

TETA ANNUAL REPORT

Overview for 2004-2005



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



PEOPLE & PASSION

Effectively in Motion for 2010



VISION

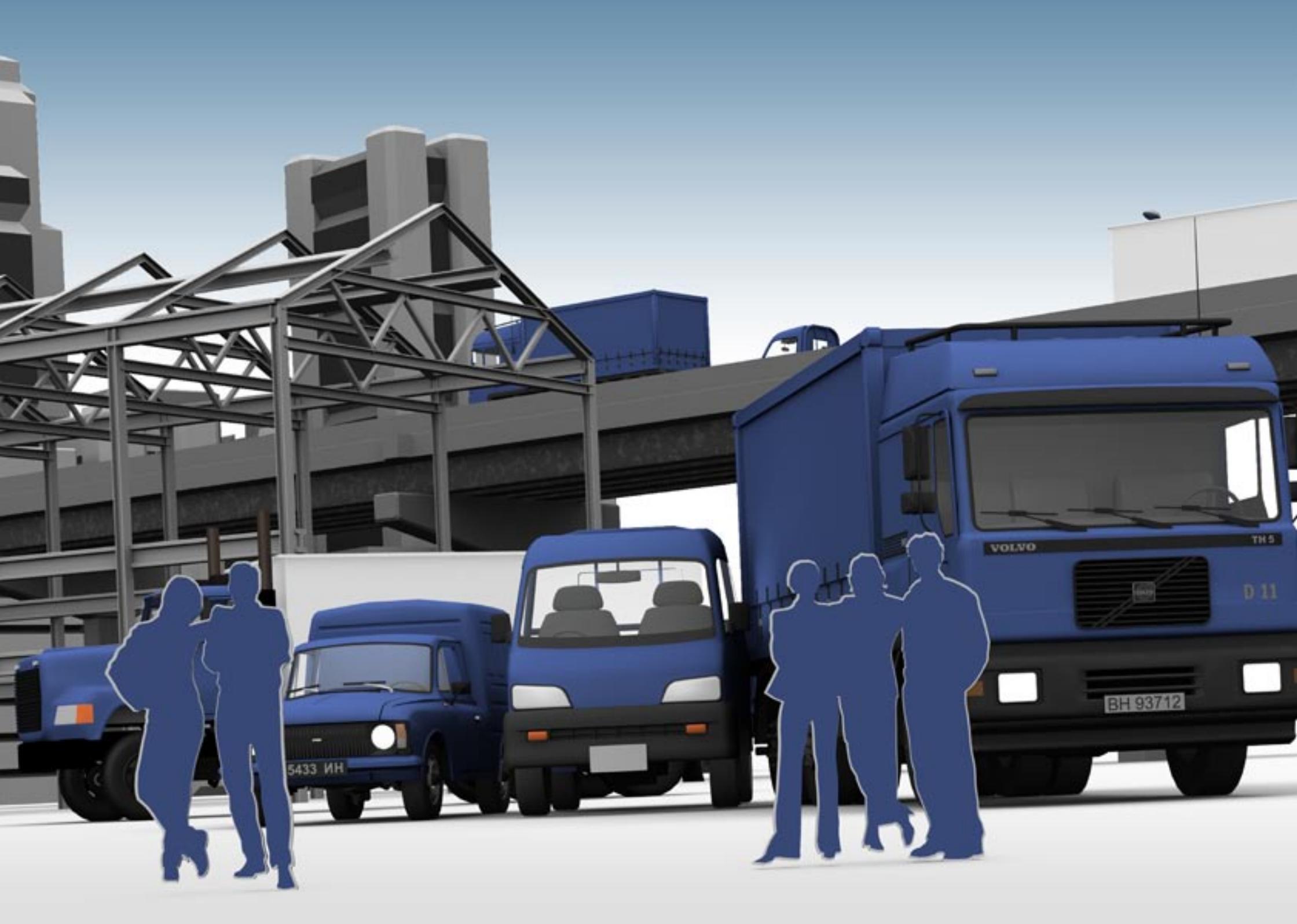
To develop and improve skills in the transport sector

MISSION

To facilitate a framework of lifelong learning through a delivery system that enhances the level of skills in the transport sector workplace

DRIVING FORCE

To provide the best quality service and maximize value for all stakeholders



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INTRODUCTION

The Minister of Labour, in accordance with the Skills Development Act No 97 of 1998, formally established the Transport Education and Training Authority (TETA) on 20th March 2000.

TETA's existence is fundamental to the global competitiveness of South Africa, which is reliant on human resources within the transport sector for the safe movement of people and goods and the enhancement of our transport infrastructure and communication networks.

By effectively serving the needs of its members across the four modes of transport: rail, air, sea and road, TETA works to ensure that South Africa has highly skilled, competent, competitive and motivated people retained in the industry.

TETA comprises eight chambers of the transport sector:

- Aerospace
- Forwarding and clearing
- Freight handling
- Maritime
- Rail
- Road freight
- Road passenger
- Taxi

Over the past five years, TETA has successfully functioned to:

- Develop a sector skills plan (SSP) for the transport sector
- Implement the sector skills plan through learnerships, approval of workplace skills plans, allocation of levy grants and the monitoring of education, training and development (ETD) activities in the transport sector
- Quality assurance of ETD interventions
- Disbursement of levy grants.

Today, there are 11 988 companies registered with TETA representing 460 000 employees.

CHAIRPERSON'S REPORT

CHAIRPERSON TETA BOARD: MR BRAD JACKLIN



The Transport Education and Training Authority Board members are proud of the achievements of TETA over the last five years. We also commend our levy-paying companies in the transport sector for their commitment to develop their human resources during this time period. Without the commitment and support of our levy-paying stakeholders we would not be able to over achieve on all the objectives and targets that we as the TETA Board set for ourselves. It is in this context that the TETA Board not only recognises the hard work of our staff but we applaud all companies participating in the Skills Development Strategy. Through the implementation of the Skills Development Strategy these companies are investing in their biggest asset, their human resources. Companies do not just add value to their own business operations, they also empower individuals to achieve their maximum potential.

With 88% large companies, 49% medium companies and 34% small companies paying the levy and participating in the Skills Development Strategy, TETA committed R87.4 million to Mandatory Grants and R78.2 million was approved for Discretionary Grants. During this financial year, the challenge for the TETA Board was to review the existing strategy of TETA and to set clear direction for TETA operations for the next five years, to ensure broader participation in the Skills Development Strategy by companies presently seeing the Skills Levy as a tax. We need companies to experience the value add that Skills Development and Investment in Human Resources can bring to their operations.

Over the last five years the Board developed strategies and policies to ensure effective and efficient Corporate Governance and Risk Management Strategies to enhance effective and efficient operations and high quality service delivery to all stakeholders in the Transport Sector.

In February 2005 the TETA Board reviewed our achievements during the last five years. The TETA Board set high standards to be achieved by 2010. However as an education and training authority TETA can only provide support and guidance and ensure that a framework of high quality education and training delivery is in place. It is our task as employer and labour representatives to ensure the continued development of the Sector's human resources as well as to ensure that human resources development is an integrated part of each company's business strategy.

A handwritten signature in black ink, appearing to read 'Brad Jacklin', written over a light-colored background.

Mr Brad Jacklin (chairperson)

VICE-CHAIRPERSON'S REPORT

VICE-CHAIRPERSON TETA BOARD: MR THULANI DLAMINI



During the 2004/2005 financial year we witnessed intense debates about labour markets and the extent to which they enhance government's employment creation and poverty eradication interventions. The underlining foundation of ensuring that these interventions achieve the set objectives is within the National Skills Development Strategy, as employment and development go hand in hand. The challenge that the Transport Education and Training Authority (TETA) faced during this year was to become more sensitive to the challenges faced by employers (particularly in small businesses) and develop strategies to simplify the process of claiming grants and implement more proactive strategies in support of employers training their employees.

To ensure the delivery of these strategies TETA capacitated 552 shop stewards at company level to enhance the working relationship between labour and management on human resources development issues. TETA also aggressively executed an extended programme to develop Skills Development Facilitators and Mentors at company level to provide much-needed support to employers and employees in the development of their human resources.

In the implementation of this National Skills Development Strategy, TETA supported the training of 460 000 learners in structured learning programmes over the last five years. The TETA SMME Support Strategy also shows good results in supporting 3461 employees employed by 927 small companies employing less than 49 people.

TETA also successfully implemented projects supported by the National Skills Fund and achieved huge success in the project which was aimed at supporting the non-formal component of the Taxi and the Fishing Industries. The Taxi Industry saw 4183 learners trained in professional driving, customer and generic business administration programmes and 16488 learning interventions offered to Small Boat Fishing Industry participating in communication and numeracy as well as SAMSA pre-sea certification and other fishing related programmes.

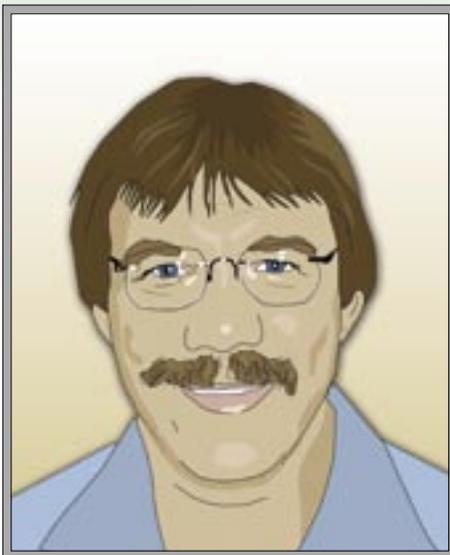
With the results that TETA has shown over the past five years we are proud to be associated with TETA and we are convinced that through the Skills Development Strategy and TETA's interventions we will establish economic growth for employment creation and poverty eradication within the Transport Sector.

A handwritten signature in black ink, consisting of stylized initials and a long horizontal stroke extending to the right.

Mr Thulani Dlamini (Vice-Chairperson)

CHIEF EXECUTIVE OFFICER'S REPORT

CHIEF EXECUTIVE OFFICER : DR PH BOTHMA



The Transport Education and Training Authority is honoured by the confidence and trust shown by the Minister of Labour, Minister Membathisi Mdladlana for re-establishing the Seta for the next five years. Although we achieved the targets set by our Board and overcame most of the challenges we faced during the first five-year strategy time frame, we must acknowledge and applaud our stakeholders for their participation and commitment to investing in their human resources and for making people development an integral part of their business strategy.

TETA is ready to face the challenges at hand for the next five years and realize that what we achieved through the support of our stakeholders during the first five years is only the tip of the iceberg. We are committed to enhancing skills development and creating greater impact on the effectiveness, efficiency, and safety of the Transport Sector through facilitating the delivery of high quality education and training.

TETA and stakeholder companies are facing up to the challenge to ensure the availability and continuous supply of competent people that will improve global competitiveness of the Transport Sector and economic growth of our country.

As companies in the Transport Sector adjust to new technologies, competition is growing and the workplace is becoming increasingly complex. These changes are occurring when skills at all levels are in high demand across the sector, which is challenging the way that companies plan for the future to ensure sustainable business growth.

Transport companies exist in the context of a network of suppliers, buyers, customers and consumers in the supply chain and logistics process which is rapidly changing the way transport businesses operate strategically.

The question is how can businesses leverage all their resources to improve customer service, operate more efficiently, cost effectively and ensure competitive success? The answer lies in developing the competencies and skills of their human resources made possible by the opportunities the Skills Development Strategy provides and which will be driven by TETA for the Transport Sector.

Through the lessons learnt during the first five years of the national skills development strategy, a reviewed and defined strategy with targets has been set for SETAs for 2005 - 2010. TETA is committed to enhancing service delivery to our stakeholders in line with the new strategy, thereby ensuring that by leveraging their human resources that they will be in a position to maximise business success.

A handwritten signature in black ink, appearing to read 'Ph Bothma'.

Dr PH Bothma (Chief Executive Officer)

SKILLS DEVELOPMENT PROJECT

THE SECTOR SKILLS PLAN (SSP)

Based on the new Skills Development Strategy, TETA is revising its Sector Skills Plan to align it to the business world that is forever evolving. The Transport Sector is one of the sectors that needs to keep up with the speed of the developed world in terms of intermodal and multimodal transportation systems. Since these are new concepts, the TETA Sector Skills Plan needs to be aligned accordingly.

For the transport industries and the country's economic development, TETA, through its Skills Development Unit, is in the process of commissioning research based on the size, the needs, the new trends, the critical and scarce skills of the sub-sectors so that a more informed picture in the form of a Sector Skills Plan is displayed. The research is envisaged to yield its initial report by August 2005.

DEVELOPING CURRICULUM FRAMEWORKS

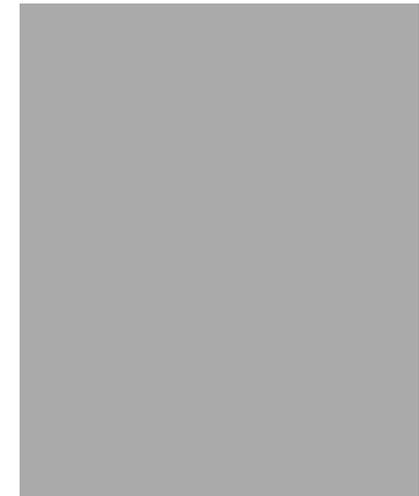
In 2004 GTZ piloted two TETA learnerships to assist in the development of Curriculum Frameworks for Learnerships and Skills Programmes. These frameworks serve as the relevant and user-friendly tools that inform the development of outcomes-based materials by the training providers within the sector.

To date, based on the GTZ model, six curriculum frameworks have already been developed. These include :

- FETC Ships Agency NQF 4.
- National Certificate in Railway Signalling: Installation and Scheduled Maintenance of Equipment NQF 3.
- National Certificate in Rail Signalling : Fault-finding and Repair of Equipment NQF 4.
- National Certificate in Freight Handling NQF 3.
- National Certificate Customs Clearance Forwarding and Clearing NQF 3
- National Certificate Customs Clearance Forwarding and Clearing NQF 4.

This is besides the two frameworks that were developed in 2004 during a pilot phase, which are:

- Rail Operations (Yard Control) NQF 4.
- National Certificate: Freight Forwarding NQF Level 3.





STANDARDS GENERATION PICKS UP THE PACE

The process of speeding up the development of 10 qualifications under the primary focus of TETA, which is done in collaboration with SAQA under a Joint Implementation Plan (JIP) is finally picking up the pace. This process is not trying to undermine the work done by SGBs, but it is meant to prioritise the standards generation which would lead to SAQA registered qualifications in a shorter period.

TETA and SAQA are on the verge of renewing the Joint Implementation Plan (JIP) for 2005 / 2006. A JIP working team which represents all the transport sector SGBs (5) is working towards improving on the milestones achieved during the first year of the implementation plan.

In the JIP agreement there will be a realistic and achievable target of qualifications or parts thereof that will be earmarked for acceleration. This target cuts across all sub-sectors of the transport industry.

SDF, ASSESSOR, MODERATOR AND MENTOR TRAINING

The development of the employees within the transport sector is dependent on adequate capacity of Skills Development Facilitators (SDFs) to deliver on statutory requirements of the Skills Development Act. For this reason, the SD Unit has widened the capacity building to not only concentrate on company SDFs but to look into mentors, assessors and moderators to be trained as well. Since most of our stakeholders are large companies, they prefer to deliver training in house, they need to be accredited and for accreditation to be successful a company should have registered assessors, mentors and moderators and mentors.

This project is ongoing and the following tables show the number of SDFs assessors and mentors trained from the SD Unit budget. For the financial year 2004 / 2005 the training was a great success with a pass rate of about 90% and this year it will include assessors and mentors.

The following beneficiaries were identified for training and benefited from it. Six of the learners from the list were declared 'not yet competent' and are still working on their Portfolios of Evidence.

Table 1: SDFs trained in 2004 / 2005

Industry	Total number of Learners	Gauteng	Cape Town	Richards Bay	Eastern Cape	Durban
Aerospace	3	3				
Forwarding & Clearing	5	4	1			
Freight Handling	43	8	9	6	10	10
Maritime	19		17		1	1
Rail	12	5	1	3		3
Road Freight	17	9	5			3
Road Passenger	4	3			1	
Total	103	32	33	9	12	17



In the financial year 2005 / 2006, the following requests for training of SDFs, assessors and mentors were received and the service providers to deliver the training have already been procured.

Table 2: SDFs , Assessors and Mentors to be trained in 2005 / 2006

CHAMBER	SDF					MENTOR			
	<i>Cape</i>	<i>Durban</i>	<i>Johannesburg</i>	<i>Total</i>		<i>Cape</i>	<i>Durban</i>	<i>Joburg</i>	<i>Total</i>
Aerospace	0	2	8	10	0	0	0	0	
Forwarding & Clearing	0	2	14	16	0	4	12	16	
Freight Handling	0	5	1	6	2	2	4	8	
Maritime	12	3	0	15	15	6	0	21	
Rail	2	1	0	3	0	0	0	0	
Road Freight	0	1	6	7	1	4	6	11	
Road Passenger	0	0	0	0	0	0	0	0	
Total	14	14	29	57	18	16	22	56	
	GRAND TOTAL			SDF -	57				
				Mentors	56				
				Assessors	37				

ASSESSORS				
Chamber	Cape	Durban	Johannesburg	Total
Aerospace	0	3	0	3
Forwarding & Clearing	0	4	8	12
Freight Handling	1	0	1	2
Maritime	12	1	0	13
Rail	0	1	0	1
Road Freight	0	2	4	6
Road Passenger	0	0	0	0
Total	13	11	13	37

TETA SMME PROJECT

Since we are at the end of the first five year era of the previous NSDS and at the beginning of the second one, the SMME strategy has to change to follow suit. TETA has thus developed a new document outlining its SMME support strategy which is in line with the new NSDS objectives.

The purpose of the strategy is to assist the SMME sector with directed, accredited training that will promote the productivity of the small company and uplift the skills levels of the employees simultaneously. This strategy is based on the Voucher System and can be accessed by TETA levy-paying SMMEs to develop their employees and help with their advancement and attainment of new skills.

The amount allocated to this project in the current year is R10m plus roll-over funds from the previous year. The vouchers can be used by SMMEs within the transport sector for all kinds of structured and accredited training interventions.

In 2004 SMME training was only meant for Generic Business and Technical Skills and with the low numbers of SMME companies participating in the project, the training has been opened for all types of training, as long as it is accredited and NQF-aligned.



Below is the breakdown of beneficiaries:

Table 1: Companies and employees funded on the Technical Skills

CHAMBER	NO. OF COMPANIES	NO. OF CANDIDATES
Forwarding & Clearing	8	17
Freight Handling	6	10
Maritime	14	23
Road Freight	33	71
Road Passenger SMMEs	23	17
Total	83	138

Table 2: Companies and employees funded on the Generic Business Skills

CHAMBER	NO. OF COMPANIES	NO. OF CANDIDATES
Aerospace	6	38
Forwarding and Clearing	2	13
Maritime	240	336
Road Passenger	600	1500
Total	846	1887



NSF LEARNERSHIP CAMPAIGN

TETA, together with the National Skills Authority (NSA), has embarked on a learnership campaign, funded from the National Skills Fund (NSF) to augment the primary activities of the transport sector, especially to unemployed 18(2) learners. In 2004 / 2005 TETA received funding to the tune of R41m (per note 12) to take 2253 learners through various learnerships. Our stakeholders accepted this opportunity with both hands, although it was a big project that would be outside the scope of their WSPs for the year.

The purpose of the project is to build a skills base for the industry and at the same time help the unemployed youth of South Africa obtain skills that will be of use to them in the future. This ties up with the objectives of the SDA which talks about supporting accelerated economic growth, higher levels of employment creation, SMME development, Broad-based Economic Empowerment and improved national competitiveness.

The Learnership Campaign project has the following objectives:

- To market the Skills Development Strategy and increase the participation of Transport Sector stakeholders in skills development to ensure high quality service delivery
- To fast track the development and implementation of Learnerships and Skills Programmes which will improve the competitiveness of the sector as a whole.
- To establish TETA activities as an integral function in achieving strategic objectives in the transport sector and increase competitiveness within the sector.

The following table shows the achievements by TETA on the Learnership campaign:

PROJECT TO DATE Deliverables planned	Planned QTY	Actual QTY	Deviation QTY	OVERALL BUDGET Amounts budgeted R	PROJECT TO DATE Actual expenditure R	PROJECT TO DATE Deviation/ variance R
Learnership implementation	2253	2008	245	56,325,000	14,036,803	42,288,196
Marketing and communication				220,000		220,000
External moderation				2,026,000		2,026,000
Programme evaluation				300,000		300,000
Total	2,253	2,008	245	58,871,000	14,036,803	44,834,196

The breakdown of the campaign by Chamber

CHAMBER	No of Learners	No. of Business Units
Aerospace	42	2
Forwarding and Clearing	13	4
Freight handling	197	11
Maritime	65	6
Rail	1263	6
Road Freight	351	16
Road Passenger	322	10
Total	2253	55



TETA REGISTERED LEARNERSHIPS

To date, the TETA Skills Development Unit has registered 27 Learnerships compared to the 11 that were registered during the previous year:

- Advanced National Certificate : Aeronautical Engineering: Electrical, NQF Level 4
- Advanced National Certificate : Aeronautical Engineering : Mechanical, NQF Level 4
- Aircraft Composite Structures Technician : NQF Level 2
- Aircraft Composite Structures Technician : NQF Level 3
- Aircraft Composite Structures Technician : NQF Level 4
- Freight Handling Specialist : NQF Level 3
- Learnership for Engineering Technicians : NQF Level 6
- Learnership in Airline Contact Centre Management : NQF Level 5
- Learnership in Freight Handling Logistics : NQF Level 5
- Learnership in Professional Driving : Commuter / Coach / Freight Services: NQF Level 5
- Learnership in Rail Operations (Functional Yard Operations) : NQF Level 3
- Learnership in Rail Operations (Train Control) : NQF Level 3
- Learnership in Road Transport : NQF Level 3
- Learnership in Transport : NQF Level 1
- National Certificate in Professional Driving : NQF Level 3
- National Certificate in Freight Forwarding : NQF Level 3
- National certificate in Navigation and Engineering : NQF Level 3
- National Certificate : Customs Clearance : Forwarding and Clearing : NQF Level 3
- National Certificate : Customs Clearance : Forwarding and Clearing : NQF Level 4
- National Certificate : Freight Forwarding : NQF Level 4
- National Certificate : International Trade : NQF Level 2
- National Diploma in Marine Engineering – Mechanical : NQF Level 6
- National Diploma in Maritime Studies : NQF Level 6
- National Diploma : Freight Forwarding NQF Level 5
- National Certificate in Railway Signalling : Assembly and Wiring of Equipment Level 2
- National Certificate in railway Signalling : Fault-finding and Repair of Equipment NQF Level 4
- National Certificate in Railway Signalling : Installation and Scheduled Maintenance of Equipment Level 3

In general, transversally the table below shows the status of participation of TETA in Skills Development:

No of registered members	11414
No of registered SDFs	519
No of Service Providers	398
No of Assessors	417
No of Unit Standards	432
No of Qualifications	22
No of Learners	8627
No of Learnerships	44

THE WAY FORWARD

Like any other organisation, TETA faces some challenges and these challenges sometimes lead to the impediment of effective service delivery. The main challenge that faces the SD Unit in particular is shortage of staff due to resignations. The unit has been operating on a skeleton and temporary staff complement for the last six months.

This has led to some delays in terms of tying up on some projects for the previous year, also, in terms of beginning new projects for the current year.

The crucial project that needs to be tackled with urgency is the research which will lead to the production of a realistic Sector Skills Plan (SSP).

The preparations for submissions of the 2005 / 2006 WSPs, Discretionary Grants (DGs) and other related documents have been finalised.

The SD Unit is now in preparation for the audits and monitoring of systems of the organisation in relation to its business plan, SLA of chambers and criteria to be followed by chambers when implementing the requirements of the SDA.

Compiled by the Skills Development Unit staff members.

TETA ACHIEVEMENTS AGAINST TARGETS: 2000 - 2005

NSDS Objective 1: Developing a culture of high quality lifelong learning

NSDS Success indicators: 2000 – 2005	TETA Target: 2000 - 2005	Achievements for 2000-2005
<p>1.1 By March 2005, 70 % (145 776) of all workers (208 852) have at least a Level One qualifications on the NQF.</p>	<p>By March 2005 at least 74% (154 550) of all workers in the Transport Sector have at least a Level One qualification on the NQF.</p>	<p>158 733 workers have at least NQF 1 qualification.</p>
<p>1.2 By March 2005, a minimum of 15% (31 327) of workers to have embarked on a structured learning programme, of whom at least 50 (15663) per cent will have completed their programme satisfactorily.</p>	<p>By March 2005 at least 50000 workers have embarked on a structured learning programme of which at least 25000 have satisfactorily completed their programme.</p>	<p>By March 2005, 363 126 participated and 206 561 completed structured learning programmes</p>
<p>1.3 By March 2005, an average of 20 enterprises (to include large, medium and small enterprises) and at least five national government departments, to be committed to, or have achieved, the Investors in People Standard.</p>	<p>By March 2005, an average of 20 enterprises (to include large, medium and small enterprises) and at least five national government departments, to be committed to, or have achieved, the Investors in People Standard.</p>	<p>27 companies participating towards achieving Investors in People Standard.</p>

NSDS Objective 2: Fostering skills development in the formal economy for productivity and employment growth

NSDS Success indicators: 2000 – 2005	TETA Target: 2000 - 2005	Achievements for 2000-2005
<p>2.1 By March 2005, at least 75 % (186) of enterprises with more than 150 workers (248) are receiving skills development grants and the contributions towards productivity and employer and employee benefits are measured.</p>	<p>By March 2005, at least 80% (198) of enterprises with more than 150 workers (248) are receiving skills development grants and the contributions towards productivity and employer and employee benefits are measured.</p>	<p>217 enterprises with more than 150 workers are receiving skills development grants and the contributions towards productivity and employer and employee benefits are measured.</p>
<p>2.2 By March 2005, at least 40 % (88) of enterprises employing between 50 and 150 workers (221) are receiving skills development grants and the contributions towards productivity and employer and employee benefits are measured.</p>	<p>By March 2005, at least 40% (88) of enterprises employing between 50 and 150 workers (221) are receiving skills development grants and the contributions towards productivity and employer and employee benefits are measured.</p>	<p>109 enterprises employing between 50 and 150 workers are receiving skills development grants and the contributions towards productivity and employer and employee benefits are measured.</p>
<p>2.3 By March 2005, Learnerships are available in every sector.</p>	<p>By March 2005, 50 Learnerships are available in the Transport Sector.</p>	<p>55 Learnerships are available in the Transport Sector.</p>
<p>2.4 By March 2005, all government departments assess and report on budgeted expenditure for skills development relevant to Public Service, Sector and Departmental priorities.</p>	<p>By March 2005, the National Department of Transport assesses and reports on budgeted expenditure for skills development relevant to Public Service, Sector and Departmental priorities.</p>	<p>The National Department of Transport participating in relevant structures.</p>

NSDS Objective 3: Stimulating and supporting skills development in small businesses

NSDS Success indicators: 2000 – 2005	TETA Target: 2000 - 2005	Achievements for 2000-2005
<p>3.1 By March 2005, at least 20 % (778) of new and existing registered small businesses (3890) to be supported in skills development initiatives and the impact of such support to be measured.</p>	<p>By March 2005, at least 2 000 new and existing registered small businesses to be supported in skills development initiatives and the impact of such support to be measured.</p>	<p>3309 new and existing registered small businesses to be supported in skills development initiatives and the impact of such support to be measured.</p>

NSDS Objective 4: Promoting skills development for employability and sustainable livelihoods through social development initiatives

NSDS Success indicators: 2000 – 2005	TETA Target: 2000 - 2005	Achievements for 2000-2005
<p>4.1. By March 2005, 100 % (R72 million) of the NSF apportionment is spent on viable development projects.</p>	<p>By March 2005, 100% of the NSF apportionment is spent on viable development projects.</p>	<p>By March 2005, R26.4 million has been disbursed. A further 38.6 million is due for disbursement by the end of June 2005.</p>
<p>4.2 By March 2005, the impact of the NSF is measured by project type and duration, including details of placement rates, which shall be at least 70%.</p>	<p>By March 2005, at least 3 000 learners across both the Taxi and Small Boat Fishing Industry have benefited from training.</p>	<p>By March 2005, 20 671 learners had benefited from training, 4183 in the Taxi Industry and 16488 in the Small Boat Fishing Industry.</p>

NSDS Objective 5: Assisting new entrants into employment

NSDS Success indicators: 2000 – 2005	TETA Target: 2000 - 2005	Achievements for 2000-2005
<p>5.1 By March 2005, a minimum of 80,000 people (all SETA's) have entered Learnerships</p>	<p>20% of all learners (3500) embarking on structured learning in the Transport Sector have entered Learnerships.</p>	<p>6568 learners embarking on structured learning in the Transport Sector have entered Learnerships.</p>
<p>5.2 By March 2005, a minimum of 50 per cent of those who have completed Learnerships are, within six months of completion, employed, in full-time study or further training or are in a social development programme</p>	<p>By March 2005, a minimum of 50 per cent of those who have completed Learnerships will have employable skills or are in a social development programme.</p>	<p>85% of those completing learnerships have achieved placement.</p>



NEW NATIONAL SKILLS DEVELOPMENT STRATEGY TARGETS 2005-2010

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
1	1. Prioritising and communicating critical skills for sustainable growth, development and equity.	Indicator 1.1 Skills development supports national and sectoral growth, development and equity priorities.	Target is the same for each year from 2005 to 2010 as described under Annual Target.	<p>The SSP or Annual Update is signed of by 30 September 2005.</p> <p>a) SETA/DoL agreed growth, development and equity strategy driver.</p> <p>b) DoL Executive Manager responsible for quality assurance of SSP.</p> <p>The SSP or annual update submitted on time as per DoL Guidelines.</p>	<p>1 = No SSP or update received at all within required time frame.</p> <p>3 = SSP or update received on time with one signature.</p> <p>5 = SSP or update received on time with both signatures.</p>	R 1 million	<p>A five-year SSP or annual update based on a format provided by DoL.</p> <p>Validation: Signatures and timelines adhered to. Quality assurance validation conducted by SETA Support in conjunction with Researchers.</p>	Signatories have been made aware by the Director General DoL of the reasons why their signatures are required.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
2	1. Prioritising and communicating critical skills for sustainable growth, development and equity.	Indicator 1.2 Information on critical skills widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.	Target is the same for each year from 2005 to 2010 as described under Annual Target.	Annual guide on critical skills needs for the sector developed and available to learners. 70 SDFs and 18 Sector Specialists trained in sector for the year.	1 = No guide developed and no SDFs or sector specialists trained. 3 = Guide developed and SDFs or sector specials trained on annual critical skills needs. 5 = 80% of annual target for SDFs or sector specialists trained are competent and certificated.	R 500 000 – 00 budget for 18 Sector Specialists (career counselors) and R314 371 – 00 for SDFs training.	A updated guide is submitted to DG by 31 March every year. Total number of learners trained and total number of learners trained & certificated submitted to DG annually. Validation: On site inspection at SETA of random number of learner records with possible off site learner site visits.	Accredited training providers available for SDFs or Sector Specialists and learners certificated against NQF registered unit standard. SSP quality assured and available. NSF to fund career counsellors at 2 per province.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
3	2. Promoting and accelerating quality training for all in the workplace.	Indicator 2.1 By March 2010 at least 80% of large firms and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed.	Target is set for each year from 2005 to 2010 as described under Annual Target. Number of large firms paying levies is 248 and for medium size firms is 221.	The target for the large firms is 198 firms. The target for medium firms is 132 firms. Two scores will be calculated, one for each sub sector. Score 3a for large companies and Score 3b for medium companies.	Actual results assessed as per performance rating scale in Schedule 3	R 90 million	A grant disbursement report verified by the CEO of the SETA is submitted each year. The report gives the names and SDL numbers of large and medium firms that received mandatory grants for each year. Validation: Random number of WSPs and ATRS reviewed on site at SETA and possibly on site at company.	The baseline total number of large and medium firms in the sector is accurately determined by the SETA before the start of each financial year. All outstanding SARS queries related to companies in the sector are resolved.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
4	2. Promoting and accelerating quality training for all in the workplace.	Indicator 2.2 By March 2010 skills development in at least 40% of small levy-paying firms supported and the impact of the support measured.	Target is set for each year from 2005 to 2010 as described under Annual Target. Number of SMMEs paying levies is 3 890 firms and our target is 1 556 firms.	The target for the different number of small firms is 900 firms for the period 2005 to 2007 (with reference to number of small firms after 1 August 2005). Note- The number of firms will be equal to the number of interventions supported. This will allow a company to be supported more than once.	Actual results assessed as per performance rating scale in Schedule 3.	R 15 million	A grant disbursement report verified by the CEO of the SETA is submitted each year. The report lists the names and SDL numbers of each small business that received skills development support for each year. Validation: random number of small business support records checked at SETA and possibly at company site.	The baseline total number of small levy-paying firms in the sector is accurately determined by the SETA before the start of each financial year. All outstanding SARS queries related to companies in the sector are resolved.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
5	2. Promoting and accelerating quality training for all in the workplace.	Indicator 2.4 By March 2010, at least 500 enterprises achieve a national standard of good practice in skills development approved by the Minister of Labour.	Target for the sector for the period 2005 to 2010 is 50 enterprises.	For 2005 to 2007 the target is 20 companies.	Not applicable for 2005 - 2006	R 1 million (Although not applicable as a measure for 2005 – 2006 some SETAs may have prior obligations to support sector companies and thus will need to allocate funds).	Not applicable for 2005 - 2006. Validation: A National Standard Agency Certificate.	That a national standard will not be recognised by the Minister before 1 April 2006. That a national standard will be recognised by the Minister as from 1 April 2006.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
6	2. Promoting and accelerating quality training for all in the workplace.	<p>Indicator 2.5 Annually increasing number of small BEE firms and BEE co-operatives supported by skills development.</p> <p>Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured.</p>	<p>Target for the sector for the period 2006 – 2010 will be established after completion of first annual survey during 2005 – 2006.</p> <p>20 companies, increasing by 50% annually.</p>	For 2005 to 2007 the target is 30 companies.	Not applicable for 2005 - 2006	<p>R 5 million</p> <p>(Although not applicable as a measure for 2005 – 2006 each SETA will need to allocate funds to conduct research to establish a sector baseline for future measurements).</p>	<p>Not applicable for 2005 - 2006.</p> <p>Validation: Review of random number of BEE enterprises records on site at SETA and possibly enterprise site visits.</p>	That there are BEE companies in the sector and that a baseline can be determined during 2005 – 2006.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
7	2. Promoting and accelerating quality training for all in the workplace.	Indicator 2.8 By March 2010 at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.	Target for the sector for the period 2005 to 2010 is 10 000 learners.	Target for the sector for the period 2005 to 2007 is 2 000 learners to participate and 1 000 to complete.	Actual results assessed as per performance rating scale in Schedule 3	R 60 million	A DoL format training report verified by the CEO of the SETA is submitted each quarter. Validation: Learner records at SETA and/or learner site visits.	Employers participate in the process of developing employees and programmes types and providers required are available.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
8	Promoting employability and sustainable livelihoods through skills development.	Indicator 3.2 By March 2010, at least 2000 non levy-paying enterprises, NGOs, CBOs, and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.	Target for the sector for the period 2005 to 2010 is 160 NGO and CBO enterprises to be supported by skills development.	Target for the sector for the period 2005 to 2007 is 16 NGO and CBO enterprises.	Actual results assessed as per performance rating scale in Schedule 3.	R 5 million	A report verified by the CEO of the SETA is submitted each year. The report lists names and company or reference numbers of each organisation supported with skills development. Validation: random number of enterprise support records checked at SETA and possibly at company site.	Non levy-paying enterprises, NGOs, CBOs, and community-based co-operatives exist and are developing in the sector. NSF funds available on a 20% / 80% basis.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
9	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.	Indicator 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. Impact of assistance measured.	Target for the sector for the period 2005 to 2010 is 10 000 learners.	Target for the sector for the period 2005 to 2007 is 2 000 learners with 1 000 participating and 500 completing.	Actual results assessed as per performance rating scale in Schedule 3.	R 35 million	A DoL format training report verified by the CEO of the SETA is submitted each quarter. Validation: Learner records at SETA and/ or learner site visits.	Unemployed people participate in the process of developing their skills and programme types and providers required are available. NSF top up funds available IF SETA does not have funds. NSF funds available on a 50% / 50% basis.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
10	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.	Indicator 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-employment.	Target for the sector for the period 2005 to 2010 is 1 000 learners.	Target for the sector for the period 2005 to 2007 is 2 000 learners.	Actual results assessed as per performance rating scale in Schedule 3.	R 20 million	A DoL format training report verified by the CEO of the SETA is submitted each year. Validation: Learner records at SETA and/ or learner site visits.	Employers local and abroad participate in making work places available. Opportunities for employment or self-employment are available. NSF funds available on 70% / 30% basis.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
11	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.	Indicator 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.	Target for the sector for the period 2005 to 2010 is 800 young persons.	Target for the sector for the period 2005 to 2007 is 160 young persons to complete NVC Learnership.	Actual results assessed as per performance rating scale in Schedule 3.	R 4.4 million	A DoL format training report verified by the CEO of the SETA is submitted each quarter. Validation: Learner records at SETA and learner site visits.	Agreements are in place with other agencies that can support learners in business support and mentoring after training completed. TETA is not responsible for NVC after 12 months. NSF to fund 30% / 70% with DTI.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
12	Improving the quality and relevance of provision.	<p>Indicator 5.1 By March 2010 each SETA recognizes and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public and private institutions and through Public Private Partnerships (PPPs) 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.</p>	Target for the sector for the period 2005 to 2010 is five institutes.	Target for the sector for the period 2005 to 2007 is one institute.	Actual results assessed as per performance rating scale in Schedule 3.	R 2.2 million	<p>A situation analysis report verified by CEO of the SETA is submitted each year.</p> <p>The report lists names, locations of the institutes that the SETA is supporting and the related critical skills that each institute is assisting learners to achieve.</p> <p>Validation: Site visit to a random number of institutes and review of random number of learners records at institute and at SETA.</p>	Institutes are available and agreeable to enter into agreements with SETAs.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
13	Improving the quality and relevance of provision.	Indicator 5.2 By March 2010, each province has at least two provider institutes 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 institutes' success.	Target for the sector for the period 2005 to 2010 is 18 institutes.	Target for the sector for the period 2005 to 2007 is one institute.	Actual results assessed as per performance rating scale in Schedule 3.	R1.1 Million	<p>A situation analysis report verified by CEO of the SETA is submitted by 30 April each year.</p> <p>The report lists names, locations and/of institutes that the SETA is supporting.</p> <p>Validation: Site visit to a random number of institutes.</p>	<p>Institutes are available and agreeable to enter into agreements with SETAs.</p> <p>Joint ventures among SETAs are allowed.</p> <p>TETA cannot ensure operation after 12 months therefore need DTI support.</p> <p>NSF funds available 30 % / 70 % basis.</p>

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
14	Improving the quality and relevance of provision.	Indicator 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.	Target is set for each year from 2005 to 2010 as described under Annual Target of +600 providers.	Note: A measurement methodology with outcomes, targets and criteria is to be developed in conjunction with SAQA and SETA ETQAs.	For 2005 to 2007 the target is 150 per annum thereafter.	R 1.5 million	Not applicable for 2005 - 2006.	A measurement methodology with outcomes, targets and criteria is established by 1 April 2006

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)

No	NSDS 2005 - 2010 Objectives	NSDS 2005 - 2010 Success Indicators, National Targets and Outcomes	SETA Plan for 2005 – 2010 Five Year Targets and Outcomes	SETA Plan for 2005 – 2006 Annual Targets and Outcomes	Annual Performance Assessment Criteria	Projected 2005 – 2006 Budget *	Means of Verification	Assumptions
15	Improving the quality and relevance of provision.	Indicator 5.4 By March 2010, there is an NSA constituency-based assessment of an improvement in stakeholder capacity and commitment to the National Skills Development Strategy.	Target is the same for each year from 2005 to 2010 as described under Annual Target – 10 sessions.	Note: A measurement methodology with outcomes, targets and criteria is to be developed in conjunction with the NSA.	For 2005 to 2007 the target is two per annum thereafter.	R 1.5 million	Not applicable for 2005 - 2006.	A measurement methodology with outcomes, targets and criteria is established by 1 April 2006.

* (Portion of 70% plus other income) per Indicator aligned to PFMA multi year projections. (Excludes SETA Administration Budgets)





EDUCATION, TRAINING AND QUALITY ASSURANCE REPORT

ETQA Accreditation

TETA Education, Training and Quality Assurance accreditation by SAQA now includes the following Qualifications and Unit Standards:

Aerospace:

National Certificate: Aeronautical Engineering: Electrical	NQF 4
National Certificate: Aeronautical Engineering: Mechanical	NQF 4

Forward and Clearing

National Certificate in Freight Forwarding	NQF 3
National Certificate in Freight Handling (Courier)	NQF 3
National Certificate in International Trade	NQF 2
National Certificate in Customs Clearing	NQF 3
National Certificate in Customs Clearing	NQF 4
National Certificate in Freight Forwarding	NQF 4
National Diploma in Freight Forwarding	NQF 5

Freight Handling

National Certificate in Freight Handling	NQF 3
National Certificate in Freight Handling Logistics	NQF 5
National Certificate in Transport	NQF 1

Rail

National Certificate: Rail Operations: Functional Yard Operations	NQF 3
National Certificate: Rail Operations: Train Control	NQF 4

Road

National Certificate in Professional Driving	NQF 3
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In process are :

National Certificate: Road Transport	NQF 3
National Certificate: Navigation and Engineering	NQF 3

Provider Accreditation

The total number of accredited providers is 398. Of these, 272 focus on training Lifting Machine Operators in accordance with the Driven Machinery Regulation. In line with defined action plans, TETA is in the process of assisting all provisionally accredited providers to obtain full accreditation.

A total number of 175 support visits were conducted during the period under review to assist providers to meet the accreditation criteria. 226 new learning programmes were submitted for programme evaluation of which 105 were approved to extend the scope of coverage of accredited providers.

The total number of providers assisted towards meeting the TETA accreditation criteria for this period was 129.

Driven Machinery Regulation

The Driven Machinery Regulation No 8158, in accordance with Occupational Health and Safety Act, Act 85 of 1993 has been published by the Department of Labour. TETA has been mandated in accordance within this regulation as the only ETQA responsible for the Accreditation of Providers for the training and re-training of Lifting Machine Operators. TETA has taken over the responsibility for all providers previously accredited by the South African Institute of Materials Handling.

Assessor Registration

TETA has registered a total number of 417 assessors in accordance with its assessor registration criteria. These assessors cover the primary focus of TETA's ETQA.

The TETA moderation policy has been approved by the Quality Assurance Standing Committee. Independent moderators have been appointed to conduct moderations on TETA's behalf at all accredited providers.

Quality Management System

TETA Quality Management System Policy Document has been developed which encompasses the total SETA functions. The procedures for the ETQA function have been developed and are in the process of implementation. The key business processes for the other SETA functions have been defined with procedures. Internal workshops with all TETA staff are planned for the next financial year to ensure a common understanding and approach to the implementation of TETA's Quality Management System.

Monitoring Activities

Thirty nine provisionally accredited providers were monitored and assisted with the implementation of their action plans, as part of TETA's strategy to support them to meet the TETA ETQA criteria for full accreditation.

Memorandum of Understanding Agreements

Memorandum of Understanding Agreements have been signed with the following ETQAs:

- CAA
- CHIETA
- CONSTRUCTION
- DIDTETA
- FASSET
- FOODBEV
- HEALTH AND WELFARE
- ISETT
- MERSETA
- POSLEC
- SAMSA
- SERVICES SETA
- THETA
- WHOLESALE AND RETAIL

The letter of cooperation signed with UMALUSI to facilitate a process towards the establishment of a formal relationship with the FET fraternity has been extended and TETA will continue to facilitate a working relationship with the FET sector. Memoranda of Agreements (MOA) have been signed with a number of provincial education departments and the outstanding MOA will be signed during the next financial year.

Certification of Learners

A total number of 207 learners have been issued with national certificates in recognition of their achievement of NQF-registered qualifications. These certificates were issued after moderations were conducted by independent TETA appointed moderators.

Partnership with the FET Fraternity

TETA conducted a needs analysis with FET colleges nationally to determine the implementation of learnerships and skills programmes within the transport sector. Based on the needs identified, TETA procured service providers to address the identified needs. Workshops were also conducted to outline TETA's criteria and approach to the implementation of Recognition of Prior Learning.

Recognition of Prior Learning (RPL)

The TETA RPL Policy, Criteria and Guidelines have been developed and communicated to all accredited providers and stakeholders. Workshops were held in Gauteng, Cape Town, Durban and Mpumalanga on the implementation of RPL within the Transport Sector.



SUPPORT FUNCTION UNIT

The Support Function Unit provides centralized administrative and support services to the TETA head office and its eight chambers. It manages the administrative systems, policies, procedures and strategies as well as projects and initiatives within the financial constraints of the Skills Development Levies Act.

Investors in People

The Support Function Unit is responsible for the roll-out of the Investors in People Standard among stakeholder companies in the transport sector.

Employment Equity

TETA has 49 full-time staff. TETA's current employment equity status stands as follows :



TETA's current Employment Equity Status and Target (As at March 2005)

PERCENTAGES PER OCCUPATIONAL CATEGORY										
	Male				Female					
Occupational Category	African	Coloured	Indian	White	African	Coloured	Indian	White	TOTAL	Vac
Senior Officials	0	0	0	1	0	0	0	0	1	(0)
% Totals per Race Group				100						
% Total B / W				100						
Senior Management	0	2	1	4	0	0	1	2	10	(2)
% Totals per Race Group	9	18	18	55						
% Total B / W	45			55						
Professionals (ETD / ETQA)	2	1	0	1	3	0	1	1	9	(5)
% Totals per Race Group										
% Total B / W										

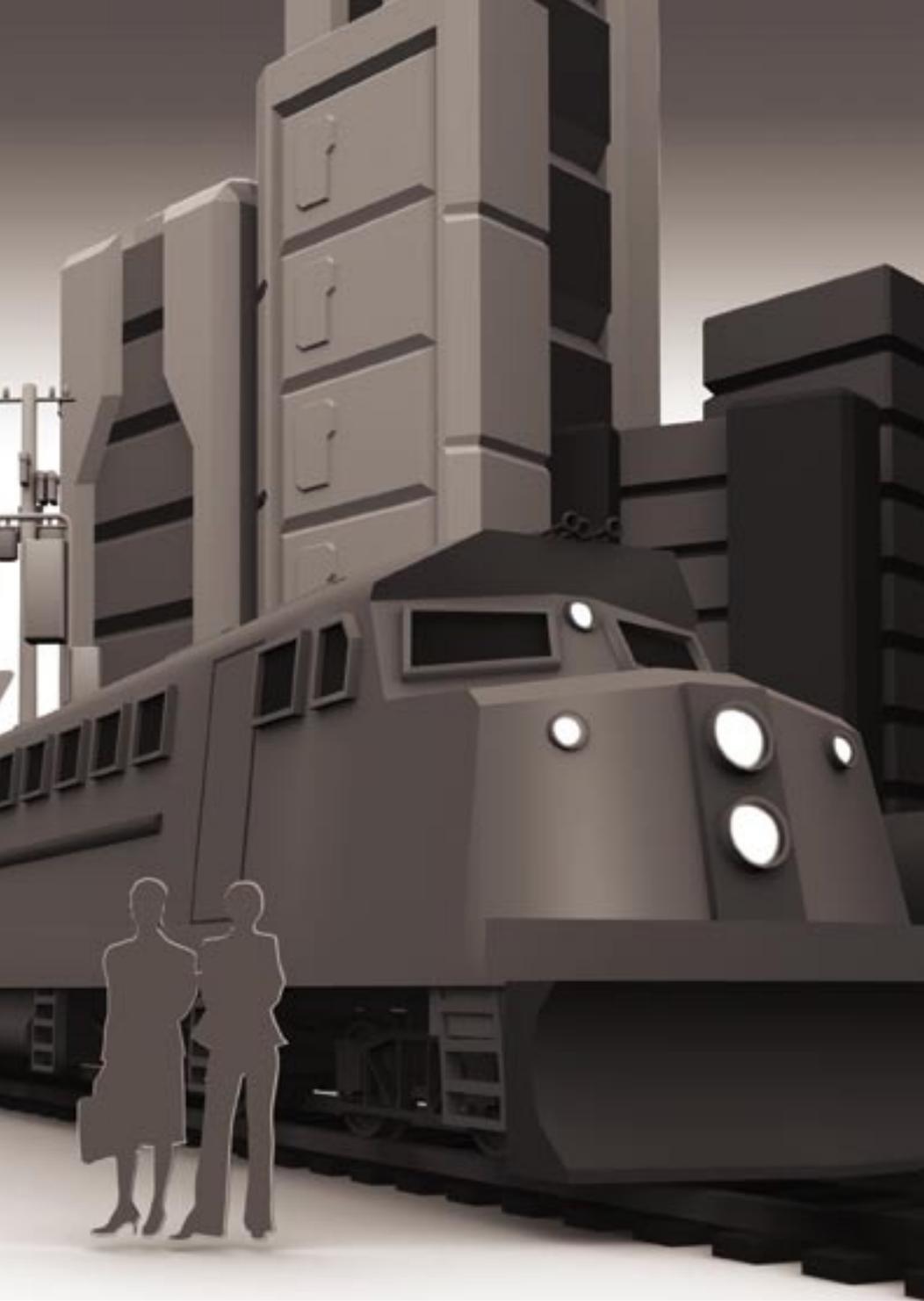
TETA's current Employment Equity Status and Target (As at March 2005)

PERCENTAGES PER OCCUPATIONAL CATEGORY										
Occupational Category	Male				Female				TOTAL	Vac
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Administrative Staff	0	0	0	0	6	1	3	4	14	(3)
% Totals per Race Group	43	7	21	29						
% Total B / W	71			29						
Elementary Occupations	1	0	0	0	3	1	0	0	5	(0)
% Totals per Race Group	80	20								
% Total B / W	100			0						
TOTAL	3	3	1	6	12	2	5	7	39	*(10)

*There are currently 10 vacancies within TETA. These will be filled through addressing equity targets.

Target (March 2010)

EMPLOYMENT EQUITY TARGETS						
	2005 - 2010					
Occupational Category	African	Coloured	Indian	White		TOTAL
Senior Officials	1					1
Senior Management	7	2 (1)	1 (2)	2		12
Professionals (ETD / ETQA)	8	2 (1)	1 (2)	3		14
Administrative Staff	10	2	2	3		17
Elementary Occupations	3	1 (0)	0(1)	1		5
TOTAL						49
% Totals per Race Group	60	10	10	20		
% Totals per Race Group current	40	15	15	30		
% Total B / W	80			20		
% Total B / W Current	70			30		
The targets will be achieved over the next five years as retirements and resignations occur and the appointment of PDIs to meet these targets.						



Marketing and Communication

TETA embarked on a new marketing and communication strategy during late 2004 which has seen an increase in its media visibility, a change in its marketing material, a new website and the relaunch of 'On the Move' - our newspaper for stakeholders of the transport sector.

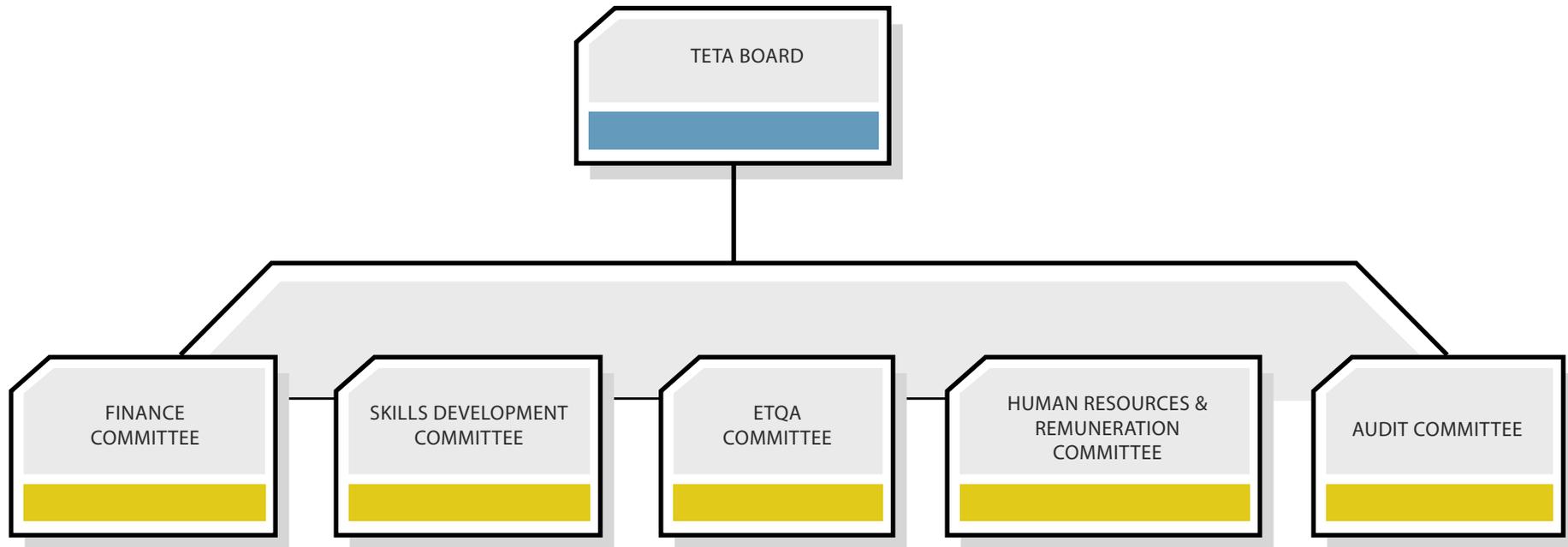
BEE Strategy

TETA has developed and is rolling out its own BEE strategy and policy through the procurement of preferred service providers for a range of goods and services for TETA's day-to-day operations.

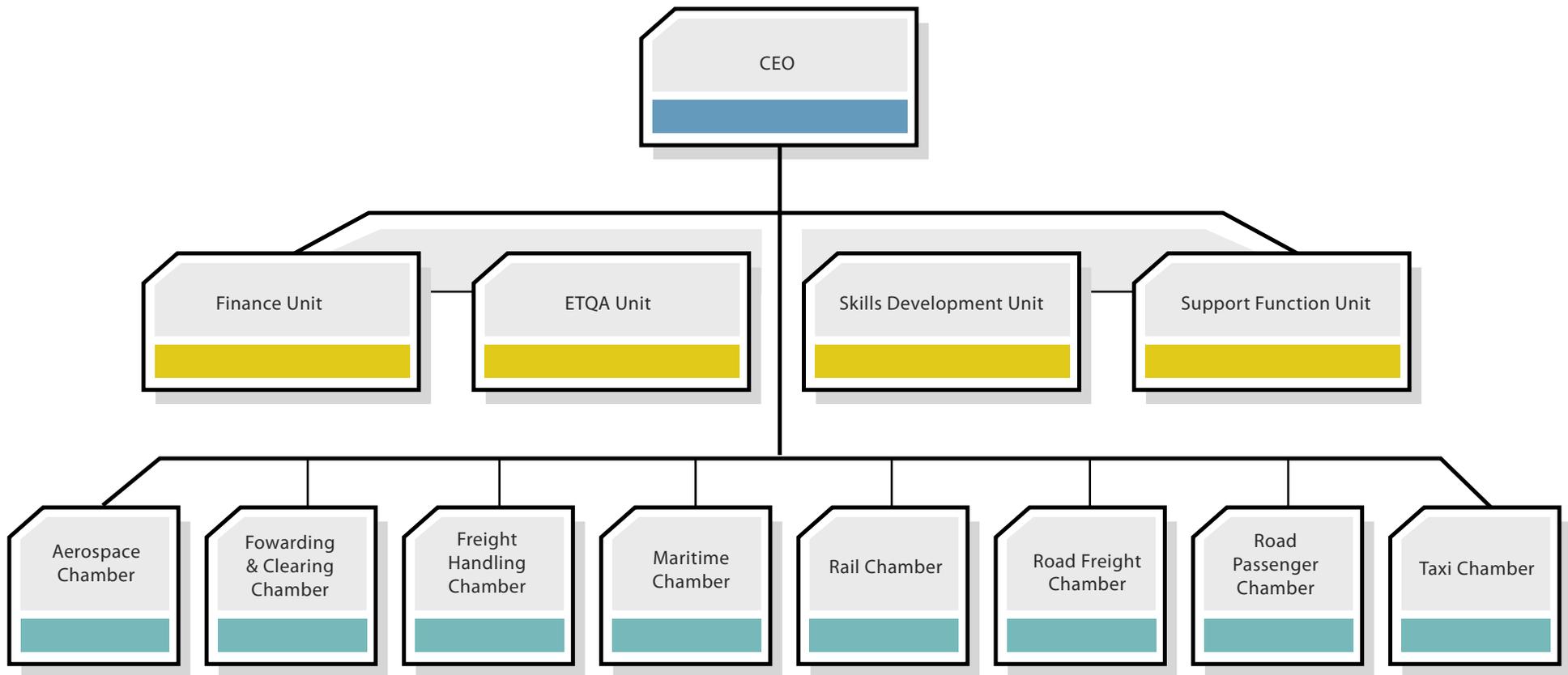
Garry de la Rue
Support Function Manager

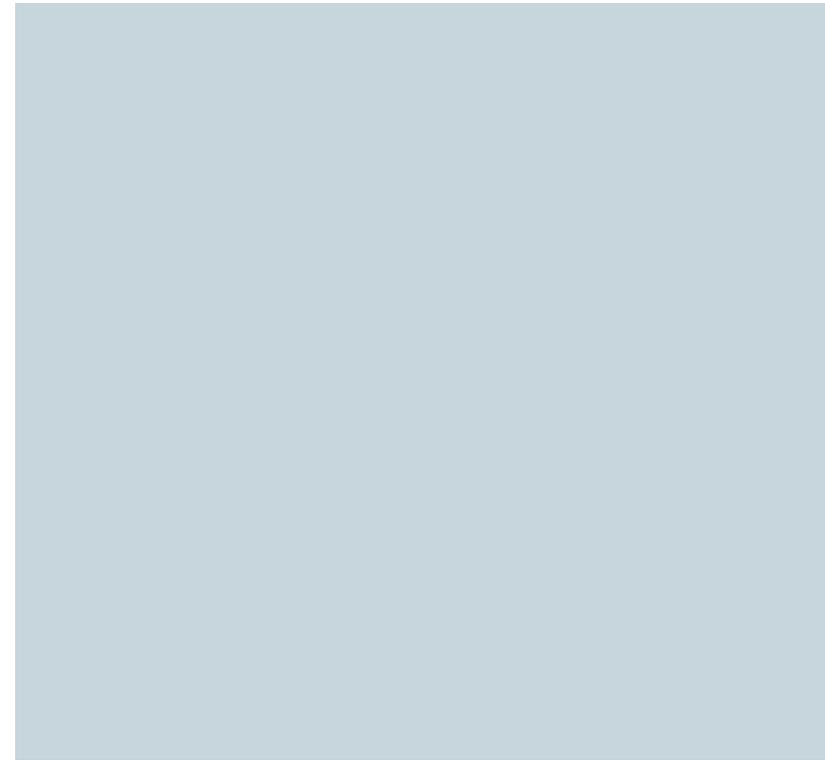
GOVERNANCE STRUCTURE

TETA comprises a Board, as well as Finance, Skills Development, ETQA and Human Resources & Remuneration Committees. At each level there is equal representation of employers and employees.



INTERNAL ORGANISATIONAL STRUCTURE







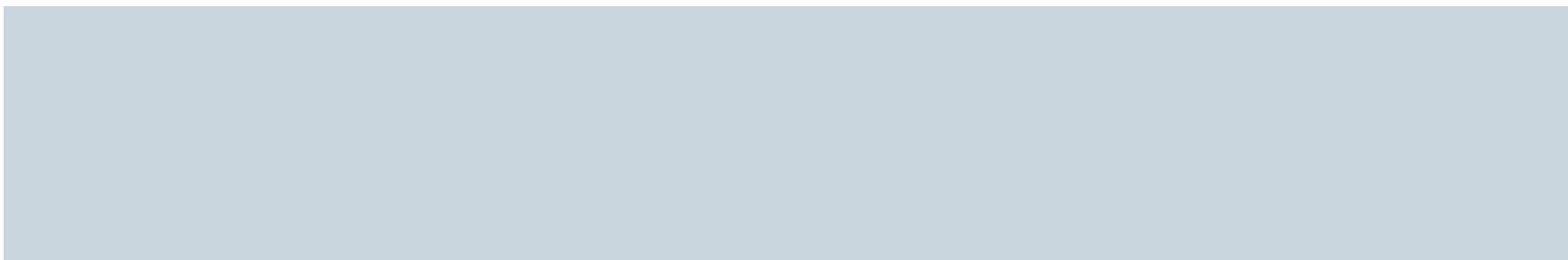


PROFILE OF TRANSPORT SECTOR PER CHAMBER, SIZE, MEMBERS AND LEVY CONTRIBUTIONS								
CHAMBER	MICRO	SMALL	MEDIUM	LARGE	UNCLASSIFIED	TOTAL	LEVIES	R'000
Aerospace	190	23	24	26	200	463		36,194,601
Forwarding and Clearing	327	48	35	24	236	670		18,196,329
Freight Handling	434	65	43	49	263	854		25,109,780
Maritime	410	64	23	24	428	949		16,826,656
Rail	25	2	0	32	39	98		51,893,273
Road Freight	2000	184	114	96	1222	3616		48,090,707
Road Passenger	2225	142	46	38	1965	4416		26,584,929
Taxi	86	9	0	0	92	187		290,296
Unknown	21	7	1	2	704	735		742,010
TOTAL	5718	544	286	291	5149	11988		R 223,928,585



Actual Trained as per ATR's

Chamber Code	Chamber name	African Male	Indian Male	Coloured Male	White Male	African Female	Indian Female	Coloured Female	White Female	Total	Total in Disabled
0	Unknown	680	1	33	40	292		4	23	1073	
2601	Aerospace	5872	615	1384	7219	2936	607	995	3056	22684	
2607	Forwarding and Clearing	2137	1345	687	2024	727	694	480	2745	10839	43
2602	Freight Handling	9042	1682	2052	2528	928	332	589	1228	18381	
2609	Maritime	2734	421	3009	2026	703	228	2247	592	11960	67
2605	Rail	25268	954	3671	14389	4584	201	868	1706	51641	
2610	Road Freight	20775	1903	4255	6210	1205	486	741	3453	39028	
2611	Road Passenger	11296	156	1749	1134	1514	85	346	392	16672	
Total		77804	7077	16840	35570	12889	2633	6270	13195	172278	110

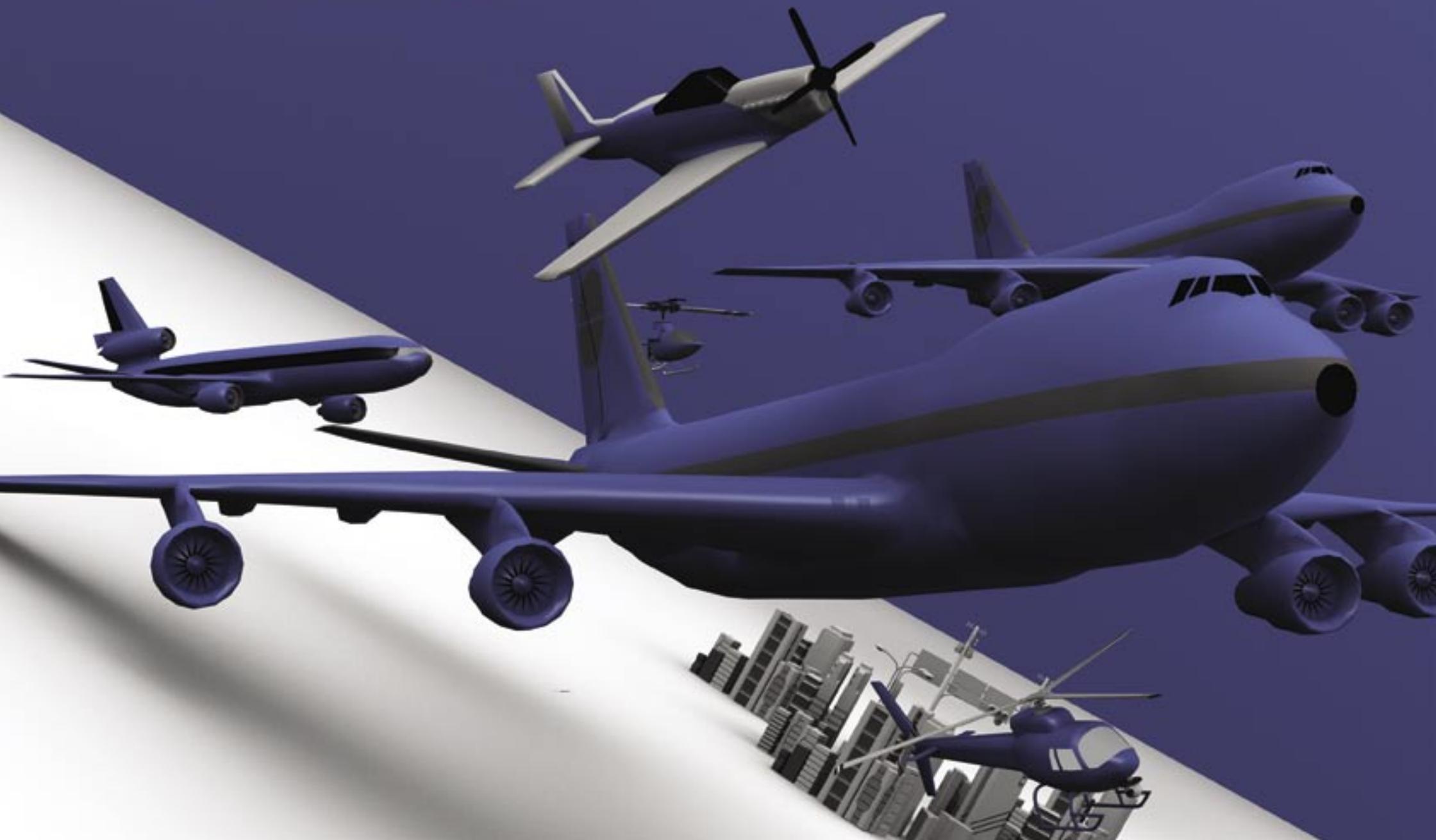


Planned Training as per WSP's

Chamber Code	Chamber name	African Male	Indian Male	Coloured Male	White Male	African Female	Indian Female	Coloured Female	White Female	Total	Total in Disabled
0	Unknown	680	1	33	40	293		4	23	1074	
2601	Aerospace	6140	624	1474	8118	3368	628	1067	3413	24832	34
2607	Forwarding and Clearing	2352	1364	729	2171	734	729	511	2901	11491	41
2602	Freight Handling	9165	1721	2162	2740	895	343	587	1325	18938	1
2609	Maritime	1821	278	2131	1536	513	179	1445	489	8392	3
2605	Rail	23119	836	3342	12574	3997	201	742	1620	46431	
2610	Road Freight	25506	2040	4697	6928	1889	481	842	3766	46149	2
2611	Road Passenger	11824	252	1829	1284	1548	63	336	397	17533	
Total		80607	7116	16397	35391	13237	2624	5534	13934	174840	81

PEOPLE & PASSION

Effectively in Motion for 2010



AEROSPACE

Liberalisation and an open skies policy among SADEC countries has resulted in increased aviation traffic into South Africa. This leads to increased demands for aviation-specific training and has been evident in the increased requests for discretionary grant funding.

Operating in the current environment, the maintenance of training standards and assessment standards in the flying training organisations has been identified as a strategic need.

In addition, the number of SMME's participating in the formal skills development process needs to be increased. This will be done through the TETA SMME project.

The facilitation of access for black entrepreneurs in the industry, specifically in the SMME sector, is a challenge that needs to be addressed. This continues to be addressed through specific training programmes, such as the TETA initiative to train a team of black helicopter pilots for the Marine Industry.

Training facilitation for highly skilled aviation-related technical and maintenance staff is a constant challenge. TETA is funding the training of 244 apprentices in all the major fields of aircraft maintenance.

TOTAL VALUE OF FUNDS DISBURSED

- Mandatory grants: R28 648 000 disbursed to industry
- A total amount of R8 777 126 was approved for 26 discretionary grants for the 2004/2005 financial year.
- A total number of 55 workplace skills plans were received, and 38 annual training reports. This indicated that a total of 79.2% people received

training during the year.

- A total number of 244 apprentices are being funded by TETA in aircraft-related maintenance trades.
- During the year we have approved a total of R2 977 516 for funding four helicopter and 12 fixed wing pilots, through the SMME strategy.

THE WAY FORWARD 2005 / 2006

During the 2005/2006 financial year, we will conduct industry-wide research to obtain a comprehensive profile of the skills needs and skills available in the sector. Funding has been made available to address skills shortages.

The Chamber will be working closely with the Regulatory Authority SACAA (South African Civil Aviation Authority) in executing the MOU between the organisations. In terms of this agreement, the organisations are jointly responsible for the accreditation of providers.

The chamber will also facilitate the standardisation of curricula and assessment standards, in close cooperation with the Civil Aviation Authority. This will assist in reaching more SMMEs, and ensuring the maintenance of training standards, specifically among flight training organisations. Specific effort is being made to increase the number of trained assessors in the industry.

Johan de Beer
Executive Officer: Aerospace Chamber

PEOPLE & PASSION
Effectively in Motion for 2010



FORWARDING AND CLEARING

OVERVIEW

Over the past five years, the Forwarding and Clearing Chamber has faced many challenges around stakeholder participation levels and the development of industry qualifications and learnerships. However, by 2005 the large and medium companies within this sub sector all came on board the National Skills Development Strategy.

SMME participation remains the major challenge facing us, since they face their own challenges with many changes happening within the industry, including Supply Chain Management and the BEE Charter.

With TETA, we are working on a new strategy to ensure that access to skills funding is more accessible to them. We anticipate that this will assist them with valuable skills development necessary to meet their challenges ahead.

THE WAY FORWARD 2005 / 2006

Globalisation is driving our sector. Our stakeholders are the architects of world transport; the lynchpins in worldwide supply chains. In our new global economy, the services provided by freight forwarders are key to keeping the supply chains in motion. Freight forwarders have many future challenges to face in light of globalisation and the rapidly evolving impact of IT on the profession. There is a real need in the industry for highly skilled, especially multi-skilled staff to operate within the context of Supply Chain Management, Procurement and Logistics.

The new cargo security regulations which came into effect since 9/11 are one of those challenges, as no aspect of the freight forwarder's work remains untouched by the issue of security. It is a fact of life in this industry and all supply chain players must adjust their mindsets to this reality. Quality management within companies is also a critical focus, as this impacts on service delivery to clients at a time when everyone is assessing their cost pressures and operating in highly competitive industries.

Freight forwarders have a myriad challenges facing them that accompany globalisation: changing conventions, new security regulations, advancement in information technology and bottlenecks within the logistics chain which are caused by congested ports and red tape. This is the time for industry players to enhance their technical know-how through skills development and training to ensure that they are operating according to international standards.

Our large business stakeholders are aligning their work toward supply chain through mergers of national and multinational companies. We continue to work with the smaller stakeholders as well, which have more of a challenge ahead in order to survive within the supply chain and the industry as a whole.

The industry and the country should be focused on 2010 as the delivery goal to ensure excellent service delivery for all.

TOTAL VALUE OF FUNDS DISBURSED

- A total number of 89 Workplace Skills Plans were received during this period, which reported on 11 298 employees in the industry.
- A total number of 59 Annual Training Reports were received from industry and of the 11 298 employees, 6363 received training during this period.
- The F&C Chamber approved 44 Discretionary Grant Projects to the value of R4, 6 Million and these included the following:
 - Learnerships for 116 unemployed learners to the value of R3 174 430.00.
 - Abet Training for 465 employed learners on various levels to the value of R1 258 743,00.
 - SDF, Assessor & Mentor Training for the industry to the value of R159 277,00.

Ingrid du Buisson

Executive Officer: Forwarding and Clearing Chamber

PEOPLE & PASSION
Effectively in Motion for 2010



FREIGHT HANDLING

OVERVIEW

The purpose of this chamber is to ensure that South Africa's freight handling industry will be a globally competitive, customer-oriented supplier of logistics solutions to its customers. It covers:

- Cargo handling
- Storage and warehousing
- Pipeline
- Port Operations, which incorporate: the six major ports of (Durban, Cape Town, Port Elizabeth, East London, Richards Bay and Saldanha) to include
- Container Dry Bulk
- Multipurpose Iron Ore
- Car.

THE WAY FORWARD 2005/2006

SA Port Operations will strive to be the lead provider of port operation services in a highly competitive market as a result of improved efficiency and effectiveness.

The stevedoring industry's death and accident rate at present mirrors the trends noted in the fishing industry in 2002. The stevedoring industry intends addressing this problem in a similar way to which the fishing industry successfully reversed these trends, by implementing an awareness campaign which will incorporate: revising the code of practice and reflecting international best practice, a deeper involvement of management and employees in a safe working environment and implementation of mandatory safety training.

In line with global best practice, the transport sector works to improve logistics and supply chain management to maximise the integration of suppliers, manufacturing and distribution operations and thereby play a pivotal role in the growth of the economy.

FREIGHT HANDLING ACHIEVEMENTS 2005:

During the year under review, 81 Workplace Skills Plans were received with planned learning programmes for 8829 learners.

There were 70 Annual Training Reports received indicating 12 112 learners who were trained. (81 % were black, 15 % women and 1 % disabled).

The total value of funds disbursed for grants was R2m in academic and R8.5m in implementation.

The Learnership Diploma in Freight Logistics was developed at a cost of R1.7-million and 42 learners were trained nationally.

Sixty six Discretionary Contracts were granted at a cost of R7. 8-million to train 1 402 learners nationally in the freight handling sector. These included:

- Learnerships
- Certificate in General Education and Training in Transport NQF 1
- Certificate in Freight Handling NQF 3
- Diploma in Freight Logistics NQF5
- ETDP
- Apprenticeships
- Skills Programmes
- Abet
- Investors in People.

CHALLENGES TO BE ADDRESSED ARE:

- Poor SMME participation in the TETA training strategy
- Training of disabled employees (employed and unemployed)
- An increase in the training of women
- Stevedoring safety induction training
- Port Management training programme.

Tuppy Coldwell

Executive Officer: Freight Handling Chamber

PEOPLE & PASSION
Effectively in Motion for 2010



The Maritime Chamber operates in the environment of ocean and coastal shipping, ocean and coastal fishing, port activities and associated land-based activities.

Both development of the sector and implementation of training remain important priorities and particular focus is given to:

- **Merchant Shipping:**
 - The announcement by the Minister of Finance of a tonnage tax regime for the shipping sector will have long-term implications for the sector. This provides an opportunity to the Maritime Chamber to analyse the likely skills needs and provide the relevant support measures to ensure these needs can be met.
- **Fishing:**
 - SAMSA's noted intention to implement STCW-Fishing in 2007, together with the current scoping exercise for the fishing industry, will provide the opportunity to ensure a coherent / aligned approach towards skills development in the sector.
- **SMMEs:**
 - Enhancing the participation of the significant SMME component in the fishing sector through specific initiatives.
- **Ports:**
 - Industry relevant qualifications, learnerships and skills programmes remain a priority with port management and pilot training receiving immediate focus.

ACHIEVEMENTS DURING 2005

Over the past year the Chamber has focused on further developing the framework for skills development and supporting or facilitating the implementation of relevant skills development initiatives within the sector. Achievements during this period include:

- Registration of two additional seafaring learnerships with the Department of Labour, i.e. National Diploma in marine engineering at level 6 (Reg No: 26Q260031-00-382-06) and the National Diploma in maritime studies at level 6 (Reg No: 26Q260030-00-382-06).
- Development of a national curriculum for the learnership in maritime operations at level 3 (Reg No: 26Q260024441203).

- Disbursing approximately R 9.3 million in mandatory grants to support the training of 7 126 employees in 76 approved workplace skills plans.
- Disbursing approximately R5.8 million in discretionary grants for the implementation of 34 projects to benefit 548 learners.
- Distributed 5 608 SMME training vouchers (valued at R729 040) under TETA's SMME Strategy. This will provide immediate access for 735 learners to SAQA and SAMSA aligned training programmes.
- Facilitated a sector initiative aimed at influencing changes in the macro environment in order to ensure sustainable berthing opportunities for the future. In support of this initiative, R780 000 was disbursed under a project designed to provide berthing opportunities to eight South African cadets aboard foreign owned vessels.
- Commenced with a sub-sector scoping exercise for the fishing sector aimed at developing a detailed plan for the development of qualifications, skills programmes and learnerships.
- Supporting implementation of the National Skills Fund Small Boat Fishing Industry Project, which has set a target of 9 778 learning interventions for the financial year in question.

CHALLENGES TO ADDRESS ARE:

- Despite some positive developments in reaching the SMME sector, ensuring that skills reach employers and employees in the sector remains a key challenge. Some of the difficulties include lack of empirical understanding on the size / profile of the sector (particularly seasonal workers, self-employed and subsistence fishing) and ensuring continuation of skills development after the allocation of MCM's long-term rights.
- Slow progress with "SAQArisation", i.e. unit standards as well as slow progress with industry's conversion towards the SAQA processes, e.g. assessment, mentoring, etc.
- A lack of South African-based training available in certain specialist fields e.g. surveyor, dredging, management of ship support functions, higher technology for ships systems, etc.
- A lack of coherent sectoral skills planning, i.e. inability to identify the actual need for maritime education and training in South Africa (region) and create a sustainable framework for the provision of maritime skills to the sector.

Victor Mühlberg

Executive Officer: Maritime Chamber



PEOPLE & PASSION
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OVERVIEW

The Rail sector is involved in the transport of goods, passengers and livestock by rail. It is also involved in the control, management, accomplishment, maintenance and exploitation of railways and rail services and in the maintenance, servicing, repair, overhaul and testing of locomotives and rolling stock.

The industry employs 51591 people with the majority of the workforce in the service, sales, artisan and related trade categories. There are 19 active levy-paying companies in the rail sub sector.

The following unions represent employees:

- South African Transport and Allied Workers Union (SATAWU)
- United Transport and Allied Trade Union (UTATU)
- National Union of Metalworkers of South Africa (NUMSA)
- United Association of South Africa (UASA)

Annual capacity in the sector delivers :

- 176 million tons of rail freight
- 194 million tons of freight through the ports
- Metrorail provides 467 million rail commuter trips
- 15.3 billion liquid fuels and 466 million cubic metres of gas are pumped through its pipelines
- Transwerk is a specialist supplier to Spoornet of new and refurbished locomotives, rolling stock and associated components with its annual production of manufacture, conversion or upgrading of some 150 locomotives, 11000 rail wagons; 300 coaches and 52000 wheels
- Plasserail is a manufacturer of heavy on-track mechanized maintenance machinery. Plasserail has machines working across Southern Africa on the rail network of Spoornet, Metrorail and various other private networks.

RAIL CHAMBER ACHIEVEMENTS

- 27559 employed and unemployed learners in the Sector participated in structured learning programmes since March 2004
- 19646 employees in the sector have completed structured learning programmes since March 2004
- R10 759 198.00 benefiting 1302 learners through discretionary grants for various apprenticeships, learnerships, skills programmes and strategic initiatives implemented by stakeholders since March 2004
- The Rail Chamber supports the Rail & Pipelines SGB in developing unit standards and qualifications for the Sector
- R31 575 000,00 Learnership Campaign Project launched to support 1263 learners in apprenticeships and learnerships for the sector
- 7 learnerships registered in the Rail Sector
- 32 apprentice trades registered in the Sector
- 12 provisionally accredited TETA ETQA providers
- 2565 learners benefiting from DG and NSF funding.

The Rail Chamber's objective for the year ahead is to conduct Capacity Building workshops for its stakeholders as outreach to all levels in the workplace. It aims to increase industry understanding of the indicators and objectives of the NSDS 2005-2009 and its integration with each organisations' business planning objectives and HRD Strategy.

June Govender

Executive Officer: Rail Chamber

PEOPLE & PASSION
Effectively in Motion for 2010



ROAD FREIGHT

OVERVIEW

To say that trucking for hire and reward has grown in South Africa is an understatement. Tonnages grew 48% from 1986 with 393 403 000 metric tons to 825 535 000 metric tons in 2003 – an impressive growth.

Whether for furniture or livestock, for paper or machinery, the wheels of our industry are busy turning; clearly proving that “without trucks, South Africa stops”.

The most lucrative product in terms of Rand value is parcel traffic, whilst the most tonnage moved can be seen in the movement of mining and quarrying products. Shapes and sizes from the numerous fleets vary according to commodities carried and range in shapes of Drop-side, Pantechicon, Flatbed, Tipper, Tanker, and Refrigerated to Low-bed bodies. At the end of 2004 there were 242 436 registered trucks in excess of 3 500 kgs and 1 464 171 below 3 500 kgs moving around South Africa.

The Road Freight Chamber services companies that transport goods for reward. These include: Bulk transport carriers, retail fleets, removal companies and international courier companies.

The sector has over 2000 companies representing 70 000 employees, with most of its people classified as Plant & Machine Operators or as Elementary Occupations. Our challenge today is to ensure that this industry remains focused and competitive and is led in a direction, which will ensure that our beautiful country continues to meet the transportation needs of our developing nation.

The following unions represent employees in the National Bargaining Council Road Freight Industry (NBCRFI):

- South African Transport and Allied Workers Union (SATAWU)
- Transport and Allied Workers’ Union (TAWU)

- Professional Transport Workers’ Union of South Africa (PTWSA)
- Motor Transport Workers’ Union of South Africa (MTWSA)
- Amalgamated Allied Workers’ Union (AMAWU)

ROAD FREIGHT CHAMBER ACHIEVEMENTS

- 36100 employees in the sector have participated in structured learning programmes since March 2004
- R17 562 656.00, benefiting 2636 learners through discretionary grants for learnerships, skills programmes and ABET implemented by stakeholders since March 2004
- 21903 employees planned to receive training and 39144 received training
- 65 employees are disabled
- One learnership registered in the Road Freight Sector: National Certificate in Professional Driving: Freight Services NQF3
- Freight handling certificate NQF3 now has porters and loaders unit standards.

The Road Freight Chamber aims specifically to increase the participation of SMMEs through the TETA SMME Strategy. The Chamber will also conduct Capacity Building Workshops for the Road Freight Chamber through SDF Forums in order to develop the industry’s understanding of the NSDS 2005 – 2010.

Noma Sejake

ETDP: Road Freight Chamber

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ROAD PASSENGER

OVERVIEW

Sub-Sector Overview

- 3795 companies are registered with the Chamber on the Department of Labour database
- 1999 companies contributed an amount of R17 623 532 in levies to the Chamber
- No less than 85% of the levies, amounting to R16 672 597, were returned to members in the form of grants for training conducted or planned in the current year
- Exactly 48% of the above grants, amounting to R8 292 527 were awarded as discretionary grants towards learnerships and skills programmes leading towards fully registered qualifications on the National Qualifications Framework (NQF)
- Companies representing 12 547 employees have planned a total of 6 569 training interventions for the year. No less than 12 509 training interventions, or an achievement 99% of the planned training interventions, have been reported for the year
- 164 learners have commenced training under the SABOA SMME Project with funding requests for an additional 160 learners under consideration.

Chamber Skills Priorities

- Driver Training is still the first priority in the Road Passenger Chamber – 43.2%
- Technical Training in the fields of mechanical and electrical vehicle maintenance – 21.1%
- Supervisory and Management Training – 19.3%
- ABET – 8.1%
- HR Training – 8%
- Information Technology – 0.4%.

Qualifications & Learnerships

- The National Certificate in Professional Driving, on NQF level 3, is fully registered with SAQA
- Three Learnerships towards this qualification in the specialisation areas of Commuter Services, Coach Services and Freight Services are fully registered with the Department of Labour
- The National Certificate in Road Transport Management, on NQF level 3 is fully registered Department of Labour
- The National Certificate in Road Transport Management Qualification, on NQF level 4 is fully registered with SAQA
- Transport Management Qualification NQF 5 on multi modal-basis is still under development.

Accreditation of Providers

- Twenty four (24) accredited service providers offering Chamber-related qualifications.

Discretionary Grant Projects: Road Passenger Chamber

- Learnerships: R13 403 800 awarded, benefiting 575 learners
- Skills Programmes: R647 525 awarded, benefiting 249 learners
- ABET: R729 000.00 awarded, benefiting 324 learners.

Willem Schutte

Executive Officer: Road Passenger Chamber

PEOPLE & PASSION
Effectively in Motion for 2010





OVERVIEW

The taxi industry in South Africa is primarily an informal sector with an estimated 250 000 employees and 150 000 operators. It carries an estimated 62% of South African commuters daily.

Although it is informal, with only 91 companies registered for skills levies, the economic power of the taxi industry is immense as it spends R15 billion a year on fuel and R10 billion on tyres, let alone the contribution to national treasury in terms of VAT.

The Taxi Chamber looks after skills development initiatives for drivers, rank officials and owners.

ACHIEVEMENTS

There have been increased skills development initiatives in the industry over the last financial year.

NSF PROJECT

The NSF Project has seen four main programmes being offered. These were:

- Professional Driving – 1080 learners trained
- Customer Care – 360 learners trained
- Generic Business Administration – 900 candidates trained
- Mentorship Programme – 80 candidates trained.

One of the highlights was the graduation ceremony held in November 2004 where 87 learners received certificates.

LEARNERSHIPS

Through an initiative of Unicab, a major levy payer in the taxi industry, 50 employed learners were placed on an NQF level 3 Professional Driving learnership. A further 14 learners have been placed on mentorship and business administration skills programmes.

SMME PROJECT

The majority of taxi operators in South Africa can be regarded as SMME companies. A number of applications have been received for funding via the SMME project route and are awaiting approval before commencing on a range of generic business skills programmes

CHALLENGES TO ADDRESS

A major challenge for the year ahead will be for the successful conclusion of the current NSF Project, which terminates in June 2005.

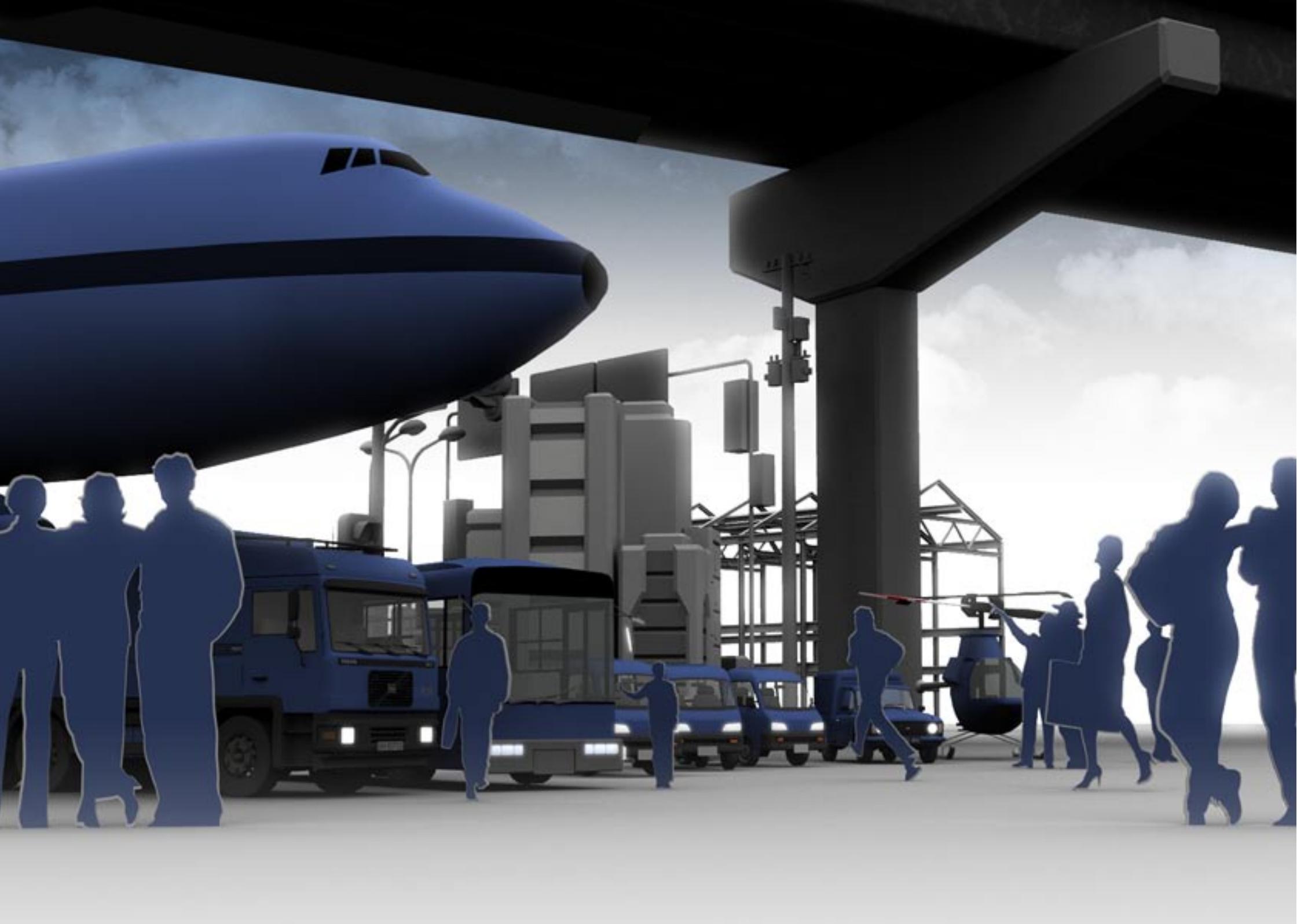
A further 3000 drivers, 270 rank marshals and 750 taxi owners will benefit from training initiatives related to professional driving, customer care and generic business skills programmes in all provinces.

The Chamber is also looking to make a meaningful contribution towards the formalisation of the industry into the mainstream economy of the country.

The 2010 Soccer World Cup is a major milestone for the industry. The improvement of skills will be a major focus to ensure that the taxi industry is prepared for the event in terms of transport logistics, public perception and tourism spin-offs.

Roger Pfeiffer

Acting Executive Officer: Taxi Chamber



NATIONAL SKILLS FUND PROJECT *(SMALL BOAT AND TAXI INDUSTRIES)*

The project was initiated in April 2000 by TETA through an application to the National Skills Fund in line with the National Skills Development Strategy Initiatives.

TETA was awarded R72 million for the project with aim being to bring competitiveness and professionalism to SMMEs in both the Taxi and Small Boat Fishing Industry sub sectors in order to develop sustainable enterprises, job creation and economic growth through quality training and support services.

Initially, a total of 3000 learners across both sub sectors were targeted to receive training. Implementation was slow in the first year but gathered steam as time progressed.

To date, a total of 20 671 learning interventions (4183 in taxi; 16488 in the small boat fishing industry) have been offered across both sub sectors in 18 different skills programmes. This exceeds the targets initially set by close on 600%, a massive achievement, to say the least, taking into account that this was achieved with just over R62 million being expended over the duration of the project. This bodes well for any future initiatives that might be implemented.

All the training interventions were needs-driven and focused on areas such as professional driving, customer care, safety at sea, ABET, etc. Training was also conducted across all nine provinces in respect of taxi and seven fishing hubs in respect of maritime.

This project, and the huge success of it, could not have been achieved without the contributions made by the training providers, major stakeholders from both employer and employee representative groups, national and provincial government, the dedicated and hardworking TETA staff allocated to the project, but particularly the learners who showed the desire and willingness to learn. The benefits are already being seen in the maritime industry, with a reduction in the number of fatalities at sea.

The project terminates in June 2005. There is a definite need for further training and it has only begun to scratch the surface in the taxi industry where an estimated 2% of the workforce have benefited from this initiative. Major challenges will be to gain access to additional funding in order to keep the momentum going, as well as allocate dedicated human resources to such future projects, since both employers and employees are reaping the benefits of skills development.





REPORT OF AUDIT COMMITTEE

TRANSPORT EDUCATION AND TRAINING AUTHORITY • ANNUAL FINANCIAL STATEMENTS 31 MARCH 2005

We are pleased to present our report for the financial year ending 31 March 2005.

Audit Committee members and attendance

The audit committee consists of the members listed hereunder and meets at least 4 times per annum as per its approved terms of reference. During the current year seven (7) meetings were held:

Name of Member Attended	Number of Meetings
Mr C D Kneale (Chairperson)	7
Mr O Moosa	7
Mr I Tayob (Resigned 12 May 2004)	1
Mr G Strauss	4
Mr A Johnson (Resigned 14 June 2004)	2
Mr B Gie	1



Audit Committee Responsibility

The Audit Committee reports to the Board of TETA with its powers, role and responsibilities contained in the Audit Committee terms of reference approved by the Board. It has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Effectiveness of internal control

The system of internal control is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the Public Finance Management Act (PFMA) read in conjunction with the King Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the internal auditors, the Audit Report on the Annual Financial Statements, and management letter of the Auditor-General (external auditors), it was noted that the system of internal control was not entirely effective for the year under review as some significant control weaknesses were reported as well as non compliance with prescribed policies and procedures were lacking in certain instances. The effect of these instances has not had a material effect on the financial statements or impaired the ability of TETA to achieve its business goals and objectives.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the annual report with the Auditor-General and the Board.
- Reviewed the Auditor-General's management letter and management's response thereto.
- Reviewed that an annual risk assessment has been undertaken by management and submitted to the Board for approval.
- Reviewed significant adjustments resulting from the audit

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



REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE TRANSPORT EDUCATION AND TRAINING AUTHORITY (TETA) FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 74 to 109, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 14(6)(a) of the Skills Development Act, 1998 (Act No. 97 of 1998). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

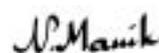
I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the TETA at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act 1999 (Act No 1 of 1999) as amended.

4. APPRECIATION

The assistance rendered by the staff of the TETA during the audit is sincerely appreciated.



N Manik
for Auditor-General

Pretoria - 31 July 2005



Transport Education and Training Authority Financial Statement for the year ended 31 March 2005

Audited

The Annual Financial Statements for the year ended 31 March 2005, set out on pages 74 to 109, have been approved by the Accounting Authority in terms of section 51(1) (f) of the Public Finance Management Act (PFMA), No 1 of 1999 on 26th May 2005, and are signed on their behalf by:



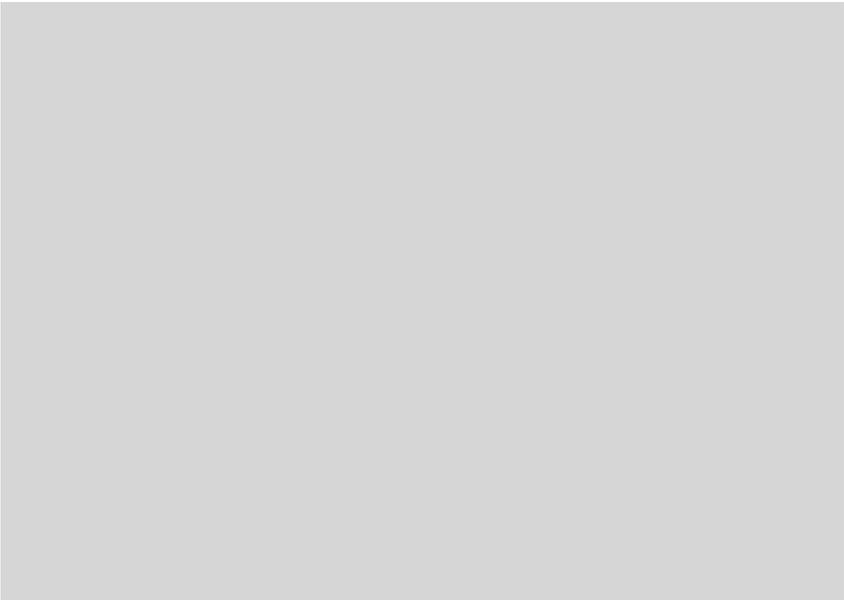
Dr P Bothma (TETA CEO)



Mr B Jacklin (TETA Chairperson)



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31 MARCH 2005
REPORT OF THE ACCOUNTING AUTHORITY

TRANSPORT EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS • 31 MARCH 2005

ACCOUNTING AUTHORITY REPORT

Report by the Board of the Transport Education and Transport Authority (TETA), to the Minister of Labour (as the Executive Authority) and Parliament.

Business Address

Physical Address

2nd Floor, Sonsono Building
344 Pretoria Avenue
Randburg
2125

Postal Address

Private Bag X10016
Randburg
2125



Board members and attendance

The Board consists of the members listed hereunder and meets at least 5 times per annum as per its approved terms of reference. During the current year seven (7) Board meetings were held:

TETA NOMINATED BOARD MEMBERS 2004 - 2005				
Board Members				
Representing	Employers Group	Meetings Attended	Employees Group	Meetings Attended
	Member		Member	
	Name		Name	
Aerospace	Joe Joubert	4	Susan Venter	4
			Martin Hicklin (A)	1
	Marlouise Booyse	6	Lawrence Eckersley	3
Forwarding and Clearing	Edward Little	5	Andries Skosana	4
			Solly Singh	3
Freight Handling	Brad Jacklin	6	Marcus Mhlongo	2
			Veronica Mesatywa	6
Maritime	Steve O'Brien	6	Thulani Dlamini	5
	Gavin le Roux (A)	2		
	Richard Morkel	3	Wyndham Evans	6
Rail	Johannes Makhusha	5	George Strauss	3
			Sam Matlala	5
	Johanna Joubert	3		
	Andrew Johnson (A)	2		
Road Freight	Johan van der Walt	2	June Dube	5
			Abner Ramakgolo	6
	Tony d'Almeida	5		
Road pax	Barry Gie	4	Z D Leni	6
	Jan Grobler (30 July 2004)	1		
	Louis du Plessis		Gary Wilson	4
Taxi	J Mokoena	6	B Khota	5
			S M Old John (A)	1
	A Peterson	6	Zakhele Sibeko	5

Board member and committee remuneration

	Meetings				Total Cost R
	Board R	Sub-committees R	Chamber Mancoms R	Audit Committee R	
Attendance fees	76 935	8 333	211 162	30 022	326 452
Travel Claims	88 232	31 017	72 088	11 596	202 933
Cellphone allowances	21 000				21 000
TOTAL	R186 167	R39 350	R283 250	R41 618	R550 385

Executive and senior management remuneration

Remuneration in respect of executive and senior management for the financial year ending 31 March 2005:

Position	Name	Remuneration Paid Cost to Company
Chief Executive Officer	Dr Piet Bothma	568 879
Chief Financial Officer	Mr Dalpat Naran	376 025
ETQA Manager	Mr Wayne Adams	411 144
Skills Development Manager	Mr Leon White	354 615
Support Function Manager	Mr Garry de la Rue	285 681
Executive Officer, Aerospace	Mr Johan de Beer	387 131
Executive Officer, Forwarding & Clearing	Ms Ingrid du Buisson	377 909
Executive Officer, Freight Handling	Ms Kathryn Coldwell	391 904
Executive Officer, Maritime	Mr Victor Mulhberg	370 155
Executive Officer, Rail	Mr Nathi Thethe	121 897
Executive Officer, Rail	Ms June Govender	163 265
Executive Officer, Road Freight	Ms Dudu Letseli (Resigned)	401 568
Executive Officer, Road Passenger	Mr Willem Schutte	440 893
Executive Officer, Taxi	Ms Pamela Choma (Dismissed)	179 321
TOTAL		R4 830 387



Statement of responsibility

The Board of TETA as the accounting authority in terms of the Provisions of The Public Finance Management Act (No. 1 of 1999), as amended, has ensured via the office of the CEO and a number of assurance provision mechanisms that the entity has maintained full and proper records of the financial affairs of TETA for the financial year ending 31 March 2005.

The compilation of the Annual Financial Statements are the responsibility of the of the Board and that it is the responsibility of the Office of the Auditor-General as the external auditors to independently audit and report on the Annual Financial Statements.

General state of affairs

The Board is of the view that the Annual Financial Statements for the financial year ending 31 March 2005, fairly present the state of affairs of TETA, its financial results and that they are presented in terms of Generally Accepted Accounting Practice (GAAP) and the Companies Act.

Based on the financial results and positive cash flow of TETA, the Board is of the view that TETA will continue as a going concern into the year ahead (the financial year ending 31 March 2006).

Transfer payments

Payments of mandatory and discretionary grants as well as project expenditure are effected to registered business and or institutions within the transport sector in terms of the Skills Development Act and the applicable Regulations. Refer to accounting policy 4 and note 5.

Utilisation of National Skill Fund (NSF)

NSF funds are managed by TETA on behalf of the National Skills Authority. Such funds are utilised for the purposes of funding skill development projects for non-levy-paying transport entities within the informal transport sector. Refer to accounting policy 3.3 and note 12.

Discontinued activity

The function of receiving of maritime levies within the fishing industry was ceased as a TETA function with effect from 1 April 2004 in accordance with the Skills Development Levies Act, as the legislative mandate for the collection of levies is the role and responsibility of SARS.

Services rendered

TETA renders a number of services in terms of its legal mandate as follows:

- Skill levy grant disbursements
- Skills development
- Education training quality assurance

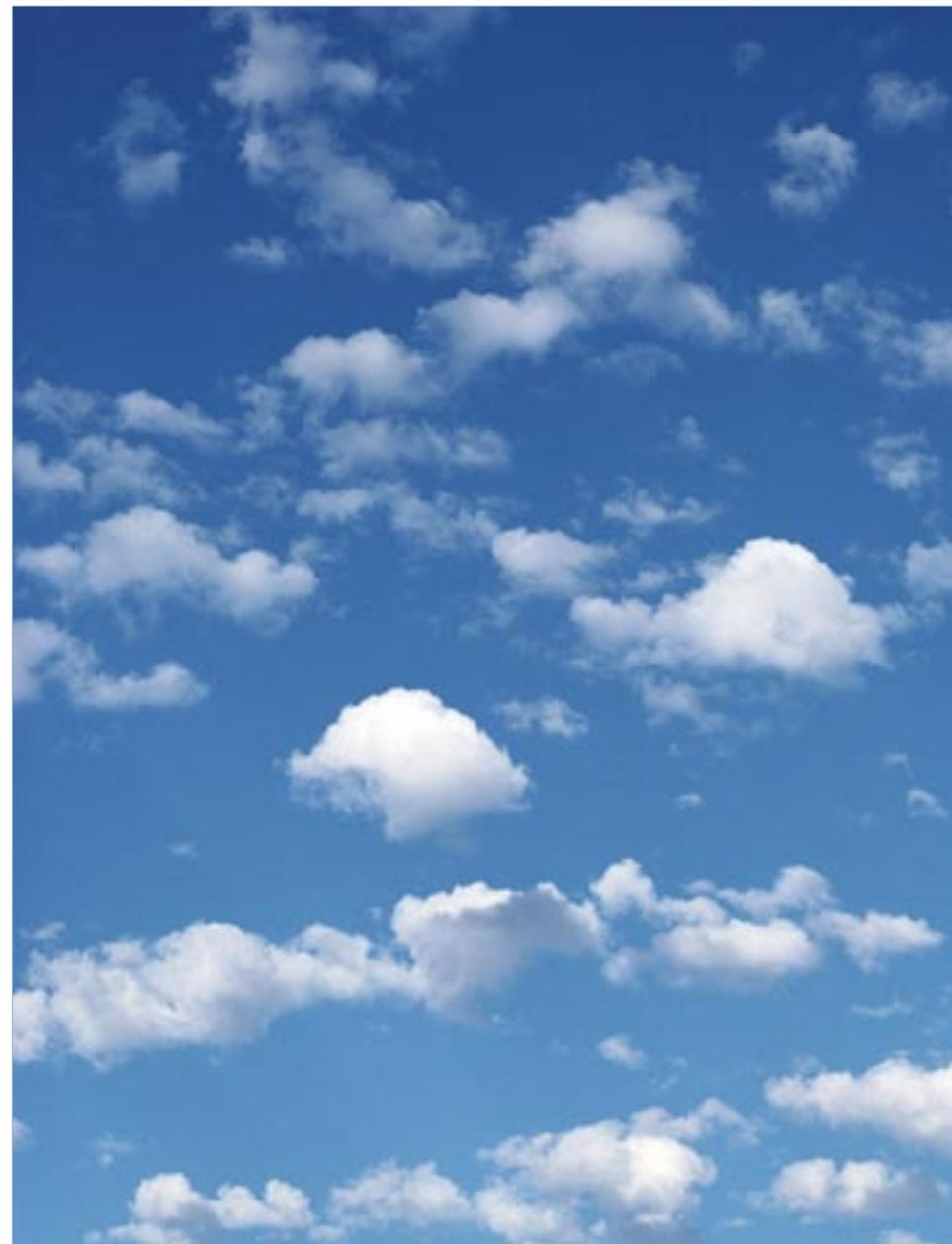




INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)				
FOR THE YEAR ENDED 31 MARCH 2005				
			2004/05	2003/04
	Note		R'000	R'000
REVENUE				
Skills Development Levy: income	2		194,478	159,765
Skills Development Levy: penalties and interest			1,741	3,690
National Skills Fund income	12		33,158	4,584
Donations for special projects	13		-	2,000
Investment income	3		23,072	20,330
Other income	4		91	920
Total revenue			252 540	191 289
EXPENSES				
Employer grant and project expenses	5		(127,501)	(96,332)
Administration expenses	6		(21,098)	(18,779)
Finance costs	7		(65)	(16)
National Skills Fund expenses	12		(33,158)	(4,584)
Special project expenditure	13		-	(2,000)
Total expenses			(181 822)	(121 711)
NET SURPLUS FOR THE YEAR	1		70 718	69 578



BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)				
AS AT 31 MARCH 2005				
			2004/05	2003/04
	Note		R'000	R'000
ASSETS				
Non-current assets				
Property, plant and equipment	8		5,063	5,764
TOTAL			5 063	5 764
Current assets				
Accounts receivable	9		34,488	45,239
VAT receivable			1,150	655
Cash and cash equivalents	10		372,092	221,705
TOTAL			407 730	267 599
TOTAL ASSETS			412 793	273 363
EQUITY AND LIABILITIES				
Funds and reserves				
Employer grant reserve			87,400	75,440
Discretionary reserve			231,858	173,100
TOTAL			319,258	248,540
Current liabilities				
Accounts payable	11		26,199	20,909
National Skills Fund received in advance	12		66,664	3,180
Provisions	14		672	734
TOTAL			93 535	24 823
TOTAL NET FUNDS AND LIABILITIES			412 793	273 363



STATEMENT OF CHANGES IN EQUITIES							
FOR THE YEAR ENDED 31 MARCH 2005							
	Notes	Administration reserve	Employer grant reserve	Discretionary reserve	Capitalisation reserve	Unappropriated surplus	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2003		1 665	23 064	1 066	7863	-	33 658
Errors (Fundamental Errors)	21	1 721	81 705	61 878	-	-	145 304
Restated balance		3 386	104 769	62 944	7863	-	178 962
Net surplus per Income Statement		-	-	-	-	69 578	69 578
Allocation of unappropriated surplus		1 111	49 331	19 122	14	(69 578)	-
Excess reserves transferred to Discretionary reserve		(4 497)	(78 660)	91 034	(7 877)	-	-
Balance at 31 March 2004		-	75 440	173 100	-	-	248 540
Net surplus per Income Statement		-	-	-	-	70 718	70 718
Allocation of unappropriated surplus	1	831	69 522	365	-	(70 718)	-
Excess reserves transferred to Discretionary reserve		(831)	(57 562)	58 393	-	-	-
Balance at 31 March 2005		-	87 400	231 858	-	-	319 258

CASH FLOW STATEMENT				
FOR THE YEAR ENDED 31 MARCH 2005				
			2004/05	2003/04
	Note		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating activities				
Cash receipts from stakeholders			210 306	175 356
Levies, interest and penalties received	2		208 182	173 207
Other cash receipts from stakeholders			(1 124)	(567)
VAT received			3 248	2 716
Cash paid to stakeholders, suppliers and employees			(179 362)	(136 729)
Grants and project payments			(125 631)	(99 316)
Special projects			(33 158)	(6 584)
Compensation of employees			(10 364)	(9 969)
Payments to suppliers and other			(6 466)	(15 962)
VAT paid			(3 743)	(4 898)
<i>Cash generated from operations</i>	15		30 944	38 627
Investment income	3		23 072	20 330
Finance cost	7		(65)	(16)
Net cash inflow from operating activities			53 951	58 941
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and investment properties	8		(210)	(840)
Proceeds from disposal of property, plant and equipment and investment properties	8		4	1
Net cash outflow from investing activities			(206)	(839)
CASH FLOW FROM FINANCING ACTIVITIES				
Grants, transfers and funds received	12 & 13		96 642	9 079
Net cash inflow from financing activities			96 642	9 079
Net increase in cash and cash equivalents			150 387	67 181
Cash and cash equivalents at beginning of year	10		221 705	154 524
Cash and cash equivalents at end of year	10		372 092	221 705

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

The annual financial statements have been prepared in accordance with Statements of Generally Accepted Accounting Practice and the Public Finance Management Act (PFMA), Act 1 of 1999 as amended.

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. Basis of preparation

The financial statements have been prepared on the historical cost basis.

2. Currency

These financial statements are presented in South African Rands since that is the currency in which the majority of the entity transactions are denominated.

3. Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably.

3.1 Levy income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), registered member companies of the Seta pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS).

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

Levy income is recognised on the accrual basis.

A net receivable/payable is recognised for levies accrued as well as estimated SARS adjustments. An estimate due to retrospective adjustments by SARS is based on a differences occurring between company proof of payment and levies received. Outstanding levies due at year-end are based on average amounts previously received or when possible the actual levies received after year-end. Changes to prior year estimates are accounted for in revenue in the current period.

Revenue is adjusted for interSeta transfers due to employers changing Seta's. Such adjustments are separately disclosed as InterSeta transfers. The amount of the interSeta adjustment is calculated according to the Standard Operating Procedure issued by the Department of Labour in June 2001.

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

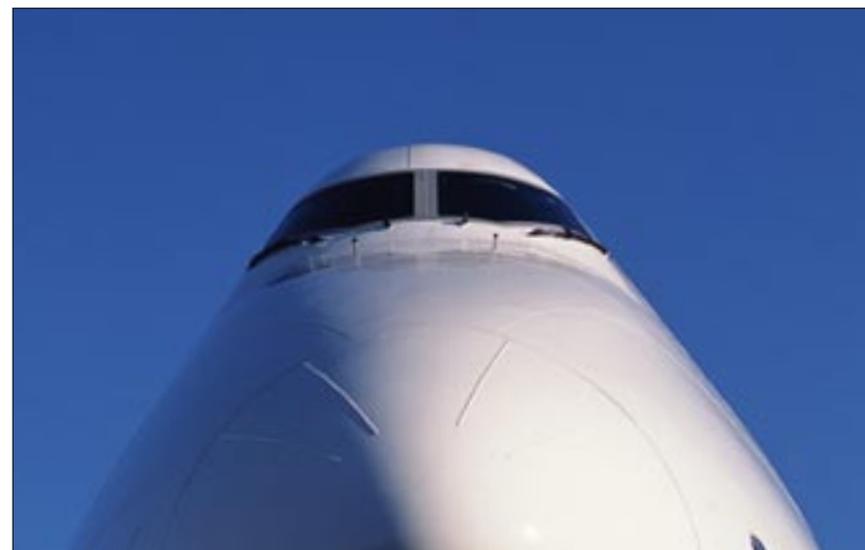
3.2 Interest and penalties

Interest and penalties on the skills development levy is recognised on the accrual basis.

3.3 Funds allocated by the National Skills Fund for Special Projects

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the Seta as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue recognised.

Property, plant and equipment acquired for NSF Special Projects are capitalised in the financial statements of the Seta, as the Seta controls such assets for the duration of the project. Such assets could however only be disposed of in terms of agreement and specific written instructions by the NSF.



ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

3.4 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.

3.5 Investment income

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

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 Act 1999 (Act No 9 of 1999).

Mandatory grants

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the agreed upon cut-off period and the application has been approved as the payment then becomes probable. The grant is equivalent to 15% and 45% (2003: 15% and 45%) of the total levies paid by the employer during the corresponding financial period for the skills planning grant and skills implementation grant respectively.

Discretionary grants

A Seta may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. The grant payable is limited to the actual amount paid for actual obligations honoured in terms of the contract signed.

Project expenditure

Project expenditure comprise:

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

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

Project costs are recognised as expenses in the period in which they are incurred. A receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred in terms of the contract.

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,
- The Skills Development Act,
- The Skills Development Levies Act,

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

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

6. Property, plant and equipment

Land is not depreciated as it is deemed to have an indefinite life. Property, plant and equipment (owned and leased) are stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is calculated on the straight-line method to write off the cost of each asset to estimated residual value over its estimated useful life as follows:

- Computer equipment	33%
- Office furniture and Equipment	20%
- Motor vehicles	25%

The estimated useful life of the assets are limited to the remaining period of the licence issued to the Seta by the Minister of Labour. For the current year the remaining period is 5 years (2004: 1 year).

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 operating profit.

7. Provisions

Provisions are recognised when the Seta has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Long-term provisions are discounted to net present value.

7.1 Provision for employee entitlements

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

7.2 Provisions for grants

Grant payments

A provision is recognised for grant payments once the specific criteria set out in the regulations to the Skills Development Act, 97 of 1998 has been complied with by member companies and it is probable that the Seta will approve the payment. The measurement of the obligation involves an estimate, based on the established pattern of past practice of approval for each type of grant.

Projects

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 commitments in the notes to the financial statements.

8. Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the Seta's balance sheet when the Seta becomes a party to the contractual provisions of the instrument.

All "regular way" purchases and sales of financial assets are initially recognised using trade date accounting.



ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The Seta's principle financial assets are accounts and other receivable and cash and cash equivalents.

Investments and loans

The following categories of investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity, or at cost if there is no fixed maturity:

- Loans and receivables originated by the group;
- Held-to-maturity investments;
- An investment that does not have a quoted market price in an active market and whose fair value cannot be measured reliably.

Cost and amortised cost are inclusive of any impairment loss recognised to reflect irrecoverable amounts. The financial assets are subject to review for impairment at each balance sheet date.

Investments other than those listed above are classified as available-for-sale investments or investments held-for-trading and are measured at subsequent reporting dates at fair value without any deduction for transaction costs that may be incurred on sale or other disposal.

Accounts and other receivables

Accounts and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

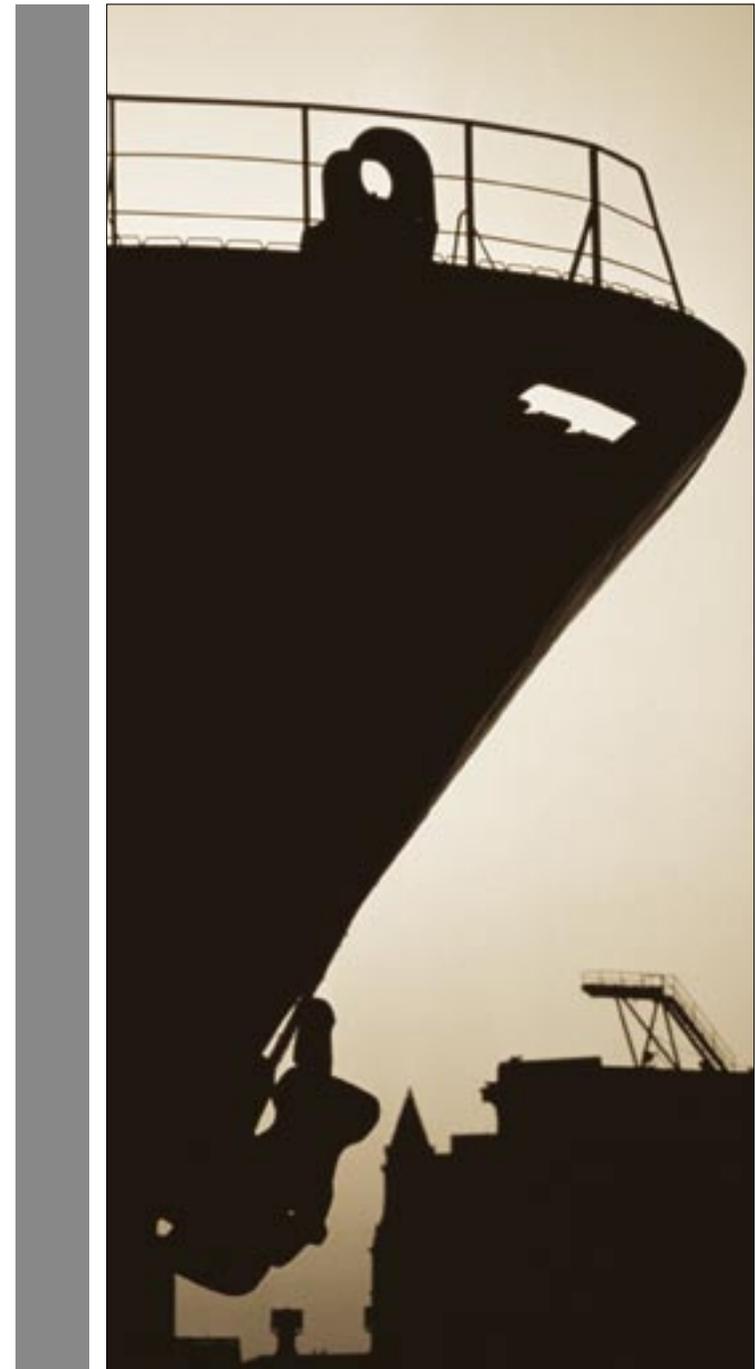
Financial liabilities

The Seta's principal financial liabilities are interest bearing borrowings, accounts and other payables and bank overdraft.

All financial liabilities are measured at amortised cost, comprising original debts less principle payments and amortisations, except for financial liabilities held-for trading and derivative liabilities, which are subsequently measured at fair value.

Fair value considerations

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





ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

9. Reserves

Equity is sub-classified in the balance sheet between the following funds and reserves:

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

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).

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:

	2004/05	2003/04
	%	%
Administration costs of the Seta	10	10
Employer Grant Fund Levy	60	60
Mandatory Workplace Skills Planning Grant	15	15
Mandatory Workplace Skills Implementation Grant	45	45
Discretionary grants and projects	10	10
TOTAL	80	80

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to pay for its 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 are utilised in accordance with the original source of the income.

The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve based on the above.

Surplus funds are moved to the discretionary fund reserve from the administration reserve on the balance remaining and from the mandatory grant reserve upon budget review process of required funds.

10. Comparative figures

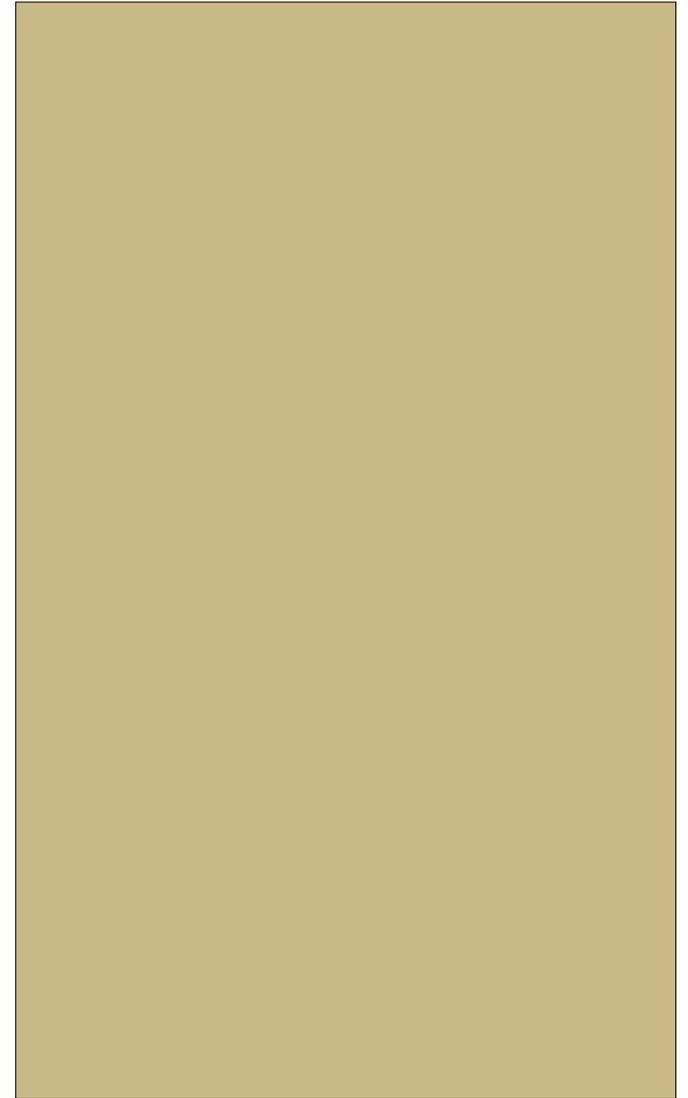
Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

1. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES:

	Total per Income Statement	Employer grants reserve				Discretionary reserve			
		Administration reserve	Mandatory skills planning grant	Mandatory skills implementation grant	Total	Discretionary grants	National Skills Fund Special projects	TETA Projects	Total discretionary
<i>Total revenue</i>	252 540	21 994	36 960	110 879	147 838	26 478	33 158	23 072	82 708
Skills development levy: income									
Admin levy income (10%)	21 903	21 903	-	-	-	-	-	-	-
Grant levy income (70%)	172 575	-	36 960	110 879	147 838	24 737	-	-	24 737
Skills development levy: penalties and interest	1 741	-	-	-	-	1 741	-	-	1 741
National Skills Fund income	33 158	-	-	-	-	-	33 158	-	33 158
Investment income	23 072	-	-	-	-	-	-	23 072	23 072
Other income	91	91	-	-	-	-	-	-	-
<i>Total expenses</i>	(181 822)	(21 163)	(27 579)	(50 738)	(78 317)	(32 654)	(33 158)	(16 530)	(82 342)
Administration expenses	21 098	21 098	-	-	-	-	-	-	-
Finance costs	65	65	-	-	-	-	-	-	-
National Skills Fund expenses	33 158	-	-	-	-	-	33 158	-	33 158
Employer grants and project expenses	127 501	-	27 579	50 738	78 317	32 654	-	16 530	49 184
Net surplus/(deficit) per Income Statement allocated	70 718	831	9 380	60 141	69 521	(6 177)	-	6 542	365



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

2. SKILLS DEVELOPMENT LEVY INCOME

	2004/05	2003/04
	R'000	R'000
The total levy income per the Income Statement is as follows:		
Levy income: Administration	21 904	17 623
Levies received	23 244	18 875
Levies received from SARS	22 926	18 527
Government levies received	440	333
Interseta transfers in	13	375
Interseta transfers out	(135)	(360)
Levies accrued	(1 340)	(1 251)
Levy income: Employer Grants	147 838	121 386
Levies received	156 943	129 432
Levies received from SARS	157 773	129 342
Interseta transfers in	90	2 252
Interseta transfers out	(920)	(2 162)
Levies accrued	(9 105)	(8 046)
Levy income: Discretionary Grants	24 737	20 756
Levies received	26 254	21 210
Levies received from SARS	26 392	21 195
Interseta transfers in	15	375
Interseta transfers out	(153)	(360)
Levies accrued	(1 517)	(454)
	194 478	159 765

3. INVESTMENT INCOME		
	2004/05	2003/04
	R'000	R'000
Interest income	23,072	20,330
Investments	19,586	15,355
Bank deposits	3,486	4,975
	23,072	20,330
4. OTHER INCOME		
	2004/05	2003/04
	R'000	R'000
Other income comprises:		
Rental income	139	159
Profit on disposal of property, plant and equipment	4	1
Other	(52)	760
Fishing Levies	(52)	746
Closure of ITB Bank account		14
	91	920

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

5.	EMPLOYER GRANT AND PROJECT EXPENSES		2004/05	2003/04
			R'000	R'000
	Mandatory grants		78 317	73 289
	Disbursed		74 910	73 012
	Movement in provisions and accruals		3 407	277
	Discretionary grants		32 654	18 978
	Disbursed		32 654	18 978
	Project expenditure	5.1	16 530	4 065
	Disbursed		18 066	7 326
	Movement in provisions and accruals		(1 536)	(3 261)
			127 501	96 332
5.1	Project expenditure consist of:			
	Direct project costs		16 530	4 065
			16 530	4 065

6.	ADMINISTRATION EXPENSES		2004/05	2003/04
			R'000	R'000
	Depreciation		911	825
	Loss on disposal of property, plant and equipment			13
	Operating lease rentals (minimum lease payments)		691	578
	Buildings		390	349
	Plant, machinery and equipment		301	229
	Maintenance, repairs and running costs		1 024	540
	Property and buildings		835	441
	Machinery and equipment		189	99
	Restructuring costs		22	119
	Entertainment expenses		189	208
	Consultancy and service provider fees		1 511	1 023
	Legal fees		40	7
	Cost of employment	6.1	10 302	10 145
	Travel and subsistence		2 886	2 357
	Staff training and development		191	233
	Remuneration to members of the accounting authority		550	280
	Remuneration to members of the audit committee		42	2
	External auditor's remuneration		69	281
	Other		2 670	2 168
	Temporary Staff not on TETA payroll		511	108
	General Expenses		2 159	2 060
			21 098	18 779

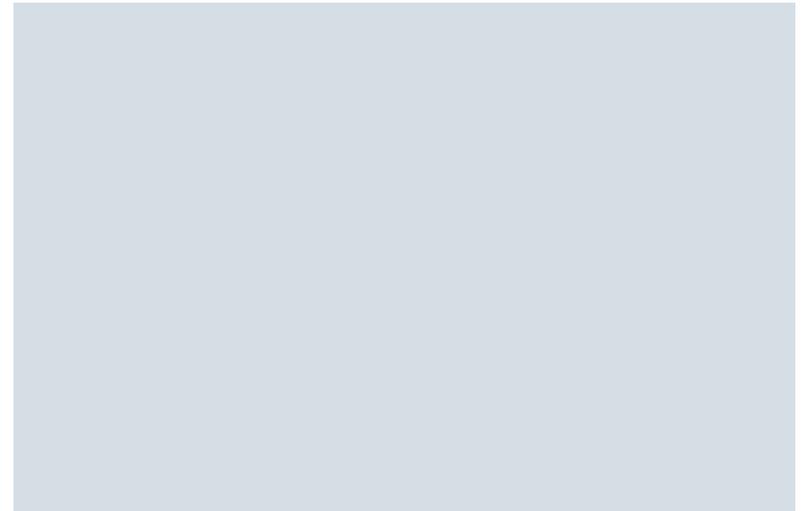
NOTES TO THE ANNUAL FINANCIAL STATEMENTS				
FOR THE YEAR ENDED 31 MARCH 2005				
6.1	Cost of employment			
			2004/05	2003/04
			R'000	R'000
	Salaries and wages		10 219	10 116
	Basic salaries		9 879	9 989
	Temporary staff		156	127
	Leave payments		184	-
	Social contributions		83	29
	UIF		46	-
	Other salary related costs		37	29
			10 302	10 145
	<i>Allocation of cost of employment</i>			
	Administration expenses	6	10 302	10 145
			10 302	10 145
	Average number of employees		48	52
	Refer to the report by the Accounting Authority for disclosure concerning the emoluments of members of the accounting authority, the Chief Executive Officer; the Chief Financial Officer and Senior Managers.			
7.	FINANCE COSTS			
			2004/05	2003/04
			R'000	R'000
	Interest expense:			
	Interest charged		65	16
	Total interest expense		65	16

NOTES TO THE ANNUAL FINANCIAL STATEMENTS				
FOR THE YEAR ENDED 31 MARCH 2005				
8.	PROPERTY, PLANT AND EQUIPMENT			
		Cost	Accumulated depreciation/ impairment	Closing carrying amount
	Year ended 31 March 2005	R'000	R'000	R'000
	Land and Buildings	4 520	-	4 520
	Computer equipment	1 743	(1 382)	361
	Office furniture and Equipment	1 571	(1 459)	112
	Motor vehicles	158	(88)	70
	Simulator	142	(142)	-
	Balance at end of period	8 134	(3 071)	5 063
	Made up as follows:			
	- Owned assets	8 134	(3 071)	5 063
	Year ended 31 March 2004	Cost	Accumulated depreciation/ impairment	Closing carrying amount
		R'000	R'000	R'000
	Land and Buildings	4 520	-	4 520
	Computer equipment	1 553	(1 008)	545
	Office furniture and Equipment	1 551	(954)	597
	Motor vehicles	158	(56)	102
	Simulator	142	(142)	-
	Balance at end of period	7 924	(2 160)	5 764
	Made up as follows:			
	- Owned assets	7 924	(2 160)	5 764

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

Year ended 31 March 2003	Cost	Accumulated depreciation/ impairment	Closing carrying amount
	R'000	R'000	R'000
Land and Buildings	4 356		4 356
Computer equipment	1 222	(593)	629
Office furniture and Equipment	1 343	(620)	723
Motor vehicles	34	(30)	4
Simulator	142	(92)	50
Balance at end of period	7 097	(1 335)	5 762
Made up as follows:			
- Owned assets	7 097	(1 335)	5 762



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

Movement summary 2005

	Carrying amount 2004	Revaluation adjustments	Additions	Disposals	Depreciation/ Amortisation charge	Carrying amount 2005
	R'000	R'000	R'000	R'000	R'000	R'000
Land and Buildings	4 520					4 520
Computer equipment	545		190		(374)	361
Office furniture and Equipment	597		20		(505)	112
Motor vehicles	102				(32)	70
Balance at end of period	5 764	-	210	-	(911)	5 063

Movement summary 2004

	Carrying amount 2003	Revaluation adjustments	Additions	Disposals	Depreciation/ Amortisation charge	Carrying amount 2004
	R'000	R'000	R'000	R'000	R'000	R'000
Land and Buildings	4 356		164		-	4 520
Computer equipment	629		343	(13)	(414)	545
Office furniture and Equipment	723		209		(335)	597
Motor vehicles	4		124		(26)	102
Simulator	50		-		(50)	-
Balance at end of period	5 762	-	840	(13)	(825)	5 764

Land and Buildings refers to:

<i>Sonsono Building</i>	<i>Groot 4015</i>	<i>Transferred August 2002</i>				
<i>Efr 859, Ferndale</i>						
<i>344 Pretoria Avenue, Randburg</i>						

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

9.	ACCOUNTS RECEIVABLE		2004/05	2003/04
			R'000	R'000
	Skills development levy debtors		32 032	44 896
	Admin levy debtors		3 521	4 785
	Employer grant levy debtors		24 081	32 726
	Discretionary grant debtors		4 013	5 454
	VAT		257	429
	Penalties and Interest		160	1 502
	Intersecta debtors	22	1 999	-
	Deposits		68	73
	Other receivables		389	270
	NSF project loan account		49	-
	Learnership project loan account		195	-
	NSF receivables		11	138
	Debtors		134	132
			34,488	45,239
9.1	Retrospective amendments by SARS			
	Included in Skills Development Levy debtors is:			
			2004/05	2003/04
			R'000	R'000
	<i>SARS receivable/(payable)</i>			
	Opening carrying amount		-	
	Estimated adjustments included in levies received		(5 431)	(10 513)
	Net effect of SARS adjustments for the current year		3 726	10 513
	Closing carrying amount		(1 705)	-
	<p>During the year under review, SARS advised the SETA of erroneously designated skills development levies received in prior periods, resulting in a retrospective adjustments of R3 726 064 (2003/04: R10 513 000). The current year's additional estimated adjustment amounts to R1 704 565</p>			



NOTES TO THE ANNUAL FINANCIAL STATEMENTS			
FOR THE YEAR ENDED 31 MARCH 2005			
10.	CASH AND CASH EQUIVALENTS		
		2004/05	2003/04
		R'000	R'000
	Cash at bank and in hand	159 848	79 047
	Cash at bank	159 844	79 043
	Cash on hand	4	4
	Short term investments/instruments	212 244	142 658
	Cash and cash equivalents at end of year	372 092	221 705
	As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held. The weighted average interest rate on short term bank deposits was 8.5% (2004: 8%).		
	Cash includes cash on hand and cash with banks. Cash equivalents are short term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and that are subject to an insignificant risk of change in value.		
	For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.		
11.	ACCOUNTS PAYABLE		
		2004/05	2003/04
		R'000	R'000
	Skills development grants payable - mandatory	20 652	17 245
	Skills development grants payable - discretionary	-	-
	Project creditors	-	1 536
	Intersecta payables	32	908
	Service provider fees outstanding	2 851	1 989
	Sundry payables	83	139
	NSF project loan account	-	138
	NSF accruals	83	1
	Accounts payable at end of year	24 494	20 909





NOTES TO THE ANNUAL FINANCIAL STATEMENTS				
FOR THE YEAR ENDED 31 MARCH 2005				
12.	NATIONAL SKILLS FUND: SPECIAL PROJECTS		2004/05	2003/04
			R'000	R'000
	Opening balance		3 180	686
	Received during the year		95 639	7 072
	Small Boats Fishing & Taxi		53 979	7 072
	Learnership		41 660	
	Interest received		1 003	6
	Utilised and recognised as revenue-			
	conditions met:		(33 158)	(4 584)
	Small Boats Fishing & Taxi		(18 150)	(4 584)
	Learnership		(15 008)	
	Closing balance		66 664	3 180
	<p>During the current year conditional funds of R53 978 772 were received from the National Skills Fund in July, August, November and February for the purposes of skills development in the fishing and taxi industries. During the current year an additional project was approved and conditional funds of R41 659 523 were received from the National Skills Fund in June, January and March for the purposes of implementing unemployed learnerships. These amount were recognised as a liability until the conditions attached were met. During the year, R33 158 000 eligible project special expenses were incurred and a corresponding amount was recognised as revenue. At year end, R66 664 000 continues to be accounted for as a liability until the remaining conditions attached have been met.</p>			





NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

13. GOVERNMENT GRANTS AND DONOR FUNDING RECEIVED IN ADVANCE

	2004/05	2003/04
	R'000	R'000
Received during the year	-	2 000
Eastern Cape - Taxi industry project	-	
Utilised and recognised as income conditions met	-	(2 000)
Eastern Cape - Taxi industry project	-	
Closing balance	-	-

During the year no conditional funding was received

14. PROVISIONS

	Employee leave provision	2004/05	2003/04		
		R'000	R'000		
Open carrying amount	734	734	558		
Amounts utilised	(184)	(184)	(30)		
Change in estimate	122	122	206		
Closing carrying amount	672	672	734		
Current Portion	672	672	734		

Provision for unpaid leave is based on the accrual principle as followed in the previous years based on unpaid leave days due calculated at the rate prevailing at year end.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS			
FOR THE YEAR ENDED 31 MARCH 2005			
15.	RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS/(DEFICIT)		
		2004/05	2003/04
		R'000	R'000
	Net surplus/(deficit) as per Income Statement	70 718	69 578
	Adjusted for non-cash items:		
	Depreciation	911	825
	(Profit)/loss on disposal of property, plant and equipment	(4)	12
	(Decrease)/Increase in provisions	(62)	176
	Special project income recognised	(33 158)	(6 584)
	Adjusted for items separately disclosed		
	Investment income	(23 072)	(20 330)
	Finance costs	65	16
	Adjusted for working capital changes:		
	Decrease in receivables	10 751	8 266
	Increase/(decrease) in payables	5 290	(11 150)
	Movement in VAT receivable/payable	(495)	(2 182)
	<i>Cash generated from operations</i>	30 944	38 627
16.	CONTINGENCIES		
	In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury. As at year-end, this amount could not be quantified as National Treasury has not defined surplus funds. No formal approval has been obtained from National Treasury to retain surplus funds.		



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005
17. COMMITMENTS
17.1 Discretionary reserve

Of the balance of R231 858 000 available in the Discretionary reserve at the end of March 2005, R80 300 000 has been approved and allocated for discretionary grant disbursement, future projects and skills priorities as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the Income Statement, are also indicated. A request for the accumulation of these funds has been submitted to National Treasury. At the time of compiling the financial statements, no reply had been received.

	Opening balance 2003/04	Approved by Accounting Authority	Utilised	Opening balance 2004/05	Approved by Accounting Authority	Utilised	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Support Function: Marketing	-	-	-	-	150	-	150
Support Function: HIV/AIDS	400	400	(242)	158	158	(18)	140
Support Function: IIP	398	398	(58)	340	500	(38)	462
Skills Development: Research	-	-	-	-	340	(39)	301
Skills Development: Belgium project	-	-	-	-	443	-	443
Skills Development: SMME 2004/05	10 000	10,000	-	10 000	10 000	-	10 000
Skills Development: SMME 2003/04	10 000	10,000	(772)	9 228	9 228	(7 086)	2 142
Skills Development: Learnership	14 000	14,000	(6,509)	7 491	7 500	(7 228)	272
Skills Development: Training Programmes	199	199	(14)	185	1 185	-	1 185
Skills Development: SDF Training	500	500	(172)	328	328	(166)	162
Skills Development: Labour Training	500	500	-	500	1 000	(103)	897
Skills Development: Bursaries	-	-	-	-	500	-	500
Skills Development: SGB	2 834	2,834	(483)	2 350	5 084	(1 497)	3 587
ETQA: RPL	1 199	1,199	(871)	328	1 828	(92)	1 736
ETQA: External Moderation	1 085	1,085	(210)	875	1 575	(562)	1 013
ETQA: Programme Evaluation	507	507	(107)	400	800	(532)	268
ETQA: IIP	512	512	(12)	500	-	-	-
ETQA: SAIMH	-	-	-	-	260	(253)	7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS								
FOR THE YEAR ENDED 31 MARCH 2005								
		Opening balance 2003/04	Approved by Accounting Authority	Utilised	Opening balance 2004/05	Approved by Accounting Authority	Utilised	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	ETQA: Training material development	-	-	-	-	320	(80)	240
	Forwarding and Clearing: Learnership development	894	894	(314)	580	580	(392)	188
	Forwarding and Clearing: Learnership development	800	800	-	800	800	(28)	772
	Freight Handling: Learnership	1 700	1 700	-	1 700	-	-	-
	Maritime: ETD	586	586	(444)	141	-	-	-
	Maritime: Learnership development	350	350	(20)	330	330	(195)	135
	Maritime: Learnership development	200	200	-	200	200	(160)	40
	Maritime: SGB	300	300	(109)	191	-	-	-
	Rail: Learnership	1 496	1,496	(16)	1 480	-	-	-
	Rail: ABET	-	-	-	-	1 500	-	1 500
	Rail: Social project	-	-	-	-	1 000	-	1 000
	Road Freight: Learnership development	821	821	(231)	590	590	-	590
	Road Freight: ABET	400	400	(203)	197	197	-	197
	Road Freight: HIV/AIDS	500	500	(202)	298	698	(298)	400
	Road Freight: SMME Development	350	350	-	350	350	-	350
	Taxi: SDF Training	784	784	-	784	784	-	784
	Taxi: Eastern Cape	-	-	-	-	396	-	396
	Discretionary Grants	33 156	33 156	(27,992)	5 164	7 184	-	12 348
	Discretionary Grants - Contracts	12 370	37 094	(21,893)	27 570	76 764	(38 475)	65 859
	Project contracts	4 999	7 726	(5 503)	7 222	5 251	(5 524)	6 949
	SMME	-	-	-	-	7 027	(3 103)	3 925
	Learnership	-	6 509	(375)	6 134	8 166	(6 848)	7 453
	Total project expenditure	135 799	135 799	(66,753)	69 046	153 016	(72 716)	80 300

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

17.2 *Mandatory Grant reserve*

The amount of R87 400 000 available in the Mandatory reserve at the end of March 2005 has been allocated for the payment of implementation grants for the 2004/05 grant period and the balance of grants payable from the 2003/04 grant period. The future commitment was calculated based on the levies received from approved Workplace Skills Plans. The Implementation grants are paid out on the approval of the Annual Training Reports which are submitted in April, approved in May and paid thereafter.

	Opening balance 2003/04	Approved by Accounting Authority	Utilised	Opening balance 2004/05	Approved by Accounting Authority	Utilised	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Mandatory Grants	104 769	43 960	(73 289)	75 440	90 277	78 317	87 400
17.3 <i>Operating Leases</i>							
Total of future minimum lease payments under non-cancelable leases:							
			2004/05	2003/04			
Not later than one year			R'000	R'000			
			697	403			
Later than one year and not later than five years			1 535	2 055			
			2 232	2 458			
<i>Operating Leases (continues)</i>							

The operating lease relates to office rental (e.g. building premises used for office accommodation) for the Isando, Cape Town and Durban chambers, as well as equipment rental. The lease agreements were entered into effective the first year of operation and have operational periods of 1.5 and two years, subject to renewal in 2005 and 2006. No provision has been made for an option to renew the lease on expiry. The office rental escalates annually by 9%, and equipment rental by 7%.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

18. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The following material losses through criminal conduct, irregular, fruitless and wasteful expenditure were incurred during the year ended 31 March 2005:

Fruitless and wasteful expenditure

The October/November 2004 VAT payment due to SARS on the 24/12/2004 was paid on the 26/01/2005. This resulted in penalties of R58 366.49 and interest of R5 107.07 being levied by SARS.

The financial costs relates to the Diner's Club card which is used to finance the travel expenses upon which interest of R65 000 was incurred during the year.

19. EVENTS AFTER BALANCE SHEET DATE

Subsequent to year end the Seta has been deregistered as a VAT vender in terms of the amended VAT act.

20. FINANCIAL INSTRUMENTS

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

Interest rate risk

The SETA manages its interest rate risk by keeping the maturity date of any of it's cash equivalents to less than one year, with an option to earn cash with any 30-day period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

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

	Floating rate		Fixed Rate			Non-interest bearing		TOTAL R'000
	Amount R'000	Effective interest rate	Amount R'000	Weighted average effective interest rate %	Weighted average period for which the rate is fixed in years	Amount R'000	Weighted average period until maturity in years	
Assets								
Cash	-		372 092	8.5%	1	-	-	372 093
Accounts receivable	-	-	-	-	-	34 488	-	34 488
<i>Total financial assets</i>	-	-	372 092	-	1	34 488	-	406 581
Liabilities								
Accounts payable	-	-	-	-	-	(26 199)	-	(26 199)
<i>Total financial liabilities</i>	-	-	-	-	-	(26 199)	-	(26 199)
			372092			8 289		380 381
Year ended 31 March 2004								
<i>Total financial assets</i>	-	-	221 705			45 239	-	266 944
<i>Total financial liabilities</i>	-	-	-			(20 909)	-	(20 909)
	-		221 705			24 330		246 035

Credit risk

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

The SETA 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 31.3.

Credit risk with respect to levy-paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counter-party. The SETA's concentration of credit risk is limited to the transport industry in which the SETA operates. No events occurred in the transport industry during the financial year that may have an impact

on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debt.

Liquidity risk

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

Market risk

The 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 SETA are aware of.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS • FOR THE YEAR ENDED 31 MARCH 2005

Fair values

The 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 its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

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

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Accounts receivable

The carrying amount of accounts receivable, net of allowance for bad debt, approximates fair value due to the relatively short-term maturity of these financial assets.

Accounts payable

The carrying amount of account and other payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

21. ERRORS

The following fundamental errors occurred in the prior year and as a result the comparative figures have been restated:

1. The basis for the mandatory grants for the implementation grant in terms of section 6(2) of the regulations of the Skills Development Act, has been incorrectly based on the probability that the expenditure will be incurred in the future and not on the past event that occurred, namely the application received for the grant to be paid.
2. A provision was made for discretionary grants and projects for the full amount of the contract, instead of, the conditions per the contract, which resulted in an overstatement of expenditure in the prior years.
3. Levy income has been recognised on the transaction date in prior period. It should have been recognised on the payroll date.

The adjustments has the following effect:

	Admin	Employer Grant	Discretionary	Total
	R'000	R'000	R'000	R'000
31 March 2004				
<i>Effect on net surplus</i>				
Grants and Project expenditure	305	1 146	23 265	24 716
Levy Income	2	1 574	(46)	1 530
	307	2 720	23 219	26 246
<i>Effect on retained earnings</i>				
Grants and Project expenditure	-	65 441	83 211	148 652
Levy Income	1 723	11 484	1 886	15 093
	1 723	76 925	85 097	163 745
Prior periods				
<i>Effect on retained earnings</i>				
Grants and Project expenditure	-	71 794	59 946	131 740
Levy Income	1 721	9 911	1 932	13 564
	1 721	81 705	61 878	145 304



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

22. RELATED PARTY TRANSACTIONS

Transactions with other SETAs

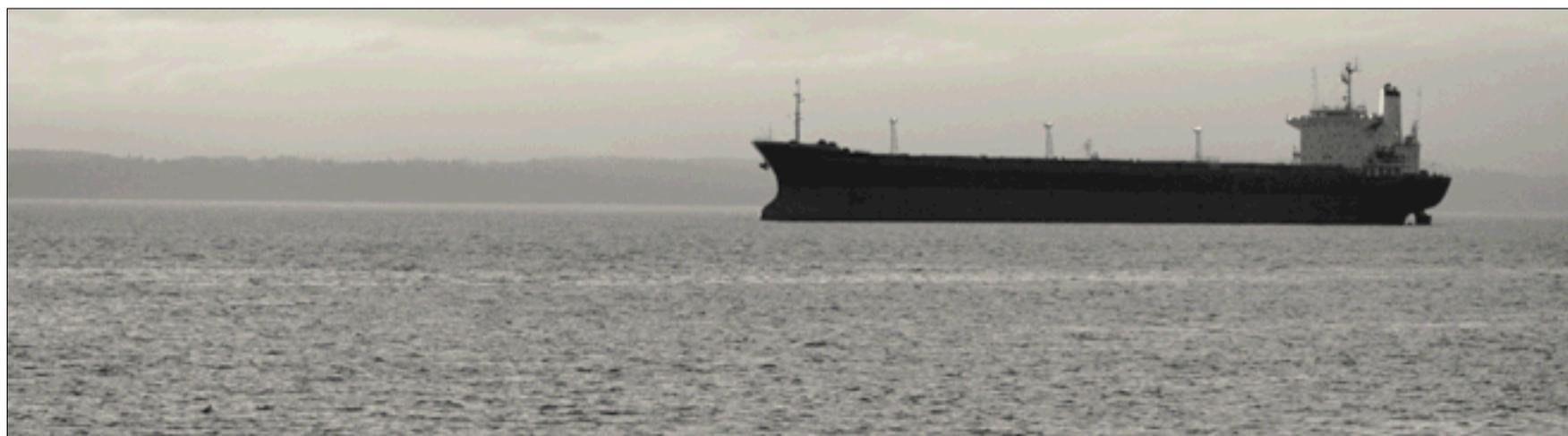
Interseta transactions and balances arise due to the movement of employers from one SETA to another. No other transactions occurred during the year with other SETAs.

		2004/05		2003/04	
The balances at year-end included in receivables and payables are:		R'000		R'000	
		Transfers in/(out) during the year	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ payable
Receivables	13	120	1 999	2 822	-
CETA		-	66	-	-
ETDP		-	-	6	-
Fasset		65	-	1 007	-
ISETT		-	24	-	-
LGWSeta		-	-	233	-
Merseta		-	21	396	-
MQA		-	297	297	-
PAETA		55	176	110	-
Poslec		-	19	31	-
Services		-	855	742	-
SETA0		-	30	-	-
SETASA		-	-	-	-
W&R		-	511	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

			Transfers in/(out) during the year	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ payable
Payables	20		(1 227)	(908)	(2 863)	-
CETA			-	(7)	(216)	-
CHIETA			-	(11)	-	-
ETDP			-	-	(731)	-
Fasset			(3)	-	-	-
FoodBev			-	(25)	(714)	-
Forestry			-	(71)	-	-
INSETA			-	(296)	-	-
ISETT			-	-	(522)	-
Merseta			(405)	(88)	(395)	-
MQA			-	-	(285)	-
PAETA			(2)	(3)	-	-
Services			(738)	(391)	-	-
SETASA			(47)	(16)	-	-
Theta			(4)	-	-	-
W&R			(28)	-	-	-
<i>Total</i>			(1 107)	1 091	(41)	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

Transactions with other related parties

During the year members of the accounting authority and employees were required to disclose *their interest in* any contracts that the SETA is entering into with an outside party. As a result the SETA entered into the following transactions with related parties:

				2004/05		2003/04	
				R'000		R'000	
	Related party	Nature of relationship	Transaction type	Amount of the transaction	Amount receivable/ (payable)	Amount of the transaction	Amount receivable/ payable
	Payables						
	The Skills Tree - Brad Jacklin	Board Member	SGB expense	82	-	33	-
	<i>Total</i>			82	-	33	-

The above transactions occurred under terms that were no less favorable than those available in similar arm's length dealings.

23. TAXATION

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

GLOSSARY

ABET	Adult Basic Education & Training	NSDS	National Skills Development Strategy
ATR	Annual Training Report	NSF	National Skills Fund
BBBEE	Broad Based Black Economic Empowerment	NQF	National Qualifications Framework
BCEA	Basic Conditions of Employment Act	PDI	Previously Disadvantage Individual
BEE	Black Economic Empowerment	RPL	Recognition of Prior Learning
DoL	Department of Labour	SARS	South African Revenue Services
DoE	Department of Education	SACAA	South African Coal Ash Association
DG	Discretionary Grant	SAMSA	South African Maritime Safety Authority
DoT	Department of Transport	SAQA	South African Qualifications Authority
EEA	Employment Equity Act	SDF	Skills Development Facilitator
ETD	Education training development	SDA	Skills Development Act
ETDP-SETA	Education, Training and Development Practices-SETA	SDLA	Skills Development Levies Act
ETQA	Education & Training Quality Assurance	SETA	Sector Education & Training Authority
FETC	Further Education Training College	SGB	Standards Generating Body
GTZ	German Development Agency - Deutsche Gesellschaft für Technische Zusammenarbeit	SMME	Small Medium Micro Enterprise
MOU	Memorandum of Understanding	TETA	Transport Education & Training Authority
NBCRFI	National Bargaining Council of Road Freight Industry	WSP	Workplace Skills Plan

TETA CONTACT DETAILS

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