payable is a provision based on the levies received from possible levy exempt entities.

TETA transfers all monies received from levy exempt employers to discretionary grant income after the expiry date of five years from date of receipt of the funds, if not refunded to the respective employer through the SARS system. Employer's levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act for the purpose:

- Administration costs - 10,50%
- Employer grant levy - 20,00%
- Discretionary projects and grants - 49,50%.

### Receivables from non - exchange

Revenue is adjusted for interSeta transfers due to employers changing SETA's. Such adjustments are separately disclosed as interSeta transfers. The amount of the interSeta adjustment is calculated according to the most recent Standard Operating Procedure issued by the Department. Skills Development Levy (SOL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably.

This occurs when the Department makes an allocation to the TETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

When a new employer is transferred to the SETA, the levies transferred by the former SETA are recognised as revenue and

allocated to the respective category to maintain its original identity.

### 1.4 Interest and penalties

Interest and Penalties on the skills development levy is recognised when it accrues based on the amount received or allocation made by DHET. Interest and penalties received from SARS as well as the interest received on investments are utilised for discretionary grants and projects.

### 1.5 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

### 1.6 Investment property

Interest earned from invested funds is accrued on a time proportion basis, taking into account the principal amount and the effective interest rate over the period to maturity.

### 1.7 Grants and project expenditure

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory employer grant (excluding interest and penalties) by complying with the grant criteria in accordance with the Skills Development Act, 1998 as amended SETA Grant Regulations regarding monies received and related matters (The SETA Grant Regulations).

#### Mandatory grants expenditure

The grant expenditure is recognised when the employer has submitted an ATR/WSP application for a grant in the prescribed form within the legislated cut off period and the application has been approved by TETA. Grants are equivalent to 20% of the total levies contributed by employers to the SETA during the corresponding financial period.

#### Discretionary project expenditure

A SETA may out of surplus monies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the SETA Board / delegated authority. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by the TETA.

A SETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred, in which the conditions are met.

#### Project expenditure comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the SETA under the terms of the contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all cost having similar characteristics.

#### Retrospective adjustments by SARS

The SETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

## Accounting Policies

Adjustments to revenue already recognised, arise from the completion of a South African Revenue Services (SARS) internal review process, and/or the outcome of an external appeal or objection process undertaken by employer companies. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenues by SARS, and the SETA recognises revenue on net basis as and when it becomes receivable. The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition.

### Discretionary Grants Commitments

Commitments are disclosed where TETA, in the normal course of operations, entered into contractual agreement with entities relating to grants or where there is a contractual letter of award. Commitments are measured at the amount the entity would pay to settle future obligations as per contractual relationship with the beneficiaries. Commitments are included in the disclosure note to the financial statements. Commitments are derecognised when either the grant programmes are terminated through a signed termination agreement, or when the contractual obligation is fully paid.

Commitments are disclosed where the SETA has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are yet due for payment. Commitments are accounted for as contingent liabilities in terms of GRAP 19.

### 1.8 Irregular, fruitless and wasteful expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are derecognised when settled or written-off as irrecoverable.

Irregular expenditure must be removed from the balance of Irregular expenditure notes when it is either:

- condoned by the relevant authority if no official was found to be liable in law;
- recovered from and official liable in law;
- written-off if it's irrecoverable from an official liable; or
- written-off if it's not condoned and not recoverable.

### 1.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and deposits held by TETA in CPD and domestic banks. Cash and cash equivalents are measured at amortised costs. Cash includes cash on hand and cash with banks. Cash equivalents are short term.

### 1.10 Property, plant and equipment

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and accumulated impairments. Depreciation is charged so as to write off the costs of the assets over their estimated useful lives, using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Land is not depreciated as it is deemed to have an indefinite life. Property, plant and equipment (owned and leased) are stated at cost less any subsequent accumulated depreciation and accumulated impairments. Depreciation is calculated on the straight line-method to write off the cost of each asset to estimated residual value over its estimated useful life.

The gain or loss on disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating profit.

In the application of the SETA's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Accounting Policies

The SETA reviews the estimated useful lives of Property, plant and equipment at the end of each annual reporting period for the carrying values of Property, plant and equipment.

Management determined, consistent with the prior year, that the useful life of assets should not be limited by the SETA's establishment.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item method	Depreciation	Average Useful Life
Land	Straight line	Indefinite
Buildings	Straight line	20 years
Motor Vehicles	Straight line	5 years
Computer equipment	Straight line	3 years
Office Furniture and fixtures	Straight line	10 years
Other Building cost	Straight line	5 years
Office equipment	Straight line	5 years

### 1.11 Intangible assets

Intangible assets are stated at cost less any subsequent accumulated amortisation and accumulated impairments. Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised.)

The gain or loss on disposal of intangible assets is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

#### Useful lives of Intangible assets

The SETA reviews the estimated useful lives of Intangible assets at the end of each annual reporting period for the carrying values of Intangible assets.

The following useful life is used in the calculation of amortisation

#### Description

Computer Software, Other

#### Useful Life

2 years

### 1.12 Leasing

Finance leases consistent with the definition set out in the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases.

Payments made under operating leases (leases other than finance leases) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

### 1.13 Provisions and Contingencies

Provisions are recognised when the SETA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

Contingent liabilities are possible obligations whose existence will be confirmed by the occurrence or non-occurrence of an uncertain future event not wholly within the control of TETA. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised in the statement of financial position but must be disclosed in the notes to the statements where an inflow of benefits is probable.

TETA entered into a contractual agreement with the Department of Labour (UIF) under learning programmes, on an agreement of reimbursing payment percentages as per the signed SLAs. The Department of Labour did not honour all payments due to TETA, until they were written off.

Thus, TETA discloses the recoverable amount with the Department of Labour (UIF) as a contingent asset as it is probable that there will be future inflows.

## Accounting Policies

### 1.14 Employee costs

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave (based on the current salary rates) at time of termination.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. TETA makes monthly contributions, which includes both the employer and employee contribution, into the Alexander Forbes fund account.

No provision has been made for retirement benefits as the Alexander Forbes Retirement Fund is a defined contribution fund

### 1.15 Grants and projects liabilities

#### Mandatory and Discretionary Grant Payments

A liability is recognised for grant payments once the specific criteria set out in the SETA Grant Regulation has been complied with by member companies and it is probable that the SETA will approve the payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

### Discretionary Projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to Annual Financial Statements under commitments note 22.

### 1.16 Administration expenditure

TETA present separately each administration line item by nature, in terms of GRAP 1: 104. The amounts are presented on an accrual basis in the accounting period when they are incurred rather than payment basis.

### 1.17 Accounting by principals and agents

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

TETA has an agreement with the UIF to train learners on their behalf. The training progress and milestones are reported to the UIF upon every claim, as per the agreement apportionment. TETA reports to the DHET on the portion it funds according to the agreement.

### 1.18 Financial instruments

#### Recognition

Financial assets and financial liabilities are recognised on the SETA's Statement of Financial Position when the SETA becomes a party to the contractual provisions of the instrument.

#### Financial assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value or net of transaction cost except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets can be classified into the following specified categories: financial assets as at fair value through profit or loss (FVTPL), held to maturity investments, available for sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets of the SETA were categorised as loans and receivables.

#### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables where the recognition of interest will be immaterial.

## Accounting Policies

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

### Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Account and other payables do not bear interest and are stated at their nominal value.

### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

All financial liabilities of the SETA were classified as other financial liabilities.

### Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period.

### 1.19 Reserves

Net Assets are classified based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act , 1998 (Act 97 of 1998) as follows:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Unappropriated surplus

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

	2023 %	2022 %
Administration costs of the SETA	10.50	10.50
Employer grant levy	20.00	20.00
Discretionary projects and grants	49,50	49,50
Received by the SETA	80.00	80.00
Contribution to the National Skills Fund	20.00	20.00
	100.00	100.00

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund the SETA's administration costs.

Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects.

Surplus funds in the administration and unallocated funds in the employer grant reserves are moved to the discretionary fund reserve. Provision is made in mandatory grant reserve for newly registered companies, participating after the legislative cut off date.

### 1.20 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.





## Accounting Policies

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### 1.21 Tax

#### Taxation

No provision has been made for taxation, as the SETA is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

The amount reflected as VAT due to or from the South African Revenue Services is in accordance with the dispensation prescribed by the South African Revenue Service. In accordance with this, the SETA was deregistered for VAT with effect 1 April 2005.

### 1.22 Inventories

Consumables are recognised as an asset on the date of acquisition and it is measured at the cost of acquisition. It is subsequently recognised in surplus or deficit as it is consumed. Subsequent to initial recognition inventory is measured at lower of cost and current replacement cost.

### 1.23 Segment Reporting

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

All three requirements listed above must be met in order to disclose a segment, however, the TETA, does not meet all three requirements as separate financial information is not available for all activities. As a result of this, the TETA, does not disclose segment reporting as per GRAP 18.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

Figures in Rand thousand

#### 2. Allocation of surplus for the current year to reserves

Total revenue	Total per Statement of Financial Performance 2022 R'000	Total per Statement of Financial Performance 2023 R'000	Administration Reserve R'000	Employer Grant Reserve R'000	Discretionary Grant R'000
Other income Exchange Transactions	34	1 203	1 203	-	-
Interest received - investment	38 215	60 465	-	-	60 465
Other Income - Non Exchange Transactions	19 419	4 990	1 661	-	3 329
Levy Transfer Administration 10.5%	101 331	110 006	110 006	-	-
Levy Transfer Employer Grants (69.5%)	660 579	728 556	-	209 978	518 578
Skills Development Levy : Penalties and Interest	12 599	15 249	-	-	15 249
<b>Total revenue</b>	<b>832 177</b>	<b>920 469</b>	<b>112 870</b>	<b>209 978</b>	<b>597 621</b>
<b>Total expenses</b>					
Employee related costs	(61 790)	(76 137)	(76 137)	-	-
Grant and Project Expenses	(829 788)	(806 652)	-	(149 389)	(657 263)
General Expenses	(44 830)	(60 954)	(60 954)	-	-
<b>Total expenses</b>	<b>(936 408)</b>	<b>(943 743)</b>	<b>(137 091)</b>	<b>(149 389)</b>	<b>(657 263)</b>
<b>Net Surplus / (Deficit) per Statement of Financial Performance allocated</b>	<b>(104 231)</b>	<b>(23 274)</b>	<b>(24 221)</b>	<b>60 589</b>	<b>(59 642)</b>

The Deficit of R23 274 000 (2022: Deficit of R104 231 000) forms part of the Discretionary Grant Reserve.



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
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#### 3. Investment income

##### Interest revenue

Bank Deposits	57 147	34 958
Accruals on bank deposits	3 318	3 257
	<b>60 465</b>	<b>38 215</b>

#### 4. Skills development levy transfer from non-exchange transactions

The total levy transfer per statement of financial performance is as follows:

##### Levy transfer: administration

Levies received	110 006	100 152
Levies received from DHET	110 006	100 152

##### Levy transfer: employer grants

Levies received	209 978	189 465
Levies received from DHET	209 978	189 465

##### Levy transfer: discretionary grants

Levies received	518 578	472 293
Levies received from DHET	518 578	472 293
	<b>838 562</b>	<b>761 910</b>

Skills development levy: Penalties and Interest

	15 249	12 599
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Revenue Analysis - 2023	MG levies R'000	DG levies R'000	Admin levies R'000	Penalties R'000	Interest R'000	Total R'000
Levies received	209 898	518 378	109 964	8 967	6 280	853 487
500K Provision Movements	81	200	43	-	-	324
Government Grants	-	3 329	1 661	-	-	4 990
Subtotal	209 979	521 907	111 668	8 967	6 280	858 801
	<b>209 979</b>	<b>521 907</b>	<b>111 668</b>	<b>8 967</b>	<b>6 280</b>	<b>858 801</b>

Revenue Analysis - 2022	MG levies R'000	DG levies R'000	Admin levies R'000	Penalties R'000	Interest R'000	Total R'000
Levies received	190 656	472 471	100 190	6 810	5 787	775 914
500K Provision Movements	(1 191)	(176)	(38)	-	-	(1 405)
Government Grants	-	1 960	980	-	-	2 940
SARS adjustments	16 479	-	-	-	-	16 479
Subtotal	205 944	474 255	101 132	6 810	5 787	793 928
	<b>205 944</b>	<b>474 255</b>	<b>101 132</b>	<b>6 810</b>	<b>5 787</b>	<b>793 928</b>

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
<b>5. Other income</b>		
<b>5.1 Other Income - Exchange Transactions</b>		
Other income comprises:		
Administrative income	1 203	34
<b>5.2 Other Income - Non-Exchange Transactions</b>		
Income from other government departments is to be allocated as follows:		
Other income		
<b>Other income non-exchange transactions</b>		
33.3% allocated to Administration Government levies	1 466	980
66.7% Allocated For Discretionary Grants Government levies	2 932	1 960
Other income from non exchange	592	2 607
Bad debt recovery (UIF)	-	13 872
	<b>4 990</b>	<b>19 419</b>
<b>6. Employer grant and project expenses</b>		
<b>Mandatory grants</b>	<b>149 389</b>	<b>161 025</b>
Disbursed	149 112	157 015
Movement in provisions and accruals	277	319
Bad Debts	-	3 691
<b>Discretionary grants and project expenses</b>	<b>657 263</b>	<b>668 763</b>
Disbursed on DG	617 712	624 424
Disbursed on project admin	39 551	44 339
<b>Total employer grants and Project expense</b>	<b>806 652</b>	<b>829 788</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
<b>7. General expenses</b>		
Advertising, marketing and promotions, communication	1 759	1 655
Audit Committee Costs	309	124
Bad debt	566	28
Bank charges	299	134
Building Expenses	3 957	3 362
Committee catering expenses	29	10
Board costs and committee costs	4 966	2 984
Consultancy and service provider fees	20 145	16 112
Corporate membership	68	51
Depreciation/Amortisation	4 783	3 504
External auditor remuneration	4 096	3 639
Insurance	533	285
Internal audit fees	877	465
Lease rentals on operating lease	3 637	2 734
Legal fees	2	20
Loss on asset disposal	647	587
Motor vehicle expenses	76	13
Catering and refreshments	-	155
Other administration expenses	7 348	4 573
Postage and courier	102	72
Printing and stationery	1 107	545
Recruitment fees	16	305
Repairs and maintenance buildings	568	328
Seminars and workshops	444	187
Staff training and development	1 428	994
Staff wellness	421	514
Travel and subsistence	2 771	1 450
	<b>60 954</b>	<b>44 830</b>

Included in depreciation is an amount of R106 000 that relates to depreciation on land and buildings journalised in error for the financial year 2021/2022. No prior year adjustment has been done relating to this expenditure.

#### 7.1 Repairs and maintenance building

Included in the repairs and maintenance cost is the cost incurred at the head office as below:

Repairs and maintenance	568	328
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# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
<b>8. Employee-related costs</b>		
Basic	57 904	44 206
Bonus	5 832	8 604
UIF	395	271
WCA	127	81
SDL	1 002	686
Leave payments	1 282	311
Alexander Forbes Retirement Fund	4 303	3 625
Other allowances	5 292	4 006
	<b>76 137</b>	<b>61 790</b>

Employee Cost for an amount of R31 040 000 (2022: R29 994 000) has been allocated to Discretionary grant administration and is not included in the amount above.

### 9. Property, plant and equipment

	2023			2022		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Land	2 600	-	2 600	2 600	-	2 600
Buildings	21 025	(7 288)	13 737	20 215	(6 016)	14 199
Furniture and fixtures	8 161	(5 386)	2 775	8 412	(5 006)	3 406
Motor vehicles	450	(450)	-	450	(450)	-
IT equipment	8 115	(5 658)	2 457	7 673	(5 489)	2 184
<b>Total</b>	<b>40 351</b>	<b>(18 782)</b>	<b>21 569</b>	<b>39 350</b>	<b>(16 961)</b>	<b>22 389</b>

## Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

	2023 R'000	2022 R'000
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## 9. Property, plant and equipment (continued)

## Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Accumulated depreciation write back	Depreciation	Other adjustments	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land	2 600	-	-	-	-	-	2 600
Buildings	14 199	810	-	-	(1 166)	(106)	13 737
Furniture and fixtures	3 406	60	(313)	305	(683)	-	2 775
IT equipment	2 184	2 570	(2 128)	1 488	(1 657)	-	2 457
	<b>22 389</b>	<b>3 440</b>	<b>(2 441)</b>	<b>(1 793)</b>	<b>(3 506)</b>	<b>(106)</b>	<b>21 569</b>

## Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Accumulated depreciation write back	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Land	2 600	-	-	-	-	2 600
Buildings	15 116	747	(2 318)	1 742	(1 088)	14 199
Furniture and fixtures	2 530	1 530	(285)	274	(643)	3 406
IT equipment	2 472	1 027	(919)	919	(1 315)	2 184
	<b>22 718</b>	<b>3 304</b>	<b>(3 522)</b>	<b>2 935</b>	<b>(3 046)</b>	<b>22 389</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
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#### 9. Property, plant and equipment *(continued)*

##### Depreciation rates

Asset description	Depreciation method	Average useful life
Furniture and fixtures	straight line	10 years
Motor vehicles	straight line	5 years
Office equipment	straight line	5 years
IT equipment	straight line	3 years
Computer software	straight line	2 years
Land	straight line	Indefinite
Building	straight line	20 years
Other building costs	straight line	5 years

##### Property, plant and equipment cost fully depreciated and still in use at costvalue

Computer hardware	3 240	3 593
Furniture and fittings	2 420	1 236
Motor Vehicle	450	450
	<b>6 110</b>	<b>5 279</b>

None of TETA assets have been pledged as security.

TETA's building is located at 344 Pretoria Avenue, Ferndale, Randburg. The building was revalued to a market value of R26 million as at 31 March 2022.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
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#### 10. Intangible assets

	2023			2022		
	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software, other	5 237	(4 493)	744	5 237	(3 324)	1 913

#### Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
	R'000	R'000	R'000
Computer software, other	1 913	(1 169)	744

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Computer software, other	45	2 326	(458)	1 913

#### Intangible assets cost fully depreciated and still in use at cost value

Computer software, other	2 911	2 833
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# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
<b>11. Receivables from non-exchange transactions</b>		
Other Receivables	112	491
Employer Receivables	277	319
	<b>389</b>	<b>810</b>
<b>Other receivables</b>		
Opening balance	491	1 188
Add: Receivables	77	(697)
Allowance for doubtful debts impairment	(456)	-
	<b>112</b>	<b>491</b>
<b>Employer Receivables</b>		
Overpayment to employers	1 769	1 701
Allowance for Doubtful debts	(1 492)	(1 382)
	<b>277</b>	<b>319</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
<b>12. Receivables from exchange transactions</b>		
Staff debtors	6	-
Interest receivables	552	262
Prepaid expenses	-	96
Other Receivables	82	406
Deposits	879	843
Accrued Income	1 001	-
	<b>2 520</b>	<b>1 607</b>

### 13. Inventories

Inventory consists of stationery on hand and consumables at the end of the financial year

223	254
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### 14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4	8
Bank balances	82 349	77 384
Short-term deposits	926 919	969 772
	<b>1 009 272</b>	<b>1 047 164</b>

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 6.04% (2022: 3.78%). The SARB adjusted the interest rate on the last month on the interest earned due to systems errors. This adjustment is included in the interest earned for the year.

The Skills Development Act Regulations state that a SETA may, if not otherwise specified by the Public Finance Management Act, invest the monies in accordance with the investment policy approved by the relevant SETA.

TETA surplus funds are invested with CPD in line with the National Treasury Regulation 31.3.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
<b>15. Payables from non exchange transactions</b>		
Skills development grants payable - mandatory	13 636	11 744
Skills development grants payable - discretionary	4 388	17 671
Income received in advance - BankSeta	3 506	-
Employer Payable SARS	1 242	12 454
Levy Creditors	541	889
Sponsorships	25	-
	<b>23 338</b>	<b>42 758</b>

### 16. Payables from exchange transactions

Trade payables	3 920	6 867
Accrued leave pay	2 749	2 396
Other payables	4	-
	<b>6 673</b>	<b>9 263</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

2023	2022
R'000	R'000

#### 17. Provisions

##### Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
	R'000	R'000	R'000	R'000
Provision for exempt levies	8 983	1 332	(1 654)	8 661
Provision for leave pay	1 330	3 291	(3 070)	1 551
Provision for performance bonus	9 931	15 895	(9 931)	15 895
	<b>20 244</b>	<b>20 518</b>	<b>(14 655)</b>	<b>26 107</b>

##### Reconciliation of provisions - 2022

	Opening balance	Additions	Utilised during the year	Total
	R'000	R'000	R'000	R'000
Provision for levies from exempt employers	7 577	4 479	(3 073)	8 983
Provision for leave pay	1 910	3 096	(3 676)	1 330
Provision for performance bonus	6 312	9 931	(6 312)	9 931
	<b>15 799</b>	<b>17 506</b>	<b>(13 061)</b>	<b>20 244</b>

##### Provisions for levies received from exempt employers.

An amount of R8 661 000 (2022: R8 983 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DHET, after being exempted from contributing skills development levies due to new legislation which came into effect from 1 August 2005.

In terms of Section 190(4) of the Tax Administration Act, a person is entitled to a refund under subsection 1(b) only if the refund is claimed by a person within three years, in the case of assessment by South African Revenue Services (SARS) or five years, in the case of an assessment from the date of assessment.

Therefore, where the Skills Development Levies Act has exempted employers from paying the Skills Development Levy (SOL), if their remuneration/leviable amount does not exceed R500 000 per annum, it will be treated in terms of Section 190 (1 )(b) in that a person is entitled to a refund by SARS of the amount erroneously paid in respect of a self assessment in excess of the amount payable in terms of the assessment

TETA will then in terms of Section 190(4) be able to utilise the provision of R1 654 000 (2022: R3 073 000) levy income, which has exceeded the five year period, for discretionary grants

##### Provision for Leave.

An amount of R1 551 000 (2022: R1 330 000) relates to annual leave entitlements accrued to employees.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
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#### 17. Provisions (continued)

##### Provision for Performance Bonus.

An amount of R15 895 000 (2022: R9 931 000) relates to provision for performance bonuses which will be paid in the next financial year.

#### 18. Cash used in operations

Surplus / (deficit)	(23 274)	(104 231)
<b>Adjustments for:</b>		
Bad debts written off	-	3 718
Movements in provisions	5 904	4 311
Depreciation	3 614	3 046
Amortisation	1 169	458
<b>Changes in working capital:</b>		
Inventories	31	(47)
Receivables from exchange transactions	(913)	189
Other receivables from non-exchange transactions	379	698
Payables from exchange transactions	(2 589)	2 626
Payables from non-exchange	(19 420)	20 284
Proceeds from Disposal of Assets	-	(26)
	<b>(35 099)</b>	<b>(68 974)</b>

#### 19. Statement of comparison of budget and actual amounts

##### REVENUE

##### 19.1. Skills development levy: income from non-exchange transactions

The budgeted amount for TETA for Skills development Levies is based on the average expected salary increases within the Transport Sector. An amount of R73 608 000 is as a result of under collection of the levies for the financial year under review.

An amount of R593 943 000 is as a result of rollover of surpluses included in the adjustment budget.



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

2023 R'000	2022 R'000
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#### 19. Statement of comparison of budget and actual amounts *(continued)*

##### 19.2. Skills development levy: penalties and interest from non-exchange transactions

An under collection of R1 561 000 against budget is due to most levy paying companies making SDL payments to SARS timeously. The budget is based on an estimate of penalties and interest to be received as TETA cannot anticipate with certainty the levy payers that will incur interest and penalties due to late payment of the Skill Development Levies to SARS.

##### 19.3. Investment income

The over collection of R6 945 000 on interest income is as a result of increases in the interest repo rate.

##### 19.4. Other income

The over collection of R4 990 000 on other Income from non-exchange comprises of levies received from Government departments.

An amount of R1 797 000 under collection in other income is as a result of no large claims were made during the financial year under review.

### EXPENSES

##### 19.5. Grant and project expenses

Mandatory Grant expenditure has decreased by R 11 636 000 from the previous financial year in line with the expected stakeholder participation on the WSP and ATR process.

Discretionary Grant expenditure has decreased by R11 500 000 from the previous financial year based on the projects disbursements for the period which includes an estimate of R593 943 000 as part of the rollover of surpluses.

##### 19.6. Administration expenses

Administration expenditure is limited to 10.5% of levies received. The legislation limit has been exceeded by 1.9%. TETA has obtained approval to exceed the 10.5% threshold as per the grant regulations. TETA has maintained the Administration expenditure to be below the amount requested for approval.

##### 19.7. Personnel expenditure

An under expenditure of R13 076 000 on employee costs is due to the vacancies not yet filled as per TETA approved structure.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
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#### 20. Contingencies

##### 20.1 First-time employer registrations

The Skills Development legislation allows for an employer, registering for the first time, 6 months to submit an application for mandatory grants.

At the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R 331 000 will be payable. The amount is contingent on the number of submission received and approved.

##### 20.2 Contingent liability

TETA may be liable on the BUSA vs The Minister of Higher Education and Training case on the legislated mandatory grant percentage. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision in regard to the mandatory grant percentage. DHET continued to show the mandatory levies portion as 20% in 2022/23 year in the levy download information. The SETA continued to pay and accrue mandatory grants at 20% in 2022/23 financial year in the absence of a decision. The Accounting Authority has approved this action. Therefore, the amount and timing is still uncertain.

##### 20.3 Contingent Asset

TETA entered into a contractual agreement with the Department of Labour (UIF) under learning programmes, in which TETA was to pay the service providers and claim back a portion of the percentage as per the SLA. The Department of Labour did not honour all the claims submitted by TETA, as result the outstanding debt was written off, as a bad debt.

Subsequently TETA appointed Professional lawyers to facilitate the process of bad debt recovery, and part of the debt written off was paid to TETA by UIF in the 2021/2022 reporting period. The recovered amount was disclosed as other income in the prior year.

The balance of the debt written off remains a contingent asset as it is probable that there will be future inflows.

Bad debt written off- UIF  
Less Amounts Recovered

**Amount still to be recovered**

43 776	57 649
-	(13 873)
<b>43 776</b>	<b>43 776</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
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#### 20. Contingencies (continued)

##### 20.4 Retention of Surplus

TETA notes that the National Treasury sent instruction note no. 12 of 2020/2021 dated 02 September 2020 which has excluded the commitments in the computation of surplus. The following details the new template for computation of surplus.

##### Calculation in terms of Paragraph 3.2 of the National Treasury Instruction No 12 of 2020/2021

Cash and cash equivalents at the end of the year	1 009 272	1 047 164
Add Receivables	2 909	2 418
Less Liabilities	(56 118)	(72 265)
	<b>956 063</b>	<b>977 317</b>

The surplus above excludes commitments to the amount of R 818 874 000 (2022: R894 678 000) which TETA has included in the application for retention of surplus. TETA has disclosed the commitments as per note 22 to the financials

#### 21. Operating lease liability (accrual)

##### Minimum lease payments due

Up to 1 year	3 718	2 590
2 to 5 years	17 763	12 394
5 to greater	11 030	13 016
	<b>32 511</b>	<b>28 000</b>

The operating leases relate to building premises used for office accommodation for all the regional offices. No provision was made for an option to renew the leases on expiry. Deposits totalling R879 048 have been paid and will be refunded upon termination of the leases. The deposit amount will be reduced by any outstanding costs. The lease smoothing is not applicable to the photocopier machines as the agreement does not have an annual escalation.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

2023  
R'000

2022  
R'000

#### 22. Commitments

Of the balance of R 955 955 000 available in the Discretionary Grant Reserve at the end of March 2023, R818 574 000 (2022: R894 678 000) has been approved and allocated for future projects and skills priorities as set out below.

These amounts are for contractual obligations as per GRAP 19, and expenses already incurred which are included as discretionary and project expenses in the Statement of Financial Performance as indicated below.

Description of Grant	Opening balance 2021	Approved by Accounting Authority & Contracted	Contract Reallocation /Surpluses/ Cancellation	Utilised	Opening balance 2022	Approved by Accounting Authority & Contracted	Reallocation Contracted	Surpluses Declared/ Cancellations	Utilised	Total contracted funds
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Contract/Project Name										
Costed Annual Performance Plan 2013/14	3 770	-	(3 770)	-	-	-	-	-	-	-
Costed Annual Performance Plan 2014/15	11 201	-	(8 305)	(827)	2 069	-	-	(1 844)	(70)	155
Costed Annual Performance Plan 2015/16	18 826	-	(11 376)	(2 257)	5 193	-	-	(4 031)	(825)	337
Costed Annual Performance Plan 2016/17	35 334	-	(13 666)	(7 077)	14 591	-	-	(2 528)	(565)	11 499
Costed Annual Performance Plan 2017/18	79 506	-	(58 578)	(7 344)	13 584	-	12	(3 942)	(4 008)	5 646
Costed Annual Performance Plan 2018/19	152 665	-	(29 171)	(40 517)	82 977	-	40	(9 016)	(16 277)	57 724
Costed Annual Performance Plan 2019/20	224 833	-	(372)	(96 293)	128 168	-	4 468	(14 873)	(44 325)	73 438
Costed Annual Performance Plan 2020/21	416 382	-	(8 180)	(209 716)	198 486	-	959	(27 173)	(57 675)	114 598
Costed Annual Performance Plan 2021/22	-	683 690	26 314	(260 394)	449 610	-	11 696	(27 899)	(256 127)	177 280
Costed Annual Performance Plan 2022/23	-	-	-	-	-	605 044	11 151	(457)	(237 840)	377 898
<b>TOTAL</b>	<b>942 517</b>	<b>683 690</b>	<b>(107 104)</b>	<b>(624 425)</b>	<b>894 678</b>	<b>605 044</b>	<b>28 326</b>	<b>(91 763)</b>	<b>(617 712)</b>	<b>818 574</b>

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
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#### 23. Going concern

The Minister of Higher Education extended the licenses of the SETAs to 31 March 2030. TETA's ability to continue as a going concern is confirmed as the South African Economy and transport sector is recovering in light of the increased levies received compared to prior year.

#### 24. Irregular expenditure

Irregular Expenditure Board members	-	197
Irregular Expenditure (Actual vs Budget)	-	92 112
	<b>-</b>	<b>92 309</b>

The amount of R92 112 000 included in irregular expenditure in the prior year, relates to an amount identified by AGSA as irregular. There is a variance between the budget and actual expenditure of R92 112 000 in the 2021/2022 financial year. The variance represents payments for historical commitments from the rollover surplus approved by National Treasury in terms of section 53(3) of the PFMA.

There are ongoing discussions between TETA, AGSA and National Treasury to resolve the matter.

Irregular expenditure recorded in the prior year is not indicated as an opening balance in the current financial year as per National Treasury Instruction Note 4 of 2023 which states:

Irregular expenditure previously disclosed in the annual financial statements and not addressed remain in the register and recorded in the annual report and addressed in terms of the Annexure to the instruction note.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
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#### 25. Financial instruments

In the course of the SETA operations it is exposed to credit, liquidity and market risk. The SETA has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

31 March 2023	Amount R'000	Interest bearings	Non interest bearing R'000	Total R'000
<b>Financial Assets</b>				
Cash and cash equivalents	1 009 272	6,4%	-	1 009 272
Accounts Receivables	2 520	-	-	2 520
	<b>1 011 792</b>	<b>6,4%</b>	<b>-</b>	<b>1 011 792</b>

31 March 2023	Amount R'000	Interest bearings	Non interest bearing R'000	Total R'000
<b>Financial Liabilities</b>				
Accounts Payables	11 843	-	-	11 843

31 March 2022	Amount R'000	Interest bearings	Non interest bearing R'000	Total R'000
<b>Financial Assets</b>				
Cash and cash equivalents	1 047 164	3,78%	-	1 047 164
Accounts Receivables	1 670	-	-	1 670
	<b>1 048 834</b>	<b>3,78%</b>	<b>-</b>	<b>1 048 834</b>

31 March 2022	Amount R'000	Interest bearings	Non interest bearing R'000	Total R'000
<b>Financial Liabilities</b>				
Accounts Payables	24 538	-	-	24 538



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

2023  
R'000

2022  
R'000

#### 25. Financial instruments (continued)

##### Liquidity risk

The SETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are also maintained.

	Less than 1 year R'000	Between 1 year and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2023				
Trade and other payables	(11 483)	-	-	-
At 31 March 2022				
Trade and other payables	(24 538)	-	-	-

In case of liquidity problems, funding resources might be available in terms of DHET and National Treasury approval for borrowing requirements in the open market.

##### Credit risk

Financial assets, which potentially subject the SETA to the risk of non performance by counter parties consist mainly of cash and cash equivalents and accounts receivable.

The SETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The SETA's exposure is continuously monitored by the accounting authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA's concentration of credit risk is limited to the transport industry in which the SETA operates. No events occurred in the transport industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt.



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 25. Financial instruments (continued)

	2023		2022	
	R'000	R'000	R'000	R'000
<b>The ageing of other receivables from exchange transactions</b>	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
Not past due	2 520	-	1 608	-
<b>The ageing of other receivables from exchange transactions</b>	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
Not past due	1 009 272	-	1 047 164	-

#### Interest rate risk

The SETA manages its interest rate risk by effectively investing the SETA surplus cash with SA Reserve Bank CPD.

The SETA's exposure to interest rate risk and the effective interest rates on financial instruments at reporting sheet date are as follows:

		Floating rate	Non-interest bearing	Total
<b>Year ended 31 March 2023</b>	Amount R'000	Effective interest rate	Amount R'000	R'000
Cash and cash equivalents	1 009 272	6,4 %	-	1 009 272
Trade and other receivables	2 520	-	-	2 520
	<b>1 011 792</b>	<b>6,04 %</b>	<b>-</b>	<b>1 011 792</b>
<b>Year ended 31 March 2022</b>	Amount R'000	Effective interest rate	Amount R'000	R'000
Cash and cash equivalents	1 047 164	3,78 %	-	1 047 164
Trade and other receivables	1 670	-	-	1 670
	<b>1 048 834</b>	<b>3,78 %</b>	<b>-</b>	<b>1 048 834</b>

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 26. Related parties

This standard prescribe the disclosure of information relevant to draw attention to the possibility that TETA's financial position and surplus/deficit may have been affected by the existence of related parties. It is not expected that this standard will significantly impact future disclosures.

#### Related party transactions

	2023 R'000		2022 R'000	
Receivables - interseta	Amount of the transaction	Amount receivable/ payables	Amount of the transaction	Amount receivable/ payables
CETA	-	-	6	6
ETDP	-	-	38	38
MQA 16	-	-	16	16
AGRISETA	-	-	22	22
HWSETA	-	-	76	76
<b>Total</b>	<b>-</b>	<b>-</b>	<b>158</b>	<b>158</b>
Payables - interseta				
CATHSSETA	-	-	8	8
MQA	6	-	-	-
W&RSETA	3	-	-	-
	<b>9</b>	<b>-</b>	<b>8</b>	<b>8</b>
<b>Total</b>	<b>9</b>	<b>-</b>	<b>150</b>	<b>150</b>

The SETA was controlled by the Department of Higher Education and Training, which is controlled by the Minister of Higher Education and Training.

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

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#### 26. Related parties (continued)

##### Transactions with the controlling entity

The SETA receives a monthly transfer from the Department of levies paid in its sector, for detail of the transaction amounts refer note 2. Transactions with the Department are consistent with normal operating relationships between the entities, and are undertaken on terms and conditions that are normal for such transactions

##### Transactions with entities under common control

By virtue of the fact that TETA is a National Public Entity related to other entities and departments in the National sphere of government it is considered related to Telkom, Eskom, South African Airways, other SET As and the National Skills Fund. The transactions are consistent with normal operating relationships between the entities, and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under the common control of the Department, these amounts were disclosed below.

##### Key management information

The key management personnel (as defined by GRAP 20, Related Party Disclosures) of the SETA are: the members of the accounting authority and the members of the senior management group.

The aggregate remuneration of members of the accounting authority and the number of members receiving remuneration within this category, are:  
The senior management group consists of the SETA's Chief Executive Officer, the Chief Operations Officer and the Chief Financial Officer. The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are:

Refer to the report by the Accounting Authority for detail disclosure concerning the emoluments of members of the accounting authority and the Chief Executive Officer, the Chief Operations Officer and the Chief Financial Officer.



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 26. Related parties (continued)

#### Remuneration of Accounting Authority and Executive Management

##### TETA BOARD MEMBERS

2023

Name	Board Sitting Allowance R'000	Travel Claims R'000	Total R'000
Dr Eugenia Xoliswa Kula	137	5	142
Fezeka Ntlemeza	144	28	172
Saki Tlou	283	8	291
Roland Setlako	359	10	369
Nqobizitha Irvin Phenyane	235	-	235
Hardhaw Tikum	216	-	216
Nokhuthula Sefunda	216	8	224
Wilfred Mogudi	177	8	185
Anele Kiet	135	1	136
Ndanduleni Munyai	208	6	214
Olivia Maponya	401	54	455
Solomon Mahlangu	211	13	224
Evidence Cebekhulu	224	27	251
Matthews Ramosie	321	16	337
Maleka Dinah	-	3	3
	<b>3 267</b>	<b>187</b>	<b>3 454</b>

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 26. Related parties (continued)

2022

Name	Board Sitting Allowance	Travel Claims	Total
	R'000	R'000	R'000
Fezeka Ntlemeza	97	4	101
Saki Tlou	219	3	222
Roland Setlako	217	4	221
Samuel Zungu	11	3	14
Nqobizitha Irvin Phenyane	118	-	118
Hardhaw Tikum	97	-	97
Nokuthula Sefunda	82	2	84
Wilfred Mogudi	87	1	88
Matthews Ramosie	181	7	188
Anele Kiet	112	1	113
Ndanduleni Munyai	120	1	121
Olivia Maponya	179	17	196
Solomon Mahlangu	120	4	124
Evidence Cebekhulu	82	11	93
	<b>1 722</b>	<b>58</b>	<b>1 780</b>

#### TETA AUDIT AND RISK COMMITTEE MEMBERS

2023

Pascal Mokupo	134	-	134
Mlamli Magigaba	42	-	42
Thiru Mudaly	53	-	53
Fezeka Ntlemeza	40	-	40
Matthew Ramosie	40	-	40
	<b>309</b>	<b>-</b>	<b>309</b>

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 26. Related parties (continued)

##### TETA AUDIT AND RISK COMMITTEE MEMBERS

2022

Name	Meeting Sitting Allowance	Travel Claims	Total
	R'000	R'000	R'000
Pascalis Mokupo	51	-	51
Mlamli Magigaba	32	-	32
Thiru Mudaly	42	-	42
	<b>125</b>	<b>-</b>	<b>125</b>

##### EXECUTIVE MANAGEMENT

2023

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Other benefits received by employee	Total
	R'000	R'000	R'000	R'000	R'000
Maphefo Anno-Frempong	3 023	444	481	7	3 955
Famanda Shirindza	2 034	295	330	170	2 829
Simon Ndukwana	970	295	123	-	1 388
Alfred Nchaupe Maepa	1 510	-	228	3	1 741
	<b>7 537</b>	<b>1 034</b>	<b>1 162</b>	<b>180</b>	<b>9 913</b>

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 26. Related parties (continued)

##### EXECUTIVE MANAGEMENT

2022

Name	Basic salary	Bonuses and performance	Other short-term employee benefits related payments	Other benefits received	Total
	R'000	R'000	R'000	R'000	R'000
Maphefo Anno Frempong	2 551	435	441	4	3 431
Simon Ndukwana	1 630	277	237	198	2 342
Famanda Shirindza	1 753	277	237	54	2 321
	<b>5 934</b>	<b>989</b>	<b>915</b>	<b>256</b>	<b>8 094</b>



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 27. Transaction with stakeholders represented on the Accounting Authority

The SETA has, in the normal course of its operations, entered into certain transactions with entities which had a nominated representative serving on the SETA accounting authority.

	2023		2022	
	Payments	Balance on the Contract	Payments	Balance on the Contract
	R'000	R'000	R'000	R'000
SAA Technical Saki Tlou Discretionary Grants	-	-	551	-
Kopano Bus Services Olivia Maponya Discretionary Grants	1 500	2 501	328	51
National Department of Transport Dinah Maleka Discretionary Grants	144	-	1 228	251
Madodi Bus Services Olivia Maponya Discretionary Grants	818	511	296	51
	<b>2 462</b>	<b>3 012</b>	<b>2 403</b>	<b>353</b>

The above transactions occurred under terms that were no more favourable than those available in similar arm's length dealings. The amounts include the transactions and commitment balance.



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
<b>28. Entities under common control of the Department Higher Education, Science and Technology</b>		
TETA has discretionary grant contracts with entities under common control and they relate to apprenticeship, bursaries, learnerships, student placements, TVET lecturer development, cadetship and SMME development.		
<b>Discretionary Grant - Interventions Contracted with TVETs</b>		
Esayidi TVET College	3 252	3 211
False Bay TVET College	7 732	936
Gert Sibande TVET College	-	485
Ikhala TVET College	-	210
Flavius Mareka TVET College	3 570	5 191
Letaba College For TVET	40	416
Lephalale TVET College	200	858
Lovedale TVET College	2 942	1 200
NCR TVET College	936	936
Northern Cape Urban TVET College	72	255
Sekhukhune TVET College	7 435	10 000
South West Gauteng TVET College	9 010	1 448
West Coast College TVET	1 825	438
Umfolosi TVET College	-	1 246
Waterberg TVET College	706	903
TVET College of Cape Town	90	90
Maluti TVET College	1 416	-
Motheo TVET College	1 817	-
Elangeni TVET College	2 973	-
Mthasahana TVET College	1 824	-
Northlink TVET College	4 140	-
Capricorn TVET College	165	-
East Cape Midlands TVET College	1 693	-
	<b>51 838</b>	<b>27 823</b>

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 '000	2022 '000
<b>28. Entities under common control of the Department Higher Education, Science and Innovation (continued)</b>		
<b>Discretionary Grant - Interventions Contracted with Universities</b>		
Cape Peninsula University of Technology	2 252	2 040
Durban University of Technology	2 463	3 580
Mangosuthu University of Technology	243	243
Nelson Mandela university	5 082	3 621
North West University	5 578	3 258
Tshwane University of Technology	17 510	5 986
University of Johannesburg	39 218	33 404
University of Venda	-	434
University of Witwatersrand	580	580
Vaal University of Technology	1 430	1 079
Central University of Technology	-	58
University of Pretoria	656	2 624
University of Cape Town	76	128
Stellenbosch University	1 574	2 942
University of the Free State	1 610	-
	<b>78 272</b>	<b>59 977</b>
<b>Discretionary Grant - Interventions Contracted with the Department of Science and Innovation (CSIR)</b>		
Council for Scientific and Industrial Research	-	2 480
<b>Discretionary Grant - Interventions Contracted Other SETAs</b>		
BANKSETA	34 997	20 000
Income received in advance included in liabilities	(3 497)	-
	<b>31 500</b>	<b>20 000</b>

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 29. Events after the reporting date

There were no adjusting events after the reporting period identified for the year under review.

#### 30. New standards and interpretations

##### 30.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

#### 31. Material Losses Through Criminal Conduct

During the year under review IT equipment, primarily consisting of both new and old laptops, to a book value of R542 000 were stolen from TETA Head Office due to security breaches by alleged criminals. A thorough investigation is currently being conducted by the National Intelligence Bureau and the incident was also reported to the South African Police Services (SAPS). As the assets were insured, the insurance coverage on the assets has been successfully facilitated for recovery. Measures are being put in place to further tighten the security of the organisation to mitigate further occurrence.



# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 R'000	2022 R'000
--	---------------	---------------

#### 32. Prior period errors

In the current year some line items of the financial statements disclosed in the prior years were restated due to errors which were identified. The errors were as a result of transactions erroneously omitted and or erroneously accounted for. The restatements were done retrospectively in line with the standard. Below are classes of transactions, account balances and disclosure notes which were restated as a result of errors:

##### 32.1 Financial Assets and Financial Liabilities

###### Financial Assets (Note 25)

As previously disclosed

- 0

Financial Assets erroneously omitted

- 1 048 383

###### Restated Amount

- **1 048 383**

###### Financial Liabilities

As previously disclosed

- 0

Financial Assets erroneously omitted

- 24 538

###### Restated Amount

- **24 538**

###### Liquidity Risk

As previously disclosed

- 72 265

Financial Assets erroneously included

- (47 727)

###### Restated Amount

- **24 538**

##### 32.2 Related Parties - Transactions with Stakeholders (Note 27)

As previously disclosed

- 4 131

Related Parties transactions erroneously included

- 1 375

###### Restated Amount

- **2 756**

# Transport Education Training Authority

## Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

	2023 '000	2022 '000
<b>32. Prior period errors</b> <i>(continued)</i>		
<b>32.3 Related Parties - Board Fees (Note 26)</b>		
As previously disclosed	-	1 254
Related Parties transactions erroneously omitted	-	526
<b>Restated Amount</b>	<b>-</b>	<b>1 780</b>
<b>32.4 Commitments (Note 22)</b>		
As previously disclosed	-	78 389
7,5% Project Administration transactions erroneously included as a contractual obligation		(78 389)
<b>Restated Amount</b>	<b>-</b>	<b>0</b>



# NOTES



# 2022



# 2023 REVIEW

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