

Education, Training and Development Practices

Annual Report 2009/2010

Sector Education and Training Authority

At the cutting edge of skills development



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



ETDP•SETA

The ETDP SETA Landscape

The Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA) was established in March 2000 in terms of the Skills Development Act (No. 97 of 1998) (as amended).

The SETA is mandated to promote and facilitate the delivery of education, training and development in order to enhance the skills profile of the Education, Training and Development (ETD) sector and contribute to the creation of employment opportunities especially for those previously disadvantaged.

The period of the ETDP SETA's mandate was extended for five years from April 2005 and for a further period until March 2011 by which time its mandate would have already been reviewed.



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Vision, Mission and Values

Vision

The vision of the ETDP SETA is to promote and facilitate the development and improvement of the skills profile of the sector's workforce in order to benefit employers, workers and employees in the sector:

Mission

To support its vision, the ETDP SETA has as its mission the promotion, facilitation and development of an education, training and development in which:

- the skills levels of employees and workers are raised;
- there is a healthy balance between supply and demand in the labour market;
- there are diverse, flexible routes for initial and in-service education and training;
- a variety of career paths are available;
- the quality of education and training provided is improved;
- the levy grant scheme is efficiently administered;
- there is regular liaison with providers, other SETAs, the Department, the National Skills Authority (NSA) and the South African Qualifications Authority (SAQA) and its structures;
- internal and external communication is effective in order to advance national human resource and skills development;
- dialogue and interaction between public and private entities in the sector with regard to skills transfer and training;
- delivery is encouraged; and
- employers, workers and employees in the sector benefit from quality training, higher productivity and harmonious mutual dependencies.

Core Values

- Transparency;
- Fairness;
- Courteousness and caring;
- Honouring deadlines;
- Promotion of quality among all stakeholders;
- Co-operative governance;
- Approaching work in a developmental manner; and
- Continuous improvement.

Objectives

The objectives of the ETDP SETA are to:

- Promote and facilitate:
 - the identification of skills shortages and training needs in the sector;
 - the development of qualifications and learning pathways for education, training and development practitioners;
 - an increase in the levels of investment in education, training and development and improve the return on investment;
 - the development of skills of workers at all levels, through a better quality of life for workers, employment prospects for those previously disadvantaged and labour mobility;
 - higher productivity in the workplace and healthy competition among employers;
 - self-employment; and
 - redress of past imbalances caused by separate and unequal education and training systems.
- Encourage employers in the sector to use the workplace as an active learning environment to:
 - provide employees with the opportunities to acquire new skills;
 - provide opportunities for new entrants to enter into the sector to gain work experience;
 - encourage workers in the sector to participate in learnerships and other relevant learning programmes; and
 - promote partnerships between the public and private sectors of the economy.

Service Delivery Credo

"To be at the cutting edge of Skills Development within the ETD sector; contributing to the social and economic development of the people of South Africa".



Chairperson's Remarks

Once more, I am delighted to present our annual report which demonstrates our commitment and passion to the skills revolution in our country. Despite many challenges, the ETDP SETA continues to do its best to address the challenges surrounding skills and employment.

The following are areas in which the ETDP SETA performed exceptionally well:

- The entry of learners into learning programmes;
- The WSP/ATR submissions of large and medium firms;
- Support for BEE firms;
- Support for Non-governmental Organisations (NGOs); and
- Completion of specific learning programmes.

Although the ETDP SETA performed well in reaching its targets, there are areas that are challenging for the organisation. These are:

- The completion of programmes by employed learners. The ETDP SETA will monitor these learners' progress more closely to ensure that they complete their learning programmes;
- Completion of Artisan trades. Plans will be implemented to ensure successful completion by these learners; and
- Monitoring and evaluation of projects needs to be given a specific focus which will lead to higher quality outcomes, ensuring that high value is achieved.

Given our commitment to continuous improvement, the above challenges are receiving the attention they deserve.

"The ETDP SETA welcomes the additional one-year extension granted by the Minister of Higher Education and Training."

The ETDP SETA welcomes the additional one-year extension granted by the Minister of Higher Education and Training. (HET) This provides another opportunity to improve performance and to prepare adequately for the challenges ahead.

I would like to extend my sincere gratitude and appreciation to my fellow Board Members for their commitment. Every Board meeting was exciting because of the level of engagement and debate on skills development and our fiduciary role.

Partnerships form the cornerstone of the ETDP SETAs successes and I would like to acknowledge the roles played by all our constituencies in various committees and structures. You have indeed made the SETA proud. Together we will always do better and more.

My appreciation also goes to the ETDP SETA management and staff.

Thank you!

Mr George Mudumela
Chairperson – ETDP SETA Board



Chief Executive Officer's Overview

“The targets for registration into learning programmes and for successful completion of training were exceeded by 37% and 60% respectively.”

Performance against the NSDS II Objectives

The detailed tables on pages 6 to 9 of this report, provide information on the extent to which the ETDP SETA performed against the NSDS II objectives in terms of the SLA entered

into between the ETDP SETA and the Department of Higher Education and Training. The SLA is based on the annual targets set out in the NSDS II. During the 2009/10 financial year, the SETA registered a total of 5,989 employed and unemployed people into various learning programmes versus set target of 4,330. This marked an achievement of 137%. A total of 3,878 learners (employed and unemployed) successfully completed their programmes against a target of 2,410, which reflects an achievement of 160%.

The above achievement was brought about by raising the bar where it was financially possible and by increasing the target, more people were trained. Through monitoring, evaluation and motivation of learners many completed their programmes.

It is worth noting that even though the ETDP SETA performed well in reaching its targets, many learners still take longer than the required duration to complete their studies and some drop out in the middle of their studies. This is more of a challenge for those who are employed and it has become evident that they are unable to cope. The ETDP SETA constantly pleads with employers to grant their workers time off to study in order to improve both their qualifications and skills as required in the workplace.

The skills challenge in our country remains, despite intense efforts to improve these levels through training and development. The ETDP SETA, like the other SETAs, is required to train a number of people, both employed and unemployed, in order to raise their skills profiles. This requirement was entrenched through Service Level Agreements (SLAs) entered into with the Department of Labour until November 2009, when the management of SETAs was transferred to the Department of Higher Education and Training.

The SLAs stipulate the objectives and targets to be met on an annual basis as outlined in the NSDS II. A large number of people have been trained and attained the necessary qualifications; however employment has remained a challenge, especially among the youth.

The global economic crisis claimed a number of victims, with many workers being laid off by their employers. The impact was severe, not only to the victims, but to their families and the country at large as production decreased.

The ETDP SETA continued to deliver on its mandate and doubled its effort in 2009/10 in addressing the challenges. The following are some of the highlights, the details of which are outlined in this report.

Additional Achievements

In addition to its skills development mandate, the ETDP SETA continues to play an active role in education, training and development in general. The following highlights bear testimony to the depth of ETDP SETA's involvement in the sector:

The Training Lay-off Scheme

The ETDP SETA committed R30 million towards the retraining of workers that were laid off during the recessionary period. However, no requests were made to the ETDP SETA by employers to access the training programmes related to the scheme. This could be attributable to the fact that the Education and Training Sector was not affected by the lay-offs to the same extent as the Wholesale and Retail, Manufacturing and Mining sectors. The invitation remains open to affected employers in our sector to submit their requests in order to tackle the looming skills shortages and gaps in semi- and unskilled professions.

Enhancing the Professional Development of our School Educators

In partnership with the Education Labour Relations Council (ELRC), the National Department of Education and the Teacher Unions and Associations, the ETDP SETA played a leading and progressive role in hosting a successful Teacher Development Summit in July 2009. The Summit sought to address the teaching and learning challenges impeding the provision of quality education in the country.

The resolutions of the Teacher Development Summit are currently being addressed by expert teams that include ETDP SETA representatives. The ETDP SETA Board demonstrated commitment in working with the Department of Education in developing a strategy that will address the skilling and re-skilling of so-called "unqualified educators". This is very critical in improving the quality of learning and teaching, in particular and the quality of education at large. Re-training and development of "unqualified teachers" aims to put teachers at the centre stage of education and development and to enhance their professional status and integrity.

The FET Round Table

The ETDP SETA strongly believes that the FET sector is critical to building the skills base of the people of South Africa, both old and young. This can be achieved by ensuring that we have responsive colleges that can deliver effective and meaningful programmes for vocational and occupational qualifications.

The ETDP SETA hosted the FET round table in April 2010 in partnership with the Department of Higher Education and Training and the South African College Principal Organisation (SACPO). This will culminate in a Summit that will be held in September 2010 and will give strategic direction and purpose to the FET sector.

Set Backs

The ETDP SETA placed a tender advertisement for the training of the ECD Practitioners. In a quest for inclusion of the Public

FET Colleges, the Bid Evaluation Committee took a decision not to award the tender to one prospective bidder only, and instead spread the tender across the nine provinces among public and private providers, awarding one tender per bidder.

One of the private providers contested the outcomes of the bid evaluation on the basis of the price of the bid, which placed this bidder on a higher score. The court ruled in favour of the complainant and set aside all tenders that were awarded to other providers. At the time of the court decision training had already been undertaken by the other eight providers. This resulted in the ETDP SETA incurring a wasteful and fruitless expenditure of R5, 117, 720 as reported by the Audited General.

The ETDP SETA has since tightened its tender processes to allow a fair competition between private and public providers. It has been decided that whilst the price is considered as a factor, it should not be the only determining factor for awarding tenders.

Looking Forward

The ETDP SETA has embarked on a more focused and strategic approach to improving the skills base of our people. We have developed a five year strategic plan (2010-2015) which is informed by national government priorities. The strategy marks a shift from training to completion of targets and extends to the setting of targets for employment creation.

Appreciation

I take this opportunity to express my sincere gratitude and appreciation for the work, commitment and dedication of the Board members, the Board Executive Committee, the Chambers, the Finance Committee, the Human Resource Committee, the Audit Committee, the Education, Training and Development Quality Assurance (ETDQA) Permanent Committee, other Joint Standing Committees, the Labour Forum and the Employer Forum and all the governance members who were deployed to perform the SETA tasks. They performed their duties diligently and with passion, despite the fact that they are not reimbursed for these services.

My special thanks go to the ETDP SETA management and staff for their hard work and commitment to achieving our objectives.

I am also greatly indebted to all the people who participated in our programmes, the learners, host employers, training providers, our constituencies and all other ETDP SETA clients and stakeholders who walked with us in the skills development journey for our sector.

I look forward to another year of success and rigour in confronting the unemployment and underdevelopment challenges that continue to face us.



Ms Nombulelo S Nxesi
Chief Executive Officer – ETDP SETA



ETDP SETA Performance against NSDS Targets and Achievements

Table 1: Achievements on NSDS II Objective 1 and Targets for 2009/10

NSDS II Objective 1: Prioritising and Communicating Critical Skills for Sustainable Growth, Development and Equity				
NSDS Success Indicator		SETA Target 2009/10	Achievement	Comments
1.1	Skills development supports national and sectoral growth, development and equity priorities.	Annual final SSP submitted on 31 August 2009, as per guidelines issued by the DoL, and approved.	Annual final SSP submitted on 31 August 2009 and approved.	In complying with the requirement of this target, the SETA extensively engaged its constituencies and submitted as per requirements.
1.2	Information on scarce and critical skills is widely available to learners.	Annual training of 800 persons who carry out skills development facilitation in the use of the <i>Scarce and Critical Skills Guide</i> to communicate information to learners widely.	Annual training of 1,102 (138%) persons took place.	Through an extensive advocacy programme that resulted in an increased number of participants in our information sharing sessions, the annual target was exceeded.

Table 2: Achievements on NSDS II Objective 2 and Targets for 2009/10

NSDS II Objective 2: Promoting and Accelerating Quality Training for All in the Workplace				
NSDS Success Indicator		SETA Target 2009/10	Achievement	Comments
2.1(a)	By March 2010, skills development supports at least 80% of large firms' employment equity targets.	By March 2010, 54 large firms' employment equity targets are supported by skills development through WSP/ATR grants.	By March 2010, 79 (146%) large firms' employment equity targets were supported.	The focused advocacy programme on the mobilisation of WSPs/ATRs submissions by the ETDP SETA member organisations resulted in more than the expected number of WSPs/ATRs being received and processed.
2.1(b)	By March 2010, skills development supports at least 60% of medium firms' employment equity targets.	By March 2010, 85 medium firms' employment equity targets are supported by skills development through WSP/ATR grants.	By March 2010, 184 (216%) medium firms' employment equity targets were supported.	Through the ETDP SETA's extensive WSP/ATR advocacy programme, more medium companies submitted their WSPs/ATRs.

ETDP SETA Performance Against NSDS Targets and Achievements (continued)

NSDS II Objective 2: Promoting and Accelerating Quality Training for All in the Workplace				
NSDS Success Indicator		SETA Target 2009/10	Achievement	Comments
2.2	By March 2010, skills development in at least 40% of small levy-paying firms to be supported.	By March 2010, skills development in 634 of small levy-paying firms to be supported.	By March 2010, 689 (109%) small levy-paying firms were supported.	The achievement against this target is once again attributed to the the ETDP SETA's extensive WSP/ATR advocacy programme which was conducted during the year under review.
2.5	Annually increasing the number of small BEE firms and co-operatives supported by skills development.	5 BEE firms supported by skills development.	A total of 10 (200%) small BEE firms and BEE co-operatives were supported.	The SETA has supported 5 more small BEE firms than the set target due to the beneficiaries' varying training needs and costs which were within the SETA budget.
2.7	By March 2010, at least 700,000 workers would have achieved at least ABET level 4.	By March 2010, 50% (150) of workers who have entered programmes need to have successfully completed ABET levels 3 and 4. Target: ABET Level 3: 60 ABET Level 4: 90	By March 2010, 235 (152%) workers completed ABET levels 3 and 4. Level 3: 76 (127%) Level 4: 159 (177%)	This achievement is largely attributed to the ETDP SETA's improved and focused monitoring and evaluation strategy on its programmes. The strategy had a special focus on the ABET programmes.
2.8	By March 2010, at least 125,000 workers will be assisted to enter; and at least 50% are expected to successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills.	By March 2010, 2,423 workers would have been assisted to enter learning programmes. From previous learning programmes, 1,140 (50%) would have successfully completed programmes, including learnerships and apprenticeships. Target: Entry: Learnerships: 243 Skills Programmes: 2,180 Completions: Learnerships: 382 Bursaries: 160 Skills Programmes: 560 Apprenticeships: 38	By March 2010, 3,273 (135%) workers had been assisted to enter and 1,583 (139%) completed programmes including learnerships and apprenticeships successfully. Entry: Learnerships: 362 (149%) Bursaries: 20 Skills Programmes: 2,891 (133%) Completions: Learnerships: 363 (95%) Bursaries: 116 (73%) Skills Programmes: 1,104 (197%) Apprenticeships: 0	A dedicated focus on the implementation of the ETDP SETA's programme monitoring and evaluation strategy resulted in the ETDP SETA over-achievement against the entered targets. However, according to the findings of the ETDP SETA impact study, its under-achievement on learnership, bursary and apprenticeship completions are largely due to the employed's difficulty in balancing their work and academic responsibilities as they are often longer and require more commitment than skills programmes. Lessons drawn from the impact study have resulted in special interventions being put in place to address these challenges as the ETDP SETA plans for 2010/11.

Table 3: Achievements on NSDS II Objective 3 and Targets for 2009/10

NSDS II Objective 3: Promoting Employability and Sustainable Livelihoods through Skills Development				
NSDS Success Indicator		SETA Target 2009/10	Achievement	Comments
3.2	By March 2010, at least 2,000 NLPEs, NGOs, CBOs and community-based co-operatives to be supported by skills development.	50 NLPEs, NGOs, CBOs and community-based co-operatives to be supported by skills development.	83 (166%) NLPEs, NGOs, CBOs and community-based co-operatives were supported.	This over achievement is a result of the successful implementation of the ETDP SETA's SMME support project using a voucher system.

Table 4: Achievements on NSDS II Objective 4 and Targets for 2009/10**NSDS II Objective 4: Assisting Designated Groups, Including New Entrants, to Participate in Accredited Work, Integrated Learning and Work-Based Programmes to Acquire Critical Skills to Enter the Labour Market and Self-Employment.**

NSDS Success Indicator		SETA Target 2009/10	Achievement	Comments
4.1	By March 2010, at least 125,000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high-level scarce skills.	<p>Entry: By March 2010, 1,795 unemployed people assisted to enter learning programmes.</p> <p>Completions: From the previous learning programmes, 1,120 would have successfully complete programmes including learnerships and apprenticeships, leading to basic entry, intermediate and high-level scarce skills.</p> <p>Entry: Learnerships: 1,083 Apprenticeships: 0 Bursaries: 0 Skills Programmes: 632 Internships: 80</p> <p>Completions: Learnerships: 580; Bursaries: 80; Skills Programmes: 240 Internships: 160 Apprenticeship: 60</p>	<p>Entry: By March 2010, 2,416 (135%) unemployed people had been assisted to enter learning programmes.</p> <p>Completions: 2,060 (184%) completed programmes, including learnerships and apprenticeships successfully, leading to basic entry, intermediate and high-level scarce skills.</p> <p>Entry: Learnerships: 1,308 (121%) Apprenticeships: 8 Bursaries: 25 Skills Programmes: 946 (150%) Internships: 129 (161%)</p> <p>Completions: Learnerships: 1,218 (210%) Bursaries: 129 (161%) Skills Programmes: 499 (208%) Internships: 214 (134%) Apprenticeships: 0</p>	<p>Due to the high rate of unemployment in the country there was a high demand for scarce and critical skills programmes for the unemployed.</p> <p>This positive achievement is a result of the ETDP SETA's improved M&E strategy. This supported the strategic business decision that was taken to support the unemployed making additional funding available.</p>
4.2	100% of learners in critical skills programmes covered by sector agreements from FET and HET institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employed.	<p>Initially the SETA did not set a target for this indicator.</p> <p>NB: Its five year target has already been over achieved in the previous years by 2,601 against the set five year target of 500.</p>	A total of 188 learners in critical skills programmes from FET and HET institutions were assisted to gain work experience as per the request from constituencies.	The ETDP SETA has already over-achieved against its five year target of 500 by 2,601 in the previous years. However, it took a strategic business decision to continue supporting student teachers due to constituency driven needs.
4.3	By March 2010, at least 10,000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programme.	By March 2010, at least 112 new ventures are in operation 12 months after completion of programme.	By March 2010, 112 (100%) young people registered new ventures.	The ETDP SETA has achieved this target.

Table 5: Achievements on NSDS II Objective 5 and Targets for 2009/10

NSDS II Objective 5: Improving the Quality and Relevance of Provision				
NSDS Success Indicator	SETA Target 2009/2010	Achievement	Reasons for Variations	
5.1	By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public and private institutions and through Public Private Partnerships where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.	No target for 2009/10. The set target of 8 institutes for the sector has been achieved and the ETDP SETA will continue supporting all these ISOEs during 2009/10.	This ETDP SETA reported its achievement in 2008/9. 8 ISOEs were recognised and supported against a set target of 2 ISOEs.	The ETDP SETA has continued using its ISOE strategy to support the identified 8 ISOEs during 2009/10.
5.2	By March 2010, each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.	No target for 2009/10. Target of 22 accredited provider institutions has been achieved.	The achievement was reported in the 2007/08 and 2008/09 financial years.	The achievement was reported in the 2007/08 and 2008/09 financial years.
5.3	By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the NQF in support of the NSDS.	The target for the ETDP SETA is to improve the quality of service delivery and implementation of NQF as required by SAQA.	The target for the ETDP SETA is to improve the quality of service delivery and implementation of NQF as required by SAQA.	Note: The SAQA performance audit is conducted every three years. The ETDP SETA achieved against this target as it received a rating of 1.96 as per the SAQA performance audit conducted in 2007/8.



Learner Equity Targets Report

In terms of the National Skills Development Strategy, SETAs are required to meet the equity targets in the provision of services: 85% Black (including Indian and Coloured) learners, 54% Women, and 4% Persons with disabilities, with a special focus on the youth.

The following statistics indicate learners who entered and completed various learning programmes during the year under review. The learning programmes completed are based on the previous years' enrolments.

Learners Entered into Learning Programmes

Target:

Learner profile	Target – 2.8, 4.1 and 4.3 (4,330)
Black	85% (3,680)
Female	54% (2,338)
People living with disability	4% (173)
Youth	50% (2,165)

Achievement:

Learner profile	Achieved – 2.8, 4.1 and 4.3 (5,989)
Black	96% (5,735)
Female	69% (4,135)
People living with disability	4% (240)
Youth	51% (3,064)

The SETA has achieved more than it had planned because of affordable provider fees.

Learners Completed Learning Programmes

Target:

Learner profile	Target – 2.7, 2.8 and 4.1 (2,410)
Black	85% (2,048)
Female	54% (1,301)
People living with disability	4% (96)
Youth	50% (1,205)

Achievements:

Learner profile	Achieved – 2.7, 2.8 and 4.1 (3,878)
Black	98% (3,802)
Female	73% (2,823)
People living with disability	1.83% (71)
Youth	50% (1,950)



Skills Development Programmes Implemented

According to the Skills Development Act (No. 97 of 1998) (as amended), learning programmes include learnerships, apprenticeships, skills programmes and any other prescribed learning programmes which include a structured work experience component.

To achieve its strategic objectives and respond to the skills needs of its constituencies, the ETDP SETA implemented learnerships and skills programmes in all provinces. In addition, it implemented internships in some provinces.

Learning Programmes

Learnerships

A Learnership is a mode of delivering a learning programme that combines work-based experience with structured learning. For the learner it is a means to acquiring a qualification. A learner who completes a learnership will be able to demonstrate the practical application of competence (skills, knowledge, values and attitudes) in an employment context. Learnership qualification components consist of:

- Fundamentals: Basic education requirements to take part in a learnership – usually life skills, numeracy and literacy competence and communication skills;
- Core: The mainframe of the learning programme (what the qualification is to be based on) – the core skills and knowledge required; and
- Electives: The specialised areas, or the application of the core skills and knowledge in defined work situations.

During 2009/10 the ETDP SETA implemented the Further Education and Training Certificate (FETC) in ECD Practice NQF Level 4, the FETC in Development Practice (DEV PRAC) NQF Level 5 and the Occupationally Directed Education Training and Development (ODETD) Certificate NQF Level 5.

Early Childhood Development (ECD), the first and essential step toward achieving primary school completion, is a priority area in South Africa and is supported by legislation, national policies and strategies. Consequently, the ETDP SETA places great emphasis on ECD programmes to help improve the capacity of children to develop and learn for better long term prospects. In order to meet ECD needs, the ETDP SETA implemented the FETC in ECD Practice NQF Level 4 for practitioners in all nine provinces. The ECD NQF Level 4, a one-year programme with 120 credits, is aimed not only at increasing employment prospects for the unemployed but also at producing suitably qualified ECD practitioners with a recognised qualification.

Many of the skills development objectives, nationally as well as within companies and organisations, are met through the efforts of ETD practitioners. The ODETD learnership consequently addresses the key competencies of such practitioners. This meets the needs of those who wish either to progress beyond the FETC ODETD or to enter the ETD field for the first time. The learnership provides the means to recognise ODETD practices across five key ETD roles in the capacity of a generalist, with the possibility of particular application in at least one role. It provides skills in facilitation, mentoring and assessment as well as programme development and design. It mainly targets and is implemented for the employed practitioners in provinces to address identified needs.

Skills Development Programmes Implemented (continued)

The DEV PRAC learnership is a critical access learnership in the ETD field. Practitioners with this qualification are able to provide professional support directly to individuals and communities, thus empowering such individuals and communities to achieve specific outcomes. The qualification also enables practitioners to provide short learning programmes to community groups and to assist in assessing the learning or development of community groups. The learnership is directed at both adults and youth (employed and unemployed) with sufficient experience in general community development work and the development practice field, especially those employed as auxiliary social workers, community development workers and NGO and CBO field activists. It was implemented in all provinces.

Skills programmes

Skills programmes are occupationally based, constitute a credit towards a qualification registered on the NQF and are offered by accredited education providers. These programmes are aimed at enhancing productivity of the employed in the workplace. Skills programmes implemented by the ETDP SETA include both primary focus and non-primary focus programmes, many of which are based on the national scarce and critical skills list and the needs of constituent employers.

Primary focus skills programmes

Primary focus skills programmes are quality assured by the ETDP SETA ETDQA and are key programmes within the ETD sector. The skills programmes that have been identified as scarce and critical by the ETDP SETA have been packaged and offered to the ETDP SETA constituencies in all provinces. These skills programmes are discussed below.

Guide learners regarding learning, assessment and recognition opportunities

This skills programme provides recognition to individuals who perform or intend to perform one-on-one training on the job. Formal recognition enhances employability and also provides a means of identifying competent trainers or coaches. Once completed, learners are able to prepare for one-to-one training on the job, conduct training sessions, monitor and report on learner progress and review training.

Conduct outcome-based assessment

This skills programme is geared towards those who assess people on their achievement of learning outcomes in terms of specified criteria, using pre-designed assessment instruments. The outcomes and criteria may be defined in a range of documents, including but not limited to unit standards, exit level outcomes, assessment standards, curriculum statements and qualifications. Those who complete this skills programme are able to conduct

assessments within their fields of expertise in a fair, valid, reliable and practicable manner that is free of all bias and discrimination.

Moderation of outcome-based assessments

This skills programme enables beneficiaries to moderate assessments in terms of the relevant outcome statements and quality assurance requirements. The qualified moderator is able to use the prescribed quality assurance procedures in a fair, valid, reliable and practicable manner that is free of all bias and discrimination.

Skills development facilitation

The Skills Development Facilitator (SDF) programme is aimed at people who intend to conduct analyses to determine outcomes of learning for the purposes of defining skills needs at organisational level and/or to identify assessment standard titles at industry or sub-sector level. The programme also addresses the initiation and implementation of training and development plans for organisations. People who will benefit from this skills programme include SDFs, training managers and Human Resources (HR) development practitioners.

Facilitation of learning

Facilitation of learning provides recognition for those who facilitate or intend to facilitate learning, using a variety of methodologies. Formal recognition enhances employability, but also provides a means to identify competent learning facilitators. The programme includes training on planning and preparing for facilitation, facilitating learning, and evaluating learning and facilitation.

Material and curriculum development training

This skills programme enables learners to design outcome-based learning programmes and develop materials for a group of learners in a selected learning area, with reference to relevant unit standards and using a variety of available sources.

Non-primary focus skills programmes

To assist constituencies in obtaining the identified scarce and critical skills that are not the primary focus of the ETDP SETA, (skills programmes based on unit standards that are not quality-assured by the ETDQA), the ETDP SETA offers a range of non-primary focus skills programmes. This endeavour not only guarantees a continuous supply of skilled workers but also ensures that unemployed learners receive the necessary training to increase their employability in the ETD sector.

Non-primary focus skills programmes were offered in all provinces. The following were implemented:

- Project Management;
- Information, Communication and Technology;
- Leadership and Management;
- Financial Management;
- Supply Chain Management;
- End-User Computing;
- Sign Language;
- International Computers Drivers Licence;
- Supervisory Management; and
- Pastel Trainer;

Internships

The ETDP SETA internship programme is a graduate work experience programme targeting young unemployed graduates who have completed their studies, preferably in an area of scarce and critical skills. The internship provides learners with the opportunity to practice work skills that they have studied and will practice in the future. An internship can also prove beneficial for an employer, as he or she is granted the opportunity to become acquainted with the intern and establish whether the intern is employable in the business, thus increasing prospects of employability. Internships aim to resolve the general shortage of qualified and skilled people in the workforce by encouraging graduates to equip themselves with the necessary practical experience.



Provincial Performance

In implementing programmes in the provinces close working relationships are maintained with stakeholders in each province. These include other SETAs, the Premier's Office, the FET colleges and universities. The following two tables highlight provincial performance.

Table 6: Learners Entering Programmes (employed and unemployed)

Province	Programme	Achieved	Equity		
			Black	Female	Disabled
EC	Learnerships	181	180	160	-
	Skills Programmes	324	309	224	2
	Internship	50	50	28	1
FS	Learnerships	198	194	189	-
	Skills Programmes	511	430	325	-
GP	Learnerships	153	152	131	1
	Skills Programmes	354	321	244	29
	Internship	29	28	25	-
	Bursaries	37	20	27	-
KZN	Learnerships	333	332	274	-
	Skills Programmes	143	138	110	-
	Internship	34	34	24	4
	Bursaries	41	41	35	-
LP	Learnerships	224	224	194	18
	Skills Programmes	446	442	194	-
MP	Learnerships	159	159	131	-
	Skills Programmes	410	410	246	25
	Internship	50	46	27	9

Provincial Performance (continued)

Province	Programme	Achieved	Equity		
			Black	Female	Disabled
NC	Learnerships	137	137	127	-
	Skills Programmes	383	361	240	14
	Bursaries	4	3	2	4
NW	Learnerships	206	195	143	-
	Skills Programmes	429	402	325	-
WC	Learnerships	165	145	137	-
	Skills Programmes	367	326	240	8
	WPE	188	195	154	-
	Bursaries	3	3	2	-

Table 7: Learners Completing Programmes (employed and unemployed)

Province	Programme	Achieved	Equity		
			Black	Female	Disabled
EC	Learnerships	74	73	58	-
	Skills Programmes	500	492	319	82
	Internship	54	52	37	-
	Bursaries	63	59	36	-
FS	Learnerships	161	149	148	-
	Skills Programmes	279	256	180	31
	Internship	45	45	35	1
	Bursaries	57	54	30	7
GP	Learnerships	100	96	65	-
	Skills Programmes	244	233	196	35
	Internship	33	33	19	-
	Bursaries	64	54	27	-
KZN	Learnerships	310	306	265	-
	Skills Programmes	253	242	218	-
LP	Learnerships	201	201	161	-
	Skills Programmes	267	261	140	-
	Internship	30	30	23	1
	Bursaries	41	41	24	-
MP	Learnerships	229	225	149	-
	Skills Programmes	111	101	63	-
	Bursaries	11	11	6	-
NC	Learnerships	52	52	50	-
	Skills Programmes	10	6	6	-
	Bursaries	9	9	9	-
NW	Learnerships	57	57	44	1
	Skills Programmes	153	150	133	-
	Internship	22	22	15	-
	Bursaries	19	19	14	-
	ABET Level 3	54	54	46	-
	ABET Level 4	75	75	58	-

Provincial Performance (continued)

Province	Programme	Achieved	Equity		
			Black	Female	Disabled
WC	Learnerships	188	183	175	-
	Skills Programmes	55	52	43	-
	Internship	12	12	10	-
	Bursaries	14	14	11	-

Provincial Highlights

Increasing access to further and higher education

In response to the national call to maximise the participation of learners in Further and Higher education, the ETDP SETA successfully hosted provincial *limbizo*. The objective of the *limbizo* was to provide learners in secondary schools with information on the national scarce and critical skills to enable informed career choices.

The ETDP SETA embarked on this initiative after realising that many schools did not adequately provide career guidance on the supply and demand for skills in the labour market. Information on programmes and contact details of all SETAs, universities and FET institutions was provided in these sessions. Each learner was given a handbook on learner career guidance which was developed by the ETDP SETA for this purpose.

The *limbizo* were attended by various constituencies, which included premiers offices, DoEs, DoLs, municipalities, tribal authorities, CBOs and NGOs. Bursaries were awarded to the schools that participated in the *limbizo* to afford financially disadvantaged learners the opportunity to study at Further and Higher education institutions (HEI). The *limbizo* were hosted in the following provinces and targeted rural and under-developed communities:

- Gauteng – Tembisa;
- Northern Cape – De Aar;
- Free State – Qwa Qwa;
- North West – Mokgalwaneng;
- Mpumalanga – Nkangala;
- Limpopo – Mopani and Waterberg;
- KwaZulu-Natal (KZN) – Kwa-Dlangezwa and Pietermaritzburg; and
- Eastern Cape – Mhlontlo municipality.

In the period under review, the *limbizo* did not take place in the Western Cape, where instead, the ETDP SETA participated in the Mitchell's Plain Education Summit. The purpose of the summit was to address the unemployment challenges in the region.

In addition to *limbizo*, career exhibitions were held in Limpopo, (Sekhukhune district). Attendance by learners from schools in the district was excellent and information was shared in collaboration with partners such as the Limpopo Business Support Agency (LIBSA), Love Life, Sekhukhune FET College, the University of South Africa and the University of Limpopo and the Provincial Department of Labour.

Celebrating achievements

Graduation ceremonies were held to celebrate completion of a number of learning programmes. These occasions gave recognition to learners who persevered and completed the programmes.

It is always heartening to experience the joy of the learners as they receive their competency certificates at prestigious graduation ceremonies, graced by high profile individuals in their provinces. Graduation ceremonies were held in all provinces and took place after the learners had successfully completed the learning programmes.



Sector Skills Planning and Research

Sector Skills Planning

In terms of the Skills Development Act (SDA), as amended, Section 10(1) (a), one of the core functions and responsibilities of the ETDP SETA is the compilation of a five year Sector Skills Plan (SSP) and updating it on an annual basis informed by new trends and developments in the economic sector. The purpose of sector skills planning is to estimate and project the scale and character of current and future labour market and skills shortages in the sector; understand the causes of these shortages, and evaluate the appropriateness of different programme and policy responses.

In updating the 2010/11 SSP, the ETDP SETA conducted desktop research to understand changes in the sector and also embarked on an intensive stakeholder consultation process. The latter was conducted at a national and provincial level. In acknowledgement of the diverse and vast nature of the ETDP sector, the consultation was constituency based and culminated in the development of mini SSPs. The mini SSPs were consolidated into an annual SSP update which was submitted to the DHET by 31 August 2009.

Current “Best Practice” in Skills Planning

There is increasing international consensus that a mixture of different models and techniques is usually most effective in achieving the objectives of sector skills planning. The specific mixture may differ depending on the availability of data, the resources available for skills planning and the timeframes for reaching results. For example, where good data is available and fairly reliable forecasts can be made using a forecasting model, qualitative techniques may simply validate the forecasts. In the year under review, the ETDP SETA developed and adopted

a model which provides a basis for data collection, analysis and appropriate decision making on skills needs in the sector. A variety of different models, methods and tools exist through which sector skills planning is undertaken; these can be broadly grouped into skills forecasting, labour market signalling and quantitative and cost benefit analysis models. The model adopted by the ETDP SETA integrates components of forecasting, signalling and qualitative approaches. Since data from workplace skills plans will also be used as baseline data in mapping changes in occupational structures and profiles, the model also incorporates elements of the labour market survey approach.

The model is based on key components as follows:

- Analysis and description of key value chains for each of the sub-sectors or constituencies in the sector;
- Identification of key input/output demand drivers and their impact on the value chains described above;
- Identification and weighting of external drivers to changes in the workforce profile;
- Mapping the workforce profile for each of the value chain process flows. These will be disaggregated into the core occupations i.e. those occupations which are essential to the process flow and support occupations;
- Identification and weighting of internal drivers to changes in the workforce profile;
- Analysis of data and weighting will be used to forecast labour and skills needs in each industry sub-sector;
- Validation of the forecasts using qualitative techniques (including surveys, focus groups and/or interviews); and

Sector Skills Planning and Research (continued)

- Construction of a dashboard of available labour market signals for each constituency or sub-sector. This will be used to validate the forecasts and to monitor trends which may have implications for the validity of the forecasts.

The model is based on three principles:

- The forecasts must be indicative, not prescriptive;
- A mix of qualitative and quantitative information will be used; and
- The outputs of the model must be appropriate and useful.

Capacity Development in Sector Skills Planning

In acknowledgement of the skills gaps in research and skills planning the ETDP SETA identified the need for an intensive capacity building initiative in the Labour Market Analysis (LMA) programme for its constituencies and staff members.

The aim of the LMA was to address the following:

- Understanding and applying basic theoretical constructs of labour economics;
- Data collection processes and analyses, and presentation of labour market information;
- Critical evaluation of labour market policies and programmes;
- Promotion of the better use of labour market information;
- Use of appropriate tools and techniques to analyse skills supply and demand; and
- Sharing best practice in labour market information analysis.

The intervention was put in place to ensure that SSP development is strengthened within the sector.

Workplace Skills Planning (WSP)

The SDA prescribes that each SETA must disburse the skills development levies in its respective sectors if employers have submitted their Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) in conformance with the prescribed format and timelines. Both reports must be submitted by 30 June annually. The ETDP SETA has developed a convenient and user-friendly online facility for WSP and ATR submission.

Approximately 2,200 organisations are paying their levies in compliance with the Skills Development Levies Act (No. 9 of 1999) (SDLA). Of the 2,200, 781 submitted their WSPs/ATRs. This leaves the ETDP SETA with over 1,200 that will not receive 50% of their levies due to non-compliance with the Act.

To address this challenge, the ETDP SETA embarked on mobilisation workshops throughout the country to encourage both the non-compliant and compliant employers to participate in skills development through the completion of WSPs and ATRs.

Figure 1 reflects the submission trend by constituency for the levy chamber, with the School Governing Bodies having the majority of submissions (305), followed by Independent Schools (149), Private Providers of ETD (141), NGOs/CBOs (33), public higher education institutions (25), public FET Colleges (21), research organisations (12), trade unions (11), ECDs (9), and political parties (3). The following entities fell within the 'others' category: ETDP SETA, SAQA, Umalusi, and the Manufacturing, Engineering and Related Services SETA (MERSETA).

Figure 1: Submissions of WSPs by constituency

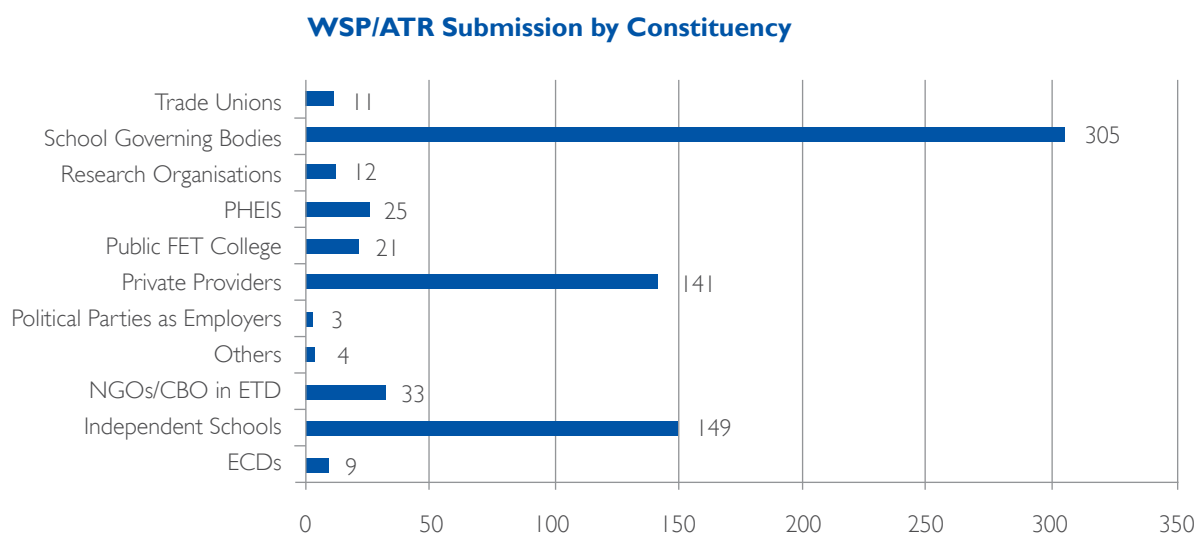


Figure 2 shows the submission trend by province for the levy chamber; with Gauteng Province having the majority of submissions (345), followed by the Western Cape (161), KZN (97), Eastern Cape (42), Limpopo (25), North West (19), Free State (18), and both Mpumalanga and the Northern Cape with three (3) submissions each.

Figure 2: Submissions of WSPs by levy-paying organisations per province

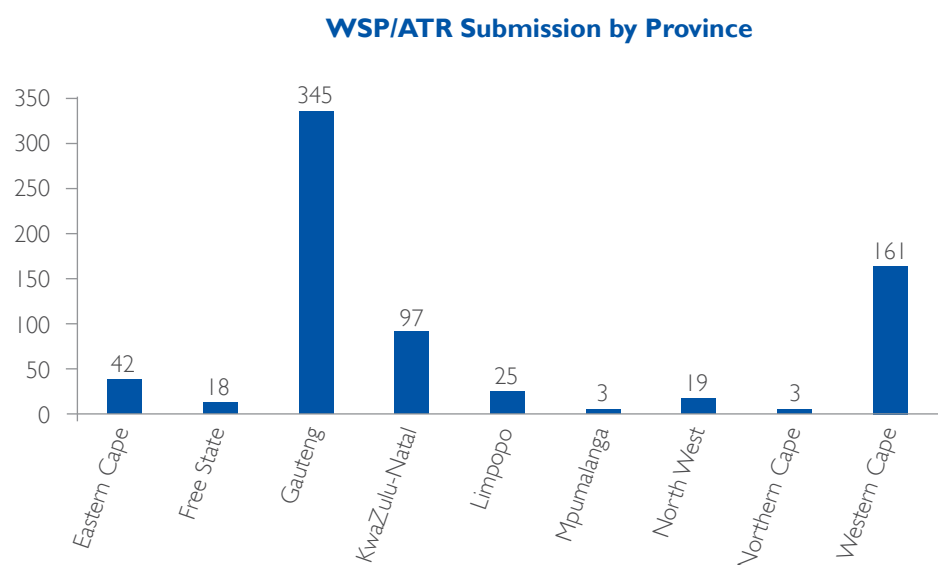
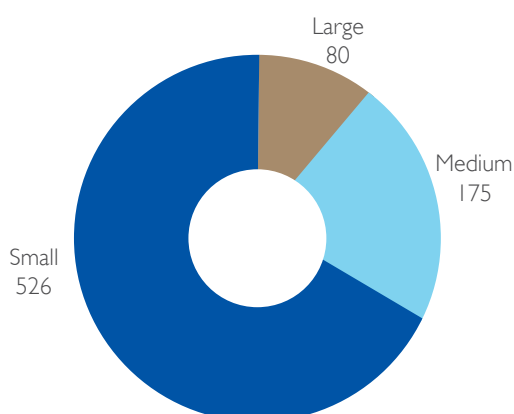


Figure 3 indicates that 477 submissions were from small levy-paying companies (1-49 employees), 162 from medium levy-paying companies (50-149 employees) and only 74 were large levy-paying companies (150 plus employees). Indicator 2.1 of the NSDS II states that by March 2010 at least 80% of the employment equity targets of large firms and at least 60% of those of medium firms should be supported by skills development. The analysis of the table against the SLA with the DHET shows that these targets have been exceeded.

Figure 3: Submission of WSPs by organisational size

WSP/ATR Submission by Organisational Size



Identification of Scarce and Critical Skills in the Sector

Following the approval of the 2009-2010 SSP update by the Department of Labour, the ETDP SETA developed the scarce and critical skills guide which was communicated to constituencies. The guide is used to create awareness of the scarce and critical skills to the Skills Development Facilitators (SDFs) and Sector Skills Specialists in the ETD sector:

In this context, scarce skills refer to occupations in which there are few or no qualified and experienced people currently and in the future to fill the occupations. This shortage might be due to relative scarcity (i.e. suitable skilled people are available but do not meet other employment criteria such as geographic location, equity considerations and replacement demand), or absolute scarcity (i.e. there are fewer, if any people in the country with the requisite skills, education and training.) The national analysis of the demand and supply in the 2009-2010 SSP update has shown a scarcity in the following top occupations in the sector:

- Finance Managers;
- School Teachers: Mathematics, Natural Sciences, Pre-Primary and Technology; and
- Early Childhood Practitioners.

The national analysis of the demand and supply in the 2009-2010 SSP update has also shown that the following require specialised top up skills in the sector:

- Corporate Governance;
- Project Management;
- Labour Relations and Organisational Development;
- Policy Analysis, Development and Implementation;
- Leadership and Management with special focus on Education Management;
- Finance;
- Research Methodologies; and
- Curriculum Development.

The communication of the scarce and critical skills was done through a number of workshops conducted in each of the Provinces. The target was to reach out to 800 SDFs and Sector Specialists and the SETA achieved 1,102.

In addition to the dissemination of information on scarce and critical skills to the SDFs, sector specialists and others, the SETA has identified and funded appropriate and relevant skills development interventions and programmes through its discretionary grants for employers and unemployed youth.



Quality Assurance and Provider Support

Education and Training Quality Assurers (ETQAs) are accredited to certify providers; promote quality; monitor provision; evaluate and facilitate moderation of assessment; register assessors; co-operate with ETQA moderator bodies; recommend new or modifications to standards and qualifications to NSBs; maintain a SAQA acceptable data base; submit reports to the Authority; and any other SAQA assigned functions.

New Qualifications Allocated to the ETDP SETA

The following nine qualifications were allocated to the ETDP SETA's scope for the period 2009/10:

- Certificate: Teaching, Training and Assessing Learning, Level 5 (ID 64695) – Learning Programme against Qualification ID 61972;
- FETC: Archives and Records Management, Level 4 (ID 64069);
- National Certificate: Community Development, Level 3 (ID 66749);
- National Diploma: Orientation and Mobility Practice, Level 5 (ID 67373);
- Further Education and Training Certificate: Community Development: ECD, Level 4, Learning Programme, ID 76984 against Qualification ID 67509;
- Further Education and Training Certificate: Community Development: Life Skills, Level 4, Learning Programme, ID 76991 against Qualification ID 67509;
- Further Education and Training Certificate: Community Development: Volunteerism, Level 4, Learning Programme ID 76983 against Qualification ID 67509;
- Further Education and Training Certificate: Community

Development: Youth, Level 4, Learning Programme ID 76987 against Qualification ID 67509; and

- Further Education and Training Certificate: Generic Management: School Governing Bodies, Level 4, Learning Programme ID 74672 against Qualification ID 57712.

Accreditation of Constituent Providers

During the financial year the ETDP SETA accredited 109 providers and re-accredited 89 providers. The ETDP SETA identified the following challenges as reasons for organisations being unsuccessful in the accreditation process:

- Learning programmes not aligned to the NQF; and
- Organisations not having registered assessors and moderators for the qualifications that they had applied for.

Provincial capacity building workshops were conducted to assist providers with these challenges.

To increase the pool of accredited providers in the Northern Cape, the ETDP SETA placed eight (8) organisations on a focused development programme to assist in the accreditation process.

Evaluation of Learning Programmes

Due to the high rate of non-approved learning programmes, the ETDP SETA developed a manual to assist providers in the Learning Programme Evaluation (LPE) process. This manual clearly outlines all procedures, guidelines and requirements for learning programme evaluation.

Verification of Moderated Assessment

Verification is a process that authenticates the moderation processes externally and confirms or overturns moderation findings. The purpose of verification is to confirm whether specific learners have actually met the outcomes of learning programmes. It is in the interest of the ETDQA to verify that assessment has been properly conducted and moderated. The ETD SETA adopts a developmental approach in assisting providers to meet requirements.

Certification

The ETD SETA issues certificates for full qualifications upon completion of the learning programmes. A total of 8,771 certificates were issued in 2009/10 to learners for 19 full qualifications, of which 83% of certificates issued were for ECD (NQF Level 1 – 2,786, NQF Level 4 – 3,743 and NQF Level 5 – 752). Other programmes included ODET, DEV PRAC; ABET Practitioners and Environmental Education Training and Development Practices.

Other Strategic Interventions

Institutes of Sectoral or Occupational Excellence

The ETD SETA carried out the NSDS objective 5.1 mandate by recognising eight (8) ISOEs (of which three (3) from the Western Cape formed a consortium) thus achieving the five (5) year target set.

The ISOEs were established in the following provinces:

- Northern Cape – Northern FET College: to establish an ECD Resource Centre and train FET Artisan Facilitators on assessment and moderation of artisans;
- North West – Orbit FET College: to establish an ECD Resource Centre in Mankwe (a rural area near Rustenburg) that will assist the community around Mankwe;
- Mpumalanga – Gert Sibande FET College: to establish an ECD Resource Centre and train FET lecturers on artisan assessment and moderation;
- Western Cape – Consortium comprising South Cape College, Cape FET College and Grassroots Adult Education Trust (NGO): to translate ECD material to Xhosa and Afrikaans and to align ECD material with the rural context;
- Free State – Maccaulei: to train 18 emerging providers to maintain their organisations, manage projects, and design learning material and Quality Management Systems;
- Gauteng – Regenesys: to develop ABET learning material for use by all SETA providers and train future trainers on the use of the material.

The rationale behind the choice of provinces was to ensure SETA representation, empower the people and facilitate access to centres of learning.

New venture creation

The purpose of the New Venture Creation (NVC) programme is to support small and micro enterprises in the development of new job creation programmes for young people.

The ETD SETA, in partnership with Maccaulei Learning Academy and NEOSHO 119 (Pty) Ltd., aims to create sustainable enterprises whilst equipping future enterprise leaders with relevant entrepreneurial knowledge, skills and behaviours.

The twelve month programme, known as the Vuka Mentorship Programme, has supported one hundred and twelve (112) unemployed young people from Gauteng, Mpumalanga, Limpopo, North West, Eastern Cape and Western Cape. It involves young people who have been trained on the National Certificate: New Venture Creation Levels 2 and 4. Having fulfilled all the requirements of the programme, business development loans of up to R20,000 can be offered to ensure that graduates can enter mainstream business.

Challenges

Accreditation of training providers in rural areas

Part of the ETD SETA's mandate is to accredit providers and approve programmes to enhance the quality of learning and training and to ensure an adequate pool of providers. However, there are a small number of accredited training providers in rural areas due to poor infrastructure and other socio-economic factors. To address this challenge, the SETA has designed a rural development strategy to increase the number of training providers.

Completion of programmes

Workers enrolled in programmes such as learnerships, apprenticeships and academic studies through bursaries are taking longer to complete these programmes due to competing priorities between workplace demand and career development.

The ETD SETA envisages the development of a workplace learning framework, in consultation with employers, which will provide employees with some time off to focus on their learning.

Part of the challenge is that the ETD SETA offers programmes that are offered by other SETAs and the learners themselves are often quality assured by other SETAs. The ETD SETA is trying to control this unfavourable situation by entering into Memorandum of Understandings (MoUs) on quality assurance issues with other ETQAs.



Recruitment of learners living with disabilities

Reaching out to persons living with disabilities in some provinces remains a challenge because of undifferentiated recruitment strategies. In the period under review, the ETDP SETA managed to achieve this recruitment target through a focused intervention on persons with disabilities. This strategy will be intensified in the future.

Placement of learners with disabilities in the workplace is also a challenge. It needs to be impressed upon employers that they should be ready to host and employ persons with disabilities and that workplaces must be disabled friendly.



Support Services

Human Resources

Building internal human capital

The ETDP SETA has always recognised its responsibility in respect of the ongoing growth and development of its staff members, with regard to both training requirements to facilitate the day to day operational needs of the organisation and the longer term growth of staff so that they may meet their aspirational and career needs.

Staff development is driven by individual inputs made through the Performance Management and Development System. (PMDS) In this regard, during the course of the financial year, a total of 65 short term skills development programmes were attended by staff and 41 bursaries for further study were approved.

Ongoing staff development contributes indirectly to ensuring that the ETDP SETA achieves its quantitative and qualitative strategic objectives.

Succession planning continued at management level with three staff members being appointed, with the approval of the Board, as Acting Regional Managers. In addition, the Research and Constituency Support units were combined and an Acting Sector Skills and Research Manager was appointed to lead the area. Further, an additional staff member was appointed as Acting ETQA Manager.

Employee wellness

The ETDP SETA has a wellness policy and in December 2009 two days were devoted to employee wellness initiatives. Two aspects of wellness were covered, namely HIV/AIDS and the importance of healthy life styles and, given the recent global financial crisis, the second day was devoted to educating staff on the importance of personal financial planning. Participants in the latter workshop were given ETDP SETA sponsored access to an internet based financial planning tool for three months.

Employment equity

The ETDP SETA identifies with and understands its responsibility and duty to ensure employment equity for those previously disadvantaged and is proud of its efforts to recruit and develop previously disadvantaged individuals as reflected in **Table 8**.

Table 8: Staff and equity profile per occupational group and Peromnes [P] grade as at 31 March 2010

Grade	Designation	Female				Male				Total
		Black	Coloured	Indian	White	Black	Coloured	Indian	White	
P3	CEO	1	0	0	0	0	0	0	0	1
P4	COO and CFO	0	0	0	0	1	1	0	0	2
P5	Managers	1	0	0	0	0	0	0	1	2
P6	HODs	5	0	0	1	6	1	2	0	15
P6	Senior Accountants	0	0	0	0	1	0	0	1	2
P7	Accountants	1	0	0	0	0	0	0	0	1
P8	Secretariat and PAs	3	0	0	0	0	0	0	0	3
P8	Skills Advisors	9	0	0	1	7	0	1	0	18
P8	Co-ordinators and other officers	11	0	1	1	6	0	1	0	20
P9	Evaluators and other operational staff	2	0	0	0	0	0	0	0	2
P10	Administrators	4	1	0	0	1	0	0	0	6
P10	ETQA Officers	4	0	0	0	4	0	0	0	8
P13	Receptionists	4	0	1	0	0	0	0	0	5
P15	Office Assistants	1	0	0	0	2	0	0	0	3
P15	Drivers	0	0	0	0	1	0	0	0	1
	Total	46	1	2	3	29	2	4	2	89
	Percentages	52.1	1.1	2.1	3.2	30.9	2.1	6.4	2.1	100
	Persons living with disabilities [number of staff, included in above total]	1	0	0	0	1	0	0	0	2

Of the total staff complement, 58.5% is female and 94.7% is black. Of the 89 staff members, two are persons living with disabilities. The ETDP SETA has an approved complement of 104 personnel.

Staff turnover

During the reporting period, staff turnover decreased to 8.6% (previous year 11%), which management regards as an acceptable level. This was made up of seven resignations, one dismissal and one staff member whose fixed term contract expired.

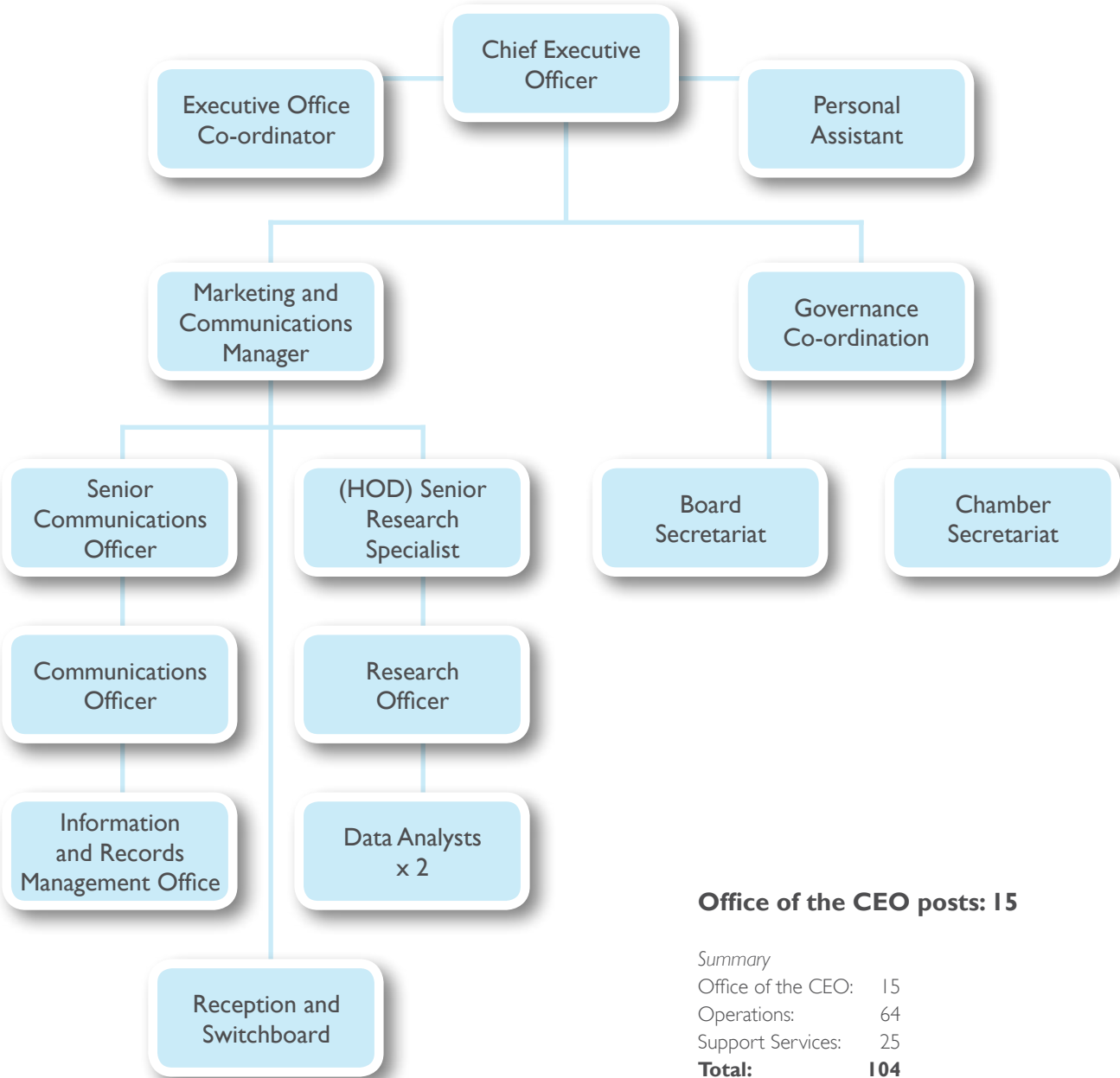
Six new staff members were appointed during the course of the year.

Labour relations

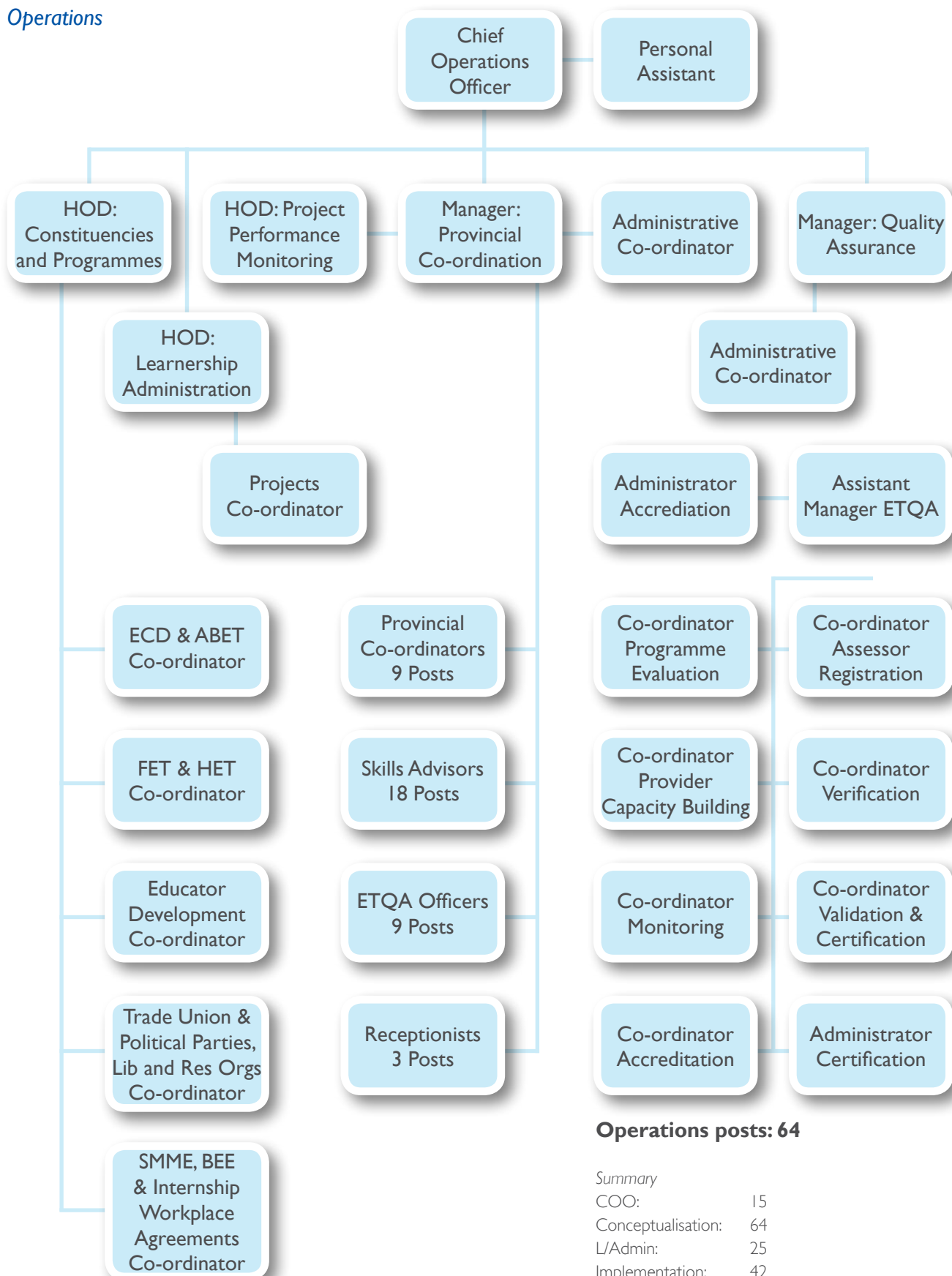
The ETDP SETA staff is unionised under the National Education, Health and Allied Workers Union (NEHAWU) and 84% of staff are paid up members.

ETDP SETA Staff Organogram

Office of the CEO



Operations

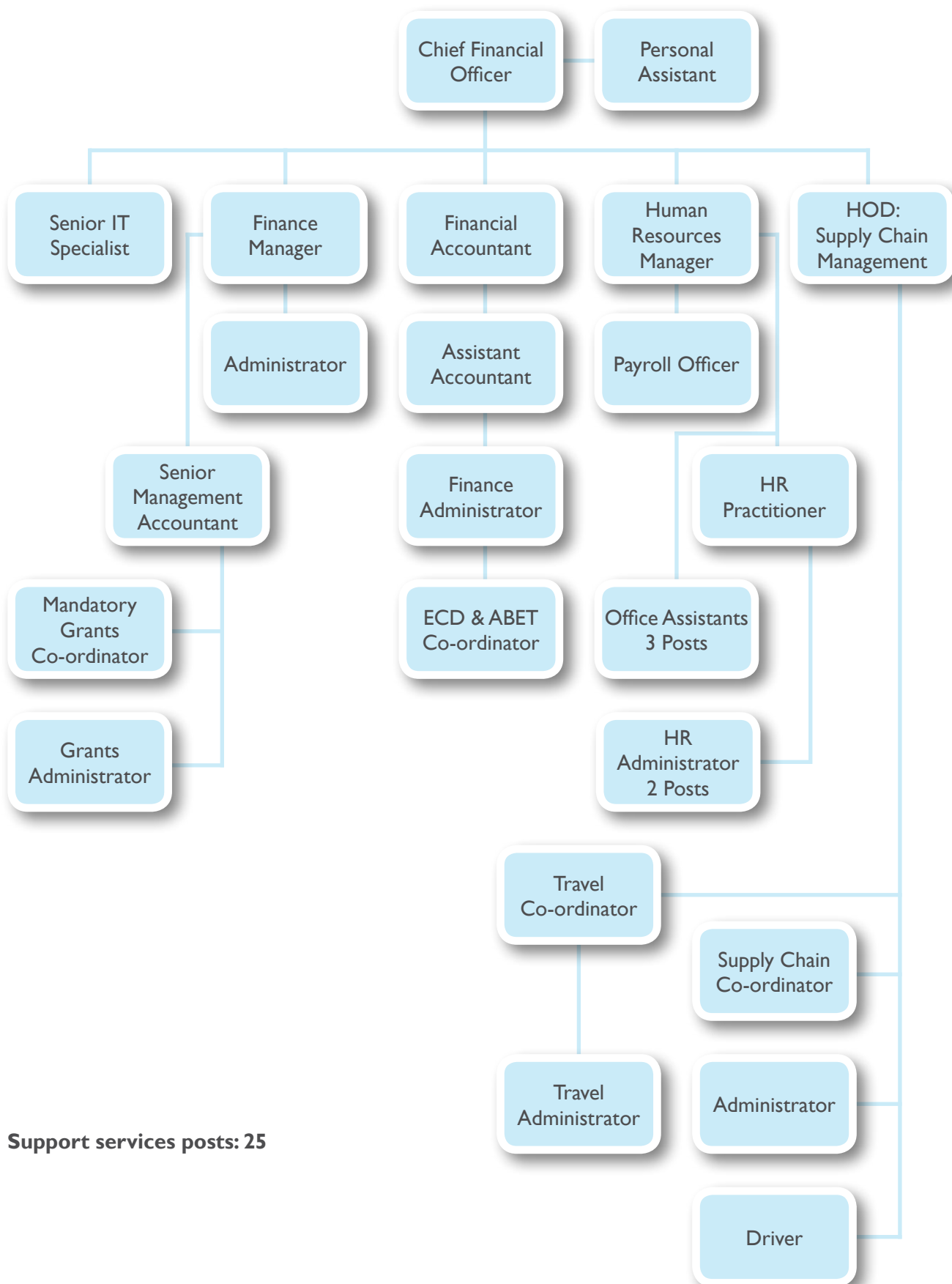


Operations posts: 64

Summary

COO:	15
Conceptualisation:	64
L/Admin:	25
Implementation:	42
ETQA:	12
Total:	64

Support services



Support services posts: 25



Governance

The ETDP SETA Board

The ETDP SETA is governed by a Board comprised of an equal representation of organised labour and organised employers, representing 12 constituent member organisations. The employer constituency is made up of levy-paying organisations and public employer organisations which are mainly the National Department of Education and the nine Provincial Departments of Education.

The major responsibilities of the Board include the following:

- “fiduciary duty” - an obligation to pursue the ETDP SETA objectives with required levels of competence and integrity;
- “duty of loyalty and fair dealings” - the Board has adopted a Code of Conduct which is binding to all governance structure members; and
- “duty of supervision” – which ensures that the skills development mandate is carried out in line with the Skills Development Act, Public Finance Management Act (PFMA) and all other applicable legislation in the SETA environment.

The Budget and Levy Chambers

The ETDP SETA established two Chambers, namely: the Budget Chamber and the Levy Chamber. The Budget Chamber is made up of nine Provincial Departments of Education, the National Department of Education and Labour representing employees. The Departments of Education contribute 10% of 1% of their payroll towards the administration of the ETDP SETA. The levy-paying organisations in the Levy Chamber contribute 1% of their payroll towards skills development. Of this 1%, 20% is allocated to the National Skills Fund, 50% is paid out in mandatory grants, 20%

is allocated to the ETDP SETA Discretionary Fund and 10% goes towards the administration of the ETDP SETA.

The duties, functions and composition of the Chambers are determined by the Board in accordance with the ETDP SETA constitutional prescripts. Amongst others, their roles and functions include:

- providing an inclusive forum for the sector to interact and share information on the sector's training needs and strategies;
- identifying possible projects and facilitating stakeholder participation in project planning in support of Chamber constituency needs;
- providing regular reports and feedback to Chamber constituencies; and
- building the capacity of representatives of the sector to participate in ETDP SETA activities.

The following organisations are members of the Levy Chamber:

- Libraries and archives;
- Political parties as employers;
- Research institutions;
- NGOs and community-based organisations (CBOs);
- Trade unions as employers;
- Public higher education institutions;
- Further education and training institutions as employers;
- Early childhood development centres;
- Independent schools;
- Public schools governing bodies as employers; and
- Private education and training providers/institutions and professional organisations.

Establishment of five new Chambers:

In its quest to improve the quality of engagement and broad stakeholder participation, the ETDP SETA Board intends to replace the current two Chambers with five new Chambers in terms of its amended constitution. The ETDP SETA believes that the amendments are critical to the quality improvement, operational efficiency and good corporate governance of the ETDP SETA. These amendments are critical for the preparation of NSDS III.

The following are the five new Chambers to be launched in August 2010, which are demarcated as per the ETDP constituencies:

- Higher Education and Research;
- Schooling (both public and private);
- Early Childhood and Development (ECD) and Adult Basic Education and Training (ABET);
- Further Education and Training (FET) and Technical Vocational Education and Training (TVET); and
- Education, Training and Development Provisioning and Practitioner Development.

The ETDP SETA strongly believes that the establishment of these new Chambers will ensure that the skills shortage and the institutional challenges in the various ETDP sub-sectors will be appropriately addressed.

The New SETA Landscape

With effect from November 2009 SETAs were transferred from the DoL to the Department of Higher Education and Training. The Minister of HET, extended the National Skills Development Strategy II 2005 - 2010 (NSDS II) by an additional year, to the end of March 2011.

This allows the SETAs to continue to operate within the same mandate until a new SETA landscape is established by the Minister. The pronouncement of the new SETA landscape is expected in October 2010. The ETDP SETA will, in the next financial year, consider best practice recommendations and apply the principles of the King III Report and Code on Corporate Governance, which became effective on 1 March 2010.

ETDP SETA Governance Committees

Audit and Finance Committees

During the financial year under review, the ETDP SETA complied with the PFMA requirements by constituting a Finance and an Audit committee. These committees played key roles in assisting the Board in carrying out its financial management responsibilities as reflected in section 51 of the PFMA.

The Finance Committee reviewed the monthly and quarterly organisational performance reports, diligently executed its overseeing role including raising issues that warranted the Board's attention and also reported to the Board on the status of accounting controls.

The Audit Committee scrutinised the internal auditor's reports and further reported to the Board on the effectiveness of the systems of financial and risk management and internal controls.

The unqualified audit opinion of the Auditor-General once again bears testimony to the effective relationship between these committees, the Board and the ETDP SETA's executive management. The ETDP SETA will ensure that these pillars of good corporate governance continue their sterling efforts in the next five years of the implementation of NSDS III.

Human Resources Committee

The Human Resources Committee is responsible for monitoring, evaluating, reviewing and advising on matters in the following functional Human Resources areas of the ETDP SETA and any other areas mandated to it by the Board or EXCO:

- Human Resources Policy;
- Human Resources Strategy and action plans including but not limited to staff development and performance management;
- Employee relations, including recommending mandates to the EXCO /Board for use by the ETDP SETA management in their deliberations with the recognised union; and
- Remuneration and compensation (through the Remuneration Sub-committee).

Remuneration Committee

The ETDP SETA's Remuneration Sub-committee reports to the Human Resources Committee and has as its areas of responsibility, the formulation and review of the remuneration policy and the specific remuneration packages of the ETDP SETA staff, linked to the Peromnes Job Evaluation grading system adopted by the SETA. The Remuneration Committee makes recommendations to the Human Resources Committee on the following issues:

- The remuneration policy and salary structure/s for the ETDP SETA;
- The PMDS;
- The annual salary increments, through negotiations with the recognised employee union;
- The current ETDP SETA salaries for managers; and
- The job evaluation and benchmarking of positions and ETDP SETA salaries.

Education and Training Development Quality Assurance (ETDQA) Permanent Committee

This committee is responsible for Quality Assuring the ETDP SETA learning programmes and accreditation of training providers.

Broad roles and responsibilities of the five Chambers

Higher Education and Research Chamber

This Chamber is responsible for identifying needs in the HE and Research sector in order to improve the supply of, and demand for; skills in the labour market.

FET and TVET Chamber

This Chamber has been established to ensure that the FET sector becomes a viable sector for post-school education to curb unemployment of youth due to lack of vocational and occupational skills.

ABET and ECD Chamber

The ABET and ECD sub-sectors are key to developmental processes in our country and need focussed attention. The ETDP SETA is committed to adult education and training and ECD and this Chamber will give the specific attention required.

ETDP and Provisioning Chamber

This Chamber focuses on ETDP practitioners and providers to ensure that the quality of provisioning is enhanced by building the knowledge and skills base in various fields of ETDP. The Chamber will also incorporate the notion of communities of experts, RPL and other quality related issues and will work in close collaboration with the Quality Council for Trades and Occupations.

Schooling Chamber (Private and Public)

Since schooling constitutes the ETDP SETA's biggest constituencies, this Chamber has been established to represent the GET and FET sectors. It will be used as a platform to debate and discuss issues relating to teachers such as teacher supply and demand, and continuous professional development. It will also provide a platform to pursue the resolutions of the teacher summit and other initiatives, to improve teaching and learning.

Broad Labour and Broad Employer Forums

These forums provide a platform for constituencies to debate and discuss skills development as it pertains to their specific needs.

Key Activities

The governance structure members participated in various activities during the 2009/10 financial year, including capacity building programmes, in order to broaden their understanding of "Good Corporate Governance" practices. Activities included:

Sector Skills Planning

The Board and Chambers took part in broad consultation towards developing the SSP for 2009/10 before it was approved for submission to the Department of Higher Education & Training. Further engagements took place with the Board to foster an understanding of sector needs and the scarce and critical skills identified.

Strategic Planning Workshop

The Executive Committee, Committee Chairpersons and Management of the ETDP SETA convened a two-day strategic planning session in January 2010 to review and evaluate the ETDP SETA's five year performance against the implementation of the National Skills Development Strategy II (2005 – 2010). The workshop provided an opportunity to critique the five year strategic plan (2010 – 2015) and the 2010/11 Business Plan within the context of the envisaged NSDS III. The primary objective was to ensure that these business instruments will indeed be implemented successfully and shape the organisation's strategic direction for the next five years.

Induction and Orientation of Governance Structure Members

A two-day workshop was held in February to induct and orientate governance structure members on the ETDP SETA's amended constitution, their roles and functions, the business plan as well as the ETDP SETA's mandate and general operations.



Audit Committee Report

The Audit Committee is pleased to present its report for the financial year ended 31 March 2010.

Responsibility

The Audit Committee has complied with its responsibilities as stipulated in Section 77 of the PFMA 1 of 1999 and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted, with approval from the Board, appropriate formal terms of reference as its Audit Committee Charter. This Audit Committee Charter has been reviewed on an annual basis to ensure its continuing relevance and effectiveness. The Audit Committee has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Effectiveness of Internal Controls

The system of internal controls is designed to provide cost effective and reasonable assurance that assets are safeguarded, that working capital is managed efficiently and that performance information compiled is accurate and reliable.

In line with the requirements of the PFMA and King III Report on corporate governance, internal audit provides the Audit Committee and management with reasonable assurance that the internal controls are appropriate for the identified business risks. This is achieved by means of a risk management process as well as the institution of corrective action and suggestions for improvement of internal control processes.

In our opinion, based on the report from the internal and external auditors and information reported to management during the Audit Committee meetings, certain identified weaknesses were displayed in the internal control environment and procedures. Management has instituted controls to rectify these identified weaknesses.

The Quality of Quarterly Performance and Financial Performance Reports

In our opinion, based on the report from internal and external auditors, quarterly management reports produced and delivered to stakeholders have been adequate to provide necessary financial information. Performance information was provided as part of these quarterly reports.

Evaluation of Annual Financial Statements

The Audit Committee has evaluated the ETDP SETA's annual financial statements and reviewed the Auditor-General's management report and report on the audit opinion. We are satisfied that the Auditor-General has made valuable findings, which were communicated to management and the Board through the management report. The Audit Committee is also satisfied that management has made meaningful comments on the management report.

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General, the Chief Executive Officer and the Board;
- Reviewed the Auditor-General's management report and management's responses thereto; and
- Reviewed the changes in accounting policies and practices;

The Audit Committee accepts the Auditor-General's conclusion on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the Auditor-General's report.



Mr Vusi Mokwena CA (SA)
Chairperson – Audit Committee



Report of the Auditor-General to Parliament

on the financial statements of the Education Training and Development Practices Sector Education and Training Authority (ETDP SETA) for the year ended 31 March 2010

Report on the Financial Statements

Introduction

I have audited the financial statements of the ETDP SETA, which comprise the statement of financial position as at 31 March 2010, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 71.

Accounting Authority's responsibility for the financial statements

The accounting authority is responsible for the fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the PFMA of South Africa, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 14(6) (a) of the Skills Development Act, 1998 (Act No. 97 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the ETDP SETA at 31 March 2010 and its financial performance and its cash flows for the year then ended, in accordance with SA Standards of GRAP and in the manner required by the PFMA.

Emphasis of matter

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

Significant uncertainties

As disclosed in note 21.4, one of the ETDP SETA service providers served the organisation with a summons in which the plaintiff indicated that it had provided services in the 2006/07 financial year and their claim of R324 300 is being disputed. The matter has not been resolved at date of my report.

Restatement of corresponding figures

As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of errors discovered during 2009-10 in the financial statements of the ETDP SETA for the year ended 31 March 2010.

Fruitless and wasteful expenditure

As disclosed in note 27, the ETDP SETA incurred the following fruitless and wasteful expenditure during the year:

- R35 720 relating to the cancellation of flights for a UK delegation from British Airways to South African Airways
- R5 070 000 relating to a cancellation of a contract because of a court order to re-award a new contract in favour of the litigant
- R12 000 relating to interest and penalties levied by the commissioner for late payment of workman's compensation.

Additional matters

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

Re-licensing

As indicated in the Accounting Authority report the SETA's were established for a five-year period until 31 March 2010. However, this license was renewed by the DHET until 31 March 2011. A final proclamation with regard to the new SETA landscape is expected later in the year.

Report on other legal and Regulatory requirements

In terms of the Public Audit Act of South Africa and *General notice 1570 of 2009*, issued in *Government Gazette No. 32758 of 27 November 2009* I include below my findings on the report on predetermined objectives, compliance with the PFMA and Skills Development Act (SDA) and financial management (internal control).

Findings

Predetermined objectives

No significant matters to report.

Compliance with laws and regulations

No significant matters to report.

Internal Control

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and SDA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported are limited to the deficiencies identified during the audit.

No significant matters to report.

Auditor - General.

**30 July 2010
Pretoria**





Annual Financial Statements

for the year ended 31 March 2010

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Report of the Accounting Authority

The ETDP SETA was established in March 2000 in terms of the Skills Development Act (No. 97 of 1998) (as amended).

Governance

In carrying out its duties, the authority ensured that the ETDP SETA complied with all relevant legislation. In the month of March for each of the five years, management presented policies that either needed to be updated, or were new, for the authority's approval. The authority engaged with both internal and external auditors in order to gain assurance that management was complying with the policies. The authority maintained its monitoring role over performance, risk management and internal controls via the reports that were submitted by management and further interrogated by committees of the authority for recommendation to the authority.

Going Concern

The Minister of Higher Education and Training extended the mandate of the ETDP SETA to March 2011 and recommended that the ETDP SETA be included in the NSDS III mandate. The authority has therefore prepared the annual financial statements on the going concern basis.

Litigation

During the year under review, one of the ETDP SETA's service providers served the organisation with a summons for services provided in the 2006/07 financial year for which it claimed it

had not been remunerated. The dispute involved Information Communication Technology training of unemployed learners in the provinces of Limpopo, Mpumalanga and Gauteng.

The SETA had paid an amount of R972,900.00 and an outstanding amount of R324,300.00 was claimed as the final tranche for the contract. Upon investigation, the SETA discovered that duplicate invoices had been submitted and duplicate learners had been reported against the claim. The ETDP SETA requested its attorneys to take legal action. The matter had not been resolved at the time of the report.

Also during the financial year, a training provider who had tendered for work at the ETDP SETA sued the ETDP SETA, alleging that the internal procurement processes had prejudiced their organisation. Judgment was handed down in favour of the litigant. The ETDP SETA accepted the court's interpretation of the facts and implemented the decision. This necessitated cancellation of six contracts that had already been awarded to other providers and the re-award of the contracts to the litigant. The financial implications of this decision are reported in the notes to the financial statements.

Remuneration of Governance Structures and Senior Management

In line with ETDP SETA policy, the authority members are not paid any sitting fee allowance for attending meetings. Members are only reimbursed for travel and out of pocket expenses incurred.

Table 11: Remuneration of senior managers

	Basic	Non-pensionable Allowances	Medical	Pension	Performance bonus	Period of Service (Months)	Total Cost to Company
Nombulelo S Nxesi (Chief Executive Officer)	743,631.63	204,088.32	18,981.00,	55,660.09	67,708.28	12	1,090,069.32
David Molapo (Chief Financial Officer)	696,754.19	143,602.38	0	52,144.22	52,210.98	12	944,711.77
Valencia Mashego (ETDQA Manager)*	132,011.75	33,468.78	5,848	8,109.21	0	3	179,437.74
Mike Wattkins (Human Resources Manager)	608,086.42	0	0	45,494.19	18,535.33	12	672,115.94
Burton Malgas (Chief Operations Officer)	593,287.14	155,767.16	23,578.50	44,796.90	24,713.76	12	842,143.46
Nondumiso Msomi (Marketing and Communications Manager)	617,848.21	0	0	34,234.37	0	12	652,082.58
Total	3,391,619.34	536,926.64	48,407.50	240,438.98	163,168.35	-	4,380,560.81

* Resigned June 2009

Events after the Reporting Date

National Treasury approved the retention of accumulated surpluses and reserves of the ETDP SETA at the end of the 2009/10 financial year.

Future Focus

Though the Honourable Minister's pronouncement on NSDS III is still in the consultative stage, we are pleased that the ETDP SETA has been recommended for re-certification and we therefore plan to:

- Increase the ETDP SETA's physical presence in other provinces, in addition to the existing three;
- Partner with Further Education and Training Colleges (FETs) and HEIs as vehicles for the delivery of skills development by the ETDP SETA; and
- Increase the delivery of our programmes in rural areas.

Approval of the Annual financial statements of the ETDP SETA

The annual financial statements for the year ended 31 March 2010, set out on pages 39 to 71 were approved by the accounting authority in terms of section 51 (1) of the PFMA (No. 1 of 1999), on 21 May 2010, and are signed on its behalf by:



Ms Nombulelo S Nxesi
Chief Executive Officer – ETDP SETA



Mr George Mudumela
Chairperson – ETDP SETA Board

Statement of Financial Performance

for the year ended 31 March 2010

	Notes	2009/10 R'000	2008/09 R'000
Revenue			
Non-exchange Skills Development Levy: income	3	273,197	232,084
Non-exchange Skills Development Levy: penalties and interest		1,820	1,386
Investment income from exchange transactions	4	19,994	33,245
Other income from exchange transactions	5	227	752
Total revenue		295,238	267,467
Expenses			
Employer grant and project expenses	6	(240,354)	(201,734)
Administration expenses	7	(78,152)	(65,668)
Finance charges	8	(86)	(101)
Total expenses		(318,592)	(267,503)
Net Deficit for the year	2	(23,354)	(36)

Statement of Financial Position

at 31 March 2010

	Notes	2009/10 R'000	2008/09 R'000
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	9	1,607	1,469
Intangible assets	10	523	1,620
		2,130	3,089
<i>Current assets</i>			
Accounts receivable from non-exchange transactions	11	186	154
Accounts receivable from exchange transactions	12	700	527
Cash and cash equivalents	13	265,393	295,222
		266,279	295,903
Total Assets		268,409	298,992
Liabilities			
<i>Current liabilities</i>			
Accounts payable from non-exchange transactions	14	11,207	12,707
Accounts payable from exchange transactions	15	11,636	17,912
Current portion of finance lease obligations	15.1	-	190
Government grants and donor funding received in advance	17	-	128
Accrued employee payments	18	3,723	2,987
		26,566	33,924
Total Liabilities		26,566	33,924
Net Assets and Liabilities		241,843	265,068
Reserves			
Administration reserve		2,130	3,089
Employer grant reserve		360	83
Discretionary reserve		239,353	261,896
Total Reserves		241,843	256,068

Statement of Changes in Net Assets

for the year ended 31 March 2010

	Notes	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	Unappropriated Deficit R'000	Total R'000
Balance at						
31 March 2008		3,740	-	261,364	-	265,104
Net deficit per Statement of Financial Performance		-	-	-	(36)	(36)
Allocation of unappropriated deficit		20,376	22,834	(43,246)	36	-
Excess reserves transferred to Discretionary reserve		(21,027)	(22,751)	43,778	-	-
Balance at						
31 March 2009		3,089	83	261,896	-	265,068
Prior period error	24	-	-	129	-	129
Net deficit per statement of Financial performance		-	-	-	(23,354)	(23,354)
Allocation of unappropriated deficit	2	22,504	23,517	(69,375)	23,354	-
Excess of reserves transferred to Discretionary reserve		(23,463)	(23,240)	46,703	-	-
Balance at						
31 March 2010		2,130	360	239,353	-	241,843

The employer reserve of R360 000 is retained for the payment of mandatory grants for the member organisation who registered with the ETDP SETA after June 30 2009, these organisations are allowed six months to submit their WSP/ATR in order to qualify for this grant.

Cash Flow Statement

for the year ended 31 March 2010

	Notes	2009/10 R'000	2008/09 R'000
Cash flow from operating activities			
<i>Operating activities</i>			
<i>Cash receipts from stakeholders</i>		275,189	236,085
Levies received - Administration		100,742	86,145
- Employer grants		123,192	103,746
- Discretionary grants		49,263	42,193
Interest and penalties received		1,820	1,386
Other income		172	1,870
NSF Fund		-	745
<i>Cash paid to stakeholders, suppliers and employees</i>		(323,366)	(260,645)
Grants and project payments		(241,854)	(196,215)
Compensation of employees		(36,274)	(33,260)
Payments to suppliers		(45,238)	(31,170)
Cash applied to operations	19	(48,177)	(24,560)
Investment income		19,844	33,131
<i>Net cash (outflow)/inflow from operating activities</i>		(28,333)	8,571
Cash flow from investing activities			
Purchase of property, plant and equipment		(1,423)	(942)
Proceeds from disposal of property, plant and equipment		13	11
Finance costs		(86)	(101)
<i>Net cash outflow from investing activities</i>		(1,496)	(1,032)
Cash flow from financing activities			
Increase in reserves		-	129
<i>Net cash outflow from financing activities</i>		-	129
<i>Net (decrease)/increase in cash and cash equivalents</i>		(29,829)	7,668
<i>Cash and cash equivalents at beginning of the year</i>		295,222	287,554
<i>Cash and cash equivalents at end of the year</i>	13	265,393	295,222

Notes to the Annual Financial Statements

for the year ended 31 March 2010

I. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

1.1 Basis of preparation

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

1.2 Currency and level of rounding

These financial statements are presented in South African rand, as this is the currency in which all entity transactions are denominated. Furthermore, all figures presented are rounded off to the nearest thousand.

1.3 Revenue recognition

Skills Development Levy transfers are recognised when it is probable that future economic benefits will flow to the ETDP SETA and these benefits can be measured reliably. This occurs when the DHET either makes an allocation or payment, whichever comes first, to the ETDP SETA as required by Section 8 of the Skills Development Levies Act (No. 9 of 1999). The Skills Development Levy transfer is measured at the fair value of the consideration received. Payments from the Department of Education (DoE) are recognised when cash is received.

1.3.1 Levy income

In terms of Section 3(1) and 3(4) of the Skills Development Levies Act (No. 9 of 1999), registered member companies of the ETDP SETA pay a Skills Development Levy of 1% of their total payroll cost to the South African Revenue Service (SARS).

80% of skills development levies are paid over to the ETDP SETA (net of the 20% contribution to the National Skills Fund (NSF)).

Levy income is recognised at the earlier of either the transfer of monies by the DHET to the ETDP SETA or when cash is received.

The ETDP 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 ETDP SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

Revenue is adjusted for inter SETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as inter SETA transfers. The amount of the inter SETA adjustment is calculated according to the Standard Operating Procedure issued in October 2006 by the DoL.

When a new employer is transferred to the ETDP SETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

Employers who have annual payrolls below R500,000 have been exempted from further payment of skills development levies. In cases where payments have been made by these employers in error, an accrual has been made for the refund of the levies.

1.3.2 Interest and penalties

Interest and penalties are recognised at the earlier of the transfer of monies by the DoL to the ETDP SETA or when cash is received.

Notes to the Annual Financial Statements (continued)

1.3.3 Government grants and other donor income

Conditional government grants and other conditional donor funding received are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the period necessary to match the grants with the related costs which they are intended to compensate. Unconditional grants received are recognised when the amounts have been received.

1.3.4 Investment Income

Interest from investments is recognised when the bank has credited the investment with interest due in line with the maturity date of the investment. Interest from call account is accrued for on a time proportion basis as advised by the banks at the reporting date.

1.4 Grants and project expenditure

A registered company may recover a maximum of 70% of its total levy payment by complying with the grant criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Levies Act (No. 9 of 1999). Grants and project expenditure are measured at the amounts incurred. These amounts represent the fair value of the transactions.

1.4.1 Mandatory grants payments

Mandatory grants expenditure is recognised when the submission by a member organisation of a WSP and the ATR within the agreed cut off period has been approved by the ETDP SETA for payment. In the case where WSP/ATR has been approved and transfers from the DHET have been received but actual payment has not been made, an accrual is made for the amounts payable. These grants are measured at the amounts paid/payable which represent the fair value of the transaction. The amount payable is 50% of the levies paid to SARS by the member organisation and remitted to ETDP SETA by the DHET.

1.4.2 Discretionary grants and project payments

Discretionary grants relate to 20% of levies paid to SARS by member organisations and remitted to ETDP SETA by the DHET plus surplus from the administration budget, interest earned from the banks and forfeited mandatory grants. This grant is used to fund training and skills enhancing programmes in the sector. The project expenditure is recognised when the training or the skills enhancing programme has been delivered in accordance with the contract of agreement between the ETDP SETA and the training institution or provider. These grants are measured at the amounts paid/payable which represent the fair value of the transaction.

1.5 Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA; and
- The Skills Development Act.

Fruitless and wasteful expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which it is incurred.

1.6 Property, plant and equipment

Property, plant and equipment (owned and leased) is stated at historical cost less accumulated depreciation and adjusted for any impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 as noted below. The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

- Audiovisual equipment	10% - 21%
- Computer equipment	12.5% - 25%
- Kitchen equipment	12.5% - 15%
- Leasehold improvements	10% - 15%
- Office furniture and fittings	10% - 15%
- Office equipment	10% - 20%
- Minor assets	33.33% - 100%
- Motor vehicle	10% - 20%

Each part of an item of property, plant and equipment is depreciated separately. Depreciation commences when the items of property, plant and equipment are available for use and ceases at the earlier date at which that asset is classified as held for sale or included in the disposal group classified as held for sale and the date that the asset is derecognised.

The estimated useful life of the assets is limited to the remaining period of the licence issued to the ETDP SETA by the Minister of HET. The remaining period has been extended for one year to March 2011. (2008/09: one year to March 2010).

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).

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating surplus/deficit.

1.7 Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and adjusted for any impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Amortisation is calculated on the straight-line method to write off the cost of each asset to its estimated residual value over its estimated useful life as shown below.

- Computer software	8% - 33.33%
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Useful lives and residual values of assets are re-estimated annually to finite periods. The assets are then amortised over their re-assessed useful lives.

1.8 Leasing

Leases of property, plant and equipment where ETDP SETA has substantially taken all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. The corresponding rental obligations net of finance charges are charged to liability. The interest element is charged to the Statement of Financial Performance over the lease period. Leases, where a significant portion of risks and rewards of ownership are retained by the lessor, are classified as operating leases. Operating costs are charged against operating income on a straight-line basis over the period of the lease.

1.9 Retirement benefit costs

The entity operates a defined contribution plan, the assets of which are held in separate trustee-administered funds. The plan is generally funded by payments from the entity and employees, taking into account the recommendations of independent qualified actuaries. Payments to defined contribution retirement benefit plans are charged to the Statement of Financial Performance in the year to which they relate. When an employee has rendered a service during a period, ETDP SETA recognises the contribution payable to a defined contribution plan in exchange for that service: (a) as a liability after deducting any contributions already paid. If the contribution already paid exceeds the contribution due for the service, the ETDP SETA shall recognise that excess as an asset to the extent that it will lead to a reduction in future payments and (b) as an expense.

The rules of the defined contribution plan determine the following in respect of contributions:

Contribution by employee = 7.5%

Contribution by employer = 7.5%

1.10 Provisions

Provisions are recognised when the ETDP 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. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

1.10.1 Provisions for Discretionary grants and commitments

No provision is made for projects approved at year end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as a commitment in the notes to the financial statements.

1.11 Financial instruments

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

Financial instruments are initially measured at fair value, including transactional costs. Subsequent to initial recognition these instruments are measured as set out below:

1.11.1 Financial assets

ETDP SETA's principal financial assets are accounts receivable and other receivables and cash and cash equivalents.

Accounts and other receivables

Accounts and other receivables are subsequently measured at their amortised cost using the effective interest rate method and reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Financial assets or a portion thereof are derecognised when the contractual rights to the benefits specified in the contract expire and ETDP SETA surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial assets and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in net assets is included in surplus or deficit for the period.

1.11.2 Financial liabilities

The ETDP SETA's principal financial liabilities are accounts payable and other payables.

All financial liabilities are measured at amortised cost, comprising original debts less principal payments and amortisations.

Gains and losses arising from a change in the fair value of financial instruments, other than available for sale of financial assets, are included in surplus or deficit in the period in which they arise.

A financial liability or part thereof is derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability including related unamortised costs, and the amount paid for it is included in the surplus or deficit for the period.

The fair values at which financial instruments are carried at the reporting date have been determined using available market values. Where market values are not available, fair values have been calculated by discounting the expected future cash flows at the prevailing interest rates. The fair values have been estimated using available market information and appropriate methodologies but are not necessarily indicative of the amounts that the ETDP SETA could realise in the normal course of business. The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values due to the short-term trading cycles of these items.

Financial assets and liabilities are offset if there is any intention to realise the asset and settle the liability simultaneously and a legally enforceable right to offset exists.

1.12 Net assets

This is represented by reserves as per the restrictions placed on the distribution of monies received in accordance with the regulations issued in terms of the Skills Development Act 1998 (No. 97 of 1998).

Notes to the Annual Financial Statements (continued)

The following reserves are utilised:

- Administration reserve
- Employer grants reserve
- Discretionary grants reserve

Member employer company 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:

	2009/10 %	2008/09 %
Administration costs of the ETDP SETA	10	10
Employer grants	50	50
Discretionary grants and projects	20	20
	80	80

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

Interest and penalties received from SARS as well as interest received on investments are utilised for Discretionary grants and projects. Other income received is utilised in accordance with the stipulations of the funder.

The net surplus/deficit is allocated to the Administration reserve, the Employer grants reserve and the Discretionary grants reserve based on the above.

Surplus funds are moved to the Discretionary grants reserve from the Administration reserve at year end. Employer grants reserve funds that are not provided for specific grants are moved to the Discretionary grants reserve. Accruals are made for grants to be paid from levies that have not been received at reporting date.

1.13 Impairment of assets

At each reporting period, the ETDP SETA assesses whether there is any indication that an asset may be impaired. If any such indication exists, the ETDP SETA estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of the asset or cash generating unit is the higher of its fair value less cost to sell and its value in use.

If the recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is the impairment loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is immediately recognised in surplus or deficit.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is immediately recognised in surplus or deficit.

1.14 Finance cost

The finance costs are recognised as an expense in the period in which they are incurred, unless the finance costs relate to a qualifying asset, in which case the finance cost is capitalised to that qualifying asset.

1.15 Revenue and expenses from exchange and non-exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the ETDP SETA directly in return for services rendered, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the ETDP SETA received revenue from another party without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.16 Comparative figures

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

1.17 Significant adjustments and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented and the related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future may differ from these estimates. These judgements and estimates include:

Impairment testing: Management used fair value less cost to sell, in identifying the assets that may have been impaired.

Provisions: Management used available information to determine estimation for provisions. These are measured at management's best estimate of the expenditure required to settle the obligation at reporting date.

Fair value measurement of revenue and financial instruments: The fair value of financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for ETDP SETA's similar financial instruments.

2. Allocation of Net Deficit for the Year to Reserves

	Administration reserve R'000	Employer grants reserve R'000	Discretionary reserves R'000	Total per Statement of Financial Performance 2009/10 R'000	Total per Statement of Financial Performance 2008/09 R'000
Total revenue	100,742	123,192	71,304	295,238	267,467
Skills Development Levy: income					
Admin levy income (DHET)	24,633	-	-	24,633	20,863
Grant levy income (DHET)	-	123,192	49,263	172,455	145,939
Skills Development Levy: penalties and interest	-	-	1,820	1,820	1,386
Admin levy (DoE)	76,109	-	-	76,109	65,282
Investment income	-	-	19,994	19,994	33,245
Other income	-	-	227	227	752
Total expenses	78,238	99,675	140,679	318,592	267,503
Administration expenses	78,152	-	-	78,152	65,668
Finance charges	86	-	-	86	101
Employer grants and project expenses	-	99,675	140,679	240,354	201,734
Net deficit per Statement of Financial Performance	22,504	23,517	(69,375)	(23,354)	(36)

A project expense is recognised when the training has been delivered in accordance with a contract. These relate to the portfolio of evidence, uploading of learners on to the learner database and certification. Due to the possibility of learner drop-outs and the uncertainty around the time by which a training provider will contractually be able to provide a portfolio of evidence of the successful completion of training, no accruals or provisions are made in the financial statements. Instead, the funds are reported as commitments and an application is made to National Treasury that these funds must be rolled over to future years to pay for training deliverables as they happen. The reported deficit is as a result of project expenses recognised in the reporting period, whilst their related funding is in the Statement of Financial Position under reserves. The cause of the deficit is communicated to National Treasury via the DHET.

3. Non-exchange Skills Development Levy Income

The total levy income per the Statement of Financial Performance is as follows:

Levy income: Administration

Levies received
Levies received from levy payers
Government levies received
Inter SETA transfers in
Inter SETA transfers out

Levy income: Employer grants

Levies received
Levies received from levy payers
Inter SETA transfers in
Inter SETA transfers out

Levy income: Discretionary grants

Levies received
Levies received from levy payers
Inter SETA transfers in
Inter SETA transfers out

2009/10 R'000	2008/09 R'000
100,742	86,145
100,742	86,145
24,645	20,865
76,109	65,282
1	2
(13)	(4)
123,192	103,746
123,192	103,746
123,253	103,758
3	8
(64)	(20)
49,263	42,193
49,263	42,193
49,287	42,198
1	3
(25)	(8)
273,197	232,084

4. Investment Income from Exchange Transactions

Interest income

Accrued
Bank deposits

150	114
19,844	33,131
19,994	33,245

5. Other Income from Exchange Transactions

Other income comprises:

Recovery from NSF Funds
Mandatory grants received
Other recoveries
Insurance recoveries

-	745
128	-
44	-
55	7
227	752

The NSF recovery relates to reimbursement to ETDP SETA of NSF expenses that were paid for by the ETDP SETA in 2007/08 financial year.

6. Mandatory and Discretionary Expenses

Mandatory grants

Disbursements

Accruals raised

Discretionary grants projects

Disbursements

Accruals raised

	2009/10 R'000	2008/09 R'000
	99,675	80,912
Disbursements	91,453	72,198
Accruals raised	8,222	8,714
	140,679	120,822
Disbursements	135,666	107,545
Accruals raised	5,013	13,277
	240,354	201,734

6.1 Discretionary expenditure consists of:

Direct project costs

	140,679	120,822
	140,679	120,822

7. Administration Expenses

	Notes	2009/10 R'000	2008/09 R'000
Depreciation – current year		1,251	1,283
Amortisation – current year		1,097	285
Loss on disposal of property, plant and equipment		21	15
Operating rentals – buildings		4,389	4,106
Stationery and consumables		456	609
Maintenance, repairs and running costs		1,824	755
Machinery and equipment		1,824	565
Other		-	190
Advertising, marketing and promotions, communication		2,289	2,119
Consultancy and service provider		259	992
Legal fees		703	27
Cost of employment	7.1	37,010	32,734
Travel and subsistence		12,954	9,941
Staff training and development		922	1,134
Remuneration to members of the audit committee		111	154
Auditors' remuneration		1,714	1,671
External audit fees		1,183	685
Internal audit fees		531	986
Courier fees		710	426
Insurance		302	255
Bank charges		218	161
National ETDP SETA conference	7.2	-	4,514
Staff relocation		61	77
Printing and postage		479	347
Refreshments and catering		1,546	1,113
Teacher conference & unemployed graduates		3,457	-
Telephone and cellular phone		1,670	1,568
Water and electricity		1,073	518
Workshops and AGM		3,197	-
Other		439	864
Total per Statement of Financial Performance		78,152	65,668

7. Administration Expenses (continued)

7.1 Cost of employment

	2009/10 R'000	2008/09 R'000
Salaries and wages	34,238	30,049
Basic salaries	29,082	23,103
Other non-pensionable allowances	4,940	5,082
Contract staff	-	1,348
Leave payments	213	449
Overtime payments	3	67
Social contributions	2,772	2,685
Medical aid contributions	1,039	1,026
Pension contributions: defined contribution plans	1,583	1,516
UIF	150	143
	37,010	32,734
Number of employees	89	94
Refer to the report by the accounting authority for disclosure concerning emoluments of senior management		

7.2 ETDP SETA conference takes place biennially. The next conference is planned to take place in the 2010/11 financial year.

8. Finance Charges

Obligations under finance leases	86	101
	86	101

9. Property, Plant and Equipment

	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount R'000
For the year ended 31 March 2010			
ETDP SETA assets			
Computer equipment	2,685	(2,218)	467
Office furniture and fittings	1,869	(1,727)	142
Office equipment	798	(659)	139
Audiovisual equipment	395	(231)	164
Kitchen equipment	23	(19)	4
Leasehold improvements	250	(60)	190
Motor vehicle	559	(149)	410
Minor assets	412	(380)	32
	6,991	(5,443)	1,548
Capitalised finance leases			
Office equipment	565	(506)	59
	565	(506)	59
Balance at end of year	7,556	(5,949)	1,607

For the year ended 31 March 2009

ETDP SETA assets			
Computer equipment	3,626	(3,033)	593
Office furniture and fittings	1,778	(1,474)	304
Office equipment	858	(684)	174
Audiovisual equipment	475	(361)	114
Kitchen equipment	19	(15)	4
Leasehold improvements	23	(18)	5
Motor vehicle	131	(98)	33
Minor assets	392	(326)	66
	7,302	(6,009)	1,293
Capitalised finance leases			
Office equipment	565	(389)	176
	565	(389)	176
Balance at end of year	7867	(6398)	1,469

There is no property, plant and equipment that is pledged as security.

9. Property, Plant and Equipment (continued)

Movement summary 2009/10	Carrying amount 01/04/2009 R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying amount 31/03/2010 R'000
ETDP SETA assets					
Computer equipment	593	352	(26)	(452)	467
Office furniture and fittings	304	120	(1)	(281)	142
Office equipment	173	125	(3)	(156)	139
Audiovisual equipment	114	139	(3)	(86)	164
Kitchen equipment	4	6	-	(6)	4
Leasehold improvements	5	227	(1)	(41)	190
Minor assets	66	26	-	(60)	32
Motor vehicles	33	428	-	(51)	410
Sub total	1,292	1,423	(34)	(1,133)	1,548
Capitalised finance leases					
Office equipment	177	-	-	(118)	59
	177	-	-	(118)	59
Balance at 31 March	1,469	1,423	(34)	(1,251)	1,607

Movement summary 2008/09	Carrying amount 01/04/2008 R'000	Additions R'000	Disposals R'000	Depreciation R'000	Carrying amount 31/03/2009 R'000
ETDP SETA assets					
Computer equipment	613	442	(23)	(439)	593
Office furniture and fittings	563	36	-	(295)	304
Office equipment	296	38	-	(160)	174
Audiovisual equipment	205	18	(4)	(105)	114
Kitchen equipment	9	-	-	(4)	4
Leasehold improvements	10	-	-	(5)	5
Minor assets	125	5	-	(65)	66
Motor vehicle	65	-	1	(33)	33
Sub total	1,886	539	(26)	(1,106)	1,293
Capitalised finance leases					
Office equipment	353	-	-	(177)	176
	353		-	(177)	176
<i>Balance at 31 March</i>	2,239	539	(26)	(1,283)	1,469

10. Intangible Assets

	Cost R'000	Accumulated amortisation R'000	Closing carrying amount R'000
For the year ended 31 March 2010			
Computer software	2,597	(2,074)	523
	2,597	(2,074)	523
For the year ended 31 March 2009			
Computer software	2,597	(977)	1,620
	2,597	(977)	1,620

10. Intangible Assets (continued)

Movement summary 2009/10	Carrying amount 01/04/2009 R'000	Additions R'000	Disposals R'000	Amortisation R'000	Carrying amount 31/03/2010 R'000
Computer software	1,620	-	-	(1,097)	523
	1,620	-	-	(1,097)	523

Movement summary 2008/09	Carrying amount 01/04/2008 R'000	Additions R'000	Disposals R'000	Amortisation R'000	Carrying amount 31/03/2009 R'000
Computer software	1,502	403	-	(285)	1,620
	1,502	403	-	(285)	1,620

11. Accounts Receivable from Non-exchange Transactions

	2009/10 R'000	2008/09 R'000
SDL receivables	176	148
Staff debtors	10	6
	186	154

11.1 SDL receivables

Underpayment by levy paying entities		
- Registered employers who have not paid levies that are owing		
Opening balance	148	1,414
Realised during the year	(148)	(1,303)
Charged to income	176	37
Closing balance	176	148

12. Accounts Receivable from Exchange Transactions

	Notes	2009/10 R'000	2008/09 R'000
Deposits		323	305
Interest receivable		150	114
Prepaid expenses		211	108
Sundry receivables		16	-
		700	527

13. Cash and Cash Equivalents

Cash at bank and on hand	659	5,368
Cash at bank	658	5,367
Cash on hand	1	1
Short-term investments	264,734	289,854
Cash and cash equivalents at end of year	265,393	295,222

The credit quality of cash and cash equivalents are ensured by only contracting with the top four financial institutions, as prescribed by National Treasury. The carrying value, at which cash and cash equivalents are disclosed, approximates their fair values.

As required in National 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 7.12%

14. Accounts Payable from Non-exchange Transactions

Skills development grants payable	14.1	8,222	9,420
Inter SETA transfers		-	30
DoE donation		2,500	2,500
Levies refundable to small employers	14.2	206	118
Liability resulting from straight-line valuation of leases		279	639
		11,207	12,707

14.1 Skills development grants payable

	Mandatory grants R'000	2009/10 R'000	2008/09 R'000
Opening carrying amount	9,420	9,420	3,986
Amounts utilised	(9,420)	(9,420)	(3,282)
Unutilised provision	-	-	704
Charged to income	8,222	8,222	8,716
Closing carrying amount	8,222	8,222	9,420

14.2 Levies refundable

Small employers

- Small employers who have been exempted from the payment of skills development levies but have made payments in error.

	Small employers R'000	2009/10 R'000	2008/09 R'000
Opening balance	118	118	-
Charged to income during the year	206	206	118
Refunded during the year	(118)	(118)	-
Closing balance	206	206	118

15. Accounts Payable from Exchange Transactions

	Notes	2009/10 R'000	2008/09 R'000
Project creditors		5,013	13,276
Trade payables		4,662	2,722
Other accrued expenses		1,961	1,914
Capitalised lease obligations	15.1	-	190
		11,636	18,102

15.1 Reconciliation between the total of minimum lease payments and the present value:

	2009/10 R'000	2008/09 R'000
Up to 1 year		
Future minimum lease payments	-	217
Finance charges	-	27
Present value	-	190
Analysed for financial reporting purposes		
Non-current finance lease obligations	-	-
Current finance lease obligation (recoverable within 12 months)	-	190
Total finance lease obligations	-	190
Finance lease repayments for the year	-	293

Assets held under finance leases comprise seven photocopiers shown under property, plant and equipment as category Capitalised Leased Assets (See notes 9 and 21).

16. National Skills Fund: Special Projects

Opening balance	-	686
Interest received	-	58
Utilised and recognised as revenue – conditions met per Statement of Financial Performance	-	(745)
Skills programmes	-	1
Closing balance per Statement of Financial Position	-	-

17. Government Grants Funding Received in Advance

Opening balance	128	128
Refunded to donor	(128)	-
Closing balance per Statement of Financial Position	-	128
Current	-	128

These were unspent funds from the European Union via the Department of Labour. The ETDP SETA refunded the amount via the Department of Labour in the current financial year.

18. Accrued Employee Payments

	Employee leave accrued R'000	Employee 13 th cheque accrued R'000	2009/10 R'000	2008/09 R'000
Opening carrying amount	1,627	1,360	2,987	3,513
Amounts utilised	(2,329)	(2,596)	(4,925)	(2,683)
Charged to income	2,922	2,739	5,661	2,157
Closing carrying amount	2,220	1,503	3,723	2,987

The liability for the payment of leave pay is accrued for and is calculated as number of leave days accumulated at the daily pay rate per payroll.

An accrual is made for the payment of a 13th cheque at the end of November for those employees who have opted to take a 13th cheque and is calculated each month as the number of employees involved times one twelfth of their 13th cheque. This is accumulated to date of payment.

19. Reconciliation of Net Cash Flow from Net Deficit to Cash Generated from Operations

	2009/10 R'000	2008/09 R'000
Net deficit as per Statement of Financial Performance	(23,354)	(36)
Adjusted for non-cash items:		
Depreciation/Amortisation	2,348	1,568
Loss on disposal of property, plant and equipment	21	15
- ETDP SETA assets	21	15
Increase/(decrease) in provisions	736	(526)
Adjusted for items separately disclosed:		
Decrease in special project funding	(128)	(686)
Investment income	(19,758)	(33,030)
(Increase)/decrease in receivables	(205)	1,749
(Decrease)/increase in payables	(7,837)	6,386
Cash applied to operations	(48,177)	(24,560)

20. Deficit

At year end, the ETDP SETA reported a deficit and notified the DHET in writing.

21. Commitments and Contingences

21.1 Discretionary reserve

Of the balance of R239 million available in the Discretionary reserve at the end of March 2010, the commitments detailed below of R86 million have been made for projects and skills priorities. Expenses that relate to these commitments are included in grant expenses in the Statement of Financial Performance. A request for the accumulation of these funds has been approved by National Treasury.

	Commitment at 31/03//2009 R'000	Expenditure in 2009/10 R'000	Balance of Commitments R'000	New contracts 2009/10 R'000	Balance of commitments plus new contracts at 31/03/2010 R'000
ABET L1-4	18,840	11,009	7,831	870	8,701
Apprenticeship/Artisans	5,442	3,194	2,248	323	2,571
BEE	182	-	182	-	182
Bursaries	19,020	17,895	1,125	16,040	17,165
COMDEV L4	9,940	12,935	-2,995	8,801	5,806
Material development	1,303	264	1,039	-	1,039
Trade union qualification	-	-	-	800	800
ECD L4	20,330	47,111	-26,781	31,423	4,642
ECD L5	14,334	1,304	13,030	-	13,030
Higher Education Management Certificate	300	-	300	-	300
Internships	10,245	6,377	3,868	4,602	8,470
ISOE Support	2,245	453	1,792	1,330	3,122
SDF	283	-	283	73	356
Assessor	550	-	550	-	550
Mentoring and coaching	782	-	782	128	910
New venture	2,202	215	1,987	-	1,987
Non-ETD	4,291	4,421	-130	1,964	1,834
ODETD L5	5,614	3,707	1,907	2,812	4,719
PGCE	4,243	-	4,243	-	4,243
Research	977	4,634	-3,657	5,402	1,745
Skills programmes	103	23,182	-23,079	13,050	-10,029
Vouchers	4,303	1,385	2,918	450	3,368
Workplace experience	12,789	2,593	10,196	505	10,701
Total	138,318	140,679	-2,361	88,573	86,212

In addition to the R86 million which is supported by signed contracts, the Board approved additional funds of R120 million in order to fund more programmes in the 2010/11 financial year; R30 million has been ring fenced for constituent members to submit proposals for their special skills development needs. At the time of reporting, procurement processes to commit and enter into contracts with providers were in place.

21. Commitments and Contingences (continued)

21.2 Administration reserve

	2009/10 R'000	2008/09 R'000
Reserve retained to cover future depreciation/amortisation of property, plant and equipment/intangible assets	2,130	3,089

21.3 Total of future minimum lease payments under non-cancellable leases:

21.3.1 Operating leases

Buildings		
Not later than one year	12	3,868
Later than one year and not later than five years	2,307	1,659

21.3.2 Capitalised finance leases

Office equipment		
Not later than one year	-	190
Later than one year and not later than five years	-	-
	2,319	5,717

The leases relate to building premises used for office accommodation and office equipment. The lease agreement for office space in Johannesburg was entered into and became effective 1 August 2005 and will expire 31 July 2010. A lease agreement for office space at the Polokwane regional office was entered into and became effective 1 November 2005 and has expired. Another lease agreement for office space at the East London regional office was entered into and became effective 1 November 2007 and has expired. Provision was made for an option to renew the leases on expiry. Office equipment in the current year comprises a lease for seven photocopiers which was entered into and became effective 1 February 2007 and has expired. Future commitments are determined by obligations contained in the lease agreements.

21.4 Contingent liability

During the year under review, one of the ETDP SETA service providers served the organisation with a summons in which the plaintiff indicated that it had provided services in the 2006/07 financial year and their claim of R324,300 is being disputed and the matter is with the ETDP SETA attorneys. The matter had not been resolved at the reporting date.

22. Risk Management

22.1 General

In the course of its operations, the ETDP SETA is exposed to the interest rate, liquidity risk and market risk. In order to monitor these risks, the ETDP SETA has developed a risk management strategy in terms of TR28.1. Below is the ETDP SETA's risk management process.

22.2 Operational risk

Operational risk is the risk of loss arising from system failure, human error or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The ETDP SETA cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risk, the ETDP SETA is able to manage risk. Controls include effective segregation, monitoring, authorisation, reconciliation, staff education and risk assessment processes.

22.3 Liquidity risk

This risk is managed via proper working capital management, expenditure management and actual versus forecast cash flows and the cash management policy. Adequate reserves in support of existing commitments and liquid resources are maintained. The table below provides an analysis of ETDP SETA's financial liabilities into their maturity groupings as per the Statement of Financial Position. These amounts are not discounted as they are as per contracts:

	Not later than one month R'000	Later than one month but not later than three months R'000	Later than three months but not later than one year R'000	Later than one year but not later than five years R'000
March 2010				
Finance lease obligations	-	-	-	-
Trade and other payables	18,738	-	-	-
March 2009				
Finance lease obligations	417	77	150	190
Trade and other payables	18,186	-	-	-

22. Risk Management (continued)

22.4 Interest risk

ETDP SETA manages its interest risk by spreading its funds over different financial institutions and using various short-term investments. A cash management system is used for monitoring bank balances. The sensitivity of surplus funds to interest rates is dependent on the prime rate variations. At the reporting date, the prime rate was 10% (2009: 13%)

Floating rate		Non-interest bearing	Total R'000
Amount R'000	Effective interest rate p.a. %	Amount R'000	

For the year ended 31 March 2010

Financial assets			
Cash	265,392	7.12	1
Accounts receivable	700		186
Total financial assets	266,092		187
Financial liabilities			
Accounts payable	(11,636)		(14,930)
Total financial liabilities	(11,636)		(26,566)

For the year ended 31 March 2009

Financial assets			
Cash	295,221	9	1
Accounts receivable	527		154
Total financial assets	295,748		155
Financial liabilities			
Accounts payable	(17,973)		(15,822)
Total financial liabilities	(17,973)		(33,795)

22.5 Credit risk

Financial assets which potentially subject the ETDP SETA to the risk of non-performance by counter parties and thereby to concentration of credit risk consist mainly of cash and cash equivalents and accounts receivable. Except for the global economic downturn which may impact on the income received from the levy paying organisations, no events occurred during the year that may impact on the accounts receivable.

The ETDP SETA management limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulation 31.2. The ETDP SETA's exposure is continuously monitored by a Finance Committee convened in accordance with the PFMA.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The ETDP SETA does not have any material exposure to any individual or counter-party. The ETDP SETA's concentration of credit risk is limited to the Education, Training and Development industry in which the ETDP SETA operates. No events occurred in the 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 where applicable.

22.6 Market risk

The ETDP SETA is exposed to fluctuations in the employment market; for example sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year that the ETDP SETA is aware of.

Fair values

The ETDP SETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables and account and other payables. No financial instruments were carried at an amount in excess of their fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

No financial asset or liability was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.

23. Related Party Transactions

23.1 Transactions with other SETAs

Inter SETA transactions arise due to the movement of employers from one SETA to another. No other transactions occurred during the year with other SETAs. All transactions were at arm's length. The parent entity of all SETAs is the DHET.

	2009/10		2008/09	
	Amount of the transaction R'000	Amount receivable/ (payable) R'000	Amount of the transaction R'000	Amount receivable/ (payable) R'000
Received	5	12	11	2
FASSET	-	-	6	-
CETA	-	-	5	2
SERVICES SETA	5	-	-	-
ISETT SETA	-	12	-	-
Paid	(134)	-	-	(32)
SERVICES SETA	(32)	-	-	(32)
H&WSETA	(8)	-	-	-
AGRISSETA	(94)	-	-	-
Total	(129)	12	11	(30)

23. Related Party Transactions (continued)

23.2 Transactions with other related parties

The ETDP SETA recognises that related party transactions can present potential or actual conflicts of interest; it is therefore the policy of the ETDP SETA that at the time of evaluating contractual engagements the contracting parties are requested to provide evidence of company registrations and ownership/directorship. All the stakeholders are also requested to declare their interests prior to the start of meetings.

Related party	Nature of relationship	Transaction Type	2009/10 Amount of the transaction R'000	2008/09 Amount of the transaction R'000
Payables				
HESA	Governance	Mandatory grants	65	292
NEHAWU	Governance	Mandatory grants	104	
SADTU	Governance	Mandatory grants	83	1,687
NAPTOSA	Governance	Mandatory grants	54	38
Thembekile Training Consulting	Governance	Discretionary grants	1,809	960
Institute for Quality	Governance	Discretionary grants	-	2,001
T Nxesi	Summit delegate	Expense claim	6	-
Polokwane Municipality	Public entity	Service provider	15	17
SAQA	Public entity	Service provider	156	650
SAA	Public entity	Service provider	7,657	5,065
The Auditor-General	Public entity	Service provider	1,182	644
Telkom SA	Public entity	Service provider	1,428	1,085
SABC	Public entity	Service provider	2	-

24. Prior Period Error

During the financial year, a further validation of creditors' balances revealed that certain transactions that still appeared as outstanding were due to duplicate processing and invoices that were never approved for payment. The effect had been to increase liabilities and expenditure by R1.9 million in the prior years. The adjustment has affected the following balances:

	2009/10 R'000	2008/09 R'000
Decrease in creditors	-	1,978
Decrease in administration expenses	-	(1,849)
Increase in reserves	-	(129)

25. Change in Estimates

In terms of the requirements of IAS 16 the useful lives of assets were reviewed at year end. Where the remaining useful life expectations of certain assets differed from previous estimates, an adjustment for an over or underestimation was processed in the asset register.

26. Events After the Reporting Date

National Treasury approved the retention of accumulated surpluses and reserves by the ETDP SETA at the end of the 2009/10 financial year.

27. Fruitless and Wasteful Expenditure

Incident	Decision of Accounting Officer	2009/10 R'000	2008/09 R'000
Failing to exercise due care and control.	Condoned after disciplinary action.	-	54
Cancellation of flight bookings of the ETDP SETA delegation to the UK in July 2009 from British airways to South African Airways.	Condoned after an explanation that led to the cancellation was provided.	35	-
Court order against ETDP SETA to cancel contracts awarded and be replaced by new contracts in favour of the litigant. The order was issued once the ETDP SETA had already made training payments and learner allowance payments.	The accounting authority accepted the court ruling and instructed that the procurement processes must be tightened to ensure that the bid evaluation process does not have loop holes that can cause similar cases in future.	5,070	-
The compensation commissioner levied an interest on late payment of Workman's Compensation.	The accounting officer raised an objection with the commissioner because the non-payment was due to the commissioner advising ETDP SETA that their records were in good order.	12	-

28. Comparison of Budgeted Statement of Financial Performance with Actual

	2009/10 Actual R'000	2009/10 Budget R'000	2009/10 Variance R'000
Revenue			
Skills Development Levy: income	275,017	249,192	25,825
Investment income	19,994	29,400	(9,406)
Other income	227	-	227
Total revenue	295,238	278,592	16,646
Expenses			
Administration expenses	(78,152)	(92,270)	14,118
Finance charges	(86)	-	(86)
Employer grants	(99,675)	(77,565)	(22,110)
Discretionary grants	(140,679)	(231,777)	91,098
Total expenses	(318,592)	(401,612)	83,020
Net surplus/(deficit) for the period	(23,354)	(123,020)	99,666

28. Comparison of Budgeted Statement of Financial Performance with Actual (continued)

	Actual 2009/10 R'000	Budget 2009/10 R'000	Variance 2009/10 R'000
Advertising and promotions	2,289	2,973	684
Audit fees	1,714	1,669	(45)
Bank charges	218	180	(38)
Cell phone allowance	319	426	107
Consulting fees	1,072	1,163	91
Consumables	118	150	32
Depreciation/amortisation	2,348	3,479	1,131
Loss on disposals	21	-	(21)
Hire of equipment	236	560	324
Insurance	302	252	(50)
IT maintenance and licences	925	357	(568)
IT Software and licenses	424	239	(185)
Material development	30	1,500	1,470
Motor vehicle expenses	31	204	173
Office expenses	28	403	375
Postage and printing	1,189	1,038	(151)
Recruitment expenses	8	330	322
Relocation-staff	61	240	179
Repairs and maintenance	444	274	(170)
Refreshments and catering	1,546	941	(605)
Rent	4,705	5,618	913
Security and cleaning	757	496	(261)
Salaries and benefits	36,923	38,202	1,279
Seminars and conferences	3,197	6,340	3,143
Subscriptions	21	12	(9)
Staff training	922	1,389	467
Stationery	338	395	57
Telephone and fax	1,351	1,440	89
Travel and accommodation	13,158	18,325	5,167
Outreach activities	3,457	3,675	218
	78,152	92,270	14,118

Explanation for Material Variances between Actual Results and Approved Budget

Levies

Actual skills development levy income is R21.9 million more than the budget due to salary increases within the levy paying member organisations that may have been higher than the ETDP SETA had projected. Based on the same explanation, the levies from the departments of education exceeded the budget by R4.2 million.

Investment income

Interest earned is at 60% of what was received in 2009 and 32% below the budget. This is mainly due to the drop in the interest rate paid by the banks in the 2009/10 financial year.

Other income

This represents items that were not budgeted for; namely: a recovery of R44,000 from a provider; mandatory grants receipt of R128,000 by ETDP SETA and insurance claims of R55,000.

Administration expenses

Administration expenses that contributed to the actual expenses being lower than the budget include:

- Personnel expenses – due to the actual staff complement being around 89 compared to the approved level of 104;
- The actual spending for seminars and conferences and travel and accommodation – because the activities did not attract the number of participants who were originally budgeted for;
- Depreciation expense – due to the adjustments to expense as a result of the revision to the useful lives of assets; and
- Spending against the budget for material development – due to the inability to secure the provider.

Mandatory grants

The payments are 123% of 2009 and 28% above the budgeted figure due to an improvement in the number of organisations that claim grants

Discretionary grants

Though the actual payment is 116% of that which was paid in 2009, it is 39% below the budget figure because most items in the budget represent new projects, the payments of which will fall due later when the service delivery requirements have been met.

29. World Cup Expenditure

No World Cup expenses of any nature whatsoever were incurred during the year under review or after the reporting date.

Appendix I

ETDP SETA Governance structures and committee members

Table I:

Old ETDP SETA BOARD – Until October 2009									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
1.	Tholsia Naicker (Dr)	Chairperson	APPETD	Indian	Female	July 2006	1	October 2009	(4)
2.	Trudy Guma	Co-Chairperson	NEHAWU	Black	Female	May 2006	1	October 2009	(4)
3.	Simone Geyer	Co-Chairperson	DBE	Coloured	Female	March 2006	1	October 2009	(4)
4.	Salome Sithole	Co-Chairperson	SADTU	Black	Female	August 2006	1	October 2009	(2)
5.	Joe Modise (Prof)	Member	HESA	Black	Male	February 2003	2	October 2009	(3)
6.	Matata Mokoale (Prof)	Member	HESA	Black	Male	February 2007	1	October 2009	(1)
7.	Charles Gilbert	Member	HESA	White	Male	May 2008	1	October 2009	(3)
8.	Thobile Ntola	Member	SADTU	Black	Male	October 2007	1	October 2009	(3)
9.	Ezra Ramasehla	Member	NAPTOSA	Black	Male	May 2008	1	October 2009	(3)
10.	Mxolisi Dimaza	Member	SADTU	Black	Male	May 2008	1	October 2009	(3)
11.	Crystal Dicks Alfred Mafuleka	Member Alternate	COSATU	Coloured Black	Female Male	February 2008	1	October 2009	- (1)
12.	Renny Somnath	Member	SADTU	Indian	Male	August 2008	1	October 2009	(1)
13.	Kinny Labuschagne	Member	SAOU	White	Female	August 2008	1	October 2009	-
14.	Jeanette Moema Rendani Ramagwa	Member Alternate	DBE GP	Black Black	Female Male	April 2007	1 1	October 2009	(1) (1)
15.	Ezzy Lukhaiman Simon John	Member Alternate	DBE NW	Black Indian	Female Male	August 2008	1	October 2009	(1) (1)
16.	Sipho Sukati	Member	DBE MP	Black	Male	August 2007	1	October 2009	(2)
17.	Vishnu Abhilak	Member	DBE FS	Indian	Male	May 2007	1	October 2009	(1)
18.	Zolisa Loni	Member	DBE EC	Black	Female	April 2008	1	October 2009	(1)
19.	Gugulethu Mbele	Member	NATU	Black	Female	February 2003	2	October 2009	(3)
20.	Thami Mbalo	Member	NEHAWU	Black	Male	May 2008	1	October 2009	(3)
21.	Shireen Pardesi	Member	DBE PLK	Indian	Female	July 2007	1	October 2009	-
22.	Mark Henning	Member	NAISA	White	Male	June 2007	1	October 2009	(3)
23.	Archie Mokonane	Member	ALN	Black	Male	October 2007	1	October 2009	(3)

No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
24.	Edgar Kirsten	Member	DBEWC	White	Male	August 2005	2	October 2009	(2)
25.	Graham Myers	Member	NUTESAS	White	Male	September 2007	1	October 2009	(3)
26.	Mashudu Manyaga	Member	NAPTOSA	Black	Male	November 2007	1	October 2009	(3)
27.	Zolile Albani	Member	DoE NC	Black	Male	August 2007	1	October 2009	(2)
28.	Ella Mokgalane Sekgametse Hlatswayo	Member Alternate	SACE	Black Black	Female Female	July 2008	1	October 2009	(2) (2)
29.	Karen Hindricks	Member	SABPP	White	Female	August 2007	1	October 2009	(2)
30.	Ismayili Issacs	Member	SACECD	Coloured	Male	August 2006	1	October 2009	(2)
31.	Susan Malima	Member	Budget Chamber Chairperson	Black	Female	May 2004	1	October 2009	(3)
32.	Ashik Hansraj	Observer	Levy Chamber Chairperson	Coloured	Male	February 2006	1	October 2009	-
33.	Jake Dikobo	Member	PEU	Black	Male	April 2005	2	October 2009	(3)
34.	Ornica Mukhavhuli	Member	APPEDT	Black	Female	January 2008	1	October 2009	(3)
35.	Samson Makhado Daniel Govender	Member Member	NAISA	Black Indian	Male Male	May 2007 August 2009	1	October 2009	- (1)
36.	Raisebe Tshweu	Member	SANGOCO	Black	Female	March 2009	1	October 2009	(4)
37.	Lulama Mbobo Mandla Msweli	Member Alternate	DBE KZN	Black Black	Female Male	August 2007	1	October 2009	(2) (2)
38.	Solwako Mahlangu	Member	SADTU	Black	Male	August 2008	1	October 2009	(3)
39.	Patrick Mutubatse	Member	NEHAWU	Black	Male	August 2009	1	October 2009	(1)
40.	Sello Tshabalala	Member	SADTU	Black	Male	August 2008	1	October 2009	-
41.	Ismayili Issacs	Member	SACED	Coloured	Male	February 2006	1	October 2009	-
42.	Sylvia Nkanyuza Litha Ludidi Vincent Mtyende	Member Alternate Alternate	NUTESA	Black Black Black	Female Male Male	June 2006	1	October 2009	- (1) (1)
43.	Nombulelo Nxesi	(CEO - Ex Officio Member	ETDP SETA	Black	Female	August 2004	2	March 2011	-
44.	Burton Malgas (Dr)	COO - Ex Officio Member	ETDP SETA	Coloured	Male	October 2008	1	March 2011	-
45.	David Molapo	CFO - Ex Officio Member	ETDP SETA	Black	Male	July 2006	1	March 2011	-

Appendix I: ETDP SETA Governance structures and committee members (continued)

Table 2:

Current ETDP SETA Board – Until October 2009									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
1.	George Mudumela	Chairperson	SADTU	Black	Male	August 2008	1	March 2011	(1)
2.	Simone Geyer	Co-Chairperson	DBE	Coloured	Female	October 2009	1	March 2011	(1)
3.	Trudy Guma	Co-Chairperson	NEHAWU	Black	Female	October 2009	1	March 2011	(1)
4.	Salome Sithole	Member	SADTU	Black	Female	October 2009	1	March 2011	(1)
5.	Ornica Mukhahuli	Member	APPETD	Black	Female	October 2009	1	March 2011	(1)
6.	Raisebe Tshweu	Member	SANGOCO	Black	Female	October 2009	1	March 2011	(1)
7.	Solwako Mahlangu	Member	SADTU	Black	Male	October 2009	1	March 2011	(1)
8.	Sello Tshabalala	Member	SADTU	Black	Male	October 2009	1	March 2011	-
9.	Lulama Mbobo	Member	DBE KZN	Black	Female	October 2009	1	March 2011	(1)
10.	Abe Seakamela	Member	DBE NW	Black	Male	October 2009	1	March 2011	(1)
11.	Patric Motubatse	Member	NEHAWU	Black	Male	October 2009	1	March 2011	(1)
12.	Joe Mpsi	Member	NEHAWU	Black	Male	October 2009	1	March 2011	(1)
13.	Louw Botha (Dr)	Member	HESA	White	Male	October 2009	1	March 2011	(1)
14.	Sekete Moshoeshe Crystal Dicks Alfred Mafuleka (alt)	Member	COSATU	Black Coloured Black	Male Female Male	October 2009	1	March 2011	(1)
15.	Jonovan Rustin	Member	SADTU	Coloured	Male	October 2009	1	March 2011	-
16.	Charlie Molepo	Member	LIASA	Black	Male	October 2009	1	March 2011	(1)
17.	Nirmala Gopal	Member	NTEU	Indian	Female	October 2009	1	March 2011	(1)
18.	Nombulelo Nxesi	(CEO - Ex Officio Member)	ETDP SETA	Black	Female	August 2004	2	March 2011	-
19.	Burton Malgas (Dr)	COO - Ex Officio Member	ETDP SETA	Coloured	Male	October 2008	1	March 2011	-
20.	David Molapo	CFO - Ex Officio Member	ETDP SETA	Black	Male	July 2006	1	March 2011	-

Table 3:

The Old Executive Committee of the ETDP SETA - Until October 2009									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
1.	Tholsia Naicker (Dr)	Chairperson	APPETD	Indian	Female	July 2006	1	March 2010	(6)
2.	Trudy Guma	Co-Chairperson	NEHAWU	Black	Female	May 2006	1	March 2010	(6)
3.	Simone Geyer	Co-Chairperson	DBE National	Indian	Female	March 2006	1	March 2010	(6)
4.	Salome Sithole	Co-Chairperson	SADTU	Black	Female	August 2006	1	March 2010	(5)
5.	Ezra Ramasehla	Member	NAPTOSA	Black	Male	February 2007	1	March 2010	(2)
6.	Mark Henning	Member	NAISA	White	Male	March 2003	1	March 2010	(4)
7.	Shireen Pardesi	Member	DBE - Limpopo	Indian	Female	May 2007	1	March 2010	(5)
8.	Vacant	Member	Labour	-	-	-	-	-	-
9.	Nombulelo Nxesi	(CEO - Ex Officio Member)	ETDP SETA	Black	Female	August 2004	2	March 2011	(5)
10.	Burton Malgas (Dr)	COO - Ex Officio Member	ETDP SETA	Coloured	Male	October 2008	1	March 2011	(5)
11.	David Molapo	CFO - Ex Officio Member	ETDP SETA	Black	Male	July 2006	1	March 2011	(5)

Table 4:

The Budget Chamber of the ETDP SETA									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
1.	George Mudumela	Chairperson -Board and EXCO	SADTU	Black	Male	August 2008	1	March 2011	(4)
2.	Tseliso Ledimo	Member	SADTU	Black	Male	August 2008	1	March 2011	(3)
3.	Mzoleli Mrara*	Member	SADTU	Black	Male	August 2008	1	March 2011	(1)
4.	Jonavon Rustin	Member	SADTU	Coloured	Male	August 2008	1	March 2011	(3)
5.	George Masegela	Member	SADTU	Black	Male	August 2008	1	March 2011	(4)
6.	Lubabalo Ngxola	Member	SADTU	Black	Male	August 2008	1	March 2011	(4)
7.	Paulus Macheli	Member	SADTU	Black	Male	August 2008	1	March 2011	(4)
8.	Brian Setswambung	Member	SADTU	Black	Male	August 2008	1	March 2011	(2)
9.	Kinny Labuschagne	Member	SAOU	White	Female	April 2009	1	March 2011	(3)
10.	Magdeline Makgoba	Member	PEU	Black	Female	February 2006	1	March 2011	(3)
11.	Gopaul Premchund	Member	NAPTOSA	Indian	Male	April 2007	1	March 2011	(3)
12.	Thamsanqa Mbalo	Member	NEHAWU	Black	Male	April 2007	1	March 2011	(4)

Appendix I: ETDP SETA Governance structures and committee members (continued)

Table4: The Budget Chamber of the ETDP SETA (continued)									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
13.	Maurice Mopeli	Member	NEHAWU	Black	Male	November 2007	1	March 2011	(3)
14.	Kgakgamatso Motebe	Member	NEHAWU	Black	Female	November 2007	1	March 2011	(4)
15.	Robert Gumede	Member	NEHAWU	Black	Male	November 2007	1	March 2011	(3)
16.	Jolenah Marosa	Member	NEHAWU	Black	Female	November 2007	1	March 2011	(3)
17.	Mthunzi Mbewana	Member	NATU	Black	Male	February 2007	1	March 2011	(4)
18.	Sipho Sukati	Member	Mpumalanga DoE	Black	Male	February 2006	1	March 2011	(3)
19.	Ntombi Mxenge	Member	Mpumalanga DoE	Black	Female	February 2006	1	March 2011	(3)
20.	Kedidimetse Motshumi	Member	Free State DoE	Black	Female	February 2006	1	March 2011	(3)
21.	Marinda Snyders	Member	Free State DoE	White	Female	July 2006	1	March 2011	(4)
22.	Gavin de bruyn	Member	Western Cape DoE	Coloured	Male	February 2006	1	March 2011	(4)
23.	Alfred Shasha	Member	Western cape DoE	Black	Male	February 2008	1	March 2011	(3)
24.	Nomonde Mpepo	Member	Eastern Cape DoE	Black	Female	July 2008	1	March 2011	(2)
25.	Zolisa Loni	Member	Eastern Cape DoE	Black	Female	October 2008	1	March 2011	(3)
26.	Peter Mothapo*	Member	Gauteng DoE	Black	Male	July 2008	1	March 2011	-
27.	Mr Lehlohonolo Hlalele	Member	Gauteng DoE	Black	Male	July 2009	1	March 2011	1 of 2
29.	Jeanette Moema*	Member	Gauteng DoE	Black	Female	November 2007	1	March 2011	(1)
30.	Rendani Ramagwa	Member	Gauteng DoE	Black	Male	July 2009	1	March 2011	(1)
31.	Thula Nkomo	Member	National DoE	Black	Male	February 2006	1	March 2011	(3)
32.	Simone Geyer	Member	National DoE	Coloured	Female	April 2007	1	March 2011	(1)
33.	Vincent Maphumulo	Member	Kwa-Zulu Natal DoE	Black	Male	February 2009	1	March 2011	(4)
34.	Nozipho Hlongwa	Member	Kwa-Zulu Natal DoE	Black	Female	November 2007	1	March 2011	(4)
35.	Shireen Pardesi	Member	Limpopo DoE	Indian	Female	May 2008	1	March 2011	(1)
36.	Sussan Malima	Member	Limpopo DoE	Black	Female	February 2006	1	March 2011	(3)
37.	Simon John	Member	North West DoE	Indian	Female	February 2008	1	March 2011	(1)
38.	Arthur Keswa*	Member	Northern Cape DoE	Black	Male	November 2007	1	March 2011	-

No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
39.	Ms Syeeda Abass*	Member	Northern Cape DoE	Coloured	Female	October 2009	1	March 2011	(2)
40.	Cynthia Modise	Member	Northern Cape DoE	Black	Female	April 2008	1	March 2011	(2)

- Mr Mzoleli Mrara resigned April 2009 – the vacancy for SADTU Eastern Cape representative was not filled during the reporting period;
 - Mr Peter Mothapo was replaced by Mr Lehlohonolo Hlalele after the July 2009 Meeting;
 - Mr Jeanette Moema was replaced by Mr Rendani Ramagwa with effect from July 2009;
 - Mr Arthur Keswa resigned and was replaced by Ms Syeeda Abass with effect from the October 2009;
 - The SADTU KZN did not have a representative during the reporting period;
 - NAPTOSA did not have a representative during the reporting period;
 - One NEHAWU seat was vacant during the reporting period.

Table 5:

The Levy Chamber of the ETDP SETA									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
1.	Ashik Hansraj	Chairperson	APPETD	Indian	Male	Feb 2006	1	January 2010	(3)
2.	Mark Henning	Member	NAISA	White	Male	February 2003	2	January 2010	(4)
3.	Rashid Chopdat	Member	NAISA	Indian	Male	April 2008	1	January 2010	(4)
4.	Tholsia Naicker (Dr)	Member	APPETD	Indian	Female	July 2006	1	January 2010	(3)
5.	Paul Beard (Prof)	Member	APPETD	White	Male	April 2008	1	January 2010	(4)
6.	Louw Botha (Dr)	Member	HESA	White	Male	July 2008	1	January 2010	(4)
7.	Raisibe Tshweu	Member	SANGOCO	Black	Female	April 2009	1	January 2010	(4)
8.	David Shasha	Member	SANGOCO	Black	Male	April 2009	1	January 2010	(4)
9.	Achmat Noor	Member	Research Institutions	Indian	Male	February 2006	1	January 2010	(3)
10.	Moses Msotywa	Member	ALN	Black	Male	February 2006	1	January 2010	-
11.	Silas Mpungose	Member	NEHAWU	Black	Male	November 2007	1	January 2010	(13)
12.	Bradley Skei*	Member	NEHAWU	Coloured	Male	February 2006	1	January 2010	1 of 2
13.	Njabulo Kuzwayo	Member	SADTU	Black	Male	August 2008	1	January 2010	(4)
14.	Thobile Ntola	Member	SADTU	Black	Male	August 2008	1	January 2010	-
15.	John Maluleke	Member	SADTU	Black	Male	August 2008	1	January 2010	-
16.	Sipho Nkosi*	Member	SADTU	Black	Male	August 2008	1	January 2010	(1)
17.	Anthony Akal (Dr)	Member	NAPTOSA	White	Male	April 2007	1	January 2010	(3)
18.	Nirmala Gopal (Dr)	Member	NTESU	Indian	Male	October 2008	1	January 2010	(4)
19.	Robin Minne	Member	NUTESA	White	Male	February 2006	1	January 2010	(4)

- FEDUSA did not have a representative during the reporting period as they sought transfer to the Services SETA;
 - Mr Bradley Skei resigned after the July 2009 Meeting and the vacancy was not filled; and
 - Mr Sipho Nkosi resigned after the April 2009 meeting and the vacancy was not filled.

Table 6:

The Finance Committee of the ETDP SETA									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
1.	Sipho Sukati	Chairperson	Mpumalanga DoE	Black	Male	January 2007	1	March 2011	(6)
2.	Jake Dikobo	Member	PEU	Black	Male	April 2007	1	March 2010	(5)
3.	John Scott	Member	Independent Member	White	Male	July 2006	1	March 2011	(6)
4.	Nick Nicholls	Member	Independent Member	White	Male	July 2008	1	March 2011	(6)
5.	Graham Myers	Member	NUTESA	White	Male	October 2008	1	March 2011	(5)
6.	David Molapo	CFO - Ex Officio Member	ETDP SETA	Black	Male	July 2006	1	March 2011	(5)
7.	Nombulelo Nxesi	CEO - Ex Officio Member	ETDP SETA	Black	Female	August 2004	1	March 2011	(3)

Table 7:

The Audit Committee of the ETDP SETA									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 6
1.	Vusi Mokwena	Chairperson	Independent Member	Black	Male	February 2007	1	March 2011	(6)
2.	Dawood Coovadia	Member	Independent Member	Indian	Male	March 2008	1	March 2011	(6)
3.	Rooksana Moola	Member	Independent Member	Indian	Female	November 2010	1	March 2011	(4)
4.	Ntombi Mxenge	Member	Mpumalanga DoE	Black	Female	May 2008	1	March 2011	(3)
5.	Ezra Ramasehla	Member	NAPTOSA	Black	Male	March 2008	1	March 2011	(5)
6.	Burton Malgas (Dr)	COO - Ex Officio Member	ETDP SETA	Coloured	Male	October 2008	1	March 2011	(4)
7.	David Molapo	CFO - Ex Officio Member	ETDP SETA	Black	Male	July 2006	1	March 2011	(6)
8.	Nombulelo Nxesi	CEO - Ex Officio Member	ETDP SETA	Black	Female	August 2004	1	March 2011	(5)

Table 8:

The Remuneration Committee of the ETD SETA									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 6
1.	Paseka Njobe	Chairperson	National DoE	Black	Male	2005 (SADTU) 2008 (DOE)	1	March 2011	(6)
2.	Louw Botha	Member	HESA	White	Male	August 2008	1	March 2011	(6)
3.	Sipho Sukati	Member	Mpumalanga DoE	Black	Male	April 2007	1	March 2011	(4)
4.	Simoné Geyer	Member	National DoE	Coloured	Female	April 2006	1	March 2011	-

Table 9:

The Human Resources Committee of the ETD SETA									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 4
1.	Paseka Njobe	Chairperson	National DoE	Black	Male	March 2005 (SADTU) July 2008 (DOE)	1	March 2011	(3)
2.	Guy Blackbeard	Member	APPETD	White	Male	March 2008	1	March 2011 (resigned in August 2008)	(0)
	Louw Botha (Dr)	Member	HESA	White	Male	August 2008		March 2011 (replaced Guy Blackbeard)	(4)
3.	Nomusa Cindi	Member	NATU	Black	Female	March 2008	1	March 2011 (resigned in August 2008)	(3)
	Thami Mbalo	Member	NEHAWU	Black	Male	August 2008		March 2011 (replaced Nomusa Cindi)	(3)
4.	Sylvia Nkanyuza	Member	NTESU	Black	Female	August 2007	1	March 2010	(2)
5.	Micheal Watkins	HR Manager - Ex Officio Member	ETDP SETA	White	Male	June 2006	1	March 2011	(4)

Table 10:

The Education, Training and Quality Assurance Permanent Committee of the ETDP SETA									
No.	Name & Surname	Capacity	Constituency	Race	Gender	Date of appointment	Term served	Date of expiry of term	Meetings attended out of 5
1.	Mandla Msweli	Chairperson	Kwa-Zulu Natal DoE	Black	Male	June 2006	1	March 2011	(5)
2.	George Mudumela	Member	SADTU	Black	Male	November 2008	1	March 2011	(5)
3.	Litha Ludidi	Member	NTESU	Black	Male	November 2008	1	March 2011	(3)
4.	Paul Beard	Member	APPETD	White	Male	June 2006	1	March 2011	(4)
5.	Tony Khatle	Member	APPETD	Black	Male	June 2006	1	March 2011	(5)
6.	Basil Manuel	Member	NAPTOSA	White	Male	November 2008	1	March 2011	(3)
7.	Rama Kistiah	Acting ETDQA Manager - Ex Officio Member	ETDP SETA	Indian	Male	June 2009	1	March 2011	(5)
8.	Thabani Gula	Assistant ETDQA Manager - Ex Officio Member	ETDP SETA	Black	Male	June 2006	1	March 2011	(4)

Abbreviations and Acronyms

ABET	Adult Basic Education and Training
AIDS	Acquired Immune Deficiency Syndrome
ALN	Adult Learning Network
APPETD	Association of Private Providers of Education Training and Development
ATR	Annual Training Report
BEE	Black Economic Empowerment
CBO	Community Based Organisation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COSATU	Congress of South African Trade Unions
DEV PRAC	Development Practice
DoE	Department of Education
DHET	Department of Higher Education and Training
DoL	Department of Labour
ECD	Early Childhood Development
ELRC	Education Labour Relations Council
ETD	Education, Training and Development
ETDP	Education, Training and Development Practices
ETDQA	Education, Training and Development Quality Assurance
ETQA	Education and Training Quality Assurer
EXCO	Executive Committee
FET	Further Education and Training
FETC	Further Education and Training Certificate
HEI	Higher Education Institution
HET	Higher Education and Training
HESA	Higher Education South Africa
HIV	Human Immunodeficiency Virus
HR	Human Resources
IT	Information Technology
ISOE	Institutes of Sectoral or Occupational Excellence
KZN	KwaZulu-Natal
LIBSA	Limpopo Business Support Agency
LMA	Labour Market Analysis
LPE	Learning Programme Evaluation
MERSETA	Manufacturing, Engineering and Related Services SETA
MoU	Memorandum of Understanding
NAISA	National Alliance of Independent Schools Associations
NAPTOSA	National Professional Teachers Organisation of South Africa
NATU	National Teachers Union
NEHAWU	National Education Health and Allied Workers Union
NGO	Non-governmental Organisation
NLPE	Non-levy Paying Enterprise
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDS II	National Skills Development Strategy 2005-2010
NTESU	National Tertiary Educators Staff Union
NUTESA	National Union of Tertiary Employees of South Africa

NVC	New Venture Creation
ODETD	Occupationally Directed Education and Training Development
PEU	Professional Educators Union
PFMA	Public Finance Management Act
PGCE	Post-Graduate Certificate in Education
PMDS	Performance Management and Development System
SABPP	South African Board of Personnel Practitioners
SACE	South African Council for Educators
SACECD	South African Congress for Early Childhood Development
SADTU	South African Democratic Teachers Union
SANGOCO	South African National NGO Coalition
SAOU	Suid Afrikaanse Onderwyser Unie
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SDF	Skills Development Facilitator
SDLA	Skills Development Levies Act
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training
WSP	Workplace Skills Plan

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