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**“LGSETA Report on Financial Statement
2005/2006”
Portfolio Committee on Provincial and Local
Government**

**Clr GAVIN LOBELO
CHAIRPERSON**



Foreword By Chairperson

We have entered the second phase of the Skills Development Revolution with the recertification of the SETA to support the key initiatives of government and to support and build the capacity of municipalities.

This exercise in itself brought about a host of new challenges regarding the interpretation of the Government Gazette, No 27445, dated 31 March 2005 as to the status of Water as one of the functions of the LGSETA however, the Seta has embarked on a massive communication campaign to clarify any misinterpretation to all entities and utilities owned by municipalities including municipalities themselves as structures rendering water related services.

Foreword By Chairperson –Contd /..

In terms of the above gazette, the Minister of Labour, Minister Membathisi Madladlana, defined the Local Government SETA (LGSETA – SETA 14) scope of coverage to include the following Standard Industrial Classification (SIC) codes being:

SIC CODE:	DESCRIPTION:
50493	Any utility or agency, wholly or partially owned by a municipality providing local government services under contractors or municipality
91201	All functions, services and facilities provided by a metropolitan council as determined by 84(1) ;(2) and (3) of Act 117 of 1998 – Local Government Municipal Structure Act of 1998.
91202	Category B municipalities: All functions, services and facilities provided by a local council as determined by 84(1), (2) and (3) of Act 117 of 1998.
91203	All functions, services and facilities provided by a district council and District Area management as determined by 84(1) ;(2) and (3) of Act 117 of 1998 – Local Government Municipal Structure Act of 1998.
91204	Organized local government – any statutory or regulatory body assigned the function as per the Constitution of the RSA to deal with matters at Executive level within local government.

Foreword By Chairperson –Contd /..

Major achievements during the period under review were the National Graduations ceremonies on Special Projects like Community Development Workers Programme took place nationally and over 500 learners were placed in permanent positions. Such an effort of the LGSETA contributed to employment and enhancement of service delivery to communities.

At its strategic workshop of 2005 the LGSETA adopted the NSDS objectives for 2005-2010 which will enable the Seta to contribute positively to some of Government initiatives following various consultations with National Departments and relevant Setas by embarking on joint venture approach in participating and achieving results in the following:

- > ASGISA and JIPSA
- > Project consolidate
- > Expanded Public Works Programme

Foreword By Chairperson –Contd /..

Discretionary grants for scarce skills particularly in rural areas and in small municipalities' bursaries have been offered to both employees and students to pursue studies in technical areas (electricity, water management, municipal finance) to provide and sustain the required scarce skills in affected areas.

The year under review has been a challenging period not only for the Seta but the entire Local Government however despite the trying circumstances much has been achieved and the highlight of our achievements is the Community Development Workers Program whereby all the learners in phase one (1) were gainfully employed after successfully completing the Learnership program. What still remain as a major challenge for the LGSETA is being able to bring on board other government departments to consider the LGSETA as a valued strategic partner in facilitating skill development in support of government initiatives as achieved with Community Development Workers program in collaboration with Minister Geraldine Fraser Moleketi and the Department of Public Service and Administration.

Foreword By Chairperson –Contd /..

The LGSETA is currently in discussion with the DPLG, National Treasury on various key programs within and outside project consolidate. A number of initiatives with various Provincial department s are emerging ranging from public works, sports arts and culture albeit on an ad hoc basis.

The LGSETA is poised to be the first amongst the best in skills development in the period 2005- 2010

G LOBELO
CHAIRPERSON OF THE LGSETA



Local Government Sector Education Training Authority



**PRESENTED BY :
SIDWELL MOFOKENG
CHIEF EXECUTIVE OFFICER**

SECTOR SKILLS PLANNING

- In terms of the Skills Development Act each SETA is obliged, to prepare a Sector Skills Plan (SSP) and annual updates for submission to both DPLG and the Dept of Labour. The SSP provides an analysis of the labour market within the sector and an annual listing of skills requirements.
- The SSP review process for 2005/6 was completed at the end of September 2005. Some significant findings of the review are:
- Significantly high vacancy rates, coupled with high levels of staff turn over, within all categories of municipality, with municipalities averaging 35% vacancy rates, and spending only 84% of their approved salary budgets.
- There are disproportionately high rates of vacancies among less skilled, less specialized occupations i.e. elementary occupations and clerical. Significantly, these are occupational categories which should be less affected by internal organizational restructuring.

SECTOR SKILLS PLANNING contd/...

- High levels of vacancies in less skilled categories affect the efficiency of service delivery significantly particularly with respect to technical services, waste management, water services and maintenance and municipal billing.
- The sector lacks guidelines on staffing, with respect to: minimum qualification requirements with respect to appointments in certain posts – particularly professional posts, guidelines on ratios of numbers of employees per category (professionals to technicians to supervisors to general workers) employed, the number of employees to the number of households to be served.

SECTOR SKILLS PLANNING contd/...

- Absolute shortages were identified in the following occupational areas:
 - Engineering: electrical and civil
 - Technicians and artisans: all types
 - Municipal planning: urban planners, development planners (including LED and IDP)
 - Environmental health
 - Emergency and disaster (including fire and rescue)

Significant skills gaps were noted in the following areas: strategic management and planning (including council), project and contract management (all types), financial management and basic financial systems, administration, human resources, and basic literacy and numeracy.

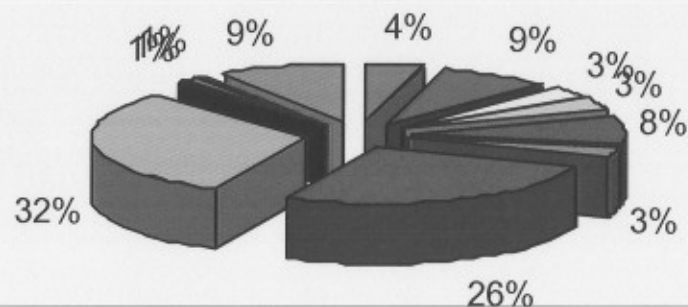
These critical shortage are illustrated in the figures 1.1 -1.3 below

SECTOR SKILLS PLANNING contd/...

Training needs identified as percentages

by functional area

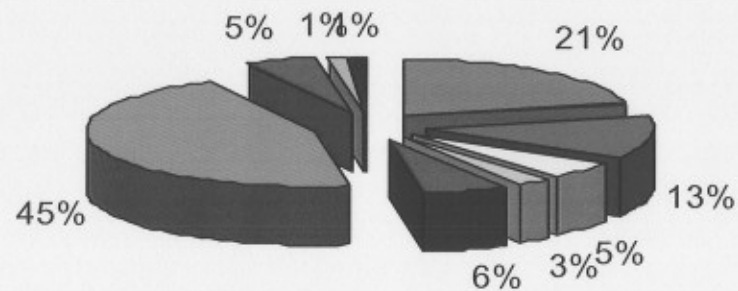
Health



- | | | |
|------------------------|--------------------|--------------------|
| ■ Administration | ■ Communication | □ Counselling |
| □ Financial Management | ■ ITC | ■ Life Skills |
| ■ Management | ■ Medical Skills | ■ Public Relations |
| ■ Research Skills | □ Technical Skills | ■ Unsure |

SECTOR SKILLS PLANNING contd/...

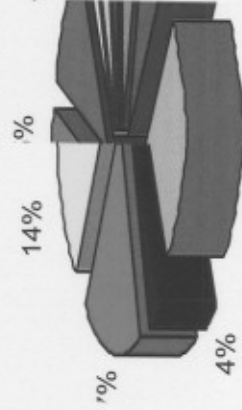
Training needs identified as percentages by functional area Councillors



- | | | |
|--------------------|------------------------|-------------------|
| ■ Communication | ■ Financial Management | □ Legal Knowledge |
| ■ ITC | ■ Life Skills | ■ Management |
| ■ Political Skills | ■ Public Relations | ■ Unsure |

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