

Local Government Sector Education Training Authority

Presentation to DHET Portfolio Committee:
18 August 2010

Structure of Presentation

- Mandate, Budget and Strategic Plans 2010/11
- Budget analysis of the 2009/10 financial year
- SWOT Analysis of LGSETA
- Provincial allocations and special projects for 2010
- Plans to reduce the high unemployment rate among young people

Mandate

A SETA must,

- (a) develop a sector skills plan;
- (b) implement its sector skills plan
- (c) promote learnerships
- (d) register learnership agreements;
- (e) Be accredited by SAQA as an ETQA
- (f) Disburse grants
- (g) Implement the National Skills Development Strategy
- (h) Submit to the Director-General:
 - (i) budgets, reports & financial statements according to PFMA
 - (ii) plans and reports on implementation of SSP and SLA

Scope of Coverage LGSETA

LGSETA Scope of coverage in terms of SIC codes restricted to the following:

- Metropolitan municipalities
- Local municipalities
- District municipalities
- Municipal entities and utilities
- Organised local government
- Traditional leaders and traditional councils

LGSETA strategic focus areas

LGSETA focus areas are linked to Local Government Key Performance Areas, namely:

- ✓ Infrastructure and service delivery
- ✓ Financial viability
- ✓ Community based participation and planning
- ✓ Management and leadership
- ✓ ABET,
- ✓ Workplace training systems – training committees and local labour forum members etc

Budget 2010/11

	2010/11 SLA Budget R'000	2010/11 Revised R'000	Variance R'000
Total Revenue	286 136	308 918	(22 782)
Admin levy income (10%)	31 903	34 208	(2 305)
Mandatory grant levy income (50%)	159 515	171 039	(11 524)
Discretionary grant levy income (20%)	63 806	71 671	(7 865)
Investment income	30 912	32 000	(1 088)
Total expenses	(243 343)	(303 116)	59 773
Administration expenses	(31 903)	(34 208)	2 305
Mandatory Grants	(139 756)	(165 908)	26 152
Discretionary Grants	(71 684)	(103 000)	31 316
Net Surplus for the year	<u>42 793</u>	<u>5 802</u>	<u>36 991</u>

Strategic Plans

- Artisan Training R60 million – 1000 learners
- LGAC (NQF3) R18 million – 1000 learners
- Property Valuers – R3.5 million – 100 learners
- IDP/LED Training R13.7 million - 1860 learners (Skills programs and full qualifications)
- Infrastructure asset management R5 million
- Municipal Finance (NQF 5-6) R14 million – 400 learners
- Skills Audit R5 million
- DEAFSA Project R3.9 million / ABET sign language – 570 learners
- Association for the Blind/ ABET R1 million – 180 learners

Participation in broader government objectives:

LGSETA has entered into MoU's and project agreements with a number of government departments and government agencies to assist them, and local government in achieving strategic objectives.

- CGTA (Co-operative Governance and Traditional Affairs)
- DWE (Dept Water and Environment)
- DBSA(Development Bank of SA)
- NHTL (National House of Traditional Leaders)
- National Treasury
- SALGA (SA Local Government Association)
- DPW (Dept of Public Works) – proposed
- SAICA (South African Institute of Chartered Accountants)
- SACPV (South African Council of Property Valuers)

Budget Analysis 2009/10

	SLA Budget R'000	Actual R'000	Variance R'000
Total Revenue	247 373	276 921	(29 548)
Admin levy income (10%)	27 763	31 127	(3 364)
Mandatory grant levy income (50%)	135 194	155 625	(20 431)
Discretionary grant levy income (20%)	53 503	62 243	(8 740)
Penalties and interest	-	1 779	(1 779)
Investment income	30 912	26 147	4 766
Total expenses	(211 633)	(265 096)	53 463
Administration expenses	(30 260)	(30 258)	(2)
Mandatory Grants	(126 145)	(150 058)	23 913
Discretionary Grants	(55 228)	(84 780)	29 552
Loss on sale of fixed assets		103	(103)
Fair Value adjustment		104	(104)
Net Surplus for the year	35 740	12 032	23 708

2009/10 Achievements

- 95% submission of WSPs by municipalities
- Skills audit phase 1 completed 283 municipalities
- 600 councillors trained in various programmes
- 303 municipal employees graduated on the LGAC
- 356 SDFs trained
- 3700 learners trained on ward committee programmes

[SWOT ANALYSIS]

Separate document

Provincial Allocation

- Currently 6 provincial offices responsible for all 9 provinces
- Concentrate mostly on each municipality to identify training needs.
- R1 bn paid over in mandatory grants from 2000
- Mandatory grants accounted as income rather than training grants – LGSETA does not have mandate to follow-up
- SSP/WSP identify critical skills and develop national projects
- Additional information on separate document attached

Plans to reduce high unemployment rate

- SAICA (LGSETA/NSF) training of 1000 unemployed learners to be placed in municipalities
- DBSA Artisan training 1000 over three years (N3 College students to be absorbed in municipalities)
- All training for the unemployed must assist the Municipalities to achieve its IDP objectives , or its LED strategies or result in absorption into the municipality.
- Failure to do this in the experience of the LGSETA simply results in creating expectations around employment which are not likely to be fulfilled.
- Municipalities may apply to us to train the 18.2 but those applications are assessed against their IDPs and LED strategies.

[CONCLUSION]

THANK YOU!