

DOCUMENTS FOR THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION AND TRAINING FOR 11 AUGUST 2010

1. MANDATE OF AGRISETA

As for other SETAs our mandate is defined in the SDA – section 10. However, in the case of AgriSETA, the Governing Board set principles within which the mandate will be executed in the agricultural sector;

- AgriSETA will not only serve the levy payer – *The mandate of the AgriSETA is to take up its responsibility towards the agricultural sector at large (as demarcated in its totality)*. Thus,
 - The employer paying the levy
 - The employer who does not have to pay the levy (due to the threshold)
 - Agricultural land reform beneficiaries
 - Other under-resourced farmers (e.g. Emerging/small scale/land reform)
- With its limited funding, AgriSETA will always attempt to spend its discretionary funding equally between the commercial and the under-resourced sectors – *the mandate is to address all sectors in a balanced manner*.
- The AgriSETA will adopt a holistic approach to human development – as such it will not only limit itself to formalised learning programmes, but also other initiatives which will impact on the sustainability of new farming enterprises such as mentoring services – *the mandate is to make maximum impact*.
- In a balanced manner AgriSETA will perform on all Success Indicators of the NSDS but our core areas will be success indicators 2.8 and 3.2 and 4.1 – *the mandate is to focus on massive skills upgrading due to the sectors low skills levels*.
- Focus will be on sectoral scarce skills – *mandate is to, over time eradicate skills bottlenecks in the sector*
- AgriSETA accepts that due to the profile of its employers and employees, most of its learning programmes will be at the lower levels of the NQF – *the mandate is to be needs driven as prescribed by the sector – the mandate is to be sector needs driven, not scorecard driven*.

2. STRATEGIC PLAN AND BUDGET FOR 2010/-11

The Sector Skills Plan (SSP) of AgriSETA forms its 5-year strategic plan. The annual update of the SSP forms its annual strategic plan. These are converted into specific targets and discretionary funds then allocated. The following is a summary of the targets and discretionary budget allocation (*full budget will be brought*).

Summary of targets and budget allocations

| SI | Description | Value allocated | Target numbers |
|--------------------|---|--|--------------------------------------|
| 1.1 | Develop SSP | R1 008 200 | N/A |
| 1.2 | Communicate externally | R376 200 | 350 stakeholders |
| 2.1 & 2.2 | Mandatory grants | R70 m MG R125 400 for verification | 218 large 436 medium 980 small |
| 2.5 | Support to BEE firms | R3 850 000 | 70 enterprises |
| 2.7 | ABET | R4 400 000 | 1 000 |
| 2.8 | The employed (excl. skills programmes) ² | R17 097 300 | 740 |
| 3.2 | Support to NGO, CBO, CBCs | R3 300 000 | 60 enterprises |
| 4.1 | The unemployed (excl. skills programmes) ³ | R29 812 200 | 930 |
| 4.2 | Workplace Experience | R2 310 000 | 70 |
| 4.3 | NVC | R1 860 000 | 50 |
| 5.1 | ISOEs | R3 762 000 | N/A |
| 5.2 | NVC providers | R0 | 0 |
| 5.3 | Capacity building providers | R627 000 | N/A |
| KRA 5 | Provincial linkages | R500 000 | N/A |
| KRA6 | SETA Specific focus areas ¹ | R2 508 000 | N/A |
| TOTAL | | R71 536 300 | |
| 2.8 | Skills Programmes ² | R1 881 000 | 500 |
| 4.1 | Skills Programmes ³ | R1 354 320 | 300 |
| FINAL TOTAL | | R74 771 620 | 3 590 & 130+ ent. |

Note 1: SETA specific focus relates specifically to Board and Staff Capacity Building.

Note 2: The numeric breakdown for 2.8 is as follows:

- 700 Learnerships
- 20 Apprentices (Section 28)
- 20 Bursaries
- 500 Skills Programmes

Note 3: The numeric breakdown for 4.1 is as follows:

- 400 Learnerships
- 80 Apprentices (Section 13)
- 80 Bursaries
- 300 Internships
- 300 Skills Programmes

3. SWOT ANALYSIS FOR THE AGRISETA

| INTERNAL FACTORS | |
|---|--|
| STRENGTHS | WEAKNESSES |
| <ul style="list-style-type: none"> • High level of support/buy-in from across sector. Good working relationship with line function departments • Very stable Governing Board and sub-committees – healthy relationship between employers & employees • Stable/ competent management and staff (low labour turnover), meeting SLA targets, clean audit report for 5 years | <ul style="list-style-type: none"> • Natural trend in SETAs to create internal “silos” • Unsettled staff due lengthy landscape issues. Also lead to inability to appoint staff – “double-up” tasking. • Outsourcing of financial services (Deloitte) due to lack of financial expertise in SETA • One central Office for the SETA due to limited 10% administration levy resulting in managers travelling extensively to cover all provinces |
| EXTERNAL FACTORS | |
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none"> • Involvement with land reform recipients and rural development after the birth of a new department of RDLRD • Expansion of learning programmes from FET to HE due to articulation brought by new department where SETAs are reporting • Expansion of mentoring on agricultural enterprise in partnership with organised employers and agricultural commodities • Partnership with Provincial Growth and Skills Development Initiatives in provision of agricultural skills development (e.g. Eastern Cape Premier Office • Possibility of stable, long-term access to NSF • Strong annual growth in income which exceeds wage growth – more members | <ul style="list-style-type: none"> • Proposed SETA mergers disrupting sustainability and involvement with the new DLR D • Uncertainty and slow response from the National Skills Fund when applying for funds • SETA funding model not suited to broader government initiatives of government as in rural development and land reform • Spending of allocated discretionary fund in a financial year due to delayed starting of training due to seasonality of agricultural production • Overbearing and still growing bureaucracy and external demand on senior staff time (endless fora, workshops, meetings across many structures) • Strong rand and low commodity prices; reduction in exports. • General non-comprehension that agriculture engage in lower qualification levels (most work done at NQF levels 1 and 2) • Long turnaround time in payment of invoices due to unsophisticated nature of sector and inability to submit correct invoices and supporting documents first time |

4. PROVINCIAL ALLOCATIONS AND SPECIAL PROJECTS

2009/-10 FINANCIAL YEAR

| PROVINCE | LEARNERSHIP | SKILLS PROGR | ABET | BURSARIES | INTERNS | WORKPLACE EXPERIENCE | APRENTICES | TOTAL |
|---------------|-------------|-----------------|------|-----------|---------|-------------------------|------------|-------|
| Eastern Cape | 367 | 465 | 308 | 9 | 53 | 2 | 6 | 1210 |
| Free State | 92 | 331 | 47 | 3 | 1 | 2 | 12 | 488 |
| Gauteng | 199 | 1040 | 359 | 11 | 114 | 23 | | 1746 |
| KZN | 136 | 76 | 78 | 65 | 67 | 20 | 30 | 472 |
| Limpopo | 550 | 1909 | 370 | 7 | 28 | 19 | | 2883 |
| Mpumalanga | 65 | 290 | 290 | 7 | 51 | 24 | 8 | 735 |
| North West | 237 | 272 | 148 | 34 | 14 | 13 | 10 | 728 |
| Northern Cape | 80 | 57 | 36 | 1 | 4 | | 9 | 187 |
| Western Cape | 436 | 1128 | 963 | 50 | 113 | 22 | | 2712 |
| TOTAL | 2162 | 5568 | 2599 | 187 | 455 | 125 | 75 | 11161 |

Over and above the performance quoted above, AgriSETA commenced early this year with a large scale Land Reform project whereby AgriSETA contributed R20 million from its own discretionary funds and eventually the NSF contributed R44 million (50% of the requested amount). This is a very sensitive project and therefore dedicated project management staff had been appointed.

The project is commencing in KZN, Mpumalanga and Limpopo each with six clusters of projects (either geographic or commodity clusters) each cluster having 2 – 6 identified projects to benefit from the intervention.

The biggest threat of this project is the rigidity with which the NSF approaches performance and deliverables.

5. PROFILES

PROFILE OF BOARD MEMBERS

| AFRICAN | COLOURED | INDIAN | WHITE | DISABLED |
|---------|----------|--------|-------|----------|
| 10 | 0 | 1 | 9 | 0 |
| 50% | 0% | 5% | 45% | 0% |

Total: 20
Female: 3
Male: 17

PROFILE OF ALL STAFF MEMBERS

| AFRICAN | COLOURED | INDIAN | WHITE | DISABLED |
|---------|----------|--------|-------|----------|
| 27 | 6 | 1 | 10 | 1 |
| 61% | 14% | 2% | 23% | 2% |

Total: 44
Female: 29
Male: 15

PROFILE OF MANAGEMENT

| TITLE | PORTFOLIO | DEMOGRAPHICS |
|-----------------------------|--|---------------|
| Chief Executive Officer | Overall management of SETA | Black, Male |
| Manager: Operations | All operational matters, Skills Planning, Projects, ABET, Bursaries, Interns, Workplace Experience, Apprenticeships, SI 2.5, 3.2 & 4.3 | White, Male |
| Manager: Corporate Services | HR, Supply Chain, Legal matters, general administration, buildings and equipment, maintenance and housekeeping | White, Female |
| Manager: Skills Delivery | Learnerships & Skills Programmes | Black, Male |
| Manager: ETQA | Quality Assurance, ISOE's, Provider Capacity Building, QMS | Black, Male |

PROFILE OF ACCREDITED PROVIDERS

| PROVINCE | Fully Black | Majority Black | Fully white | Majority White | TOTAL |
|---------------|-------------|----------------|-------------|----------------|-------|
| Eastern Cape | 14 | 14 | 1 | 2 | 31 |
| Free State | 11 | 2 | 1 | 3 | 17 |
| Gauteng | 53 | 3 | 1 | 24 | 81 |
| KZN | 16 | 1 | 1 | 2 | 20 |
| Limpopo | 35 | | 1 | | 36 |
| Mpumalanga | 17 | 1 | | 1 | 19 |
| North West | 13 | 10 | 3 | 3 | 29 |
| Northern Cape | 3 | | | | 3 |
| Western Cape | | 14 | | 14 | 28 |
| TOTAL | 162 | 45 | 8 | 49 | 264 |

6. INITIATIVES TO SUPPORT UNEMPLOYED YOUTH

- Currently preparing a submission to NSF to support 500 out of school matriculants with technical training (aim to develop artisans)
- When supporting NGO/CBO/CBCs attempt to focus on youth
- Motivate employers to invest in youth
- All our internships and workplace experience limited to youth
- Complex sector where most employees are old and difficult to motivate youth into the sector.