Transport Education Training Authority

Driven by Vision

Transport Education Training Authority

ANNUAL REPORT 2021 22

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Minister of
Higher Education, Science and Innovation
Dr Blade Nzimande
Minister of Higher Education, Science and Innovation

Deputy Minister of
Higher Education, Science and Innovation
Mr Buti Manamela
Deputy Minister of Higher Education, Science and Innovation

Transport Education Training Authority

Driven by Vision

Transport Education Training Authority **ANNUAL REPORT 2021/22**

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PART A

GENERAL INFORMATION

The Public Entity's **General Information**

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Website address:	www.teta.org.za
REGIONAL OFFICES:	
KWAZULU-NATAL:	Freight Handling Chamber
Postal and physical address:	Sixth Floor, MB House, 635 to 641 Peter Mokaba Road, Overport, Durban, 4001
Telephone number:	031 301 9614
WESTERN CAPE:	Maritime Chamber
Postal and physical address:	Newlands on Main, Ground Floor, Mariendahl House, 13 Main Road, Newlands, Cape Town, 7700
Telephone number:	021 819 9601
LIMPOPO OFFICE:	Forwarding and Clearing Chamber
Physical address:	19 Bok Street, Polokwane
Telephone number:	015 917 0002
MPUMALANGA OFFICE:	Road Freight Chamber
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Physical address:	17th Floor, East Tower, Bedford Centre, cnr Bradford and Smith streets, Bedfordview, 2007
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Email address:	IshmaelM@teta.org.za
PUBLISHER:	TETA: Chief Executive Officer
EDITING AND DISTRIBUTION:	TETA: Marketing and Communication Department

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List of **Abbre viations/Acronyms**

4IR:	Fourth Industrial Revolution
AASA:	Airline Association of Southern Africa
ACSA:	Airport Company of South Africa
AET:	Adult Education and Training
AGSA:	Auditor-General of South Africa
APP:	Annual Performance Plan
AQP:	Advanced Quality Planning
AR:	Annual Report
ARC	Audit and Risk Committee
ATNS:	Air Traffic and Navigation Services
ATR:	Annual Training Report
AUSA:	Aviation Union of South Africa
BCEA:	Basic Conditions of Employment Act (75 of 1997)
BRT:	Bus Rapid Transit
CAASA:	Commercial Aviation Association of Southern Africa
CBO:	Community-Based Organisation
COBEO:	Commuter Bus Employers Organisation
CoS:	Centres of Specialisation
CPUT:	Cape Peninsula University of Technology
CRDP:	Comprehensive Rural Development Programme
DETAWU:	Democratised Transport Logistics and Allied Workers Union
DG:	Discretionary Grant
DHET:	Department of Higher Education and Training
DoL:	Department of Employment and Labour
DoT:	Department of Transport
DPWRT:	Department of Public Works, Roads and Transport
DSD:	Department of Social Development
DUT:	Durban University of Technology
the dtic:	Department of Trade, Industry and Competition
EAP:	Employee Assistance Programme
ECDEET:	Eastern Cape Disability Economic Empowerment Trust
ECTA:	Electronic Communications and Transactions Act (25 of 2002)
EEA:	Employment Equity Act (55 of 1998)
EPWP:	Expanded Public Works Programme
ERRP:	Economic Reconstruction and Recovery Plan
ESP:	Economic Stimulus Programmes
ETQA:	Education and Training Quality Assurance
EXCO:	Executive Committee
GAAP:	Generally Accepted Accounting Practice
GDP:	Gross Domestic Product
GRAP:	Generally Recognised Accounting Practice
HEI:	Higher Education Institution
HET:	Higher Education and Training
HRD:	Human Resources Development
IMC:	Independent Management Committee
IPAP:	Industrial Policy Action Plan
IRSE:	Institute of Railway Signal Engeneers
ISO:	International Organisation for Standardisation

LRA:	Labour Relations Act (66 of 1995)
M&E:	Monitoring and Evaluation
MDA:	Mineworkers Development Agency
MG:	Mandatory Grant
MoA:	Memorandum of Agreement
MoU:	Memorandum of Understanding
MTSF:	Medium-Term Strategic Framework
MTWU:	Motor Transport Workers Union
NARSA:	National Archives and Records Service Act (43 of 1996)
NASASA:	National Stevedoring Association of South Africa
NBCRFLI:	National Bargaining Council for the Road Freight and Logistics Industry
NCPD:	National Certificate in Professional Driving
NCPPD:	National Council of Persons with Physical Disabilities
NDP:	National Development Plan
NEASA:	National Employers Association of South Africa
NGO:	Non-Governmental Organisation
NGP:	New Growth Path
NLPE:	Non-Levy-Paying Enterprise
NMU:	Nelson Mandela University
NOCC:	National Occupational Curriculum Content
NQF:	National Qualifications Framework
NSA:	National Skills Authority
NSDP 2030:	National Skills Development Plan 2030
NUMSA:	National Union of Metalworkers of South Africa
NWU:	North-West University

OFO:	Organising Framework for Occupations
OHSA:	Occupational Health and Safety Act (85 of 1993)
PAJA:	Promotion of Administrative Justice Act (3 of 2000)
PDQ:	Professional Driver Qualification
PESTEL:	Political, Economic, Social, Technology, Environment and Legal
PFMA:	Public Finance Management Act (29 of 1999)
PIVOTAL:	Professional, Vocational, Technical and Academic Learning
PM&E:	Performance Monitoring and Evaluation
PRASA:	Passenger Rail Agency South Africa
PSET:	Post School Education and Training
PTWU:	Professional Transport Workers Union
QAS:	Qualification Assessment Specifications
QCTO:	Quality Council for Trades and Occupations
QDP:	Qualification Development Partner
RFA:	Road Freight Association
RPL:	Recognition of Prior Learning
RRA:	Rail Road Association
RSR:	South African Association of Freight Forwarders
RTMC:	Road Traffic Management Corporation
SAAFF:	South African Association of Freight Forwarders
SAASOA:	South African Associations of Ship Operators and Agents
SABEA:	South African Bus Employers Association
SABOA:	Southern African Bus Operators Association
SACAA:	South African Civil Aviation Authority
SACCA:	South African Cabin Crew Association
SACCAWU:	South African Commercial, Catering and Allied Workers Union

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List of **Abbreviations/Acronyms**

SAEPA:	South African Express Parcel Association
SADSTIA:	South African Deep Sea Trawling Industry Association
SAIMI:	South African International Maritime Institute
SAMBF:	South African Maritime Business Forum
SAMSA:	South African Maritime and Safety Authority
SAMTRA:	South African Maritime Training Academy
SANSBOC:	South African National Small Bus Operators Council
SANTACO:	South African National Taxi Council
SAQA:	South African Qualifications Authority
SARS:	South African Revenue Service
SATA:	South African Tuna Association
SATAWU:	South African Transport and Allied Workers Union
SBDS:	Small Business Development Strategy
SCM:	Supply Chain Management
SD&LP:	Skills Development and Learning Programmes
SDA:	Skills Development Act (97 of 1998)
SDF:	Skills Development Facilitator
SDLA:	Skills Development Levies Act (9 of 1999)
SETA:	Sector Education and Training Authority
SIC:	Standard Industrial Classification
SIPs:	Strategic Infrastructure Projects
SITA:	State Information and Technology Act (88 of 1998)
SLA:	Service-Level Agreement
SMME:	Small, Micro and Medium-Sized Enterprise
SSACI	Swiss-South African Cooperation Initiative
SSP:	Sector Skills Plan
STCW:	Standards of Training, Certification and Watchkeeping
TASWU:	Tirisano Transport and Services Workers Union
TAWUSA:	Transport and Allied Workers Union of South Africa
TETA:	Transport Education Training Authority
TLEA:	Transport and Logistics Employers Association
TOWU:	Transport and Omnibus Workers Union
TVET :	Technical and Vocational Education and Training
UASA:	United Association of South Africa
UOFS:	University of the Free State
UIF:	Unemployment Insurance Fund
UKZN:	University of KwaZulu-Natal
UNTU:	United National Transport Union
UTATU:	United Transport and Allied Trade Unions
WCO:	World Customs Organisation
WIL:	Work Integrated Learning
WMU:	World Maritime University
WSP:	Workplace Skills Plan

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About this **Report**

This report documents activities undertaken by the Transport Education Training Authority (TETA) during the 2021/22 financial year. It seeks to advance the objectives of the National Skills Development Plan (NSDP) 2030, through innovation, commitment, and strategic implementation. Learning programmes were implemented in accordance with the TETA strategic plan, which guides the organisation on a sustainable action plan to achieve long-term impact.

The report adheres to legislative requirements and integrates governance with financial performance in accordance with the King IV Code on Corporate Governance for South Africa.

About **TETA**

TETA was established in terms of the Skills Development Act 97 of 1998 (SDA). It is a public entity that reports to the Minister of Higher Education, Science and Innovation. It operates under the oversight of Nati
onal Treasury in terms of performance management and financial administration. TETA is a Sector Education and Training Authority (SETA) responsible for skills development in the transport sector.

TETA's Primary Functions

- To develop a sector skills plan (SSP)
- To facilitate the development, registration, and implementation of learnerships, skills programmes and strategic initiatives
- To approve workplace skills plans (WSPs)
- To disburse grants to stakeholders
- To conduct quality assurance on education and training that falls within the sector's scope.

Eight **TETA Subsectors**

The transport sector is demarcated into eight subsectors, each falling under the relevant chamber's responsibility, namely:

Aerospace Chamber

Rail Chamber

Forwarding and Clearing Chamber

Road Freight Chamber

Freight Handling Chamber

Road Passenger Chamber

Maritime Chamber

Taxi Chamber

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TETA **Subsectors**

AEROSPACE Chamber

The aerospace industry deals with the transportation of passengers, goods (cargo/air freight) and mail by air. The sub-sector responsibilities include regulations, operations, design, manufacturing, maintenance, repair, overhaul, and calibration.

The industry conforms to international and national legislative regulations and standards.

Employer and employee representative bodies include:

- Commercial Aviation Association of Southern Africa (CAASA);
- Airline Association of Southern Africa (AASA)
- Air Traffic and Navigation Services (ATNS)
- South African Civil Aviation Authority (SACAA)
- Airports Company of South Africa (ACSA)
- South African Transport and Allied Workers Union (SATAWU)
- Aviation Union of Southern Africa (AUSA)
- Democratised Transport Logistics and Allied Workers Union (DETAWU)
- South African Equity Workers Association (SAEWA)
- United Association of South Africa (UASA)
- National Union of Metal Workers of South Africa (NUMSA)
- Solidarity
- South African Cabin Crew Association (SACCA)

FORWARDING AND CLEARING Chamber

The forwarding and clearing industry, also known globally as the 'architect of world transport', facilitates the international logistics and supply chain of goods. It does so on behalf of importers and exporters, while applying the most cost-effective solutions when using all modes of transport (air, sea, road and rail).

This subsector moves 90% of South Africa's international trade globally. Over the past 10 years, the subsector has evolved into the world of supply chain management (SCM). It recognises the importance of international logistics within the management of supply chains worldwide. In addition, it provides importers and exporters with end-to-end supply chain solutions.

Employer and employee representative bodies include:

- South African Association of Freight Forwarders (SAAFF)
- South African Express Parcel Association (SAEPA)
- South African Association of Ship Operators and Agents (SAASOA)
- South African Transport and Allied Workers Union (SATAWU)

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FREIGHT HANDLING Chamber

Freight handling is the process of loading and offloading cargo at the point of origin, at every stage of the transportation process and at the cargo's final destination. Freight handling ensures that goods transition effectively through every stage of their journey and arrive safely at their destination.

Freight handling comprises of employers associated with handling, storage and stock control of cargo through sea ports, airports, distribution centres, factories and other depots..

Areas of business activities are:

- Warehousing and distribution
- Bulk cargo handling
- Break-bulk cargo handling
- Container handling
- Car (on wheels) handling
- Transport via pipelines.

Employer and employee representative bodies include:

- Transport and Logistics Employers Association (TLEA)
- South African Transport and Allied Workers Union (SATAWU)
- South African Commercial Catering and Allied Workers Union (SACCAWU)
- United Transport and Allied Trade Unions (UTATU)
- National Stevedoring Association of South Africa (NASASA)
- United National Transport Union (UNTU)

MARITIME Chamber

With a 3 924km coastline, the maritime industry relates to all activities of vessels at sea, for example, merchant shipping and fishing operations, as well as the activities of the country's eight commercial ports and inland waterways. Specific areas of business activity include:

- Ocean and Coastal Fishing
- Water Transport
- Coastal Shipping
- Ocean Shipping
- Inland Water Transport

In delivering its services, the chamber works closely with other public sector agencies such as the South African Maritime Safety Authority (SAMSA) and the South African International Maritime Institute (SAIMI).

Employer and employee representative bodies include:

- South African Maritime Business Forum (SAMBF)
- Transport and Logistics Employers Association (TLEA)
- South African Deep Sea Trawling Industry Association (SADSTIA)
- South African Tuna Association (SATA)
- United National Transport Union (UNTU)
- South African Transport and Allied Workers Union (SATAWU)
- National Union of Mineworkers South Africa (NUMSA)
- Workers Union (DETAWU)

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RAIL Chamber

The rail industry deals with the transportation of goods, passengers, and livestock by rail; the control, management, maintenance and exploitation of railways and rail services; the maintenance, servicing, repair, overhaul, and testing of locomotives; rolling stock; and support services. The main companies in the subsector are Transnet SOC Ltd and the Passenger Rail Agency South Africa (PRASA). Medium-sized rail enterprises active in the subsector comprise of rail entities at the ports, cross-border operations, rail heritage societies and surface operators on mines. Also involved are municipal sidings and service lines that provide access from the national network to private sidings for numerous operators in the agricultural, manufacturing, and petrochemical sectors.

Infrastructure development projects continue to improve the quality of South Africa's railway lines.

Employer and employee representative bodies include:

- South African Transport and Allied Workers Union (SATAWU);
- United National Transport Union (UNTU
- Rail Road Association (RRA)
- Railway Safety Regulator (RSR)
- Transport and Logistics Employers Association (TLEA)
- Democratised Transport Logistics and Allied Workers Union (DETAWU)
- Institution of Railway Signal Engineers (IRSE)

ROAD FREIGHT Chamber

The Road Freight Chamber provides skills development support to companies that deal with the transportation of goods using goods vehicles on public roads. These include:

- Bulk transport carriers
- Retail fleets
- Removal companies
- Courier companies
- Waste Management
- Storage of goods, including receiving, opening, unpacking, packing, accounting, dispatching, and clearing
- Hiring out of employment services, employees for activities or operations that ordinarily or naturally fall within the transportation or storage of goods

The road freight industry covers both public and private transportation and includes trucks moving freight:

- To and from airports
- To and from rail
- To and from clients
- From pipeline distribution centres to petrol stations

As an element of an integrated freight logistics supply chain, it is also integral to the implementation of the freight logistics strategy.

Employer and employee representative bodies include:

- South African Transport and Allied Workers Union (SATAWU);
- Motor Transport Workers Union (MTWU);
- Professional Transport Workers Union (PTWU);
- Transport and Allied Workers Union of South Africa (TAWUSA);
- South African Express Parcel Association (SAEPA);
- Road Freight Association (RFA);
- National Employers Association South Africa (NEASA); and
- Democratised Transport Logistics and Allied Workers Union (DETAWU).
- National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI)

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ROAD PASSENGER Chamber

The road passenger industry deals with the transportation of passengers by bus or mini-bus at a fee (this, however, excludes the minibus Taxi industry). The National Land Transport Transition Act classifies the bus industry to include the following:

- Long-distance bus services;
- Tour and charter bus services;
- Cross-border bus services;
- Intercity bus services;
- School/learner bus services;
- Commercial/contract bus services;
- Special-hire or private-hire bus services;
- Subsidised and non-subsidised bus services; and
- Scheduled and unscheduled bus services

Employer and employee representative bodies include:

- South African Transport and Allied Workers Union (SATAWU);
- Transport and Omnibus Workers Union (TOWU);
- South African National Small Bus Operators Council (SANSBOC);

TAXI Chamber

The taxi industry brings together employers (taxi operators, associations and cooperatives), employees (drivers, queue marshals, patrollers and administrators) and transport passengers by road for reward in vehicles other than buses. This subsector includes the following modes of transport:

- Minibus taxis
- Metered taxis
- E-hailing services
- Scholar transport
- Shuttle services
- Chauffeur services

Employer and employee representative bodies include:

- South African National Taxi Council (SANTACO)
- National Taxi Alliance (NTA)
- South African Meter Taxi Association
- South African Transport and Allied Workers Union (SATAWU)
- South African Taxi Drivers Workers Union

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Chairperson's **Foreword**

Mr Saki Tlou | *Interim Board Chairperson*

The 2021/22 Annual Report for Transport Education Training Authority (TETA) records the overall performance of the SETA against all the pre-determined targets and further outlines the financial health of the SETA, with highlights of areas of excellence and those requiring improvement.

The astute application of the Public Finance Management Act and regulations core to the functions of the SETA underpin the structure and formulation of this report.

As a preamble, it should be noted that TETA's strategy is driven by skills development priorities drawn from the principles of the NSDP, National priorities such as Economic Reconstruction and Recovery Plan (ERRP), Strategic Infrastructure Projects (SIPs), Centre of Specialisation (CoS), transformation agenda as well as the transport sector needs as per the Sector Skills Plan (SSP). The 2021/22 financial year marks the midium-term point of our medium -term strategic period. It is exciting to report that despite the dynamic and volatile environment that we are operating in, our strategic outcomes and priorities were not negatively affected. The board of TETA has noted with gratitude the consistent growth trajectory in performance for the past 3 years. It is worth acknowledging that this achievement is owed to the SETA's committed executive team, management, staff, and strategic partnerships across the sectors of the transport industry.

TETA's operational environment mirrors the transportation sector which is an important role player in the economy of South Africa through the movement of people and products for both commercial and social needs. Most skills development and training as well as the economic activities for the SETA and the industry are derived from companies within sectors such as aviation, maritime, freight handling, road freight, road passenger, rail and forwarding and clearing. Though these present opportunities for advancement and economic stimulation, it is however, true that triple ills of our society (poverty, unemployment, and inequality) remain endemic in the sector. Thus, the SETA must continue playing a pivotal role in the transformation of the sector through strategic programmes such as the international leadership development initiatives, global placement of industry personnel at World Maritime University and other related strategic initiatives supporting the advancement of women and youth in the transport sector.

We cannot be satisfied with our efforts towards addressing transformation imperatives relating to supporting more females in the transport sector. During the year under review, 52% of our funded learners were females which is below the target of 54%. We need to do better, and I believe management and stakeholders will continue to explore alternative avenues to improve on this imperative in the next reporting cycle.

The COVID-19 pandemic impacted negatively on the transport sector. A significant number of companies within the road passenger sectors had to retrench personnel and others closed operations. Of great significance, especially in the aviation sector was the closing down of COMAIR, including operations for both Kulula and British Airways in South Africa. Mango Airlines and South African Airways undergoing business rescue with South African Express ceasing its operations. These changes affected the growth potential of the transport sector and thereby negatively impacting on the livelihoods of many South Africans.

While some companies are slowly recovering, others are still struggling as they deal with the remnants of the impact of lockdown regulations. The unfortunate floods in Kwa-Zulu Natal province affected operations of companies as well as the transportation of goods in and out of the province for the last quarter of the financial year. Despite the above challenges, transport sector stakeholders remained committed to skills development and as a result, 89% of the SETA's planned targets were achieved.

The board of TETA is truly humbled by the outstanding outcomes of the 2021/22 financial year. In the past two years our institution received clean audit outcomes from the Auditor-General of South Africa. The AGSA made a finding of irregular expenditure of R 92 112 000, which was disclosed in note 24 of the Annual Financial Statements and issued an unqualified audit opinion for the year under review. On the basis of interpretation of the law, the TETA noted a dispute and reserved its right in this regard. The variance regarded as irregular expenditure represents payments for historical commitments from the rollover surplus approved by National Treasury in terms of section 53(3) of the PFMA. We congratulate the executive, management and all our stakeholders for their dedication and hard work while serving deserving communities in skills development and training.

I further express gratitude to the Audit and Risk Committee, the Department of Higher Education and Training and the Portfolio Committee for Higher Education and Training for their oversight of the entity. I am honoured to serve this institution and I am convinced the same sentiment is echoed by my fellow board members. Let us continue to make impact and contribute immensely to the emergent needs of our societies.

Mr Saki Tlou
Interim TETA Board Chairperson
Transport Education Training Authority

I further express gratitude to the Audit and RiskCommittee, the Department of Higher Education and Training, and the Portfolio Committee for Higher Education and Training for their oversight of the entity. I am honoured to have served this institution and I am convinced the same sentiment is echoed by my fellow board members. Let us continue to make impact and contribute immensely to the emergent needs of our societies.

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Chief Executive Officer's **Overview**

Mrs Maphefo Anno-Frempong | *Chief Executive Officer*

The Transport Education Training Authority (TETA) Annual Report for the financial year 2021/22 provides insights into performance results against the 2021/22 Annual Performance Plan as audited by the Auditor-General of South Africa (AGSA). The report further outlines the SETA's financial and non-financial performance, highlighting amongst others, risk management, governance, and human resources practices.

The SETA has consistently received unqualified audit outcomes for the past 14 years from the Auditor General of South Africa (AGSA). The year under review received an unqualified audit outcome, and worth noting is the 20% increase in performance from 74% to 89% between 2019/20 and 2021/22 respectively. This remarkable achievement is testament of the resilience and dedication from our board, management, staff, and stakeholders amidst trying times of COVID-19 and related lockdown interruptions.

Our commitment to deliver quality service with high impact across the transport sector and related beneficiaries underpins the operational culture within TETA. In the year under review, TETA embarked on hybrid stakeholder capacitation workshops and engagements covering contract management modalities, skills development forums, training provider information and system training and top tier stakeholder engagements sessions. To remain relevant to the cause and mandate bestowed upon the SETA, long-term strategic partnerships with TVET Colleges, employers and other related bodies had to be concretised in the year under review.

The devastating effects of COVID-19 continued into the year under review. These effects forced the SETA to continuously review its performance environment and fast track the implementation ICT solutions to expedite training regime and coerce stakeholders into remodelled systems to support skills development and training. To this end, TETA improved its unemployed online bursary system to allow for more efficiency and access to as many young people accross the country.

In the 2020/21 financial year TETA started the implementation and support for economic stimulus programmes and the Economic Reconstruction and Recovery Plan (ERRP) and these will continue into 2022/23 financial year based on projects already contracted for implementation in back yard mechanics, women empowerment, entrepreneurship, ecommerce, motorbike online delivery, business startup services. Over R153m allocated in 2021/22 to benefit 3 280 young people across the country.

World Skills South Africa is one of the 85 registered members of World Skills International, a movement that supports and promotes six focus areas, namely: skills development, career building, education and training, international cooperation, research, and

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competitions. As part of the broader post school network, TETA made provision to support participants from the transport sector across six skills for an amount of R25 million. The support granted enabled young people with the necessary training and capacitation to compete at all World Skills Competitions to be held locally, provincially and nationally in preparation for the regional: World Skills Africa followed by the World Skills International Competition.

In July 2021, the country saw a rise of social unrests in the provinces of Gauteng and Kwa-Zulu Natal. These unrests caused an enormous strain to the overall business of the SETA affecting especially companies within the logistics and freight industries. For the SETA, such unrests result into lower levy income which in turn affects the number of projects that the SETA can support to advance skills development and training.

Our risk management policy and strategy that is reviewed and approved by the Audit and Risk Committee and by the TETA Board annually, informs TETA's ongoing risk assessments that are conducted quarterly by the Internal Fraud Prevention and Risk Management Committee, which comprises executives and business unit managers. An annual assessment is also performed upon completion of the internal and external audits. Participation of managers in these workshops allows the institution an opportunity to receive all the risks for better mitigation strategies.

TETA management has adopted a prudent and moderate framework to the use of funds, while remaining innovative in pursuing programmes that reduce costs with economies of scale.
To stay abreast of the emergent skills development needs in our country and especially the transport sector, TETA commissions research annually to produce the Sector Skills Plan (SSP) and further research interventions guided by the annual research agenda for the institution. The SSP analysis report by DHET recorded positive feedback and commended TETA for the hard work towards the well-rounded researched submission. The panel scored the SSP 95% which is an improvement of 2% compared to the previous year's SSP.

For the year under review a number of research studies were conducted addressing topics such as "provision and increase access opportunities for women and youth in the transport, aligning skills development initiatives to emergent technological skills needs, support for SMMEs". The SETA further forged partnerships with University of Johannesburg, Tshwane University of Technology and Stellenbosch University to develop training modules on 4IR skills and provide training to the Transport sector to upskill and reskill the workforce and the unemployed, affording them opportunities to be employable.

Our commitment to skills development and training continues to impact young people in need of bursary support. To this end, the SETA supported 479 unemployed youth with bursaries. Our adopted school programme supports 60 schools from the rural communities of South Africa, these learners were supported with STEMI capacitation and career support for both teachers and learners as well as digital learning equipment and bursaries for the top performers.

These are some of the highlights on performance encapsulated in this report:

- **250 unemployed graduates** on work readiness programmes
- **479 unemployed youth** supported with bursaries
- **700 SMMEs** supported through business coaching, mentorship and networking solutions
- **1700 unemployed youth** acquired drivers' license for motorbikes to start their own delivery businesses
- **15 TVET learners** participated in World Skills Competition in Namibia
- **100 TVET learners** obtained drivers licenses and trained in Mandarin language, so they are ready for the Chinese environment

General financial review of the public entity

The financial highlights on the 2021/22 finanacial year depict a recovery of the South African economy that translates into the transport sector seeing a rise in levies and training activity. There has been continued

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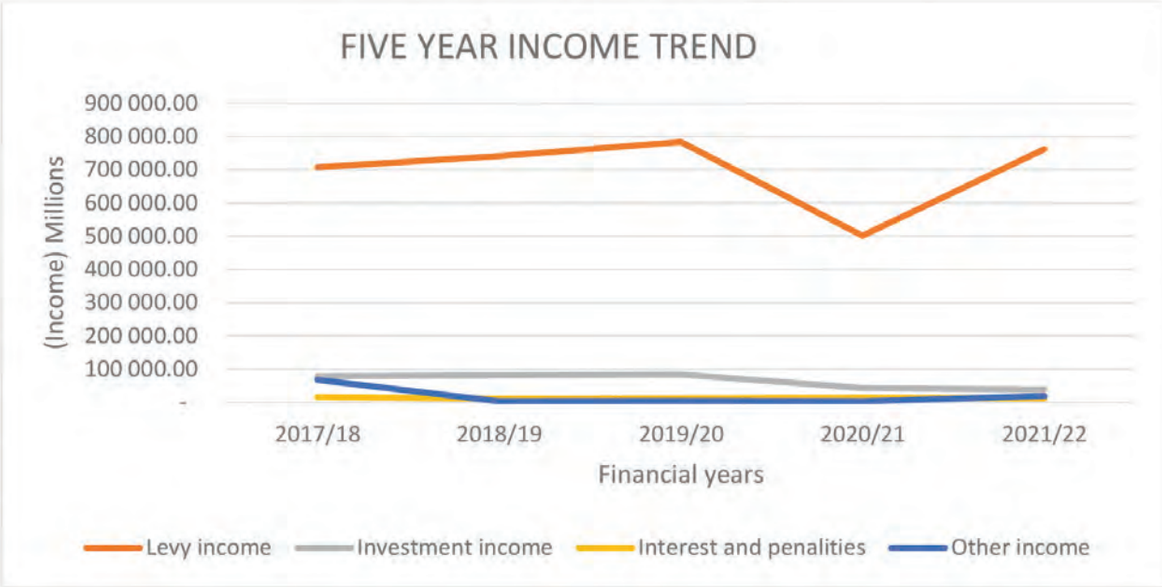
The table below shows the recovery of the Transport sector post hard lockdown;



support from employer stakeholders within the transport sector as they continue to pay the levies despite the economic challenges.

TETA's Management approach has been a prudent and moderate framework to utilization of funds but at the same time being innovative on pursuing and approving programmes that reduce costs with economies of scale.

Towards the end of the financial year, TETA responded to the President's call forEconomic Recovery and Reconstruction Plan (ERRP) with projects approved that create employment opportunities through SMME development.

Financial analysis summary

i) Total revenue increased by R270m, which translates to 48% relative to the 2020/21 financial year. This is due to an increase in levy income of R260m emanating from the economic recovery in the transport sector and a bad debt recovered from the UIF previously written off for the amount of R13m.
ii) Expenditure in administration, mandatory and discretionary grant expenses increased by R215m, 30% compared to the previous year;
iii) Expenditure as a percentage of revenue was 112%, a decrease compared to 127% for the previous financial year as a result of R58m UIF bad debt write off;
iv) Administration budget was 10.9%, which is above the legislated 10,5% administration cost ceiling. TETA obtained approval from DHET Minister to exceed the 10,5% in light of envisaged COVID-19 impact;
v) Total assets balance decreased by R73m as a result of bank balance decrease of R74m relative to prior year;
vi) Total liabilities increased by R30m as a result of payables increase of R23m and R4m increase in provisions as at 31 March 2022;
vii) Mandatory grant pay-out ratio remained at 77% compared to prior year.

Based on the following financial analysis, TETA would like to highlight the following areas of improvement:

- The DG spend grew from R523m in 2020/21 to R668m in 2021/22, an increase of R145m or 28% year on year
- TETA management is working closely with stakeholders to identify challenges in contract completions and expedite the skills development contracts currently implemented with TETA

To improve the impact of our interventions in skills development space for the transport sector, TETA continues to work on a multi-year funding principle to ensure continuity and traceability for the interventions being funded.

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Capacity constraints and challenges facing the public entity

The SETA has managed to retain 92% of its overall personnel in the year under review thus improving its levels of efficiency and optimising performance. Challenges brought in by the COVID-19 pandemic necessitated agility in advancing the ICT infrastructure and related resources to ensure optimal support to all staff. Continuous monitoring and related support for projects rolled out by the institution had to continue amidst the challenges of lockdown with ongoing adaptation of operational systems to mitigate non-performance.

In the year under review there were no notable constraints that the SETA recorded. The challenges encountered were in relation to the COVID-19 pandemic and the riots that affected Gauteng and Kwa-Zulu Natal provinces which were outside of the control of the SETA.

Discontinued key activities or activities to be discontinued

TETA did not discontinue any operations or activities for the 2021/22 financial year despite the devastation of the riots that affected Gauteng and Kwa-Zulu Natal provinces, and COVID-19 lockdown restrictions. The operations of the organisation remained the same with a minor change in how interventions were implemented in compliance with relevant regulations.

New or proposed key activities

TETA continues to innovate and provide support to the emergent needs resulting from the COVID-19 pandemic, social unrests and other related incidents. Support of national priorities such as the Economic Stimulus Programmes as well as the Economic Reconstruction and Recovery Plan remains core to how TETA rolls out its strategy. E-commerce opportunities for new entrants of motorbike delivery service has been central to TETA's approach in getting young people economically active.

TETA is intensifying efforts to support companies who are retrenching employees through the Temporary Employee Relief Scheme with regards to re-skilling employees and training for entrepreneurship.

Requests for roll over of funds

TETA has a surplus of R4,2m of uncommitted funds for the year ended 31 March 2022. TETA has requested rollover of the same funds from National Treasury in terms of section 53(3) of the PFMA.

Supply chain management

Supply Chain Management (SCM) unit established under the office of the Chief Financial Officer (CFO) complied with the National Treasury Regulation 16A 4.1 in the year under review. TETA subscribed to the principles of procurement and provisioning system that is fair, equitable, transparent, competitive and cost-effective, as enshrined in Section 217 of the Constitution of the Republic of South Africa (1996) and Section 51 of the PFMA.

TETA continues to discourage engagements in unsolicited bids procurement processes and has not had any of such procurement during the year under review.

TETA follows competitive procurement processes in the invitation for quotations and bids, and any unavoidable deviations are approved in line with SCM legislation. TETA is at a mature stage in its SCM processes, with an SCM policy aligned to new legislative requirements and continued level 2 B-BBEE rating in the year under review. TETA SCM processes have evolved over the years, and we are proud to state that the SCM unit has achieved a clean audit with no findings for three years in a row since the 2019/20 financial year. It is our desire to continue on this trajectory.

Outlook/Plans for the future to address financial challenges

Ongoing engagements with industry and exploring innovative ways to create opportunities for women and youth in the transport sector remains core to the strategies of the SETA. E-commerce business environment is on a growth trajectory and as such, TETA will continue to invest in motorbike license training and create business opportunities for those obtaining these licenses to leverage this market.

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Events after the reporting date

There was no significant events after balance sheet date except for the floods that affected Kwa-Zulu Natal province and Eastern Cape during the first quarter of 2022. We anticipate the effects to be more visible in our logistics, warehousing and trucking stakeholders resulting on lower levies for the subsequent financial year (2022/23), as retrenchments or job losses may be inevitable.

Economic Viability

Total revenue for the SETA increased by R270m, which translates to 48% relative to the 2020/21 financial year. This is due to an increase in levy income of R260m emanating from the economic recovery in the transport sector and a R13m bad debt recovered from the UIF previously written off. As focused in the previous reporting cycle, this growth trajectory is testament of cautious stability in the transport sector and we anticipate that the economy will continue to recover during the 2022/23 financial year.

Acknowledgement/s or Appreciation

Passion precedes performance, dedication determines the latitude of service and service excellence is born out of commitment not obligation. I am honoured to be surrounded by competent, passionate, dedicated and service driven management and staff. The achievements recorded in the 2021/22 Annual Report are testament to your hard work and effortless drive to impact our beneficiaries across the sectors. The board of TETA steered the ship to the shore of excellence and provided the necessary governance and strategic leadership throughout the year. COVID-19 did not deter TETA from improving its performance from 82% in 2020/21 to 89% in 2021/22 financial year. We continue to celebrate our audit outcomes and further recommit to do our best to serve the country with distinction.

Mrs Maphefo Anno-Frempong
TETA Chief Executive Officer

Passion precedes performance, dedication determines the latitude of service and service excellence is born out of commitment not obligation. I am honoured to be surrounded by competent, passionate, dedicated and service driven management and staff. The achievements recorded in the 2021/22 Annual Report are testament to your hard work and effortless drive to impact our beneficiaries across the sectors.

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Statement of Responsibility and
CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:
All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the AGSA.

The Annual Report is complete, accurate, and free from any omissions. The Annual Report was prepared in accordance with the guidelines on annual reports issued by National Treasury.

The Annual Financial Statements (Part E) were prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to TETA. The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements within the statements. The Accounting Authority is also responsible for establishing and implementing a system of internal control.

This system was purposefully designed to provide reasonable assurance on the integrity and reliability of the performance information, human resources information, and Annual Financial Statements. The external auditors were engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operational, human resources and performance information as well as the financial affairs of TETA for the financial year ended 31 March 2022.

Yours faithfully

Mrs Maphefo Anno-Frempong
Chief Executive Officer
Transport Education Training Authority
Date: 28 July 2022

Mr Saki Tlou
Interim Board Chairperson
Transport Education Training Authority
Date: 28 July 2022

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1. Strategic **Overview**

PHILOSOPHY STATEMENT

Enhancing economic development and financial sustainability through globally aligned skills development, rural development, industry transformation, strategic partnerships, research, and innovation

VISION STATEMENT

Inspired visionary leadership through skills development within the transport sector

MISSION STATEMENT

Building a forward thinking and globally competitive workforce by facilitating skills development programmes that support the outcomes of the NSDP and respond to emerging skills needs of the transport sector

VALUES

- Trust
- Accountability
- Respect
- Positive attitude
- Responsibility
- Commitment

KEY STRATEGY DRIVERS

- Economic Development
- National Priorities
- Industry Skills Needs
- Transformation

PROGRAMMES ALIGNMENT TO NATIONAL IMPERATIVES

Strategic Goals	Interventions
Administrative support services	• Contract support services • Administration services
Skills planning and research	• Industry labour research • Impact studies • Sector skills planning • Research chair/collaborations • Research on the impact of the 4IR
Access to occupationally directed programmes	• Bursaries • Apprenticeships • Skills programmes • Learnerships • Internships/work experience • Small business support
Strengthening quality assurance systems	• TVET equipment • TVET and CET support • Assessor and moderator training • Accreditation

National Imperatives					
NDP	MTSF	NSDP	Nine-Point Plan	SIPs	SONA February 2020

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2. Legislative and **Other Mandates**

TETA is a schedule 3A, Public Entity as per the Public Finance Management Act (29 of 1999) (PFMA) and was established in terms of the Skills Development Act (97 of 1998) (SDA) and is mandated to:

- Facilitate equitable skills development in the transport sector to cultivate empowered workers;
- Ensure access to training, education and work placement opportunities for graduates and the unemployed;
- Align skills development initiatives to emergent needs and national imperatives;
- Facilitate workplace learning and partnerships between employers and educational institutions;
- Collaborate with and support Technical and Vocational Education and Training (TVET) capacitation;
- Collaborate with Higher Education Institutions (HEIs); and
- Implement training on road safety to alleviate road carnage.

2.1 Legislative Mandates

2.1.1 Constitutional Mandate

Sections of the Constitution of the Republic of South Africa (Act No. 108 of 1996) that guide the operations of TETA include the following:

- Promoting and maintaining high standards of ethics.
- Providing service impartially, fairly, equitably and without bias.
- Utilizing resources efficiently and effectively.
- Responding to people's needs while citizens are encouraged to participate in policymaking
- Rendering an accountable, transparent, and development-oriented administration.

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2.1.2 Updates to Institutional Policies and Strategies

Constitutional

- The Constitution of the Republic of South Africa (No. 108 of 1996), section 29(1)
- National Development Plan
  - National Skills Development Plan
  - New Growth Path

Substantive

- Skills Development Act (No. 97 of 1998)

Financial

- Skills Development Levies Act (No. 9 of 1999)
  - Grant Regulations No. 35940 of December 2012
- Public Finance Management Act (No. 1 of 1999)
  - National Treasury Regulation
- Income Tax Act (No. 58 of 1962)

Supporting

The list below is not exhaustive:

- National Qualifications Framework Act (No. 67 of 2008)
- Higher Education Act (No. 101 of 1997)
- Further Education and Training Act, 2006 (No. 98 of 1998)
- White Paper for Post-School Education and Training
- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1998)
- Broad-Based Black Economic Empowerment Act (No. 53 of 2003)
- Promotion of Access to Information Act (No. 2 of 2000)
- The Promotion of Administrative Justice Act (No. 3 of 2000)
- Protection of Personal Information Act (No. 4 of 2013)
- Disaster Management Act; 2002 Act (No. 57 of 2002)
- Administrative Adjudication of Road Traffic Offences (AARTO)
- Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF)
- Economic Reconstruction and Recovery Plan (ERRP)

Other Frameworks

- National Transport Master Plan 2050
- Human Resources Development Strategy of South Africa
- Medium-Term Strategic Framework (MTSF)
- Industrial Policy Action Plan (IPAP)
- National Skills Accord
- Strategic Integrated Projects
- National Digital Future Skills Strategy
- Framework for Strategic Plans and Annual Performance Plans
- Framework for Managing Programme Performance Information

2.1.3 Policy Mandate

Implement the SSP and promote learnerships in each of the subsectors of the SETA;

- Perform the functions of an ETQA body and liaise with the NSA on skills development matters;
- Conclude an SLA with the Director-General of the Department of Higher Education and Training (DHET) in terms of Section 10A of the Act;
- Promote the national standards established in:
  - Industrial Policy Action Plan
  - National Skills Accord
  - Strategic Integrated Projects
  - White Paper for Post-School Education and Training
  - Comprehensive Rural Development Programme
  - Corporate Governance of Information and Communication Technology Policy Framework
- Submit budgets, reports, and financial information to the Director-General of the DHET, as stipulated by the PFMA;
- Facilitate the involvement of government departments in addressing competency requirements for the social development and learning needs of the most vulnerable segments of the sector;
- Promote the training needs of SMMEs to increase capacity to qualify for public contracts; and
- Actively pursue concrete measures to achieve the objectives of the Act.

3. TETA Organisational Structure

- Human Resources and Administration
- Marketing and Communications

- Chambers
- Skills Development and Learning Programmes
- Education and Training Quality Assurance
- Information Technology
- Performance Monitoring and Evaluation
- Strategic Projects and Stakeholder Relations
- Research and Knowledge

- Supply Chain Management
- Financial Management
- Risk Management

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PART B
PERFORMANCE INFORMATION

1. Auditor's **Report**

The 2021/22 financial year audit for Transport Education and Training Authority is reflected under the auditors report for conclussions on the audit of the predetermined objectives on page 103 to 104.

2. Overview of **Report**

2.1 Situational Analysis

TThe transport sector in South Africa is categorised by four modes of transport which are land, air, sea and inter-or-multimodal. To leverage skills development and training in the sector, TETA has further aligned eight subsectors into these modes to maximise efficiency and rollo out of skills development and training. These modes and related sub-sectrors are listed below:

- **Land** (which consists of rail, road freight, road passenger and taxi);
- **Air** (which cosists is aerospace);
- **Sea** (which consists of maritime);
- **Inter-or multi-modal** (which cosists of forwarding & clearing and freight handling).

2.2 Standard Industrial Classification Codes

Table 1 below provides more insight and breakdown of the transport sub-sectors and standard industry codes (SIC) where training and development in the sector resides.

Table 1: Transport sub-sectors and standard industry codes

SUB-SECTOR	SIC CODE	DESCRIPTION
Aerospace	73000	Air Transport
	73001	Civil Aviation
Forwarding and Clearing	71232	Freight Forwarding and Clearing
Freight Handling	71300	Transport via Pipelines
	74110	Cargo Handling
	74120	Storage and Warehousing
Maritime	13100	Ocean and Coastal Fishing
	72000	Water Transport
	27111	Coastal Shipping
	72112	Ocean Fishing
	72200	Inland Water Transport
Rail	71112	Railway Commuter Services
	49120	Freight Rail Transport
Road Freight	71230	Freight Transport by Road
	94004	Waste Management
Road Passenger	71200	Other Land Transport
	71211	Urban, Sub-Urban/Inter-Urban Bus/Coach
	71212	School Buses
Taxi	71221	Taxi

Sources: Government gazette 42589 on the re-establishment of SETA 2019

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2.3 Key role players

The transport sector consists a variety of key stakeholders performance drivers as summarised in table 2 which consolidates them into six groups. These performance drivers assist the SETA in linking training and education with employment.

Table 2: Key role players in the Transportation sector

Categories	Roles	Contribution to linking education and workplace in relation to the NSDP 2030
Civil Society	Engage in advocacy and offer alternative policies for government on societal matter such as (gender, transformation, youth skills development and employment).	In most cases, these self-organised groups are implementers of skills programmes on the "ground". They are at the coal-face of the interventions.
Employer Associations	Influencing skills development through submission of the workplace skills plan (WSP), representation on committees of TETA, representation and articulation of employers interest in various policy platforms.	These key role players are the main drivers of the sector. They lead technological advances, they contribute to training content and the development thereof. They are the creators of employment opportunities.
Government	Represent interests of the state in national skills development, policy making for education and training in the transport sector, delivery of SETA's mandate to facilitate training and skills development in the sector.	Government provides an enabling environment for the possibility of skills development and employment for the sector. It provides a regulatory framework as well as holding other parties accountable to their social contract.
Organised labour movement	Help in the articulation of organised labour's interest in various policy platforms, contribution to education and training negotiations, public management of transport resources and dispute resolution.	Acting on behalf of the workforce, labour movements are there to ensure a conducive environment in the workplace. Unions play a critical role in ensuring that skills innovations and changes happen.
Regulatory bodies	Ensures that workers competently perform their jobs and protect workers' right to practice, advocate for the introduction of skills training in hard-to-fill skills areas.	These bodies contribute quality standards in the transport sector. They ensure the quality and safety in both training and practice in the sector are of the highest quality.
Training providers	Represent interests of training providers in policy platforms, Contribute to education and training quality assurance, and curriculum development.	These institutions are there to supply skills to the sector. They ensure that new entrants are ready for the workplace.
Post School Education System	PSET sector represent interests of the post school community and interfaces with the SETAs in benefiting those in need of funding and curriculum alignment with industry	The PSET system provides the country with educational institutions – universities, TVET and community colleges – that are largely funded directly from the fiscus through grants from the DHET budget.

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2.5 Service delivery environment

TETA's service delivery environment is encapsulated in the Political, Economic, Socio-cultural and ethical, Techonology and information, Environmental and Legal including regulatory (PESTEL) framework. The PESTEL table 4 below provides a short summary of the factors per section:

2.5.1 Environment Analysis

Political, Economic, Socio-cultural and Ethical, Technology and Information, Environmental (Natural), Legal and Regulatory (PESTEL)

Figure 1: Evironmental analysis

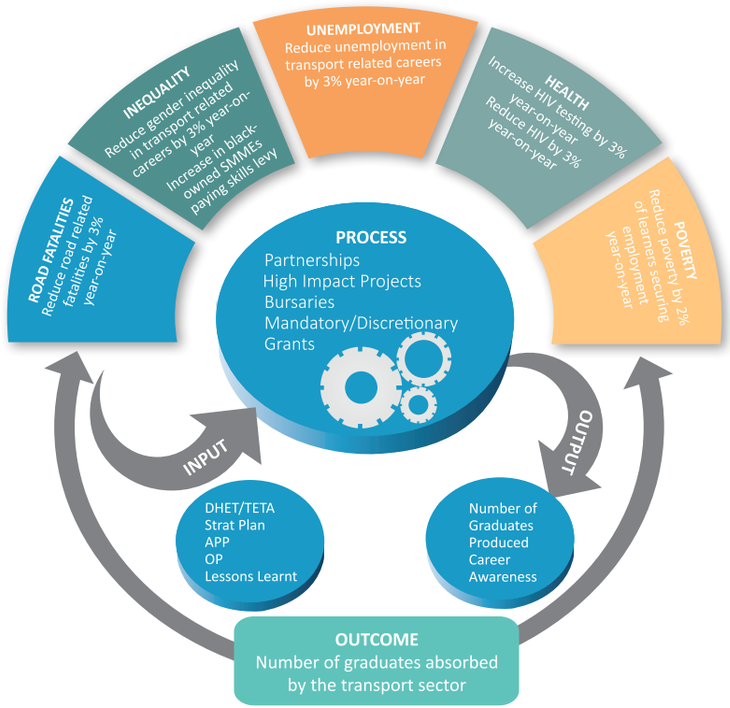

Table 4: External factors that have a bearing on the effective delivery of skills development

Political	Economic	Socio-cultural and Ethical
• Political interference • Employers not embracing transformation imperatives, demonstrated resistance to change • Labour policies • Misalignment of departmental mandates • Changes in government structure (departments and leadership) • Taxi industry transformation	• Labour disputes and protests • Utilisation of training budget in the public service • Company closures • Fraud and corruption • Competition • Unstable global economy • SETA mandate stretched without matching budget increases • High unemployment rate	• HIV/AIDS prevalence • Significant societal disparities between rural and urban areas • Protests and vandalization of transport infrastructure • Taxi industry disputes • Road carnage • Substance abuse • Employee wellness
Technology and Information	**Environmental (Natural)**	**Legal and Regulatory**
• Shift to technology increases the elitist group of participants • SETMIS and QCTO quarterly management reporting • Fourth industrial revolution, shift to technology/ automation • High cost of data • Limited access to technology in rural areas remain a reality	• Focus on the green economy provides opportunities for research and awareness programmes • Green economy also places pressure on transport operators to comply or face hefty penalties	• Change in legislation (e.g. BBBEE) • Bureaucracy in legislation approvals

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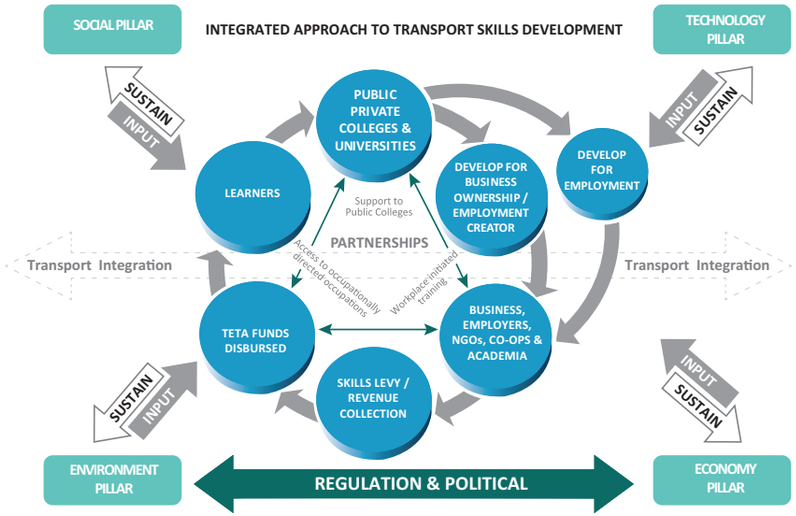
2.5.2 The virtuous cycle on the eco-system

The transport sector continues to implement a pioneering ecosystem to advantage and avert effects of the PESTEL elements. The pioneering ecosytem is underpinned by social, technological, economical and environmental pillars. The diagram below provides more insight into how the SETA integrates its approach towards skills development in the sector:

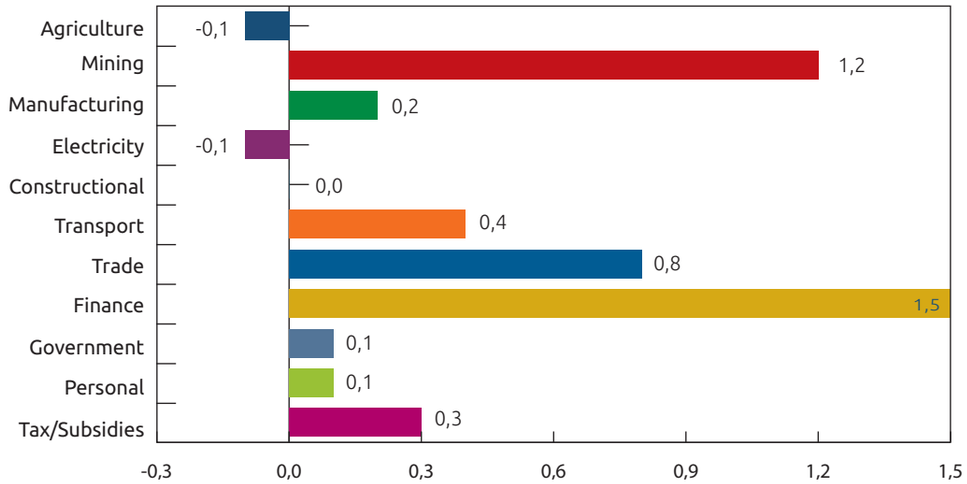
Figure 2: TETA Pioneering Ecosystem



2.5.3 Economic Performance

The year 2020/2021 was challenging for the transport sector due to the economic challenges related to COVID-19. According to STATS SA, the recorded real Gross Domestic Product (GDP) (measured by production) increased at an annualised rate of 4,6% in the first quarter of 2021 against the backdrop of a 5,8% increase in the fourth quarter of 2020 (STATSSA, 2021). The increase in economic performance is partly due to the relaxation of COVID-19 lockdown restrictions. Figure 3, contextualises the growth in the transport sector against other sectors.

Figure 3: Contributions to growth in GDP by sector in Q1 2021 (% points)



2.5.4 Transport sector outlook

The transport industry continues to remain resilient in the face of economic recession and the devastating impact of the COVID-19 pandemic. However, the outlook of the transport sector would depends on how well the economy performs and the industry's ability to adapt to the lasting effect of COVID-19) and the fourth industrial revolution (4IR).

2.5.4.1 Economic growth and COVID-19

GDP expanded an annualised 67.3% in the three months through September 2020 from the previous quarter, following a 51.7% decline in the second quarter of 2020 (STATSSA, 2021), the economy effectively experienced the worst economic recession in 28 years.

However, the projected growth rate is not commensurate with South Africa's debt trajectory, which is rising at an alarming rate. The GDP to debt ratio is averaged 4.1% per annum, compared to with real GDP growth lagging at 1.5% per annum. Even more concerning is that the debt-service cost is more than expenditure on health and basic education programme for 2021 – 2022, representing the fastest-growing line item in the national budget.

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The poor economic performance and the effect of the shutdown of the economy due to the spread of the COVID-19 virus experienced in March 2020 are likely to have a lasting impact on the Transport sector. During this period, the number of daily flights, ports, rail, road transport, and freight fell by 80%, with all passenger traffic completely shut down. It remains an undeniable fact that the transport sector is in survival mode with the airline, airport and ground-handling companies struggling to secure funds to pay employees and meet other financial obligations necessary to ensure the sustainability of their operations.

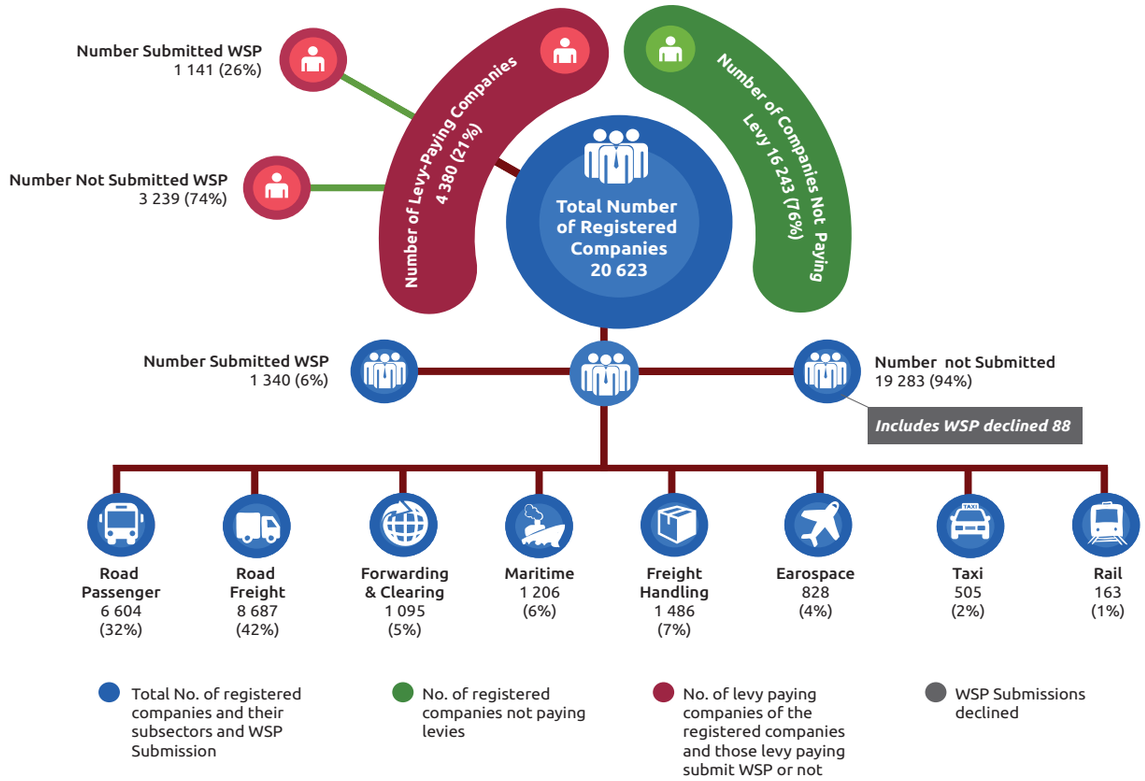
2.5.5 Employer Profile

This subsection provides an analysis of the transport sector employers by both subsector and geography. The data used in this section was derived from an analysis of the SARS Levies File (March 2021) and the WSP/ATR 2021. The March 2021 SARS levy file has 20 623 companies which are disaggregated as follows: Active (11 647), De-registered (5 279), Stopped trading (2 722), Estates (745), Companies that cannot be traced (153), and Unknown (77).

2.5.5.1 Number of employers represented within the sector and sub-sectors

The March 2021 SARS levies file indicated (which represent the most recent data on the registered Transport companies) 20 623 registered Transport sector companies, a 3% increase from 2020. Figure 4 depict the categorisation of companies registered in the March 2021 SARS levies file by various subsectors.

Figure 4: Number of companies represented in the sector and its subsectors



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2.5.6 Labour market profile

The sub-section below provides the analysis of the profile of employment within the Transport sector. The analysis shows the number of persons employed in the industry sector, including distribution by race, gender, age and disability, employment by subsectors, provincial distribution of employees and employment by occupational group.

2.5.6.1 Number of individuals employed in the sector

According to the latest South Africa's Quarterly Labour Force Survey (STATS SA QLFS Q1 2021) released on 01 June 2021, the Transport industry is the seventh-highest employer in South Africa. Table 5 shows that the transport, storage and communication industry reported an annual decrease of 92 000 employees (-9,2%) in December 2020 compared with December 2019. It further indicates that the transport sector employment decreased by 40 000 or (-4,3) quarter-on-quarter, from 943 000 in Q4:2020 to 903 000 in Q1: 2021. The decrease in employment is mostly due to decreases in employment in the post and telecommunications. The evidence presented by the STATS SA (QLFS Q1 2021) supports the views expressed by transport sectors operators who participated in the TETA virtual strategic stakeholders' workshop (in May 2021), where the effect of COVID-19 lockdowns on employment due to company closures were reported.

Table 5: Employment by industry

	Jan-Mar 2020 '000	Oct-Dec 2020 '000	Jan-Mar 2021 '000	Quarter-to- Quarter change %	Year-on-year change %	Quarter-to- Quarter change %	Year-on-year change %
Total Employed	16 383	16 383	14 995	-28	-1 387	-0,2	-8,5
Agriculture	865	810	792	-18	-72	-2,2	-8,4
Mining	436	384	395	12	-41	3,0	-9,3
Manufacturing	1 706	1 491	1 497	7	-208	0,5	-12,2
Electricity	116	99	115	16	-1	16	-0,5
Construction	1 343	1 166	1 079	-87	-265	-7,5	-19,7
Trade	3 320	3 063	2 979	-84	-341	-2,7	-10,3
Transport	995	943	903	-40	-92	-4,3	-9,2
Finance	2 517	2 312	2 527	215	10	9,3	0,4
Community and social services	3 759	3 551	3 567	16	-192	0,5	-5,1
Private households	1 316	1 197	1 127	-70	-189	-5,8	-14,4

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2.5.6.2 Employment by gender

The Q1 2021 Quarterly Labour Force Survey indicated that more men than women were employed in the transport industry. According to the survey, every tenth person (83,3%) employed in the transport industry were men. Despite fewer women employed in transport, the year-on-year comparisons indicate a greater proportion of women employed in the transport sector decreased by 14,9%, compared to the proportion of men employed, which decreased by 8%. More women than men lost their jobs in the sector. The reasons are likely due to retirement and retrenchment because of COVID-19 in the industry.

2.5.6.3 Employment by race

Information regarding the race, age and disability distribution of employment was derived from the 2021 WSP/ATR data. The numbers presented only relate to the employment demographics of 1 340 transport companies that submitted the WSP/ATR. The data presented in this sub-section constitute a mere 6.5% of the total registered transport sector companies.

Figure 5: Employment by race

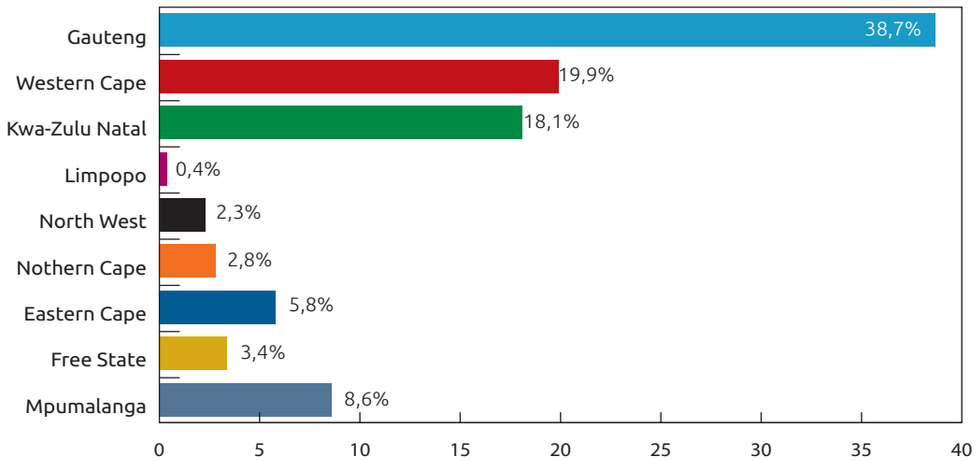
2.5.6.4 Employment by Age

The dominant age group of employees within the transport industry is 35 to 55 years old (as shown in Figure 6 below). Almost 6 in 10 employees (56.8%) are between 35 to 55 years old. The below 35 years and less category represent nearly 4 in 10 (33.7%) of employees. The over 55 years age group of employees make up 9.5% of the transport industry. The analysis presented is based on the employees reported by companies that submitted the 2021 WSP/ATR.

2.5.6.5 Employers' geographical spread

Figure 4 below represents the geographical distribution of the transport industry companies across the nine provinces in South Africa. The 2021 SARS levy file shows that transport sector companies are mainly concentrated around major metropolitan cities. These are Johannesburg, Tshwane and Ekurhuleni in Gauteng (38,7%), Cape Town in the Western Cape (19,9%), and eThekwini in KwaZulu-Natal (18,1%). Limpopo (0,4%), North West (2,3%) and Northern Cape (2,8%) have the lowest numbers of registered transport companies in South Africa.

Figure 6: Employment by geographical spread



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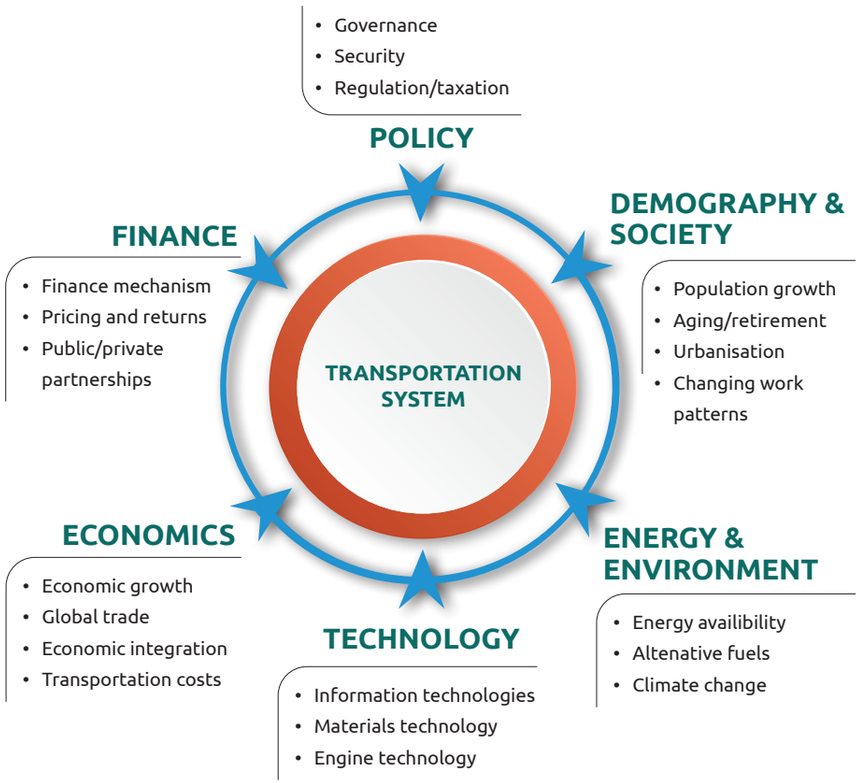
2.5.7 Transport sector drivers of change

The use of the drivers of change approach to understanding the factors affecting skills demand and supply recognizes that there are sector-specific factors that affect skills demand and supply. These factors present opportunities for change in the transport sector. The drivers of change approach strive to capture the interaction between the transport sector labour force, the economic performance, the skills supply, and the demand.

Figure 7: Drivers of skills change in the transport sector



2.6 Organisational environment

TETA operating model, overall staff experience, competence and delivery have resulted in mutually beneficial relationships between TETA and its various stakeholders. However, TETA is continually faced with challenges beyond its control. These challenges have the potential to limit TETA's effectiveness in the execution of its mandate and dictates of the signed SLA targets with DHET. A SWOT analysis used to contextualise TETA's internal and external environments, is illustrated in the matrix below. In essence, the SWOT analysis identifies areas of strengths and opportunities that TETA can leverage on in the design and implementation of its strategies. Identifying weaknesses and threats to be converted into opportunities. The results of the SWOT analysis are discussed below, with suggested mitigations for the challenges identified. Equally, the opportunities and strengths can be harnessed to enhance TETA's organisational performance in executing its mandate

Strengths

- Overall staff experience, competence and delivery have created trust and TETA is building mutually beneficial relationships with stakeholders;
- TETA encourages significant participation, collaboration and input into innovative qualification development and implementation;
- TETA established an international footprint through leadership and executive development programmes;
- As a critical economic driver, the transport sector offers TETA ample benchmarking and innovation opportunities in both technology and skills training.

Weaknesses

- Inadequate data and information management systems compromise information accuracy and integrity of the organisation;
- Funding modalities for people living with disabilities are still lacking;
- Inadequate tools to manage the performance of training providers in the transport sector; and
- Inadequate financial and human resources hamper the execution of TETA's mandate in the transport sector.

Opportunities

- The transport sector as a critical economic driver presents a myriad of opportunities for skills development in the country;

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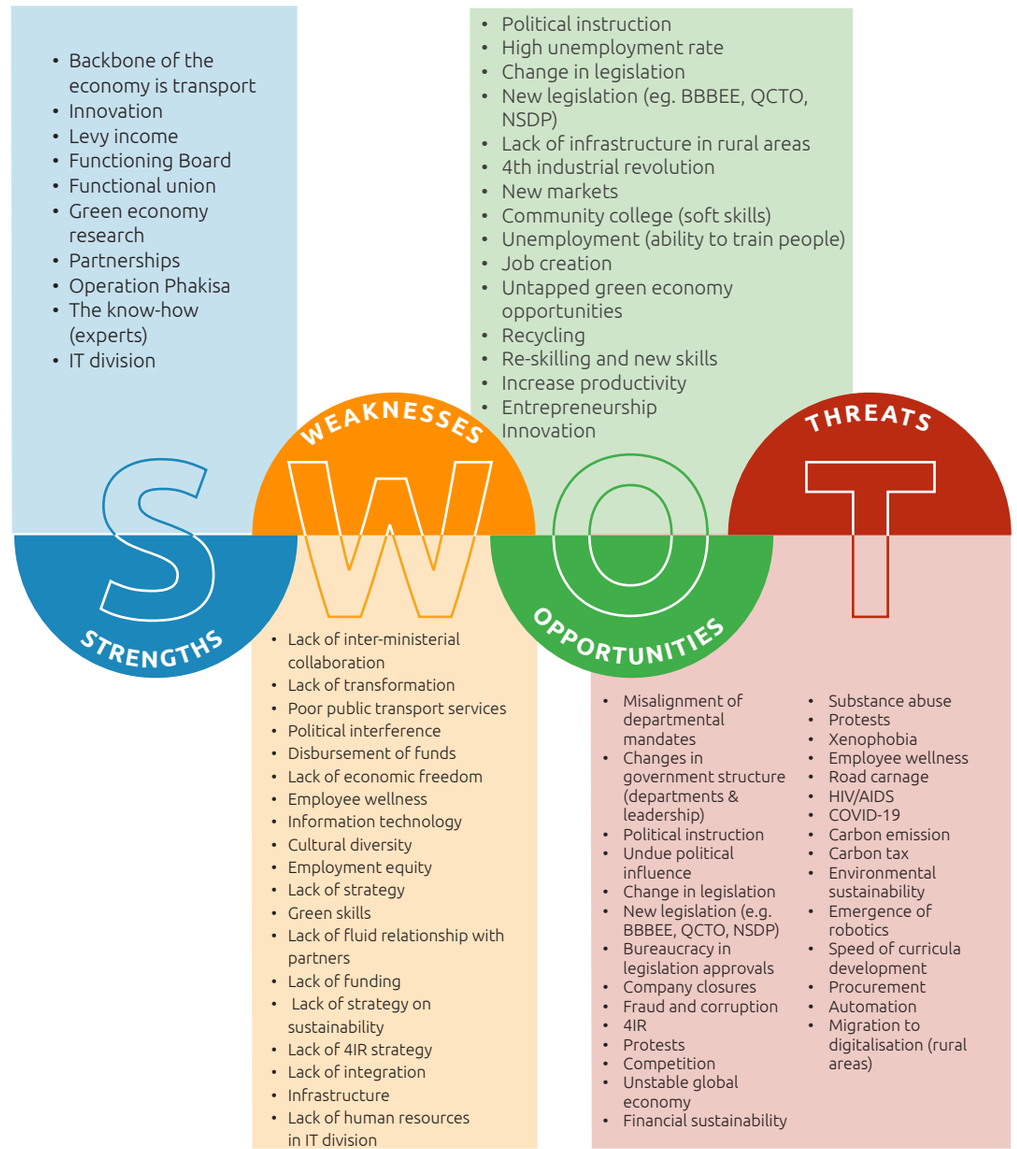
- More workplace approvals will enable training of a large number of youths;
- Strong stakeholder relations, both internally and externally, present an excellent opportunity for TETA to create partnerships that will elevate skills development in the sector;
- TETA's implementation of HEI bridging programmes has the potential to empower students at universities to cope with their studies;
- An increase in participation of levy-paying organisations in skills development will assist TETA with the collection of higher revenue and more skills being developed in the sector;
- Road carnage in the country requires TETA to devise innovative road safety training programmes; and
- Expanding the programme to adopted schools will present life-changing opportunities for learners in rural areas and townships;
- TETA has an opportunity to celebrate more of its achievements in the sector to engrave its footprint;
- There is an excellent opportunity for TETA to support the TVET colleges as indicated in the PSET;
- Inter-SETA collaborations are an opportunity for TETA to benchmark best practices and form partnerships that will improve its performance; and
- Sustained demand for free post-school education presents opportunities for TETA to continue with its bursary funding programme and investigate other creative solutions to assist learners.

Threats

- The SETA administration fee of 10% has a restraining effect on the ability of TETA to deliver on its mandate in the following manner:
  - Lack of control and unpredictability of levy income flows impairs the ability to plan accurately;
  - Devolution of QCTO functions to new structures may render SETA-based ETQA units obsolete, while the new structure may present challenges that compromise SETA performance;
  - SETAs interpret Grant Regulations differently, and this impedes uniformity in the implementation of the grants;
- Sluggish economic growth in South Africa makes industrial investment increasingly difficult and risky and is already impacting the labour market negatively, as evidenced by the industry scaling down and consequent retrenchments, which means a reduction in levy-income for TETA;



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- The 4IR continuously presents automation threats, which may render some current skills obsolete;
- Due to the challenging economic conditions in South Africa and high unemployment rate, TETA's levy income has reduced considerably; and
- The effects and relief measures of COVID-19 will impact TETA and the transport sector immensely in the current financial year.

2.6.2 Key Policy Developments and Legislative changes.

There were no changes to policy or legislation however, the NSDP 2030, as crafted in the context of the National Development Plan remains the key policy that informs the work of TETA. At the wake of COVID-19, the Skills Strategy was born to ensure a well-coordinated strategy of skills development to support management of COVID-19 and economic social relief. SETAs are key strategic partners in facilitation of the implementation the ERRP. TETA as a key role player in the PSET system will ensure that skills required to implement ERRP within the transport sector are available.

3. Progress towards Achievement of Institutional Impacts and Outcomes 2019/20 to 2021/22

The NSDP 2030 challenged TETA to move towards delivering services that are impactful bearing in mind the national priorities that may arise during the MTSF period. The table below gives an account of the progress made towards achieving outcomes as set out in our 5-year strategy. The second year of our MTSF period presented challenges emanating from COVID-19 pandemic that necessitated the review of our annual performance plans. The performance on these outcomes is affected by the review. In addition, Outcome 3 was mainly affected by the retrenchments that were taking place within the transport sector for the past two financial years. TETA is hopeful that the NSDP outcomes will be realised at the end of the MTSF period.

It must be noted that some of the outcomes have already been achieved and specific attention is drawn to Outcome 6 where the support of the ERRP contributed to the overachievement of target.

Outcome Number	Outcomes	5 Year Target	3-year Achievement	% Achievement
Outcome 1	Identify and increase production of occupations in high demand	229	144	63%
Outcome 2	Linked education institutions and the workplace	425	354	83%
Outcome 3	Improving the level of skills in the South African workforce	10 695	6895	64%
Outcome 4	Increase access to occupationally directed programmes	15631	14868	95%
Outcome 5	Support the growth of the public college institutional type as a key provider of skills required for socio-economic development	14	6	43%
Outcome 6	Skills development support for entrepreneurship and cooperative development	546	1494	274%
Outcome 7	Encourage and support worker-initiated training	14	11	79%
Outcome 8	Support career development services	182	304	167%
Outcome 9	Support transport safety interventions	32	37	116%
Outcome 10	Provide administrative support services	93%	72%	78%

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4. PERFORMANCE INFORMATION BY PROGRAMME

4.1. Performance on entered targets (2021/22)

PROGRAMME 1: ADMINISTRATION

PURPOSE: To provide administrative support services and enable TETA to deliver on its mandate and ensure compliance with all government imperatives.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Institutional mandate met	Unqualified audit opinion	(1.1a) Achieve unqualified audit opinion on the annual financial statements at the end of the financial year	Unqualified audit opinion from the Auditor-General for 2018/19	Unqualified audit opinion from the Auditor-General for 2019/20	Unqualified audit opinion from the Auditor-General for 2020/21	Unqualified audit opinion from the Auditor-General for 2020/21	0	N/A
	Administration expenditure within 10.5% ceiling	(1.1b) Percentage of levy income used towards administration expenditure	10.50%	15%	10.5%	11%	0,5%	TETA applied to exceed 10.5%, in line with grant regulations, which was approved by the DHET Minister
	Discretionary grant (DG) allocations for PIVOTAL Programmes	(1.1c) Percentage of DG funding allocated to PIVOTAL programmes	80%	105%	80%	85%	5%	Increased funding model on PIVOTAL Programmes together with the focused approach on implementing these programmes resulted in overachievement
	Procurement plan achieved	(1.1d) Percentage achievement of TETA procurement plan	95%	84%	80%	94%	14%	Preparations for increased health and safety resulted in faster implementation of the procurement plan
	Retained staff	(1.2a) Percentage of annual permanent staff retained	88.98%	93%	85%	92%	7%	Creation of a harmonious and safe work environment enabled the retention of permanent staff
	Reviewed Organisational Structure	(1.2b) Review of Organisational Structure	N/A	N/A	Approved reviewed organisational structure	Approved reviewed organisational structure	0	N/A

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PURPOSE: To provide administrative support services and enable TETA to deliver on its mandate and ensure compliance with all government imperatives.								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Institutional mandate met	WSP/ATR for TETA submitted	(1.2c) Submission of TETA Workplace Skills Plan and Annual Training Report to ETDP SETA	WSP/ATR Submitted by 30 April	WSP/ATR Submitted by 30 April	Submission of TETA WSP and ATR by 30 April	WSP/ATR Submitted by 30 April	0	N/A
	Wellness activities conducted	(1.2d) Number of wellness activities conducted	8	5	4	4	0	N/A
	Surveys conducted	(1.2e) Number of stakeholder satisfaction surveys conducted	2	2	2	2	0	N/A
	Systems report	(1.3) Percentage availability of ICT systems achieved	96.25%	99%	80%	99.48%	19.48%	The regular maintenance of systems and hosting environment enabled availability and efficiency of the systems above agreed SLA target
	Operational offices	(1.4) Number of TETA satellite offices opened	N/A	2	2	0	-2	Due to operational arrangements, the target has been deferred to the last year of the MTSF

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PROGRAMME 2: SKILLS PLANNING AND RESEARCH

PURPOSE: To establish mechanisms for skills planning and research capacity								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Increased access to occupations in high demand through skills interventions	Research reports	(2.1) Number of research studies conducted	2	2	3	3	0	N/A
	Sector Skills Plan (SSP)	(2.2a) Produce an approved TETA Sector Skills Plan (SSP)	Approved TETA SSP	Approved TETA SSP	Approved TETA SSP	Approved TETA SSP	0	N/A
	Tracer study report	(2.2b) Tracer study conducted	2	1	1	1	0	N/A
	Partnerships	(2.3a) Number of research partnerships supported	2	3	2	2	0	N/A
	Approved mandatory grants for large firms	(2.4a) Number of mandatory grants approved for large firms	1 137	211	150	213	63	Target overachieved due to stakeholder capacitation workshops conducted and extra support provided
	Approved mandatory grants for medium firms	(2.4b) Number of mandatory grants approved for medium firms		253	170	225	55	Target overachieved due to stakeholder capacitation workshops conducted and extra support provided
	Approved mandatory grants for small firms	(2.4c) Number of mandatory grants approved for small firms		734	500	721	221	Target overachieved due tostakeholder capacitation workshops conducted and extra support provided
	Mandatory grants paid	(2.4d) Percentage of mandatory grants paid	N/A	97.6%	80%	90%	10%	Increased mandatory grants' approvals resulted in increased payments which led to the overachievement of the target
	Capacitation workshops	(2.4e) Number of provincial capacitation workshops conducted	19	17	17	17	0	N/A

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PURPOSE: To establish mechanisms for skills planning and research capacity								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Increased access to occupations in high demand through skills interventions	Skills Development Facilitator Capacitation	(2.4f) Number of Skills Development Facilitator trained on developing workplace skills plans	N/A	N/A	50	51	1	Target overachieved due to more trainees enrolled on the programme by provider at no extra cost
	Monitoring visits and due diligence	(2.4g) Number of verifications conducted for mandatory grants/ discretionary grants/ due diligence	N/A	140	140	194	54	Target overachieved due to legacy contracts being monitored
	Discretionary grants for bursaries	(2.5a) Percentage of discretionary grants budget allocated to developing high level skills	N/A	13%	13%	16.12%	3.12%	Overachievement due to higher demand for high-level skills programmes
	Discretionary grants for skills programmes, learnerships, apprenticeships, and internships	(2.5b) Percentage of discretionary grants budget allocated to developing intermediate skills	N/A	56%	47%	49.15%	2.15%	Overachievement due to higher demand for intermediate level skills programmes
	Discretionary grants for AET	(2.5c) Percentage of discretionary grants budget allocated to developing elementary skills	N/A	1%	1%	2.5%	1.5%	Overachievement due to higher demand for elementary level skills programmes

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PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS

PURPOSE: To increase access to occupationally directed programmes within the transport sector

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Improved level of skills in the South African workforce	Learners on bursaries	(3.1a) Number of employed learners on bursaries	106	144	70	78	8	Varying costs for programmes undertaken by bursars resulted in orverchievement
	Learners on skills programmes	(3.1b) Number of employed learners on skills programmes	928	350	430	388	-42	Operational requirements from stakeholders led to the shortfall
	Learners on learnerships	(3.1c) Number of employed learners on learnership programmes	1 785	1 141	700	941	241	Overachievement due to contracts signed in the previous year and implemented in the current year.
	Learners on occupational qualifications	(3.1d) Number of learners enrolled for occupational qualifications	N/A	N/A	60	64	4	Target overachieved due to prior year contract implemented in current year
	Learners on AET	(3.1e) Number of employed learners on AET programmes	121	56	130	93	-37	Operational requirements from stakeholders led to the shortfall
	Learners on apprenticeships	(3.1f) Number of employed learners on apprenticeship programmes	131	76	20	20	0	N/A
	Learners on ARPL	(3.1g) Number of learners on ARPL programmes	N/A	N/A	70	122	52	Target overachieved due to prior year contract implemented in current year
	Learners on RPL	(3.1h) Number of learners on RPL programme	45	10	20	50	30	Target overachieved due to high demand for RPL

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PURPOSE: To increase access to occupationally directed programmes within the transport sector								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Improved level of skills in the South African workforce	Learners on leadership development programmes	(3.1i) Number of candidates on leadership development programmes	0	15	15	15	0	N/A
	Learners on executive development programmes	(3.1j) Number of candidates on executive leadership development programmes	0	15	15	15	0	N/A
	Learners on women's leadership development programmes	(3.1k) Number of women on leadership development programmes	0	15	15	15	0	N/A
	Learners on board members leadership development programmes	3.1l) Number of board members on leadership development programmes	18	0	19	17	-2	Target not achieved due to vacant board member positions
	Learners on Masters programmes	(3.1m) Number of candidates on masters programmes in maritime affairs	5	4	5	5	0	N/A
Increased access to occupationally directed programmes	Learners on bursaries	(3.2a) Number of unemployed learners on bursaries	397	283	200	201	1	Overachivement due to varying costs for qualifications and programmes funded in the year under review
	Learners on skills programmes	(3.2b) Number of unemployed learners on skills programmes	1 568	735	700	1 541	841	Target overachieved due to availability of budget because of a high number of skills programmes at lower NQF levels taken up by stakeholders
	Learners on learnerships	(3.2c) Number of unemployed learners on learnership programmes	2 712	1 776	800	1 307	507	Target overachieved due to availability of budget because of a high number of learnership programmes at lower NQF levels taken up by stakeholders and a high demand for learnerships

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
			AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	
OUTCOME	OUTPUTS	OUTPUT INDICATORS	2019/2020	2020/2021	2021/2022			REASONS FOR DEVIATIONS
Increased access to occupationally directed programmes	Learners on AET	(3.2d) Number of unemployed learners on AET programmes	345	301	200	304	104	Target overachieved due to availability of budget because of a high number of AET programmes at lower levels and a high demand for AET
	Learners on apprenticeships	(3.2e) Number of unemployed learners on apprenticeship programmes	428	110	200	324	124	Target overachieved due to focus on issues of national priority as budget became available (Centers of specialization and NDP target)
	Learners on cadetships	(3.2f) Number of learners on cadetships	48	25	75	67	-8	Sectoral operational requirements from stakeholders led to the shortfall
	Learners on candidacy programmes	(3.2g) Number of learners on candidacy programmes	28	15	15	15	0	N/A
	Learners on grade 12 improvements	(3.2h) Number of out-of-school youths trained on grade 12 improvement programmes	100	70	70	100	30	Varying costs to rollout programmes allowed for more out of school youth to be included in the programmes
Linked education institutions and the workplace	Partnerships established	(3.3a) Number of partnerships established and implemented with employers	2	2	1	5	4	Target overachieved due to proactive participation by employers to partner with TETA
		(3.3b) Number of partnerships established and implemented with TVET colleges	9	2	2	0	-2	Engagements with TVET Colleges was not concluded by financial year end
		(3.3c) Number of partnerships established and implemented with universities	2	1	1	1	0	N/A

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PURPOSE: To increase access to occupationally directed programmes within the transport sector								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Linked education institutions and the workplace	Partnerships established	(3.3d) Number of partnerships established and implemented with CET colleges	N/A	2	2	2	0	N/A
		(3.3e) Number of tripartite partnerships established (education institutions, workplaces and TETA)	N/A	5	6	6	0	N/A
Linked education institutions and the workplace	Graduates on internships	(3.4a) Number of graduates placed on internship programmes	477	208	240	241	1	Target overachieved due to companies resuming operations after COVID-19 lockdowns with increased demand
	Learners in employment	(3.4b) Number of learners absorbed into employment (internships, skills programmes, bursaries, and learnerships upon completion)	N/A	87	50	146	96	Target overachieved due to companies resuming operations after COVID-19 lockdowns with increased demand
	HEI learners on workplace experience programmes	(3.4c) Number of HEI learners on workplace experience programmes	246	146	85	132	47	Target overachieved due to companies resuming operations after COVID-19 lockdowns with increased demand
	Learners on workplace experience (TVET)	(3.4d) Number of TVET learners placed on workplace experience	254	130	160	223	63	Target overachieved due to companies resuming operations after COVID-19 lockdowns with increased demand
	Graduates on work readiness programmes	(3.4e) Number of graduates on work readiness programmes	262	275	200	339	139	Target overachieved due to prior year contract implementation in the current year

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PURPOSE: To increase access to occupationally directed programmes within the transport sector								
			AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	
OUTCOME	OUTPUTS	OUTPUT INDICATORS	2019/2020	2020/2021	2021/2022			REASONS FOR DEVIATIONS
Linked education institutions and the workplace	Workplace approvals for apprenticeships	(3.4f) Number of workplaces approved	168	69	30	78	48	Target overachieved due to the changes in legislation (the WBLPA regulations require that 7 additional interventions be workplace approved). Previously only learnerships and apprenticeships required it
Increased support to TVET and CET colleges as the key providers of occupational skills	Stakeholders in Limpopo assisted	(3.5) Number of stakeholders assisted in TETA's Limpopo-based offices	226	111	100	122	22	Target overachieved due to increased number of stakeholders in Limpopo Province receiving assistance
	Contract management workshops	(3.6a) Number of TETA stakeholder capacitation workshops on contract management	19	12	8	17	9	Hybrid approach in the rollout of workshops reduced the estimated budgets and increased the number of workshops conducted
	Empowerment seminars	(3.6b) Number of women's empowerment seminars conducted	6	3	3	3	0	N/A
	Stakeholder engagement sessions	(3.6c) Number of provincial stakeholder engagement sessions conducted	16	6	6	6	0	N/A
Supported career development services	Career items	(3.7a) Number of career platforms produced or developed	N/A	3	3	3	0	N/A
	Promotional packs	(3.7b) Number of promotional material packs procured	10 000	34 060	10 000	10 000	0	N/A
	Media information sessions	(3.7c) Number of media information sessions conducted	14	7	6	15	9	Target overachieved due to new media, which at times leverages traditional media used to support TETA funded programmes

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PURPOSE: To increase access to occupationally directed programmes within the transport sector								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Supported career development services	Career exhibitions	(3.8a) Number of TETA career exhibitions conducted for urban areas	52	22	30	33	3	Target overachieved due to adhoc requests received from various social partners in the career development services environment
		(3.8b) Number of TETA career development exhibitions in rural areas on occupations in high demand	N/A	9	6	6	0	N/A
	Sponsored events	(3.8c) Number of events sponsored to enhance TETA brand	8	6	5	5	0	N/A
	Internal career guidance advisors	(3.9a) Number of internal career guidance advisors capacitated	63	49	10	31	21	TETA recruits Interns from time to time and these resources further form part of the support system for career development services resulting in the overachievement of the target
	Capacity-building workshops	(3.9b) Number of capacity- building workshops conducted for teachers	14	8	6	11	5	Adhoc proposals for teacher capacitation workshops are received were supported resulting in the overachievement of the target
	Schools supported	(3.10) Number of schools supported	51	51	54	55	1	Overachievement due to increase in demand by schools to be supported by TETA
Increased access to business development programmes	Small and medium enterprises	(3.11a) Number of small and medium enterprises funded	152	517	100	716	616	Target overachieved due to focus on issues of national priority (ERRP)
	NLPEs funded	(3.11b) Number of small NLPEs funded	543	350	134	714	580	Target overachieved due to focus on issues of national priority (ERRP)

PURPOSE: To increase access to occupationally directed programmes within the transport sector								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Increased access to business development programmes	Cooperatives funded	(3.11c) Number of cooperatives funded	20	13	13	13	0	N/A
	NGOs Funded	(3.11d) Number of NGOs funded	48	4	3	7	4	Target overachieved due to prior year contract implemented in current year
	CBOs funded	(3.11e) Number of CBOs funded	0	3	3	3	0	N/A
	Learners on entrepreneurship training	3.11f) Number of people trained on entrepreneurship supported to start their businesses (new venture creations)	N/A	20	20	20	0	N/A
	Rural development projects	(3.11g) Number of rural development projects supported	7	4	4	6	2	Target overachieved due to prior year contract implemented in current year
Improved worker-initiated training	Trade unions funded	(3.12) Number of trade unions funded	5	2	2	4	2	Target overachieved due to higher-than-expected demand for trade union support
Increased transport safety interventions	Partnerships	(3.13a) Number of road safety partnerships implemented	0	2	2	2	0	N/A
	Road safety awareness initiatives	(3.13b) Number of Safety initiatives funded in the Transport Sector	5	29	3	3	0	N/A
	Learners on accident prevention programmes	(3.14) Number of learners on accident prevention training programmes	64	300	40	40	0	N/A
	HIV/AIDS awareness programmes	(3.15) Number of HIV/AIDS awareness programmes supported	17	3	3	3	0	N/A

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PROGRAMME 4: QUALITY ASSURANCE SYSTEM

PURPOSE: To strengthen the quality assurance system

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Increased access to occupationally directed programmes	Occupational qualifications developed	(4.1a) Number of curricula developed for occupational qualifications	8	1	1	9	8	Target was overachieved due to occupational qualifications previously developed that were reviewed in line with QCTO policies and industry changes
	QAS Addenda and RPL toolkit	(4.1b) Number of Qualification Assessment Specifications (QAS) developed	2	1	1	1	0	N/A
	Learning materials	(4.1c) Number of learning materials developed for QCTO approved occupational qualification	2	1	1	1	0	N/A
	Training providers capacitated	(4.2a) Number of training providers capacitated on TETA ETQA systems	485	209	200	249	49	More training providers than expected attended the capacity building workshop resulting in the overachievement of the target

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PURPOSE: To strengthen the quality assurance system								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Increased access to occupationally directed programmes	ETD Practitioners supported	(4.2b) Number of ETD practitioners supported	103	101	100	206	106	ETD practitioners supported increased in the year under review within the allocated budgets resulting in overachievement of the target
	Training providers monitored	(4.2c) Number of training providers monitored	259	152	150	197	47	Diversified approach to monitoring of training providers which included one on one support for providers resulted in the overachievement of the target
	External moderations	(4.3a) Number of external moderations conducted	305	409	140	425	285	Overachievement was due to more applications for external moderation received in the year under review as a result of ETQA efforts to encourage certification of learners
	Learning programmes evaluated	(4.3b) Number of learning programmes evaluated	395	224	100	220	120	More applications evalaution and materials for re-evaluation were more than the antipated target in the year under review resulting in overachievement of the target
	Candidates on mentorship and coaching	(4.4a) Number of candidates on mentorship and coaching programmes	200	70	200	200	0	N/A
	TVET lecturers trained	(4.5a) Number of TVET lecturers trained on TETA quality assurance system	130	36	50	191	141	More lecturers were accomodated into the training resulting in overachievement within the allocated budgets

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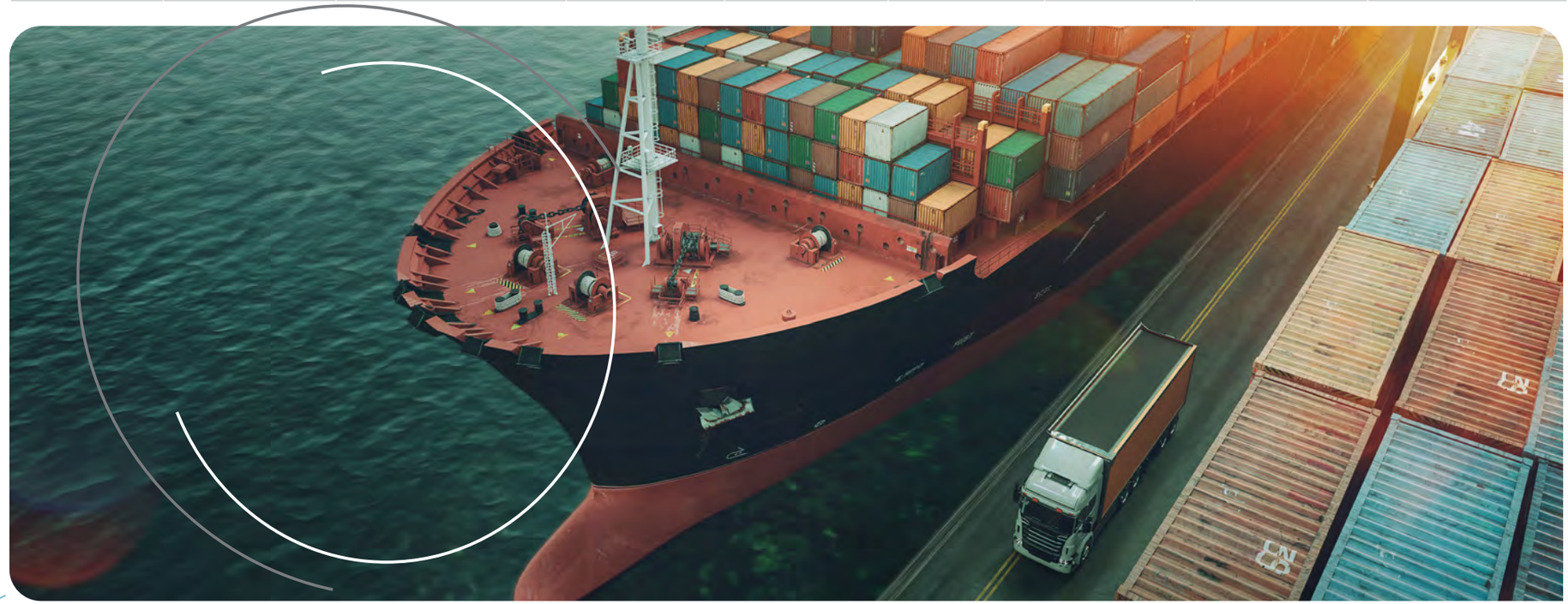
PURPOSE: To strengthen the quality assurance system								
OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Increased support to TVET and CET colleges as key providers of occupational skills	TVET lecturers in the industry	(4.5b) Number of TVET lecturers exposed to the industry	N/A	11	30	30	0	N/A
	TVET /CET college support through infrastructure	(4.5c) Number of TVET / CET colleges infrastructure development supported	N/A	1	3	3	0	N/A



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PERFORMANCE ON COMPLETED TARGETS (2021/22)

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
			2019/2020	2020/2021	2021/2022			
Improved level of skills in the South African workforce	Learners on bursaries	(3.1a) Number of employed learners on bursaries	40	41	35	40	5	Overachievement because the throughput rate increased
	Learners on skills programmes	(3.1b) Number of employed learners on skills programmes	517	316	215	350	135	Overachievement due to prior year contracts completed in the current year
	Learners on learnerships	(3.1c) Number of employed learners on learnership programmes	954	1 190	330	575	245	Overachievement due to prior year contracts completed in the current year
	Learners on occupational qualifications	(3.1d) number of learners enrolled for occupational qualification	N/A	N/A	0	19	19	No target set in the year under review however, there were completions in the current year that happened earlier than expected
	Learners on AET	(3.1e) Number of employed learners on AET programmes	258	15	65	13	-52	Some organisation's operations impacted by downsising. The number of delegates to be trained decreased
	Learners on apprenticeships	(3.1f) Number of employed learners on apprenticeship programmes	35	21	10	26	16	Overachievement due to prior year contracts completed in the current year
	Learners on ARPL	(3.1g) Number of learners on ARPL programmes	N/A	N/A	0	21	21	No target set in the year under review however, there were completions in the current year that happened earlier than expected
	Learners on RPL	(3.1h) Number of learners on RPL programme	N/A	18	10	0	-10	Some organisation's operations impacted by downsising. The number of delegates to be trained decreased
	Learners on leadership development programmes	(3.1i) Number of candidates on leadership development programmes	15	0	15	13	-2	Attrition and requirements of the programme not met

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OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
			2019/2020	2020/2021	2021/2022			
Improved level of skills in the South African workforce	Learners on executive development programmes	(3.1j) Number of candidates on executive leadership development programmes	15	0	15	15	0	N/A
	Number of women on leadership development programmes	(3.1k) Number of women on leadership development programmes	15	0	15	15	0	N/A
	Learners on board members leadership development programmes	(3.1l) Number of board members on leadership development programmes	N/A	N/A	15	0	-15	Delegates still on the programme
	Learners on Masters programmes	(3.1m) Number of candidates on masters programme in maritime	4	5	4	4	0	N/A
Increased access to occupationally directed programmes	Learners on bursaries	(3.2a) Number of unemployed learners on bursaries	99	81	100	142	42	Overachievement due to prior year contracts completed in the current year
	Learners on skills programmes	(3.2b) Number of unemployed learners on skills programmes	1 072	688	350	892	542	Overachievement due to prior year contracts completed in the current year
	Learners on learnerships	(3.2c) Number of unemployed learners on learnership programmes	1 546	1 577	400	849	449	Overachievement due to prior year contracts completed in the current year
	Learners on AET	(3.2d) Number of unemployed learners on AET programmes	212	137	100	157	57	Overachievement due to prior year contracts completed in the current year

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OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Increased access to occupationally directed programmes	Learners on apprenticeships	(3.2e) Number of unemployed learners on apprenticeship programmes	608	441	75	208	133	Overachievement due to prior year contracts completed in the current year
	Learners on cadetships	(3.2f) Number of learners on cadetships	28	13	35	22	-13	Learners found not competent
	Learners on candidacy programmes	(3.2g) Number of learners on candidacy programmes	N/A	N/A	7	3	-4	The learners entered are still in the programme
	Learners on grade 12 improvements	(3.2h) Number of out-of- school youths trained on grade 12 improvement programmes	83	40	35	57	22	Overachievement due to prior year contracts completed in the current year
Linked education institutions and the workplace	Linked education institutions and the workplace Partnerships established	(3.3a) Number of partnerships established and implemented with employers	N/A	N/A	1	2	1	Overachievement due co-funding with employer
		(3.3b) Number of partnerships established and implemented with TVET colleges	N/A	N/A	2	2	0	N/A
		(3.3c) Number of partnerships established and implemented with universities	N/A	N/A	1	1	0	N/A
		(3.3d) Number of partnerships established and implemented with CET colleges	N/A	N/A	2	2	0	N/A

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OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE	AUDITED ACTUAL PERFORMANCE	PLANNED ANNUAL TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
			2019/2020	2020/2021	2021/2022			
Linked education institutions and the workplace	Partnerships established	(3.3e) Number of tripartite partnerships established (education institutions, workplaces and TETA)	N/A	N/A	6	1	-5	Implementation process still underway
Linked education institutions and the workplace	Graduates on internships	(3.4a) Number of graduates placed on internship programmes	291	276	120	186	66	Target overachieved due to companies resuming operations after COVID-19 lockdown with increased demand
	HEI Learners on work readiness programmes	(3.4c) Number of HEI learners on workplace experience programmes	72	71	40	137	97	Target overachieved due to companies resuming operations after COVID-19 lockdown with increased demand
	TVET Learners on work readiness programmes	(3.4d) Number of TVET learners placed on workplace experience	103	219	80	190	110	Target overachieved due to companies resuming operations after COVID-19 lockdown with increased demand
Linked education institutions and the workplace	Graduates on work readiness programmes	(3.4e) Number of graduates on work readiness programmes	N/A	221	100	348	248	Overachievement due to prior year contracts completed in the current year

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PERFORMANCE ON COMPLETED TARGETS (2021/22)

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Increased support to TVET and CET colleges as key providers of occupational skills	TVET lecturers trained	(4.5a) Number of TVET lecturers trained on TETA quality assurance system	N/A	N/A	50	128	78	Overachievement due to prior year contracts completed in the current year

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5. Strategy to overcome **areas of underperformance**

The COVID-19 pandemic, particularly the restrictions that came with the level 4 and 5 lockdowns, negatively impacted on the achievement of workplace-based learning programmes.

To overcome areas of underperformance, the following strategies will be implemented by TETA management:

a) Optimisation of technology: TETA is in the process of automating the entire DG application and evaluation process. Stakeholders will be supported via a virtual platform to reduce the impact of potential lockdowns in future;
b) Implementation of sectoral guidelines for phasing in learning and training;
c) Strengthening of partnerships with institutions;
d) Intensification of capacity building engagements with stakeholders via virtual platforms.

6. Institutional response to **the COVID-19 Pandemic**

Programme or Sub-Programme	Intervention	Geographic Location (Province, District or Local Municipality) Comments	No. of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation per Intervention	Budget Spent per Intervention	Contribution to App Outputs	Immediate Outcomes
Programmes 3	Safety Initiatives	National	3959	Contracted learners for Discretionary Grants	R7 641 753,26	R4 585 052	3.14b	Supply of COVID-19 PPE's
Programme 3	Adopted Schools	National	3750	Learners from 55 adopted schools	R10 800 000,00	R6 157 258,13	3.10	Supply of tablets and data for access to learning material

7. Linking performance **with budget**

	2020/21			2021/22		
Programme	**Budget** (R'000)	**Actual Expenditure** (R'000)	**(Over)/Under Expenditure** (R'000)	**Budget** (R'000)	**Actual Expenditure** (R'000)	**(Over)/Under Expenditure** (R'000)
Programme 1: Admin	R1 256	R0	R1 256	R0	R0	R0
Programme 2: Research	R13 743	R 11 270	R2 473	R13 297	R11 556	R1 741
Programme 3: Learning Programmes	R418 328	R498 400	(R80 072)	R490 542	R635 542	(R144 999)
Programme 4: ETQA	R31 989	R 13 3 84	R18 605	R55 905	R21 664	R34 240
Total DGs	**R465 316**	**R523 054**	**(R57 738)**	**R559 745**	**R668 763**	**(R109 017)**

The table above is based on TETA performance which does not include mandatory grants budget and actual expenditure. This is due to the performance indicator linked to a percentage achievement. The amounts not included for 2020/21 period are R117 450 (MG Budget) and R99 738 (MG Expenditure), for 2021/22 period are R152 686 and R161 025 (MG Expenditure).

8. Revenue **Collection**

SOURCES OF REVENUE	2020/21 ESTIMATE R'000	2020/21 ACTUAL AMOUNT COLLECTED R'000	2020/21 OVER-/UNDER-COLLECTION R'000	2021/22 ESTIMATE R'000	2021/22 ACTUAL AMOUNT COLLECTED R'000	2021/22 OVER-/UNDER-COLLECTION R'000
Revenue from non-exchange transactions	R598 822	R519 482	-79 340	R761 930	R793 928	R31 998
Revenue from exchange transactions	R63 132	R43 123	-R20 009	R50 533	R38 249	(R12 284)
Total	**R661 954**	**R562 605**	**-R99 349**	**R812 463**	**R832 177**	**(R19 714)**

Revenue from non-exchange transactions

The surplus of R31 998 000 against the budget, was due to higher-than-budgeted levies received during the 2021/22 financial year as a result of the economy recovering.

Revenue from exchange transactions

The deficit of R12 284 000 was due to lower interest income as a result of low interest rates offered.

9. Business **Performance**

9.1 Project office

The project office delivered projects and supported the organisation to achieve its objectives through the implementation of the interventions described in the following sections:

SMME support

Approximately 700 SMMEs were supported through business coaching, mentorship and networking solutions. The support facilitated access to new markets and profitability. The ability of small businesses to sustain themselves has been enhanced, and long-term business imperatives have also been addressed.

Adopted schools

- 3 750 grade 12 learners from 59 adopted schools were supported with tablets to access e-schooling learning material and maximise chances of success in Grade 12 final examination.

Work-readiness programme

- 250 unemployed graduates were trained and placed at various companies for practical work experience for period of six months with 70% absorbtion rate.
- The graduates were trained and placed in various companies to gain practical work experience over a period of six months. Absorption was recorded at 70%, and employers continued to recruit graduates who complete the TETA programme.

Strategic partnerships

- Partnership with World Skills South Africa afforded 15 TVET students training to particpate in teh Regional World Skills Competition held in Namibia in the year under review with eight of the students winning gold medals.
- Partnership concluded with BankSETA assisted in training 1200 unemployed youth to acquire motobike driver's licenses and kickstart delivery service businesses.
- Partnership with One Cat (Massmart) asssited 500 unemployed youth to acquire motorbike licenses and kickstart delivery service businesses.

Chinese internship programme

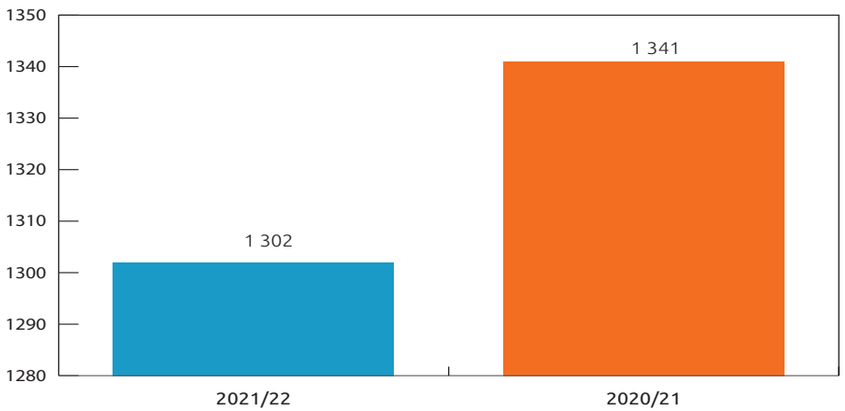
- 100 TVET students obtained driver's licenses and completed mandarin language training in preparation for the Chinese Internship Programme in China.

9.2 Skills Development & Learning Programmes

The key mandate of the unit Skills Development and Learning Programmes is as derived from the SDA amongst others. This section captures the operational environment for the unit, highlights, challenges and interventions to support overall organisational performance.

The Mandatory Grant (MG) submissions for 2021/22 declined by 3% when compared to the 2020/21 submissions. The graph below depicts submissions between 2020/21 and 2021/22.

Figure 8: Mandatory Grant (MG) submissions



Highlights

- 479 unemployed bursaries were awarded in the year under review for formal qualifications and programmes offered by diving and flying schools.
- HEI relationships were enhanced to increase efficiences in the rollout of bursary related funds.
- 138% of learners were reported as entered in the year under review and 122% as completed from previous years recording overachievement of targets for the SETA.

Challenges

- Lack of TVET participation in training for transport sector related qualifications
- High number of declines for awarded unemployed bursaries due to funding mismatch (funded amount less than the costs of various programmes)

Strategic Interventions

- TETA will implement research recommendations TVET college partnerships and forge close relations with Provincial TVET Forums.

9.3 Education and Training Quality Assurances

The Education and Training Quality Assurance (ETQA) unit executes all requirements to safeguard the quality of education and training interventions in the transport sector. As we implement continuous improvement measures, a number of milestones were achieved.

ETQA's notable achievements include:
100% of the unit's APP achieved

- Digitisation of Applications and Evaluation processes for:
  - System user access
  - External Moderation
  - Provider Accreditation
  - Assessor and Moderator registrations
- Implementation of occupational qualifications, conducting EISA examinations and submitting results to QCTO for certification.

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9.4 Research and Knowledge

Research was the main driver of knowledge creation within TETA. TIn the year underreive, the unit carried out various research studies with recommendations for implementation

Highlights

The following are key achievements for Research and Knowledge unit for the year 2021/22:rate payout for the new intake learners has been distributed.

TETA Sector Skills Plan 2022/2023

The SSP Analysis Report by DHET recorded positive feedback and commended TETA for the hard work towards the consulted and well researched SSP. The panel scored the SSP 95% which is an improvement of 2% compared to the previous year's SSP.

Increased response rates on Tracer Studies

- The tracking of TETA funded beneficiaries has been a challenge over the past years, however in 2021-22 financial year an initiative was taken to create databases from Learner Information forms of learners who were funded in 2018/19 and 2019/20 financial years. This yielded in more learners reached for interviews and allowed successful and reliable measure of the impact of TETA funded learning programmes on beneficiaries.

Support for SMMEs

- A research study was commissioned to assess the impact of COVID-19 on Transport SMMEs and establish the challenges experienced by SMMEs due to the pandemic; support required from TETA and government to ensure sustainability; and identify skills needs for the SMMEs.
- The findings of the research will be used to support SMMEs effectively.

The Fourth Industrial Revolution (4IR)

- TETA entered into partnerships with University of Johannesburg, Tshwane University of Technology and Stellenbosch University to develop training modules on 4IR skills and provide training to the Transport sector to upskill and reskill the workforce and the unemployed, affording them opportunities to be employable. This is a step-forward into fulfilling the TETA strategic priority of 4IR and objectives of implementing research findings.

Provide and increase access opportunities for women and youth in the transport sector

- A research study on reframing the possibilities available for marginalised youth and women was completed. This study aimed at determining the factors that affect access to skills development and employment in the sector for women and youth, especially those that are hard-to-reach in the outcast communities.
- The findings will be used to develop strategies to increase women and youth participation in the tranport sector as well as contribute towards adressing transformation imperatives.

Align skills development initiatives to emergent technological skills needs

- To support this skills development priority, research to assess transport skills programmes and qualifications' alignment to the technological changes in the sector was conducted. The study observed training programmes and qualifications offered by PSET institutions and training providers to establish if they are aligned to technological skills needs.

Support for TVET capacitation

- To support TVET colleges effectively the need to research on the kind of support required was identified. In the year under review the unit focused on support with the implementation of Occupational Qualifications including the quality of graduates of these qualifications as perceived by host-employers. The research was completed, and the recommendations that inform collaborative areas in TETA partnerships with TVET colleges going forward.

Unit Challenges

The following are challenges faced by the Research and Knowledge unit:

- Participation of stakeholders (Employers and Training Providers) in surveys and Focus Group Discussions to ensure representativeness and reliable research results.
- Availability of employment data, including demographics of the employees, at sub-sector level to inform the SSP. The unit relies on the WSP/ATR data for employment data which is only 26% of the levy paying transport companies.

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9.5 Performance Monitoring and Evaluation Function

The role of the Monitoring and Evaluation (M&E) function in public entities is to continuously assess whether progress is being made towards achieving expected results, to identify implementation barriers, and to highlight any unintended effects (positive or negative) from the implementation of the Strategic Plan and the Annual Performance Plan (APP). TETA's Performance Monitoring & Evaluation (PM&E) Unit, focused on ensuring that strategic skills development priorities and the APP pre-determined objectives were realised, and that the organisation's performance information was valid and reliable for audit purposes. To maintain relevance and alignment, the PM&E unit complied with the Department of Planning, Monitoring and Evaluation (DPME) regulations and guidelines governing M&E in the public sector for the execursion of monitoring and evaluation within TETA in the year under review.

Key Achievements

TETA strategy is driven by skills development priority framework drawn from the principles of the NSDP, national priorities, transformation agendas and transport sector needs. During the 2021/22 financial year, the PM&E Unit was instrumental in ensuring that the following TETA strategic skills development priorities were fulfilled.

TETA Skills Development Priorities

Strategic Priorities	Achieved/Partially Achieved/Not Achieved	Comments
4th Industrial Revolution / Digitalization	Achieved	The impact of 4IR in the transport sector was studied, and the findings will be used in the planning cycles for the next financial years. TETA's ICT systems were assessed for their suitability to meet current and future computing needs through an ICT level of maturity assessment.
Strategic Partnerships	Achieved	TETA formed strategic partnerships with employers and education institutions. These collaborations will help to improve graduate access to jobs and other critical efforts in the future.
Provincial Visibility	Ongoing	In the current financial year, TETA did not open any new offices in provinces, however provincial visibility was maintained through projects implemented in all 9 provinces. Each province is represented by one of eight TETA Chambers and one unit to ensure visibility and availability of TETA services across the country
Road Safety Initiatives	Achieved	Road Safety awareness campaigns were held with multiple stakeholders including taxi associations. In the current year awareness campaigns on motorbike safety was also conducted.
Employer Participation	Achieved	Increased participation by employers in submission of WSP/ATR and participation. However, TETA still need to encourage more employers to participate.
Rural Development	Achieved	Continued support for rural development projects to boost economic activity in rural areas. KZN, Western Cape, Eastern Cape and Limpopo were impacted in this current financial year with programmes aimed at the youth.
SMME development	Achieved	While we continue supporting SMME skills development, the pandemic has necessitated the organisation to relook at what other skills development initiatives we can focus on to support economic recovery. A focus on motorbike drivers' licenses and vehicle drivers' licenses for unemployed youth to start their own businesses by and linking them with logistics companies for deliveries was one of the projects TETA continued to assist small companies in tapping into the booming space of logistics to support the e-commerce industry.
COVID-19	Ongoing	TETA complies with COVID-19 rules by providing continuing assistance to its stakeholders, including personal protective equipment (PPEs).

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TETA BOARD PRIORITIES

Strategic Priorities	Achieved/Partially Achieved/Not Achieved	Comments
Revenue Diversification	Achieved	• TETA signed a co-funding arrangement with a large wholesale and retail company for unemployed youth to acquire motorbike drivers' licenses and online delivery businesses of food and parcels. In addition, a co - funding agreement with an aviation academy to train unemployed youth as Artisans and drone pilots was signed. A partnership agreement with BANKSETA to cofund job creation for young people in the on- line delivery and logistics space was also amongst the revenue diversification initiatives.
Transformation	Achieved and ongoing	• Funded various Rural Development programmes in 5 provinces. • Supported Motorbike Skills programmes aimed at facilitating transformation of the on-line delivery sector in response to the ERRP. • Adopted schools with computer tablets and employment opportunities. • Supported female truck drivers to start their own trucking businesses to transport dangerous goods. • Continued support for leadership development programme specifically for women • TETA supported 52% of females, 48% of males, 78% of youth and on different skills development progammes • TETA supported training of unemployed learners to participate in World Skills Competition.
TVET Support	Achieved	• TETA supported and exposed TVET lectures to the transport sector to receive exposure to a variety of practical workplace experiences that will improve training provided. • Tripartite partnerships between TETA, employers and education institutions including TVET colleges were established and implemented • Funded 3 TVET Colleges for training equipment that will support their infrastructure development programme
Africa Free Trade	Ongoing	• Signed an agreement with Mozambique to collaborate on transport related interventions. • Supported Special Economic Zone (SEZ) for the KZN to Mozambique corridor to support technical skills (the project is still at inception stage) • Potential partnership with LEDA to support the SEZ initiatives on the Musina boarder towards Zimbabwe. (Engagements are still at inception stage)

The Minister of Higher Education, Science and Innovation endorsed the TETA 2022/23 Sector Skills Plan (SSP) which contained the SETA Monitoring & Evaluation section (Chapter 5) as required by the SSP Framework. The approval suggested that research, monitoring and evaluation combine efforts, and that monitoring and evaluation together with the SSP informs the strategy of the organisation in addressing the sector and national priorities.

According to the 2021/22 Sector Skills Plan, the transport sector still employs more males that females. To address the transformation imperatives targets, TETA supported 52% of females, 48% of males, 78% of youth on learnerships, apprenticeships, skills programmes, AET, internships and other 2030 National Development Plan initiatives. Although we have supported more females than males, we still need to strengthen our recruitment criteria in collaboration with our stakeholder to achieve and exceed the target of 54%.

Performance of the organisation

The COVID-19 pandemic has had and continues to have a negative impact on the entire transport sector. Business continuity, training and skills development, skills levy income and transport sector activities were all threatened by COVID-19. Despite these challenging conditions, the organisation's performance in 2021/22 is sitting at 89%, up from 82% in the previous 2020/21 financial year. This indicates TETA's ongoing commitment to achieve its mandate in collaboration with its stakeholders and delivery partners.

Historical Information Reported

In the years preceding the Financial year 2019/20, TETA's reporting was only based on payments. The DHET introduced the directive on SETMIS which enforced the method of reporting learners entering or completing the programme in the current year. TETA adopted the basis to recognize performance for a transitional period by reporting on payments and aligning to SETMIS. For the year under review, TETA recognised performance only on the basis of learners entering or completing the programme in the current year under review.

The tables below depicts historical performance that was achieved in the year under review.

Performance on entered targets (2021/22)

INDICATOR	NTERVENSION	PERFORMANCE
3.1a	Bursary Employed Entered	6
3.1c	Learnership Employed Entered	80
3.1e	AET Employed Entered	29
3.1f	Apprenticeship Employed Entered	5
3.1g	ARPL Entered	26
3.2a	Bursary Unemployed Entered	76
3.2c	Learnership Unemployed Entered	31
3.2e	Apprenticeship Unemployed Entered	29
3.4a	Internship Entered	29
3.4c	HET Student Placement Entered	26
3.4d	TVET Student Placement Entered	135

Performance on completed targets (2021/22)

INDICATOR	NTERVENSION	PERFORMANCE
3.1a	Bursary Employed Completed	11
3.1b	Skills Programme Employed Completed	2
3.1c	Learnership Employed Completed	284
3.1f	Apprenticeship Employed Completed	6
3.1g	ARPL Completed	4
3.2a	Bursary Unemployed Completed	10
3.2b	Skills Programme Unemployed Completed	101
3.2c	Learnership Unemployed Completed	403
3.2d	AET Unemployed Completed	11
3.2e	Apprenticeship Unemployed Completed	123
3.2f	Cadetship Completed	2
3.2g	Candidacy Completed	5
3.4a	Internship Completed	70
3.4c	HET Student Placement Completed	64
3.4d	TVET Student Placement Completed	82

Challenges

Challenge one

One of the M&E Unit's functions is to report on the organisation's performance. When performance reports are generated, one of the significant concerns in recent financial years including the year under review is that completion targets for learning interventions have remained un-achieved due to learner dropouts, poor learner pass rate and certification issues with other quality assurance bodies.

Strategic Intervention: Feasible solutions could be that contract holders/stakeholders should put measures in place to ensure that qualified and dedicated learners are enrolled during learner recruitment to ensure project success in terms of completion and inter SETA collaborations should be strengthened to speed up moderation and certification issues between quality assurance bodies. These measures will improve completion targets achievement.

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Challenge two

Monitoring and Evaluation use data to produce performance and operational reports that are used by management to inform planning, improve performance, increase accountability, and for decision making purposes. In most situations where data is large, manual data mining may produce inaccurate information, which is then used to conduct research, evaluation studies and provide other ad-hoc reports.

Strategic Intervention: An improved, efficient, effective and integrated information system solution will assist to store, collect, and validate data to eliminate human errors. The implementation of the recommendations from the IT maturity assessment will also address this challenge.

9.6 Aerospace Chamber

The following table is a representation of the employer profile in the Aerospace sub-sector

Chambers	Number of registered companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Aerospace	827	267	560	76	751

Sector Overview

The Chamber's performance has improved in terms of visibility to the industry by means of site visits and stakeholder engagements.

The Unmanned Aviation space is fast growing with stakeholders to train a total of 260 Drone Pilots to date. We have witnessed some of the Manned Aviation pilots converting to be Drone pilots and seeking ROC (RPAS Operating Certificates) to operate and run their own businesses. The first 60 learners graduated in Gauteng and the Kwa-Zulu Natal provinces. Drone Pilot and Drone technician qualification development is ongoing as the process will conclude at qualification registration with SAQA.

Opportunities in the sector

- Small Business Development (For young ROC holders)
- Conversion of more Technicians and Manned Aviation pilots to Drone technology
- Development of the Airspace to cater for both Manned and Unmanned Aviation
- Development of young Aviators to prevent aging workforce

Highlights

1. Pilot and Engineers Training

The chamber continued supporting pilot training candidates to achieve the required flying hours to become Airline Transport Pilots. The funding Framework was reviewed to assist with the breakdown of license endorsements to make them achievable. Furthermore, Aircraft maintenance engineers regulatory training to acquire license ratings is also recognized to assist AME with the required skills.

2. Financial investment, number of beneficiaries impacted and areas impacted

Individual Pilot Training Contracts

16 Learners were approved and awarded individual contracts to study Aviation related interventions in the 2021/2022 financial year. The approved funding for the 16 learners is R4 263 750.00. The induction workshop took place as from 10 February 2022 where learners were capacitated about TETA funding. The learners were awarded in the following interventions:

- Commercial Pilot License – 11 Learners
- Instructor's Rating – 3 Learners
- ATPL Hour Building – 2 Learners

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Finances

The Chamber disbursement rate as at the 4th quarter is R32, 719, 686.54 which makes up 53% of the total value of our contracts. Non-performing contracts were closed and funds released for other projects.

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9.7 Forwarding and Clearing Chamber

The following table is a representation of the employer profile in the Forwarding and Clearing sub-sector

Chambers	Number of registered companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Forwarding and Clearing	1094	414	680	145	949

The Forwarding & Clearing Chamber continues to improve performance and stakeholder participation and engagement year-on-year.

The following are the highlights for the year under review:

- Improved relationship with the Limpopo Office of the Premier which resulted in;
  - The placing of 200 unemployed learners on a Supply Chain Management learnership at NQF Level 5 with 150 credits. The learners are currently in various workplaces within the Limpopo government departments.
  - 50 learners on a AET project for People with Disabilities in Sekhukhune District Municipality.
- Regular attendance of the provincial skills development forum in the Limpopo province.

The signing of the MOU's with TVET colleges in Limpopo which expires in 2025, namely

- Lephalale TVET College
- Waterberg TVET College
- Two contracts signed with Lephalale TVET college, for placement of learners on a TVET placement programme and another one for professional driving learnership. Both projects are running according to the implementation plan.
- Supported TETA adopted schools in Limpopo with placement of interns to assist with the day to day running of the office administration and the supply of tablets to assist learners with their studies.

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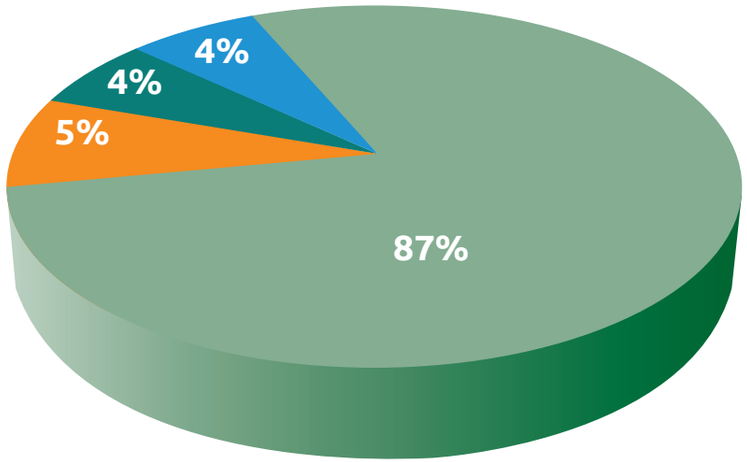
9.8 Freight Handling Chamber

The following table and graph are a representation of the employer profile in the Freight Handling sub-sector

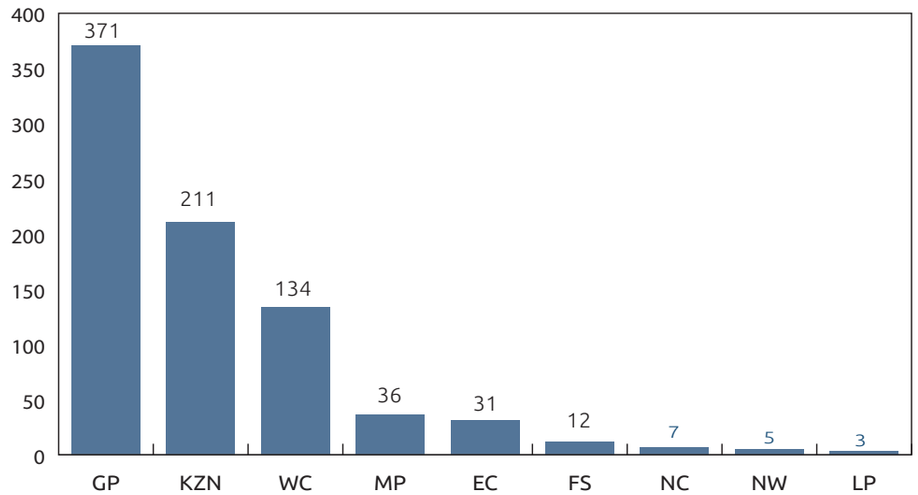
Chambers	Number of registered companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Freight Handling	1488	399	1089	115	1373

Figure 9: Employer Organisation Size



Freight Handling Employer Organisation Size	
Small (1 – 49)	705
Medium (50 – 149)	38
Large (> 149)	33
Unknow	34

Figure 10: Freight Handling Companies According to Province



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Growth and decline of the sector

Responding to the Fourth Industrial Revolution

With consumers demanding faster delivery times, logistics operators sought new ways to improve distribution models and reduce inefficiencies. Takealot has responded positively to the demands for new, modern, and efficient distribution centres. Takealot acquired additional space in Cape Town, moving its collections offering from the main distribution centre to the brand-new pickup point.

Opportunities in the sector

In the year under review there has been visible gowth in the sector thereby increasing demand which positively impacted the Freight Handling sub-sector while creating opportunities for more warehousing and distribution channels.

The sub-sector was not spared the negative impact of the unrest that occurred in July 2021 in KwaZulu-Natal. Despite the unfortunate incident, many organisations within the sub sector were able to rebound allowing for distribution channels to once again flow.

A considerable growth in freight transportation was recorded in 2021 in comparison to the same time in 2020. Once again, this growth positively impacted the freight handling sector with more demand for warehousing facilities. The following is the preliminary data published by the Department: Statistics South Africa on land transport during the 2021 period.

Freight transportation: results for June 2021 Table A – Year-on-year percentage change in freight transportation (income at current prices)

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Freight Payload	-10,7	-8,3	0,6	55,1	20,8	11,6
Freight Income	-11,1	-5,7	2,0	66,5	24,4	12,8

The volume of goods transported (payload) increased by 11,6% in June 2021 compared with June 2020. The corresponding income increased by 12,8% over the same period.

Highlights

The following are key achievements for Freight Handling Chamber for the year 2021/22:

Opportunities in the sector

- Opportunities exists for AET training in the Rural KZN with funding provisioned for 100 beneficiaries.

Promoting gender equality

- 60 young people from Eastern Cape province have beeen identified for training relating to freight handling and new venture creation.

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9.9 Maritime Chamber

The following table is a representation of the employer profile in the Maritime sub-sector

Chambers	Number of registered companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Maritime	1205	383	822	218	987

- Various partnership agreements involving the maritime sector have been entered into by TETA. These include:
  - TETA, the Department of Transport and SA Sailing involved in a three-way partnership which looks to optimise the opportunities which sailing presents to economic advancement, social development,education and training within the ambit of the DoT's Comprehensive Maritime Transport Policy (CMTP). This will include amongst other things, sailing based marine tourism, learn to sail programmes, promotion of yacht racing and inland water safety initiatives.
  - An MoU with the Mediterranean Shipping Company (MSC) with an emphasis on placement opportunities within the maritime industry for non-seafaring positions, e.g. on cruise liners involving hospitality and entertainment staff.
  - An MoU with the SA Navy which aims to use the facilities and capacity within the SA Navy for the benefit of the broader transport economy and the development of unemployed youth through work integrated programmes.

Highlights

The following are key achievements for Maritime Chamber for the year 2021/22:

- Fisheries and Aquaculture Development Institute Trust (FADI): to support an outreach programme for rural development supporting 20 co-operatives on a skills programme in net making (supported by various industry-types). This is an alternative livelihoods project that focusses on poverty alleviation in the fishing communities through new economic activity.
- Centres of Specialisation (CoS): The initiative is progressing well with Northlink College, which has expanded beyond the fitter and turner qualification and now also includes boilermakers and electricians. TETA supported an additional 20 new artisans to enter the programme, with the first intake from 2019 now starting to graduate.
- SAMTRA: a niche programme for training 80 unemployed learners on a hake longline crew development and transformation project.
- Sea Certification SA: emanating from collaboration with MSC Shipping, the purpose is to provide STCW training for 160 unemployed learners readying them for recruitment on cruise vessels.
- Royal Cape Yacht Club Sailing Academy: a youth development programme for 30 unemployed township-learners for entry into maritime careers; a comprehensive programme that includes amongst others, swimming, sail training, competent crew, skippers, radio, boat safety, instructor courses.

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9.10 Rail Chamber

The following table is a representation of the employer profile in the Rail sub-sector

Chambers	Number of registered companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Rail	163	45	118	26	137

Growth and decline of the sector

According to the stakeholder engagements, there are at least 100 000 workers in the Rail sub-sector, with the majority employed by Transnet. The sectors labour profile is dualistic with high level skills found in engineering, technical and safety related occupations and low to semi-skilled labours at operational level. The skills profile of the Rail sub-sector showing the key skills and occupations identified as important but not available in the sector can be viewed in the TETA SSP.

The stakeholders engaged agree that the Rail sector's contribution to the transport industry has significantly decreased in recent years. The sector faces competition from the road transport industry due to a variety of factors; among them, the failure to invest in Rail infrastructure; the failure to appoint the right people with the right skills; and the failure to identify priority future skills for the sector.

However, there is some optimism too. Growth is foreseen for the sub-sector due to the roll-out of SIPs and the development and revitalisation of operating lines and corridors, as well as the expansion of commuter trains as suburban and intercity demand for passenger movement grows.

The current dominant occupations in the industry (call operations, train drivers, engineers, technicians, and artisans) will be impacted, which demands that they adapt and re-skill to comply to the new environment. The Rail sector, like Transnet, are moving towards introducing more digitalised training and skills development. The strategy is currently in the infant stage and looking for funding since it is an expensive endeavour.

A significant amount of investment is going into skills and development training as major players in the industry are looking to bolster the South African Rail industry to the fifth largest in the world in coming years.

Opportunities in the sector

As per the business opportunities in the transport industry guideline booklet for broad-based black economic empowerment (B-BBEE) companies, the opportunities available in the rail environment entails:

- Transporting commuters -harmonization (scheduling and time keeping could save and generate millions.);
- Freight transference repairs to buildings and structures;
- Infrastructure rehabilitation - truck cleaning and body maintenance; routine painting of rolling stock; cleaning of passenger coaches; locomotive washing and cleaning; wheel inspections and lubrication; routine maintenance, and heavy overhauls;
- Maintenance of lines - once the infrastructure is restored to an acceptable level, an on-going preventative maintenance programme will be implemented to maintain lines at an operational level; and
- Railway support activities – they focus on the railway support activities such as the operation of depots, distribution of goods, warehousing, and cargo collection, etc.
- Information transfer - provide the commuters the correct info in time.

Highlights

The following are key achievements for Rail Chamber for the year 2021/22:

Railway human factors/ergonomics training project

A total of 402 employees in the railway industry attended railway human factors/ergonomics training project to educate them on safety related matters which is critical in their day today duties. The participants attended the in-person training across different railway organisations including Transnet, PRASA and Richards Bay Coal Terminal. There was a 96.7% completion rate for the in-person training in March 2022The human factors/

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ergonomics training is deemed as critical by railway personnel as well as railway organisations.

TVET lecturer capacitation programme project

University of Technology lecturers are currently being capacitated in vocational knowledge and skills to in turn implement TVET qualification programmes to TVET college lecturers for capacity building. The target group will be undergoing skills training at relevant occupational industry in a form WIL (e.g Work Based Experience). The WIL programme will include exchange programme at international industry (Switzerland, German, and India) to acquire skills and knowledge to implement TVET programmes. TVET Lecturers will be well capacitated to impart knowledge and training to the learners.

RSR Safety awareness campaign

The Chamber participated at the RSR Safety awareness campaign in Rustenburg, Northwest Province at the Dr Moroka Railway Level Crossing where TFR, DOT, Department of Community Safety and Transport also formed a partnership to educate the community at large about the right way of using the level crossing and the consequences of inappropriate activities on or near railway lines. The Deputy Minister of Transport, Ms Chikunga, gave talks at selected schools in this regard. The TETA CEO delivered message of support during the event.

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9.11 Road Freight Chamber

The following table is a representation of the employer profile in the Road Freight sub-sector

Chambers	Number of registered companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Road Freight	8680	2443	6237	469	8211

Growth and decline of the sector

- According to the SARS Levies file, Road Freight experienced an increase in the number of companies registered from, 8 324 companies in March 2020 to 8 687 companies in 2021 March. This increase can be attributed to the opportunities that the subsector was exposed to during COVID-19 (i.e., transporting essential services, high demand of online shopping). Of the 8 687 companies registered, 5 306 were active companies operating in the subsector. This constituted 46% of the total registered and active companies in the Transport sector, the highest proportion compared to other sub-sectors.
- The WSP/ATR 2021 data recorded 57 318 persons employed in the sub-sector, a decline from 75 721 employees reported in the WSP/ATR 2020.
- The Chamber saw a decline in both the numbers and sizes of levy payers caused by the impact of COVID-19 and the riots that took place in KZN during July 2021. These declines resulted to massive loss of jobs with a negative impact to the economy that is dependent on the transportation of freight through the road from Durban Harbour to the inland. On the other hand, growth was observed on the courier side through the introduction of food delivery services.

Opportunities in the sector

The growth of food courier services brought opportunities and created various job opportunities.

Interventions supported in the sector for strategic impact:

- 600 unemployed learners living with disabilities across 9 provinces funded for driving programme to the value of R9 200 000.00
- 100 unemployed learners funded for National Certificate in Law Traffic Enforcement NQF Level 4 with Mpumalanga Department of Public Works, Roads and Transport to the value of R5 200 000.00.

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9.12 Road Passenger Chamber

The following table is a representation of the employer profile in the Road Passenger sub-sector

Chambers	Number of registered companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Road Passenger	6604	1023	2185	255	768

Growth and decline of the sector

The Road Passenger subsector constitutes 28% of transport registered and active companies.

The distribution of companies in the Road Passenger subsector shows that 89% (2 861) of registered and active companies are small, 4% are medium and only 2% are large.

There was a decline in the number of Road Passenger employees because of COVID-19 effects in 2020 however the subsector experienced an increase from 9.9% to 12% in the year under review. It is ranked number four out of the eight TETA subsectors in terms of employment. During the year under review working from home affected the volume of passengers. The reduced passenger numbers resulted in loss of revenue in bus fares with the overheads remaining the same. Bus companies that closed down in the previous financial year remain closed.

The Fourth Industrial Revolution with specific reference to the Internet of Things present an opportunity for the Road Passenger subsector to adapt its technology and innovation as a mechanism for driving competitiveness, even during the COVID-19 Pandemic and beyond.

Key strategic partnerships

The Chamber entered Memorandum of Understanding with the following entities from the Eastern Cape

- Port Elizabeth TVET College
- Esayidi TVET College
- Provincial Department of Social Development

Key Achievements

Chamber contribution in addressing strategic imperatives of TETA

The Chamber is also responsible for and oversees TETA's activities in the Eastern Cape province. This responsibility is implemented through the assistance of the Office of the Premier and the Provincial Skills Development Forum.

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9.13 Taxi Chamber

The following table is a representation of the employer profile in the Taxi sub-sector

Chambers	Number of registered companies	Number of companies paying levies	Number of companies not paying levies	Number of companies submitting WSPs	Number of levy paying companies not submitting WSPs
Taxi	505	54	303	7	296

The WSP file obtainable from SARS indicates that there are 505 taxi registered companies as compared to about 7575 taxi companies registered at the UIF. Of the 357 registered and active taxi companies, 254 are small, 15 are medium, there are no large companies in taxi subsectors and the size of 88 companies is not known. Most of the registered companies come from the metered taxis. The seven companies that submit WSPs employ 293 people.

Growth and decline of the sector

The taxi subsector remains the lowest levy income contributor to TETA whilst it is the largest employer in the informal economy. Furthermore, the number of registered taxi companies with the South African Revenue Services remain the lowest at 505. The 2019/20 Unemployment Insurance Fund (UIF) annual report mentions that there seem to be resistance to register taxi businesses as employers – only about 7 575 taxi businesses registered as employers. There are over 150 000 taxi operating permits/operating licenses according to eNatis. Employers and employees in the informal economy require skills development interventions more than in the formal economy.

The rate at which the taxi subsector adapted to technology and innovation as a mechanism for driving competitiveness is very slow as compared to other subsectors. The eHailing services competitiveness proved to be disruptive and not favoured by the conventional minibus taxi services.

Opportunities in the sector

The implementation of the National Taxi Lekgotla resolutions and change of leadership in SANTACO locally, Provincially and Nationally should usher in new ideas on formalisation, professionalisation and alternative skills development levy collection. The subsector remained the popular choice of public transport among buses and trains for South Africans.

Key strategic partnerships

The TETA partnered with both SANTACO and NTA on road safety flagship projects namely Hlokomela and Ndlelanhle respectively. The existing MOU's are valid until March 2023.

Key Achievements

- Chamber contribution in addressing strategic imperatives of TETA
  - Most taxi subsector projects are implemented in rural areas and cover most provinces as compared to other subsectors.
  - Road Safety projects, in the main are implemented through the chamber.
- Interventions supported in the sector for strategic impact
  - Road Safety interventions implemented across various provinces. Interprovincial Hlokomela Road safety projects involving Kwa-Zulu Nata, Gauteng, Mpumalanga, Free State and Northern Cape were held during festive season and Easter weekend.
  - The Chamber also participated in several Road safety initiatives in the North West Province.

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10. Consolidated Chamber Challenges and Interventions

Challenge

Air Travel Restrictions

This has a direct impact on Pilot Training Hours towards achieving Airline Transport Pilot licenses. Learners' chances of flying cross country are limited.

Strategic Intervention: Teta aims to engage flying schools to make arrangements to cover cross country flying hours on varied types of aircract.

Challenge

High Fuel Prices

The high fuel prices make it extremely expensive to rent an aircraft for hour building. Therefore, our funding framework falls short from assisting learners in acquiring the necessary skills.

Strategic Intervention: Increasing fuel prices are a global phenomenon and TETA therefore continues to explore ways to reduce the impact of this challenge on funded learner.

Challenge

Losing Skilled force to other countries

Most Aviators seek greener pastures overseas after acquiring skills within the Republic. Skills within the Aviation space are slowly becoming scarce globally, and international airlines are putting packages to attract South African Aviators.

Strategic Intervention: TETA plans to increase support towards growing the pool of new aviators for the purpose of skills transfer

Challenge

Pilot Licenses

The lack of opportunities for learners to obtain flying hours has resulted in less Commercial Pilots compared to Private Pilots. Many of our learners are therefore unable to fly for remuneration.

Strategic Intervention: establishing strategic partnerships with airlines, and associations involved in the commercial flying space, to assist with the placement of learners to acquire the necessary experience to improve their employability.

Challenge

The absence of railway training providers to address diverse skills shortages in the sub-sector.

Strategic intervention: Change of regulations within the industry looks at channelling a significant proportion of control to the Regulators, particularly where licensing and accreditation of skills programmes are concerned therefore consideration should be taken to cover the needs of the Skills Development Providers as this usually have expensive repercussions for training institutions.

Challenge

Based on 23 Rail companies that submitted the 2020/21 WSP/ATR information, the rail subsector workforce is male dominated. Female employees make up 38% of the labour force, while 62% are male.

Strategic intervention: Investment should be increased in the training of women including in leadership roles should be prioritised to correct this considering the higher unemployment and poverty rates among women in South Africa and high percentage of female headed households, recommendations of research conducted to be implemented.

Challenge

Length of courses and the relevance of modules or curricula issues that came up in railway qualifications.

Strategic intervention: Development of fit for purpose for part qualifications to align with industry needs at various levels.

Challenge

Refurbishment and reviews of logistics (mostly rail, but also ports) projects such as upgrading the Sishen-Saldanha Bay ore line, the Richard Bay coal line and other new coal line networks in the north-west

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Strategic intervention: The roll-out of SIPs qualifications to be funded to capacitate the employees/ youth to be able to deliver on the infrastructure projects.

Challenge
The skills development providers not fulfilling training obligations properly

Strategic intervention: Partnership between the Quality Council for Trades and Occupations (QCTO) and the Department of Higher Education (DHET) in terms of the training needs of the industry and the occupational qualifications standards are key to ensure quality training. The Length of courses and the relevance of modules or curricula are issues that need to be revisited.

Challenge
Lack of skills transfer and aging workforce and difficulty to adapt to evolving trends

Strategic intervention: Skills and talent development will address shortages and Recognition of Prior Learning (RPL) should be considered, and more affordable training should be prioritised for the sector. TETA is investing more in skills development and adapting to evolving training needs. Implementing an e-learning platform will make learning quicker and accessible to most since most people, especially the younger group, have smartphones. Establishing a balance between the current workforce and the emerging millennials should close the generational gap when it comes to training so that the two groups could find it easy to connect in terms of how the training is conducted or the type of training provided.

Challenge
Queries regarding the violence that occur in the Road Freight industry.

Strategic intervention: TETA is working the Departments of Transport and Employment and Labour to ensure empowerment on key regulations and further capacitate the subsector.

Challenge
TETA does not have a mandate to issue drivers' licenses, as a result it is difficult to ensure that the opportunity of creating jobs through funding the scooter driver initiative is fulfilled.

Strategic Intervention: Partnership arrangement with the authority responsible for the function.

Challenge
Implementation of partnerships

Strategic intervention: TETA will resuscitate the MOU's that was signed with key strategic partners and operationalise them. Other existing partnerships will be implemented by advising and capacitating the stakeholders on how to prepare and submit project proposals

Challenge
Low Skills Levy contribution and Registration of Companies

Strategic intervention: Through the implementation of the National Taxi Lekgotla, TETA will be participating in an advocacy project together with the Department of Transport, Department of Employment and Labour (Unemployment Insurance Fund) and the Department of Trade Industry and Competition (Companies and Intellectual Property Commission) to encourage formalisation of the taxi subsector

Challenge
Bursary Applications in the Taxi subsector - there is no appetite for further studying among the taxi subsector discretionary grant applicants.

Strategic intervention: TETA will work together with the sector to explore other means of soliciting applications including liaising with Universities.

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PART C
Governance

Mr Saki Tlou
Interim Board Chairperson & Committee Chairperson

Mr Irvin Phenyane
Board Member

Ms Olivia Maponya
Board Member

Mr Matthew Ramosie
Board Member

Ms Dina Maleka
Board Member

Ms Norah Munyai
Board Member

Mr Solomon Mahlangu
Board Member

Mr Anele Kiet
Board Member

Ms Fezeka Ntlemeza
Board Member

Mr Hardhaw Tikum
Board Member

Mrs Maphefo Anno-Frempong
Chief Executive Officer

Mr Roland N. Setlako
Board Member

Mr Famanda Shirindza
Chief Operations Officer

Ms Nokuthula Sifunda
Board Member

Mr Simon Ndukwana
Chief Financial Officer

Ms Zonke Cebekhulu
Board Member

Mr Ishmael Malale
TETA Company Secretary

Mr Wilfred Mogudi
Board Member

Governance

1. Introduction

Corporate governance entails processes and systems by which TETA, a public entity established in terms of Section 9 of the Skills Development Act (Act No. 97 of 1998) (SDA), facilitates public accountability. In addition to legislative requirements derived from the SDA and Skills Development Levies Act (Act No. 9 of 1999) (SDLA), corporate governance pertaining to public entities is effectuated through the precepts of the Public Finance Management Act (Act No. 1 of 1999) (PFMA), and related Treasury regulations and relevant directives. The principles contained in the King Report on Corporate Governance are also applicable. Parliament, through its committee system, as well as the Executive and the TETA Board are responsible for corporate governance and public accountability.

2. Report of the Accounting Authority

Report by the Board of the Transport and Education Training Authority (TETA) as the Accounting Authority, to the Minister of Higher Education, Science and Innovation (as the Executive Authority) and Members of Parliament of the Republic of South Africa.

2.1. Statement of responsibility

2.1.1 TETA establishment

TETA is a schedule 3A public entity established by the Minister of Labour on 20 March 2000, and subsequently from 31 March 2005 to 31 March 2010. The Minister of Higher Education, Science and Innovation then granted an extension until March 2016 to all SETAs, and from 1 April 2016 to 31 March 2018. This was further extended to 31 March 2020, and currently to March 2030. The objective of TETA is to develop skills in and for the transport industry in South Africa. The following sectors fall within the scope of TETA:

- Aerospace
- Forwarding and Clearing
- Freight Handling
- Maritime
- Rail
- Road Freight
- Road Passenger
- Taxi

2.1.2 TETA financial records

The Board of TETA in terms of the Public Finance Management (Act 1 of 1999), as amended, read in conjunction with the applicable Treasury Regulations, has ensured that full and proper accounting records of the financial affairs of TETA have been kept for the year ending 31 March 2022.

2.1.3 Corporate governance

For the Board to successfully implement its mandate of providing strategic direction; determining strategies and policies; and managing performance against specific goals and business plans, new Board members are thoroughly capacitated in terms of the King IV Code of Corporate Governance, including the PFMA and the skills development environment within TETA. This is done via a comprehensive induction process for all Board members. All Board members participated in a self-assessment process which was completed during the year. The self-assessment process was also implemented for Board Standing Committees. The Board placed a strong emphasis on Risk Management Controls and the reviewing and implementation of Investments.

2.2. General review of state of affairs

The Board is of the view that the annual financial statements for the financial year ending March 2022, fairly represent the situation of TETA, its financial results are presented in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

2.2.1. Levies

The 80% levy income increased by R261 million from R501 million for the 2020/21 financial year to R762 million for the 2021/22 financial year, this is a 52% increase year on year. This is reflective of the recovery of the transport sector post covid hard lockdown.

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2.2.2. Grants and projects

Mandatory grant expenditure increased by R61 million from R100 million in 2020/21 to R 161 million in 2021/22. This represents an 61% increase from prior year. The increase in MG expenses is due to higher levies received during the 2021/22 financial year. The mandatory grant pay-out ratio increased to 90% during the 2021/22 financial year from 82% in prior year because of MG reversals that reduced the MG expenses in comparison to levies received.

Discretionary grants and projects expenditure for the 2021/22 year was R 669 million which is a 30% increase from R523 million in 2020/21. This is indicative of the increased training activity with the lifting of COVID-19 lockdown restrictions.

2.2.3. Planned utilisation of surpluses

The new grant regulations have set the Discretionary Grant levies to 49.5% which has resulted in a 29.5% increase in levies that TETA utilize for projects.

Transport Education and Training Authority has a surplus of R 4,2 mil from the 2021/22 financial year in terms of grant regulations and in terms of section 53(3) of the PFMA.

2.2.4. Investments

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, TETA as a public entity listed in Schedule 3A of the Act must invest surplus funds with the Corporation for Public Deposits. In 2009/10, National Treasury set aside TETA's exemption not to invest surplus funds with the Corporation for Public Deposits.

An amount of R 970 million is currently invested with the Corporation for Public Deposits as of 31 March 2022.

2.3. Legal costs

Legal expenses were incurred during the year under review due to normal operating activities, staff disciplinary matters and other legal matters.

2.4. Going concern

The Minister of Higher Education and Training re-established SETAs from 1 April 2016 to 31 March 2018. Thereafter the SETA landscape was extended to 31 March 2020 and now has been finally extended until 31 March 2030. This allows for a longer time horizon for planning purposes with better tracking of impact of the training programmes.

Therefore, the Accounting Authority is satisfied that TETA is a going concern.

2.5. Portfolio Committees

In the year under review, TETA has not had meetings with the Portfolio Committee and SCOPA. These committees have not raised any specific challenges and concerns relating to the organisation.

2.6. Executive Authority

The PFMA empowers the Executive Authority to hold oversight of TETA, and the Accounting Authority is appointed by and accountable to the Executive Authority. The TETA Accounting Authority concludes overarching governance instruments with the Executive Authority that set out organisational objectives and aspirations that appropriately relate to the compact between the Executive Authority and TETA. TETA concluded an SLA with the Director-General. The SDA contemplates that the SETA should produce an SSP, and the transport SSP was produced and submitted for ministerial approval on 31 August 2021. The Plan was approved with some improvements made. TETA also submitted planning documents for the subsequent year (strategic plan and Annual performance plan) as prescribed by the EA.

TETA submits quarterly performance reports and governance reports to the DHET highlighting our compliance with specific provisions of the PFMA. The organisation received positive feedback on its efforts to realise government imperatives, as set out in the instruments described above.

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2.6.1. The Accounting Authority /The Board

The TETA Board is the Accounting Authority for TETA. The Board constitutes a fundamental base for the application of corporate governance principles in TETA. TETA is headed and controlled by an effective and efficient Board comprising highly skilled, extensively experienced and hardworking individuals. Majority of the TETA Board includes non-executive members, who guarantee independence and objectivity in decision- making. The TETA Board has absolute responsibility for the performance of the organisation and is fully accountable to the organisation for such performance. The Board provides strategic leadership and direction to TETA. In the year under review, TETA submitted the Transport SSP, TETA Strategic Plan, and a revised APP, which considers the challenges brought on by the global health pandemic. In addition, TETA participated in a due diligence exercise conducted under the auspices of the DHET to enhance economic recovery in the transport sector. TETA received positive feedback on its contribution towards the realisation of sectoral objectives and aspirations.

2.6.2. Role of the Board

The TETA Board fulfils the following roles:

- Hold absolute responsibility for the performance of TETA;
- Retain full and effective control of TETA;
- Ensure that the organisation complies with the SDA and other applicable legislation, regulations, and government policy;
- Retain unrestricted access to TETA information;
- Formulate, monitor, and review TETA's corporate strategy, strategic plans, risk policy, annual budgets, and business affairs;
- Ensure that the DHET performance imperatives are realised;
- Manage conflicts of interest;
- Develop a clear definition of levels of materiality;
- Attend annual meetings;
- Ensure financial statements are prepared;
- Appraise the performance of the Chairperson;
- Ensure effective Board induction; and
- Maintain integrity, responsibility and accountability.

2.6.3. Board Charter

In line with the recommendations of the King Code, the TETA Board has a charter setting out its responsibilities, which should be disclosed in its annual report. The TETA Board Charter, inter alia, confirms the following:

- The TETA Board's responsibility for the adoption of the TETA strategic plans;
- Monitoring of operational performance and management;
- Policy development to ensure the integrity of the TETA risk management and internal controls;
- Communication policy; and
- Director selection, orientation and evaluation.

The Board observes the provisions of the Board Charter in its operations. The Board keeps records of its meetings, and such meetings are conducted in accordance with the dictates of the Charter. The current Board is poised to revise the TETA Constitution and the Charter to effect necessary improvements and evolve in the current dynamic environment.

The TETA Board members are as follows: Mr. Saki Tlou as Interim TETA Board Chairperson and EXCO Acting Chair, Mr Matthew Ramosie, Mr Roland Setlako (EXCO Member), Mr. Harhaw Tikum, Ms. Fezeka Ntlemeza, Ms. Zonke Cebekhulu (EXCO Member), Mr. Irvin Phenyane, Ms. Nokuthula Sifunda (EXCO Member), Ms. Olivia Maponya, Mr. Anele Kiet, Mr. Wilfred Mogudi, Ms. Norah Munyai, Mr. Solomon Mahlangu, Ms. Dinah Maleka, Mrs. Maphefo Anno-Frempong (CEO), Mr. Famanda Shirindza (COO), Mr. Simon Ndukwana (CFO), and Adv. Ishmael Malale (Company Secretary).

Minister of Higher Education, Science and Innovation appointed the TETA Board to serve from 1 April 2020 to 31 March 2025, as contemplated in the TETA Constitution. The TETA Board members duly attend Board meetings in accordance with the TETA Constitution and the Board Charter.

The TETA Board Chairperson resigned following his appointment as the Deputy Director-General: TVETs in the DHET followed by Mr. Saki Tlou appointed as Interim TETA Board Chairperson.

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2.6.4. Composition of the Board

NAME	CONSTITUENCY	DATE OF APPOINTMENT	STATUS	QUALIFICATION	EMPLOYMENT	Afiliation	BOARD COMMITTEE	NO. OF MEETINGS ATTENDED
Mr. Saki Tlou	Interim Board Chairperson	07 July 2021	Active	MSc in Business and Strategic Leadership	Aviation, Executive and Strategic Management	• NEUTRINO Investments • Deverneux Dynamics • Sea Energies Africa	• Board EXCO (Acting Chair) • Chair: Governance and Strategy Committee • Chair: Aerospace Chamber	6
Mr. Anele Kiet	Board Member	1 April 2020	Active	Labour Law certificate	Labour and Executive Management	• Kamulizwa Projects	• Governance and Strategy Committee	4
Ms. Dina Maleka	Board Member	1 April 2020	Active	Masters in Public Administration	Transport, Skills Development Executive and Strategic Management	• None	• Governance and Strategy Committee • Chair: Rail Chamber	4
Mr. Matthew Ramosie	Board Member	1 April 2020	Active	Labour Law certificate, Postgraduate Diploma in Management	Labour and Executive Management	• None	• Audit and Risk Committee • Finance and Human Resources (HR) Committee • Chair: Road Freight Chamber	6
Ms. Norah Munyai	Board Member	1 April 2020	Active	Masters in Industrial Psychology	Transport Logistics, Skills Development Executive and Strategic Management	• None	• Finance and HR Committee	5
Ms. Olivia Maponya	Board Member	1 April 2020	Active	BTech, Diploma in Transport Management	Transport, Skills Development Executive and Strategic Management	• Kopano Bus Service • Blue Sands Trading • Polokwane Kopano Properties • SANSBOC • Alriglo Trading	• Finance and HR Committee	6
Mr. Solomon Mahlangu	Board Member	1 April 2020	Active	Labour Law certificate, Introduction to Financial Management	Labour and Executive Management	• None	• Finance and HR Committee	6

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NAME	CONSTITUENCY	DATE OF APPOINTMENT	STATUS	QUALIFICATION	EMPLOYMENT	Afiliation	BOARD COMMITTEE	NO. OF MEETINGS ATTENDED
Mr. Irvin Phenyane	Board Member	1 April 2020	Active	Masters in Public Development and Management	Aviation, Skills Development, Executive and Strategic Management	• NTEP Investments • N4 Logistics • Drones Council SA	• Governance and Strategy Committee • Chair: Taxi Chamber	6
Ms. Fezeka Ntlemeza	Board Member	1 April 2020	Active	BJuris, MBA	Legal, Skills Development and Executive Management	• None	• Audit and Risk Committee • Chair: Forwarding and Clearing Chamber	6
Mr. Hardhaw Tikum	Board Member	1 April 2020	Active	Diploma in Business Management	Labour and Executive Management	• None	• Governance and Strategy Committee	6
Mr. Roland N. Setlako	Board Member	1 April 2020	Active	Maritime certificates and Training Management Certificate	Maritime, Skills Development, Executive and Strategic Management	• Southern Seas Institute • SETLAS Group • Maritime Cargo Shipping, Edu, Training and Development	• Finance and HR Committee • Board EXCO	6
Ms. Zonke Cebekhulu	Board Member	1 April 2020	Active	Diploma in Management Development and Logistics Management	Labour and Executive Management	• None	• Board EXCO	6
Ms. Nokuthula Sifunda	Board Member	1 April 2020	Active	Labour Law Certificate, Customer Management Certificate, ABET Certificate	Labour and Executive Management	• None	• Board EXCO	6
Mr. Wilfred Mogudi	Board Member	1 April 2020	Active	Masters in Business Leadership	Aviation, Labour, Executive and Strategic Management	• MEGTREND • APA • SEBOWA (all non-active)	• Chair: Freight Handling Chamber	6

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2.6.5. Audit and Risk Committee members *(Excluding Board Members above)*

NAME	QUALIFICATION	INTERNAL/ EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	Date Resigned	NO. OF MEETINGS ATTENDED
Mr Pascalis Mokupo	Chartered Accountant (CA)	External ARC member	Independent Chairperson	15 May 2020	Active	4
Mr Thiru Mudaly	Chartered Accountant (CA)	External ARC member	Independent Member	15 May 2020	Active	4
Mr Mlamli Magigaba	B Juris (LLB)	External ARC member	Active	15 May 2020	Active	2

2.6.6. Delegation of Authority

TETA has a comprehensive delegation of authority framework that assists in ensuring effective decision- making without diluting members' accountability and responsibilities.

2.6.7. Board Member Assessment

The Board has conducted self-assessments and also assessed its committees.

2.6.8. Board Sub-committees

The TETA Board has four main committees ensuring the execution of its mandate. These are described below:

2.6.81. Executive Committee (EXCO)

EXCO is established in terms of section 10 of the TETA Constitution and is delegated the power to process matters between the quarterly Board meetings. EXCO facilitates submissions of information and reports for deliberation and decision-making by the TETA Board. EXCO held four meetings during the period under review in compliance with prescripts.

2.6.8.2. Finance, Human Resources and Remuneration Committee

The FHRRC is delegated the function of providing oversight regarding TETA financial affairs by assisting the Board to oversee the following:

- TETA's financial position;
- Financing plans and programmes;
- Cash management;
- Investment management; and
- Employee retirement.

The FHRRC convened meetings in line with the terms of reference during the period under review.

2.6.8.3. Audit and Risk Committee

The Audit and Risk Committee (ARC) is responsible for the monitoring of internal control systems and processes to ensure TETA interests and assets are protected. The ARC reviews any accounting concerns raised by the internal and external audits as well as the Annual Financial Statements. The ARC ensures that TETA has an effective internal audit function in place and that the roles and functions of internal and external audits are sufficiently clarified and coordinated. This is to ensure that an objective overview of the operational effectiveness of the entity's systems of internal control, risk management, governance and reporting is provided.

The ARC ensures that the Board's risk management strategies and processes are aligned with best practices. Management is fully involved in the processes and in reporting to the ARC on risk exposure and emerging risks, among other factors. Committee meetings were held in accordance with the terms of reference during the period under review. External and internal auditors and senior executives also attended these meetings.

2.6.8.4. Governance and Strategy Committee

The Governance and Strategy Committee provides strategic guidance and policy oversight to TETA on its quality assurance functions and obligations, governance and strategy imperatives. It also deals with matters referred to it by the Board.

The committee develops policies, principles, criteria and guidelines necessary for TETA governance and strategy functions. It promotes good governance and formulates the skills development strategy for the transport sector. The committee met five times in accordance with the terms of reference.

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2.7. Board and Board committee meeting attendance

During the period under review, the Board, EXCO and Board committees held meetings in line with the approved Constitution of the TETA Board and the Board Charter. The tables below record members' attendance at these meetings as well as Board members' remuneration for the year under review.

TETA BOARD attendance for 2021/22

NAME	CONSTITUENCY	28 APR 2021	13 MAY 2021 (Special)	28 JULY 2021	23 SEPT 2021	25 NOV 2021	25 FEB 2022
Mr Samuel Zungu	Board Chairperson	P	R	R	R	R	R
Mr. Saki Tlou	Interim Board Chairperson	P	P	P	P	P	P
Ms Dina Maleka	Board Member	p	P	P	P	P	P
Mr Anele Kiet	Board Member	p	P	P	P	P	P
Mr Matthew Ramosie	Board Member	P	P	P	P	P	P
Ms Norah Munyai	Board Member	P	P	P	P	P	P
Ms Olivia Maponya	Board Member	P	P	P	P	P	P
Mr Solomon Mahlangu	Board Member	P	P	P	P	P	P
Mr Irvin Phenyane	Board Member	P	P	P	P	P	P
Ms Fezeka Ntlemeza	Board Member	P	P	P	P	P	P
Mr Hardhaw Tikum	Board Member	P	P	P	P	P	P
Mr Roland N. Setlako	Board Member	P	P	P	P	P	P
Ms Zonke Cebekhulu	Board Member	P	P	P	P	P	P
Ms Nokuthula Sifunda	Board Member	P	P	P	P	P	P
Mr Wilfred Mogudi	Board Member	P	P	P	P	P	P

P = Present; AP = Apology; R = Resigned

EXCO attendance in 2021/22

NAME	CONSTITUENCY	25 MAY 2021	13 AUG 2021	28 OCTOBER 2021	24 MARCH 2022
Mr. Saki Tlou	Committee Chairperson	P	No meeting held	No meeting held	P
Mr Roland N. Setlako	Committee Member	P	No meeting held	No meeting held	P
Ms Zonke Cebekhulu	Committee Member	P	No meeting held	No meeting held	P
Ms Nokuthula Sifunda	Committee Member	P	No meeting held	No meeting held	P

P = Present; AP=Apology

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Finance, Human Resources and Remuneration Committee attendance in 2021/22

NAME	CONSTITUENCY	22 APR 2021 (Special)	19 MAY 2021	19 JULY 2021	22 SEPT 2021	03 NOV 2021	19 NOV 2021 (Special)	22 FEB 2022
Mr Roland Setlako	Committee Chairperson	P	P	P	P	P	P	P
Ms Norah Munyai	Committee Member	P	P	P	P	P	P	P
Mr Matthew Ramosie	Committee Member	P	P	P	P	P	P	P
Ms Olivia Maponya	Committee Member	P	P	P	P	P	P	P
Mr Solomon Mahlangu	Committee Member	P	P	P	P	P	P	P

P = Present; AP = Apology

Audit and Risk Committee attendance in 2021/22

NAME	CONSTITUENCY	20 MAY 2021	20 JULY 2021	26 OCT 2021	15 FEB 2022
Mr Pascalis Mokupo	Committee Chairperson	P	P	P	P
Ms Fezeka Ntlemeza	Committee Member	P	P	P	P
Mr Matthew Ramosie	Committee Member	P	P	P	P
Mr Mlamli Magigaba	Committee Member	AP	P	P	AP
Mr Thiru Mudaly	Committee Member	P	P	P	P
P = Present; AP = Apology					

Governance and Strategy Committee attendance in 2019/20

NAME	CONSTITUENCY	14 APR 2021	14 JULY 2021	19 OCT 2021	03 FEBRUARY 2022
Mr Saki Tlou	Committee Chairperson	P	P	P	P
Mr Irvin Phenyane	Committee Member	P	P	P	P
Mr Anele Kiet	Committee Member	P	P	P	P
Ms Dinah Maleka	Committee Member	P	AP	AP	AP
Mr Anele Kiet	Committee Member	P	P	P	P

P = Present; AP = Apology

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Remuneration of board members

Name	Seatting Allowance *(Rate per sitting)*	Remuneration	Other allowance	Other re-imbursements	Total
Mr. Samuel Zungu *(TETA Board Chairperson)*	R10 460.00	R10 460.00	Included	R3 89.00	R14 355.00
Mr. Saki Tlou *(Interim TETA Board Chairperson)*	R10 460.00	R190 412.00	Included	R3 249.10	R193 661.10
Mr. Anele Kiet	R7 776.00	R 101 088.00	Included	R 401.00	R101 489.00
Mr. Matthew Ramosie	R7 776.00	R 73 872.00	Included	R 7 940.50	R81 812.50
Ms. Norah Munyai	R7 776.00	R 66 096.00	Included	R 228.95	R66 324.95
Ms. Olivia Maponya	R7 776.00	R 85 536.00	Included	R 17 749.88	R103 285.88
Mr. Solomon Mahlangu	R7 776.00	R 66 096.00	Included	R 4 417.50	R70 513.50
Mr. Irvin Phenyane	R7 776.00	R 97 200.00	Included	-	R97 200.00
Ms. Fezeka Ntlemeza	R7 776.00	R 66 096.00	Included	R 4 925.00	R71 021.00
Mr. Hardhaw Tikum	R7 776.00	R 97 200.00	Included	-	R97 200.00
Mr. Roland N. Setlako	R7 776.00	R 112 752.00	Included	R 460.00	R113 212.00
Ms. Zonke Cebekhulu	R7 776.00	R 81 648.00	Included	R 11 185.00	R92 833.00
Ms. Nokuthula Sifunda	R7 776.00	R 81 648.00	Included	R 1 477.00	R83 125.00
Mr. Wilfred Mogudi	R7 776.00	R 66 096.00	Included	R 1 170.50	R67 266.50

The amount for allowance and reimbursements for travel and toll gate fees are inclusive of Board meetings and its committees.

2.8. Risk management

TETA fraud prevention and fraud response plans are reviewed annually and approved by the ARC to ensure relevance and adequate response to TETA's environment.

TETA has a fraud hotline (0800 22 23 76) administered by an independent service provider (Deloitte Tip-offs Anonymous) on which suspected fraud and/or corruption allegedly perpetrated by TETA employees and stakeholders may be reported anonymously, anywhere and anytime. Complainants may use the toll-free number, email, website, or scan the QR code using a smartphone.

Depending on the sensitivity of the complaint, cases are escalated in line with industry norms and standards, and as recommended by best practices, to promote transparency and ensure that each case is handled with strict confidentiality. A report of all cases recorded is submitted to the ARC by the independent service provider.

2.9. Internal control Unit

The internal control function is fulfilled by TETA management. To reduce and/or eliminate risk exposure in certain key functions of the organisation, policies and procedures are continuously developed, reviewed and implemented. These controls are then tested for design and effectiveness by an outsourced internal audit function, which reports functionally to the ARC and administratively to the CEO.

The following activities, approved by the ARC, were performed by the internal auditors during the year under review:

- Education Training and Quality Assurance Review;
- Compliance Review;
- Strategic plan alignment;
- Pre-determined objectives review (Q3 and Q4);
- Asset Management;
- Follow-up on previous audit findings – information technology general controls; and
- Review of draft AFS.

The ARC's key activities and responsibilities, as outlined in the approved charter, include:

- Maintaining full and unrestricted access to the TETA CEO, executive management team, external and internal auditors, and the Accounting Authority;
- Initiating investigations on any matter it may deem necessary, and obtaining legal and any other advice from external experts;
- Hiring special counsel or experts to assist in special opinions or investigations, subject to TETA procurement procedures and financial stipulations in TETA's financial delegation; and
- Reviewing the effectiveness of the internal audit function and ensuring that the roles and functions of the external and internal auditors are sufficiently clarified and coordinated. This provides an objective overview of the operational effectiveness of TETA systems of internal control, risk management, governance and reporting.

2.10. Minimising Conflict of Interest

TETA Board members disclose any potential and actual conflicts of interest at the commencement of their tenure and during each meeting dealing with substantive matters. The culture of disclosure of conflicts of interest is practised by the Board, its four (4) committees, and the eight (8) subsector committees. TETA SCM Policy is strictly executed to guarantee the integrity of the organisation. The following are some of the aspects covered by the policy:

- Prohibitions on awards to state employees, advisors or consultants contracted with TETA; and
- Declaration-of-interests forms are to be completed and submitted by the authorised representative of the service provider, as stipulated in Treasury instruction note no. 32 dated 31 May 2011.

The SCM Policy further makes provision to regulate and prohibit awards to close family members of persons within the service of the state.

2.11. Code of Conduct

All governance structure members have to subscribe to and abide by the TETA Code of Conduct, as articulated in the governance charter and TETA Constitution. No misconduct was recorded in the year under review. The SETA has provisions within its policy and Board Charter to regulate any misconduct.

2.12. Health, Safety and Environmental Issues

Health and safety are managed through an internal Health and Safety Committee. The organisation recognises the dictates of environmental regulations and the related Acts.

The workplace is fully fitted with relevant signage, and quarterly safety and evacuation drills are conducted. In terms of COVID-19, the workplace is fully compliant with temperature screening, declaration upon entry, and visible signage of protocols to be followed. Sanitisers and sanitising wipes are readily available to ensure that hands and surfaces are regularly cleaned.

Health and safety champions are trained on basic health and safety elements and are assigned responsibilities for each wing of the building. They are also trained to enforce COVID-19 protocols around the building.

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3. Audit and Risk **Committee Report**

I am pleased to present you with the report of TETA Audit and Risk Committee for the financial year ended 31 March 2022. The Audit Committee is responsible for overseeing:

- Quality and integrity of TETA's financial statements and sustainability issues;
- Overseeing the appointment, remuneration, independence and performance of external auditor and the integrity of the audit process including the approval of non- audit services;
- Effectiveness of the internal financial control and system of system of internal control and risk management; and
- Effectiveness of governance and assurance processes within TETA, including adequately resourced internal audit function.

3.1. Audit and Risk Committee Members and Attendance

The Audit and Risk Committee consists of members listed hereunder and is required to meet at least four times per annum as per its approved terms of reference. During the current year five meetings were held by the Audit and Risk Committee.

3.2. Significant and financial statement reporting issues

Assumptions and estimates or judgement are a significant part of the financial reporting process and are evaluated carefully by the committee ahead of finalisation of the financial statement. Detailed review was judgments an and assumptions made by managements made were reviewed and assessed by the committee. Where deemed fit, the committee sort inputs from external auditors and encouraged rigorous engagement on controls, accounting policies and disclosure matters. In addition to the above, the committee covered matters relating to the budgeting, forecasting and legal matters.

Audit and Risk Committee Attendance in 2021/22

NAME	CONSTITUENCY	20 May 2021	20 July 2021	26 October 2021	15 February 2022
Mr Pascalis Mokupo	Independent Chairperson	P	P	P	P
Mr Thiru Mudaly	Independent Member	P	P	P	P
Mr Mlamli Magigaba	Independent Member	AP	P	P	AP
Mr Mathews Ramosie	Board Member	P	P	P	P
Ms Fezeka Ntlemeza	Board Member	P	P	P	P

Chairperson P=Present AB=Absent

AP=Apology R=Resigned N/A=Not Applicable

As shown in the table above, the majority of the audit committee members are independent from the board. The committee has met all legal and regulatory requirements from a composition and independence perspective.

3.3. Audit and Risk Committee Responsibility

The committee is a statutory committee in terms of in terms of the Public Finance Management Act, Act No 1 of 1999
(PFMA) and as such, reports to the board and as Board Sub- Committee. The committee adopted appropriate formal terms of reference in our charter in line with the requirements of Section 51(1)(a) of the Public Finance Management
Act, No. 1 of 1999 and Treasury Regulation 27 approved by the board. The affairs of the committee were conducted
in compliance with this audit charter. The committee provided oversight and monitoring on the following issues:

- Internal controls, risk management and compliance process;
- Delegated levels of authority, combined assurance and business continuity; and
- Controls to prevent irregular expenditure, fruitless and wasteful expenditure

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3.4. The Effectiveness of Internal Control

The system of controls is designed to provide assurance that assets are safeguarded, laws are complied with, information is reliable and liabilities are efficiently managed. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with the 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.

Having considered the above, the Audit Committee has no reason to believe that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

3.5. Internal Audit

We are satisfied that the Internal Audit function has operated effectively and that it has addressed the risks pertinent to TETA's audits as per approved plan. The committee has:

- Reviewed significant findings emanating from the Internal Audit Reports and management's response thereto;
- Reviewed cooperation and co-ordination between the internal and external audit functions to ensure coordination between the internal audit work plan with external auditors' strategy to eliminate duplication of work;
- Ensured that internal audit has unrestricted access to the chairman of the audit and or committee;
- Provided an opportunity for Internal Audit at every committee meeting to meet, without presence of management, to discuss any issues arising from internal audit carried out.

3.6. 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 Accounting Officer, www.teta.org.za
- Reviewed the Auditor-General's management letter and management's response thereto,
- Reviewed the appropriateness of accounting policies and practices adopted; and
- Reviewed significant adjustments resulting from the Audit.

Having regard to all material risks and factors that may impact the financial statement of TETA for the year ended 31 March 2022, the committee recommends approval of financial statement for 31 March 2022 to the accounting authority.

The Audit Committee accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the Report of Auditor-General and has therefore recommended the adoption and approval of the annual financial statements by the Accounting Authority.

3.7. Appreciation

The Audit Committee expresses its sincere appreciation to the Accounting Authority, senior management team, Internal Audit and the Auditor-General of South Africa for their co-operation towards us achieving the requirements of our Charter as mandate.

Mr Pascalis Mokupo
TETA Audit and Risk Committee Chairperson
Date: 25 July 2022

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B-BBEE Compliance Performance Information

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Discussion (include a discussion on your response and indicate what measures have been taken to comply)	Yes	TETA follows the SANAS guidelines in determining its BEE Status Level Certificate and is currently at Level Two (2).
Developing and implementing a preferential procurement policy?	Yes	In its Supply Chain Management (SCM) Policy TETA applies the Broad Based Black Economic Empowerment Act, Act No. 53 of 2003, Preferential Procurement Policy Framework Act, Act No. 5 OF 2000 and its Regulations (2017) to comply with the preferential procurement policy. The SCM Policy is approved by TETA Board and revised when new policy changes arise.
Determining qualification criteria for the sale of state-owned enterprises?	No	TETA is not involved in this procurement practice.
Developing criteria for entering partnerships with the private sector?	Yes	TETA procures its goods and services through a competitive bidding process. Any other partnerships are conducted through the IMC processes
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The SCM legislation does not allow for such processes, preferential points as per the BEE Act and PPPFA are used to promote Black Economic Empowerment

Skills Development

Provide number of black persons trained by providing relevant information as follows:

Categories	Number for each category	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Age (provide nr in chronological order)	Location (indicate nr in each Province)	Disability (indicate nr in terms of F & M)	Value thereof
Black employees	138	130 A 5 C 3 I	87 F 51 M	20 to 29 = 37 30 to 39 = 53 40 to 49 = 32 50 to 59 = 15 60 to 69 = 1	GP 121 KZN 8 MP 4 LP 5	1 F	R1 026 404 F R434 831 M
Black People in internships, apprenticeships, learnerships	40	38 A 2 I	29 F 11 M	20 to 29 = 32 30 to 39 = 8	GP 22 KZN 8 MP 5 LP 5	0	R596 798 F R241 112 M
Exec Unemployed black people	0	0	0	0	0	0	0
Black people absorbed	0	0	0	0	0	0	0

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Ownership and Management Control

Please indicate % of black shareholding and number of directors/managers by providing relevant information below:

Categories	%/ Number for each category	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Age (provide nr in chronological order)	Location (indicate nr in each Province)	Disability (indicate nr in terms of F & M)
Black Ownership	N/A	N/A	N/A	N/A	N/A	N/A
Non-Exec Directors	14	14 A 1 I	6 F 8 M	30 to 39 = 1 40 to 49 = 7 50 to 59 = 6	GP 7 KZN 2 FS 1 MP 2 LP 2	0
Exec Directors	5	5 A	2 F 3 M	40 to 49 = 1 50 to 59 = 4	GP 5	0
Senior Management	14	14 A	10 F 6 M	30 to 39 = 3 40 to 49 = 2 50 to 59 = 7 60 to 69 = 1	GP 14	0
Middle Management	21	18 A 2 C 1 I	7 F 14 M	30 to 39 = 4 40 to 49 = 14 50 to 59 = 3	GP 16 KZN 3 LP 1 WC 1	0
Junior Management	12	11 A 1 C	11 F 1 M	30 to 39 = 4 40 to 49 = 7 50 to 59 = 1	GP 10 KZN 1 WC 1	0
Dividends declared		**N/A**				

Enterprise and Supplier Development

Number of enterprise and supplier development beneficiaries and value thereof by providing relevant information below:

Number of enterprise development beneficiaries (EMEs)	% of Black ownership	Number of enterprise development beneficiaries (QSEs)	% of Black ownership	Number of supplier development beneficiaries (EMEs)	% of Black ownership	Number of supplier development beneficiaries (QSEs)	% of Black ownership	Value thereof (enterprise development)	Value thereof (supplier development)
211	100%	0	0	0	0	0	0	R28 227 141	0

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Socio-Economic Development

Number of black participants, race classification, gender, geographical indication and value thereof by providing relevant information below:

Number of participants	Race classification (indicate nr in terms of A, C & I)	Gender (indicate nr in terms of F & M)	Geographical indication (indicate nr in each Province)	
3677	3 677 A	2 317 F 1 360 M	Gauteng	450
			Mpumalanga	286
			Free State	321
			Limpopo	508
			Western Cape	442
			Eastern Cape	469
			Nothern Cape	374
			Kwa-Zulu Natal	441
			North West	386
Value thereof				**R 5 354 138**

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PART D
Human Resources

Human **Resources**

1. Introduction

1.1. An Overview of Human Resource Matters

The Human Resources (HR) Department supported the core business of the organisation by operationalising the organisational strategy. The HR Department ensured that the organisation met its business performance goals and reached the desired outcomes through the achievement of the following:

- Managing TETA's structure and implementing the HR plan to capacitate the organisation to meet its business performance imperatives;
- Timeous selection and recruitment to ensure that vacant positions are filled;
- Training and development of TETA staff, aligned with personal development plans;
- Continuous improvement of HR policies, plans and strategies to eliminate uncertainties in the workplace;
- Devolution of sound employment relations to all business units of the organisation;
- Creating awareness of the importance of living a healthy lifestyle;
- Ensuring effective and efficient performance management systems are in place; and
- Recognition of the National Education, Health and Allied Workers' Union (NEHAWU) as the employees' voice in the workplace and continuous improvement of the relationship with the union.

1.2. HR Priorities and their Impact

Investment in training and development of personnel was priority for TETA in the year under review, and this improved organisational performance, staff confidence and skills.

Operating during the COVID-19 pandemic made TETA realise the importance of investing in human capital and capacitating employees as they adapt to changes in the world of work. TETA invested in human capital, with a focus on:

- Internal staff bursaries;
- Workshops aligned with personal development plans and industry-specific matters, such as trend updates; and
- Submission of the WSP/ATR to the ETDP SETA.

1.3. Workforce Planning Framework

TETA HR plan provided guidance for the workforce planning framework, which is aligned with Authority's overall strategy.

1.4. Employee Performance Management Framework

TETA performance management framework assisted in setting objectives for all TETA employees at the beginning of every financial year. Achievement was measured quarterly.

1.5. Employee Wellness Programmes

TETA prides itself in being a caring employer. Thus, the promotion of healthy living – physical, emotional and mental – was significant during the year under review.
employees had access to professional assistance in social, psychological, legal, and professional matters.

1.6. Policy Development

The organisation reviewed and updated its HR policies as and when required in line with amendments to legislation or operational changes.

Highlights

The HR department made notable strides and achievements in the reporting year in the following areas:

- All TETA offices remained fully compliant with COVID-19 protocols throughout the period, with constant updates and reminders about the COVID-19 pandemic;
- Employees were supported through Workforce Health, the employee wellness provider, to cope with the loss and anxiety suffered during the pandemic;
- TETA successfully employed a person living with disability. This came as a result of a targeted and focused approach which was implemented to address the employment of People Living with Disabilities (PLWD). A service provider was brought on board to

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assist with recruitment and campaigns were run within the organisation to raise awareness to all staff about the issues related to PLWD to foster an inclusive culture. The organisation continues to learn and grow with regards to the employment of people living with disabilities and aims to increase these numbers in the next financial year;

- The TETA Board approved a medical aid allowance for qualifying employees. This initiative was to augment the benefit that TETA offers and aligned to the HR strategy of being the 'Employer of Choice';
- In 2021, TETA celebrated 20 years since it opened its doors. An Inaugural Long Service event was done in honor of long serving employees who have contributed to the SETA's achievements to date. A total of 33 employees who worked for TETA for 10 years and above received awards and this represented 30% of TETA employees. 14 of the 33 recognised employees served TETA for more than 15 year.

Challenges

The organisation faced challenges in re-integrating employees to working at the office full time after almost a year of remote work. Employees that were struggling were supported through the employee wellness partner, Workforce Health.

1.7. Plans/goals

The HR Department will:

- Prioritise the employment of people living with disabilities;
- Continue to prioritise transformation in the organisation;
- Ensure more employees enrol in training and development programs;
- Introduce recognition and reward programmes for performance management;
- Introduce succession planning; and
- Intensify the rollout of employee wellness programmes.

2. Human Resource Oversight Statistics

Personnel cost by programme/activity/objective

PROGRAMME/ACTIVITY/ OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE (R'000)	No. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration	R106 620	R91 784	86%	120	R765

Personnel cost by salary band

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST (R'000)	No. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top management	R8 094	8.81%	3	R2 698
Senior management	R26 758	29.15%	16	R1 672
Professional qualified	R26 376	29.74%	28	R942
Skilled	R7 630	8.31%	11	R693
Semi-skilled	R21 175	23.03%	56	R378
Unskilled	R1 751	1.9%	6	R291
TOTAL	**R91 784**	**100%**	**120**	

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Performance rewards

LEVEL	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL
Top management	R990	R8 094	12.23%
Senior management	R2 903	R26 758	10.85%
Professional qualified	R2 796	R26 376	10.6%
Skilled	R716	R7 630	9.38%
Semi-skilled	R2 077	R21 175	9.81%
Unskilled	R131	R1 751	7.48%
TOTAL	**R9 613**	**R91 784**	

Training costs

PROGRAMME ACTIVITY/ OBJECTIVE	PERSONNEL EXPENDITURE	TRAINING EXPENDITURE	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	No. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
Administration	R 1 536 150,00	R1 013 078,00	66%	156	R6 494,09

Employment and vacancies

LEVEL	2020/21 No. OF EMPLOYEES	2021/22 APPROVED POSTS	2021/22 No. OF EMPLOYEES	2021/22 VACANCIES	% OF VACANCIES
Top management	3	3	3	0	0%
Senior management	16	21	15	6	18%
Professional qualified	26	35	26	9	26%
Skilled	11	18	11	7	21%
Semi-skilled	47	51	47	11	33%
Unskilled	5	7	6	1	3%
TOTAL	**108**	**135**	**108**	**33**	**24%**

** There is a variance under skilled and semi-skilled employees for the period under review, due to the 10 additional temporary resource positions – assistant bursary administrators x1, strategic project administrator (1), Strategic Project officer (1), Assistant Contract Administrators (2), Assistant Reporting Administrators (1), IT Administrator (1), IT Assistant Administrator (1), Multimedia Graphic Designer (1) and Graduate Management Officer. These positions are not in the approved structure. For the vacant positions, recruitment is subject to budget availability, critical positions were progressively filled. The organisation also continuously reviews its financial position against operational targets to prioritise the filling of vacant positions as per the approved structure.*

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Employment change

SALARY BAND	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top management	3	0	0	3
Senior management	16	0	1	15
Professional	26	2	2	26
Skilled	11	0	0	11
Semi-skilled	45	11	9	47
Unskilled	5	1	0	5
TOTAL	**106**	**14**	**12**	**108**

Reasons for staff leaving

REASON	NUMBER	% OF TOTAL No. OF STAFF LEAVING
Death	0	0
Resignation	5	5
Dismissal	1	1
Retirement	1	1
Ill health	0	0
End of contract	5	5
Other	0	0
TOTAL	**12**	**11%**

Labour relations: misconduct and disciplinary actions

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	2
Final written warning	0
Dismissal	0
TOTAL	2

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Equity target and employment equity status

LEVEL	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	2	0	0	0	0	0	0	0
Senior management	6	0	0	1	0	1	1	0
Professional qualified	15	0	2	0	0	0	2	0
Skilled	1	0	0	0	0	0	0	0
Semi-skilled	16	1	0	0	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
TOTAL	**42**	**1**	**2**	**1**	**0**	**1**	**3**	**0**

LEVEL	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top management	1	0	0	0	0	0	0	0
Senior management	9	0	0	1	0	0	0	0
Professional qualified	6	0	1	1	1	0	0	0
Skilled	10	0	1	0	0	0	0	0
Semi-skilled	37	0	1	0	1	1	1	0
Unskilled	4	0	0	0	0	0	0	0
TOTAL	**67**	**0**	**3**	**2**	**2**	**1**	**1**	**0**

LEVEL	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	1	0	0
Semi-skilled	0	0	1	0
Unskilled	0	0	0	0
TOTAL	**0**	**1**	**1**	**2**

PART E

FINANCIAL INFORMATION

Report of the Auditor-General to Parliament **on Transport Education Training Authority**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Transport Education Training Authority set out on pages 108 to 149, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Transport Education and Training Authority as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and the SDA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

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REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 3 – learning programmes and projects	41 – 47 and 51 – 54

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme:
    - Programme 3 – Learning programmes and projects

Other Matters

15. I draw attention to the matters below.

Achievement of planned targets

16. Refer to the annual performance report on pages 37 to 55 for information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of targets.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3: Learning programmes and projects. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

19. The material findings on compliance with specific matters in key legislation are as follows:

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Annual financial statements

20. The annual financial statements submitted for audit were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA.

21. Material misstatements of related party transactions identified by the auditors in the submitted financial statements were corrected by management.

Expenditure management

22. Expenditure was incurred in excess of the approved budget, in contravention of section 53(4) of the PFMA.

23. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with section 53(4) of the PFMA as the actual expenditure incurred by the public entity exceeded the approved budget.

OTHER INFORMATION

24. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

29. Management did not implement effective and preventive controls to monitor the entity's budget to ensure that the actual expenditure does not exceed the approved budget. The public entity did not implement controls to properly review and monitor compliance with all applicable laws and regulations.

30. Management did not implement controls over daily and monthly processing and reconciling of related party transactions to ensure that all related party transactions included in the commitment register agreed to the related party note.

Auditor-General

Auditor-General
Pretoria
Date: 31 July 2022

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

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ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the public entity's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
    - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
    - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
    - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
    - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Transport Education Training Authority to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
    - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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Transport Education Training Authority

Driven by Vision

Transport Education Training Authority Financial Statements for the year ended 31 March 2022 Audited

The Financial Statements for the period ended 31 MARCH 2022, set out on pages 106 to 149, have been approved by the Accounting Authority on 28 July 2022 in terms of section 51(1) of the Public Finance Management Act (PFMA) , No 1 of 1999 as amended, and are signed on their behalf by:

Mrs Maphefo Anno-Frempong
Chief Executive Officer
Transport Education Training Authority
Date: 28 July 2022

Mr Saki Tlou
Interim Board Chairperson
Transport Education Training Authority
Date: 28 July 2022

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Transport Education Training Authority

Financial Statements for the year ended 31 March 2022

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The reports and statements set out below comprise the financial statements presented to the provincial legislature:

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Statement of Financial Position as at 31 March 2022

	Note(s)	2022 R'000	2021 R'000
Assets			
Current Assets			
Receivables from non-exchange transactions	11	810	1 373
Receivables from exchange transactions	12	1 607	1 795
Inventories	13	254	207
Cash and cash equivalents	14	1 047 164	1 121 180
		1 049 835	**1 124 555**
Non-Current Assets			
Property, plant and equipment	9	22 389	22 718
Intangible assets	10	1 913	45
		24 302	**22 763**
Non-Current Assets		24 302	22 763
Current Assets		1 049 835	1 124 555
Total Assets		**1 074 137**	**1 147 318**
Liabilities			
Current Liabilities			
Payables from exchange transactions	16	9 263	6 637
Payables from non-exchange transactions	15	42 758	18 784
Provisions	17	20 244	15 799
		72 265	**41 220**
Non-current liabilities		-	-
Current liabilities		72 265	41 220
Total Liabilities		**72 265**	**41 220**
Assets		1 074 137	1 147 318
Liabilities		(72 265)	(41 220)
Net Assets		**1 001 872**	**1 106 098**
Reserves			
Administration reserve		24 302	22 763
Employer grant reserve		145	470
Discretionary reserve		977 425	1 082 865
Total Net Assets		**1 001 872**	**1 106 098**

Statement of Financial Performance

	Note(s)	2022 R'000	2021 R'000
Revenue			
Revenue from Exchange Transactions			
Other income	5	34	32
Interest received - investment	3	38 215	43 091
Total Revenue from Exchange Transactions		**38 249**	**43 123**
Revenue from Non-Exchange Transactions			
Transfer Revenue			
Other income	5	19 419	3 353
Skills Development Levy transfer	4	761 910	501 438
Skills Development Levy penalties and interest	4	12 599	14 691
Total revenue from non-exchange transactions		**793 928**	**519 482**
Total revenue		**832 177**	**562 605**
Expenditure			
Employee related costs	8	(61 790)	(61 237)
Grants and project expenses	6	(829 788)	(622 791)
Administration Expenses	7	(44 830)	(36 242)
Total expenditure		**(936 408)**	**(720 270)**
Deficit for the Year		**(104 231)**	**(157 665)**

The Defict of R 104 231 000 Surplus (2021: Deficit of R 157 665 000) forms part of the Discretionary Grant Reserve.

Statement of Changes in Net Assets

	Administration reserve R'000	Mandatory grant reserve R'000	Discretionary grant reserve R'000	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2020	**24 489**	**222**	**1 239 053**	**-**	**1 263 764**
Changes in net assets					
Surplus for the year	-	-	-	(157 665)	(157 665)
Allocation of unappropriated surplus	(30 581)	26 105	(153 189)	157 665	-
Excess reserves transferred to Discretionary reserve	28 855	(25 857)	(2 999)	-	(1)
Balance at 01 April 2021	**22 763**	**470**	**1 082 865**	**-**	**1 106 098**
Changes in net assets					
Surplus for the year	-	-	-	(104 231)	(104 231)
Allocation of unappropriated surplus	(4 275)	30 685	(130 641)	104 231	-
Excess reserves transferred to Discretionary reserve	5 814	(31 010)	25 201	-	5
Balance at 31 March 2022	**24 302**	**145**	**977 425**	**-**	**1 001 872**

Cash Flow Statement

	Note(s)	2022 R'000	2021 R'000
Cash flows from operating activities			
Receipts			
Levies, interest, penalties received and other		793 928	519 482
Other cash receipts from stakeholders		885	(19 788)
Interest income		38 215	43 091
		833 028	**542 785**
Payments			
Employee costs		(61 790)	(61 237)
Suppliers		(37 600)	25 341
Grants and Projects payments		(802 612)	(654 892)
		(902 002)	**(690 788)**
Net cash flows from operating activities	18	**(68 974)**	**(148 003)**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(3 304)	(2 082)
Proceeds from sale of property, plant and equipment	9	34	32
Purchase of other intangible assets	10	(2 326)	(78)
Profit/loss on sale of assets		554	(2)
Net cash flows from investing activities		**(5 042)**	**(2 130)**
Net increase/(decrease) in cash and cash equivalents		**(74 016)**	**(150 133)**
Cash and cash equivalents at the beginning of the year		1 121 180	1 271 313
Cash and cash equivalents at the end of the year	14	**1 047 164**	**1 121 180**

Statement of Comparison of Budget and Actual Amounts

Budget on Actual Basis

	Approved budget R'000	Adjustments R'000	Final budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000	Reference
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
Other income - Admin investment portion	8 056	-	8 056	34	(8 022)	Note 19
Other income	-	1 700	1 700	-	(1 700)	Note 19
Interest received - investment	40 777	-	40 777	38 215	(2 562)	Note 19
Total revenue from exchange transactions	**48 833**	**1 700**	**50 533**	**38 249**	**(12 284)**	
Revenue from non-exchange transactions						
Transfer revenue						
Other Income	1 701	799	2 500	19 419	16 919	Note 19
Roll over of surplus	-	58 407	58 407	-	(58 407)	Note 19
Skills Development Levy transfer	615 454	64 623	680 077	761 910	81 833	Note 19
Skills Development penalties and interest	20 946	-	20 946	12 599	(8 347)	Note 19
Total revenue from non-exchange transactions	**638 101**	**123 829**	**761 930**	**793 928**	**31 998**	
Expenditure						
Personnel	(61 863)	(14 852)	(76 715)	(61 790)	14 925	Note 19
Roll over Surplus Expense	-	(58 407)	(58 407)	-	58 407	Note 19
Grant and Project Expenses	(597 182)	(56 843)	(654 025)	(829 788)	(175 763)	Note 19
Administration Expenses	(59 722)	4 573	(55 149)	(44 830)	10 319	Note 19
Total expenditure	**(718 767)**	**(125 529)**	**(844 296)**	**(936 408)**	**(92 112)**	
Actual amount on comparable basis as presented in the budget and actual comparative statement	**(31 833)**	**-**	**(31 833)**	**(104 231)**	**(72 398)**	

The approved original budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities Part 2, Par 53. Due to large variances on Skills Development Levy Income, TETA performed a rebudgeting exercise and adjusted the initial approved budget. All changes to the approved budget were approved by the Accounting Authority.

For details regarding the variances between budget and actual refer to note 19.

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Accounting Policies

1. Presentation of Financial Statements

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

The financial statements have been prepared on the historical cost basis, except where adjusted for present/fair values as required by the respective accounting standards.

1.1 Presentation currency

These financial statements are presented in South African Rand, denominated in thousands (R'000), which is the functional currency of the entity.

1.2 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the TETA, usually in accordance with a binding arrangement.

When the TETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that TETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to TETA are subject to the fulfilment of specific conditions, it recognises an asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange revenue transactions include the receipt of levy income from the Department of Higher Education, income from the National Skills Fund, and grants from the national government.

1.3 Levy income

The accounting policy for the recognition and measurement of skills development levy income has been amended on the basis of a revised interpretation of the Skills Development Act, Act No 97 of 1998 as amended and the Skills Development Levies Act, Act No 9 of 1999 as amended.

Skills Development Levy (SDL) transfers are recognized when it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training (DHET) either makes an allocation or payment, which ever comes first, to the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act no 9 of 1999) as amended.

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended, 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), who collects the levies on behalf of the Department of Higher Education and Training (DHET). Companies with an annual payroll cost less than R500 000 are exempted in accordance with Section 4 (b) of the Levies Act as amended, effective 1 August 2005.

Eighty percent of skills development levies are paid over to the SETA (net of the 20% contribution to the National Skills Fund). The SETA was not in a position to verify that SARS has collected all potential skills levy income.

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 most recent Standard Operating Procedure issued by the Department. Skills Development Levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably.

This occurs when the Department makes an allocation to the TETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

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.

A net receivable / payable is recognised for SARS adjustments. An estimate as a result of retrospective adjustments by SARS due at year end is based on historical trends and actual data where these amounts are available subsequent to year end.

TETA refunds an amount to the employer in the form of grants, based on information received from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the TETA is permitted to have granted to the employers.

A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts. TETA recognises a payable in respect of Skills Development Levy refunds due to levy exempt employers. This payable is a provision based on levies received from possible levy exempt entities. Levy exempt income is monies received from employers who are exempt from paying SDL

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1.3 Levy income (continued)

levies, as per the Skills Development Circular 09/2013. This payable is a provision based on the levies received from possible levy exempt entities.

TETA transfers all monies received from levy exempt employers to discretionary grant income after the expiry date of five years from date of receipt of the funds, if not refunded to the respective employer through the SARS system. Employer's levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act for the purpose:

- Administration costs – 10.50%;
- Employer grant fund levy – 20%; and
- DGs and projects – 49.50%.

1.4 Interest and penalties

Interest and Penalties on the skills development levy is recognised when it accrues based on the amount received or allocation made by DHET. Interest and penalties received from SARS as well as the interest received on investments are utilised for discretionary grants and projects.

1.5 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

1.6 Investment income

Interest earned from invested funds is accrued on a time proportion basis, taking into account the principal amount and the effective interest rate over the period to maturity.

1.7 Grants and project expenditure

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory employer grant (excluding interest and penalties) by complying with the grant criteria in accordance with the SDA as amended and the SETA Grant Regulations regarding monies received and related matters.

Mandatory grants expenditure

The grant expenditure is recognised when the employer has submitted an application for a grant in the prescribed form within the legislated cut off period and the application has been approved. Grants are equivalent to 20% of the total levies contributed by employers to the SETA during the corresponding financial period.

Discretionary grants (DGs) project expenditure

A SETA may out of surplus monies and in accordance with criteria as defined in the SETA Grant Regulations allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the SETA Board. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by the SETA.

A SETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred, in which the conditions are met.

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 systematic and rational methods applied consistently to all costs having similar characteristics.

Retrospective adjustments by SARS

The SETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such grant overpayment, net of bad debts and provision for irrecoverable amounts.

Adjustments to revenue already recognised, arise from the completion of a South African Revenue Services (SARS) internal review process, and/or the outcome of an external appeal or objection process undertaken by employer companies. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenues by SARS, and the SETA recognises revenue on net basis as and when it becomes receivable. The SETA has no access to or control to the appeal or review process carried on by SARS , and hence could not reasonable be expected to have access to reliable information at the initial stage of recognition.

Commitments

Commitments are disclosed where TETA, in the normal course of operations, entered into contractual agreement with entities relating to grants or where there is a contractual letter of award. Commitments are measured at the amount the entity would pay to settle future obligations as per contractual relationship with the beneficiaries. Commitments are included in the disclosure note to the financial statements. Commitments are derecognised when either the grant programmes are terminated through a signed termination agreement, or when the contractual obligation is fully paid.

Commitments are disclosed where the SETA has, in the normal course of its operations, entered into a

contractual agreement with entities related to project expenses which are yet due for payment. Commitments are accounted for as contingent liabilities in terms of GRAP 19.

1.8 Irregular, fruitless and wasteful expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure receiveables are measured at the amount that is expected to be recovered and are derecognised when settled or written-off as irrecoverable.

Irregular expenditure must be removed from the balance of Irregular expenditure notes when it is either:

a) condoned by the revelant authority if no official was found to be liable in law;

b) recovered from and official liable in law;

c) written-off if it's irrecoverable from an official liable ; or

d) written-off it it's not condoned and not recoverable.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and deposits held by TETA in CPD and domestic banks. Cash and cash equivalents are measured at amortised costs. Cash includes cash on hand and cash with banks. Cash equivalents are short term.

1.10 Property, plant and equipment

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and accumulated impairments. Depreciation is charged so as to write off the costs of the assets over their estimated useful lives, using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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 accumulated 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.

The gain or loss on disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating profit.

In the application of the SETA's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The SETA reviews the estimated useful lives of Property, plant and equipment at the end of each annual reporting period for the carrying values of Property, plant and equipment.

Management determined, consistent with the prior year, that the useful life of assets should not be limited by the SETA's establishment.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item method	Depreciation	Average Useful Life
Land	Straight line	Indefinite
Buildings	Straight line	20 years
Motor Vehicles	Straight line	5 years
Computer equipment	Straight line	3 years
Office Furniture and fixtures	Straight line	10 years
Other Building cost	Straight line	5 years
Office equipment	Straight line	5 years

The SETA has reviewed the residual values used for the purposes of depreciation calculations. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values are reviewed annually.

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Accounting Policies

1.11 Intangible assets

Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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.)

The gain or loss on disposal of intangible assets is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining operating surplus.

Useful lives of Intangible assets

The SETA reviews the estimated useful lives of Intangible assets at the end of each annual reporting period for the carrying values of Intangible assets .

The following useful life is used in the calculation of amortisationImpairment of financial assets

The useful life is used in the calculation of amortisation as shown below.

Item	Useful Life
Computer Software, Other	2 years

1.12 Leasing

Finance leases consistent with the definition set out in the Treasury Regulations refer to a contract that transfers the risks, rewards, rights and obligations incidental to ownership to the lessee and is recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases.

Payments made under operating leases (leases other than finance leases) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Account and other payables do not bear interest and are stated at their nominal value.

1.13 Provisions and Contingencies

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.

Contingent liabilities are possible obligations whose existence will be confirmed by the occurrence or non-occurrence of an uncertain future event not wholly within the control of TETA. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised in the statement of financial position but must be disclosed in the notes to the statements where an inflow of benefits is probable.

TETA entered into a contractual agreement with the Department of Labour (UIF) under learning programmes, on an agreement of reimbursing payment percentages as per the signed SLAs. The Department of Labour did not honour all payments due to TETA, until they were written off.

Thus, TETA discloses the recoverable amount with the Department of Labour(UIF) as a contingent asset as it is probable that there will be future inflows.

1.14 Employee costs

The cost of 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 Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave (based on the current salary rates) at time of termination.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. TETA makes monthly contributions, which includes both the employer and employee contribution, into the Alexander Forbes fund account.

No provision has been made for retirement benefits as the Alexander Forbes Retirement Fund is a defined contribution fund

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Accounting Policies

1.15 Grants and projects liabilities

Mandatory and Discretionary Grant Payments

A liability is recognised for grant payments once the specific criteria set out in the SETA Grant Regulation has been complied with by member companies and it is probable that the SETA will approve the payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

Discretionary Projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to Annual Financial Statements.

1.16 Administration expenditure

TETA present separately each administration line item by nature, in terms of GRAP 1:104. The amounts are presented on an accrual basis in the accounting period when they are incurred rather than payment basis.

1.17 Accounting by principals and agents

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

TETA has an agreement with the UIF to train learners on their behalf. The training progress and milestones are reported to UIF upon every claim as per the agreement apportionment. TETA reports to DHET on the portion it funds according to the agreement.

1.18 Financial instruments

Recognition

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

Financial assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value or net of transaction cost except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets can be classified into the following specified categories: financial assets as at fair value through profit or loss (FVTPL), held to maturity investments, available for sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets of the SETA were categorised as loans and receivables.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost usingthe effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables where the recognition of interest will be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impairedwhere there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When

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1.18 Financial instruments (continued)
a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

Financial liabilities
Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.
Account and other payables do not bear interest and are stated at their nominal value.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.
All financial liabilities of the SETA were classified as other financial liabilities.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs.
Other financial liabilities are subsequently measured at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period.

1.19 Reserves
Net Assets are classified 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 97 of 1998) as follows:

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

Employer 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:

	2022 %	2021 %
Administration costs of the SETA	10.50	10.50
Employer grant fund levy	49.50	49.50
Discretionary grants and projects	20,00	20.00
Received by the SETA	80.00	80.00
Contribution to the National Skills Fund	20.00	20.00
	100.00	100.00

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

Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects.

Surplus funds in the administration and unallocated funds in the employer grant reserves are moved to the discretionary fund reserve. Provision is made in mandatory grant reserve for newly registered companies, participating after the legislative cut off date.

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

1.21 Tax
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, 1962 (Act 58 of 1962).

The amount reflected as VAT due to or from the South African Revenue Services is in accordance with the dispensation prescribed by the South African Revenue Service. In accordance with this, the SETA was deregistered for VAT with effect 1 April 2005.

1.22 Inventories
Consumables are recognised as an asset on the date of acquisition and it is measured at the cost of acquisition. It is subsequently recognised in surplus or deficit as it is consumed. Subsequent to initial recognition inventory is measured at lower of cost and current replacement cost.

1.23 Segment Reporting
In terms of GRAP 18 paragraph 5 (b) , A segment is an activity, amongst others, whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance.

The factors to be used to determine reportable segments may include for example geographical areas or regulatory environments.

TETA has elected to disclose the surplus/deficit based on the regulatory environment and has therefore split the segments into Administration, Mandatory and discretionary grants activities.

Note 2 to the Annual Financial Statements serves as allocation of the surplus for the current year and segments the surplus into administration, mandatory grant and discretionary grant reserves.

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Notes to the Financial Statements

Figures in Rand thousand

2. Allocation of surplus for the current year to reserves

Total revenue	**Total per Statement of Financial Performance 2021**	**Total per Statement of Financial Performance 2022**	**Administration Grant Reserve**	**Employer Grant Reserve**	**Discretionary Grant Reserve**
	R'000	R'000	R'000	R'000	R'000
Other income Exchange Transactions	32	34	34	-	-
Interest received - investment	43 091	38 215	-	-	38 215
Other Income - Non Exchange Transactions	3 353	19 419	980	-	18 439
Levy Transfer Administration 10.5%	65 671	101 331	101 331	-	-
Levy Transfer Employer Grants (69.5%)	435 767	660 579	-	191 710	468 869
Skills Development Levy: Penalties and Interest	14 691	12 599	-	-	12 599
Total revenue	**562 605**	**832 177**	**102 345**	**191 710**	**538 122**
Total expenses					
Employee related costs	(61 237)	(61 790)	(61 790)	-	-
Grant and Project Expenses	(622 791)	(829 788)	-	(161 025)	(668 763)
General Expenses	(36 242)	(44 830)	(44 830)	-	-
Total expenses	**(720 270)**	**(936 408)**	**(106 620)**	**(161 025)**	**(668 763)**
Surplus per Statement of Financial Performance allocated	**(157 665)**	**(104 231)**	**(4 275)**	**30 685**	**(130 641)**

The Deficit of R104 231 000 (2021: Deficit of R157 665 000) forms part of the Discretionary Grant Reserve.

Notes to the Financial Statements

	2022 R'000	2021 R'000

3. Investment income

Interest revenue		
Bank Deposits	34 958	40 089
Accruals on bank deposits	3 257	3 002
	38 215	**43 091**

4. Skills development levy transfer from non-exchange transactions

The total levy transfer per statement of financial performance is as follows:

Levy transfer: administration		
Levies received	100 152	65 671
Levies received from DHET	100 152	65 671
Levy transfer: employer grants		
Levies received	189 465	125 843
Levies received from DHET	189 465	125 843
Levy transfer: discretionary grants		
Levies received	472 293	309 924
Levies received from DHET	472 293	309 924
	761 910	**501 438**
Skills development levy: penalties and interest	12 599	14 691

Levies analysis as per IGRAP 20

2022	**Mandatory Grant** R'000	**Discretionary Grant** R'000	**Admin** R'000	**Penalties** R'000	**Interest** R'000	**Total** R'000
Levies	190 656	472 471	100 190	6 810	5 787	775 914
500K Provision Movements	(1 191)	(176)	(38)	-	-	(1 405)
Government Grants	-	1 960	980	-	-	2 940
SARS adjustments	16 479	-	-	-	-	16 479
Subtotal	205 944	474 255	101 132	6 810	5 787	793 928
	205 944	**474 255**	**101 132**	**6 810**	**5 787**	**793 928**

Notes to the Financial Statements

	2022 R'000	2021 R'000

4. Skills development levy transfer from non-exchange transactions *(continued)*

Levies analysis as per IGRAP 20

2021	Mandatory Grant R'000	Discretionary Grant R'000	Admin R'000	Penalties R'000	Interest R'000	Total R'000
Levies	124 812	310 770	65 851	8 783	5 907	516 123
500K Provision Movements	778	(846)	(179)	-	-	(247)
Government Grants	-	2 158	1 195	-	-	3 353
SARS adjustments	253	-	-	-	-	253
Subtotal	125 843	312 082	66 867	8 783	5 907	519 482
	125 843	**312 082**	**66 867**	**8 783**	**5 907**	**519 482**

5. Other income

5.1 Other Income - Exchange Transactions

Other income comprises:		
Other income	34	32

5.2 Other Income - Non-Exchange Transactions

Income from other goverment departments is to be allocated as follows:

Other income

Other income non-exchange transactions		
33.3% allocated to Administration	980	1 078
66.7% Allocated for Discretionary Grants	1 960	2 158
Other income from non-exchange	2 607	117
Bad debts recovered	13 872	-
	19 419	**3 353**

Notes to the Financial Statements

	2022 R'000	2021 R'000
6. Employer grant and project expenses		
Mandatory grants	161 025	99 738
Disbursed	157 015	99 553
Movement in provisions and accruals	319	185
Bad debt	3 691	-
Discretionary grants and project expenses	668 763	523 053
Disbursed on DG	624 424	432 887
Disbursed on project admin	44 339	32 517
Bad Debt UIF	-	57 649
Project expenditure	**829 788**	**622 791**

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Notes to the Financial Statements

	2022 R'000	2021 R'000
7. General expenses		
Advertising, marketing and promotions, communication	1 655	3 011
Audit Committee Costs	124	282
Bad debt	28	81
Bank charges	134	101
Building Expenses	3 362	2 512
Committee catering expenses	10	23
Committee travel and subsistence costs	2 984	2 421
Consultancy and service provider fees	16 112	9 731
Corporate membership	51	102
Depreciation/Amortisation	3 504	3 855
External auditor remuneration	3 639	1 941
Insurance	285	113
Internal audit fees	465	331
Lease rentals on operating lease	2 734	2 689
Legal fees	20	-
Loss on asset disposal	587	30
Motor vehicle expenses	13	12
Catering and refreshments	155	43
Other administration expenses	4 573	6 144
Postage and courier	72	202
Printing and stationery	545	334
Recruitment fees	305	43
Repairs and maintenance buildings	328	255
Seminars and workshops	187	335
Staff training and development	994	818
Staff wellness	514	265
Travel and subsistence	1 450	568
	44 830	**36 242**

Included in the current year in travel expenses is an amount of R134 000 relating to invoices in the prior year.

7.1 Repairs and maintenance building

Included in the repairs and maintanance cost is the cost incurred at the head office as below:

Repairs and maintenance	328	255

Notes to the Financial Statements

	2022 R'000	2021 R'000
8. Employee-related costs		
Basic	44 206	49 784
Bonus	8 604	4 168
UIF	271	212
WCA	81	79
SDL	686	652
Leave payments	311	84
Alexander Forbes Retirement Fund	3 625	4 368
Travel and other allowances	4 006	1 890
	61 790	**61 237**

Employee Cost for an amount of R 29 994 000 (2021: R 29 903 000) has been allocated to Discretionary grant administration and is not included in the amount above.

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9. Property, plant and equipment

	2022			2021		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Land	2 600	-	2 600	2 600	-	2 600
Buildings	20 215	(6 016)	14 199	21 786	(6 670)	15 116
Furniture and fixtures	8 412	(5 006)	3 406	7 168	(4 638)	2 530
Motor vehicles	450	(450)	-	450	(450)	-
IT equipment	7 673	(5 489)	2 184	7 565	(5 093)	2 472
Total	**39 350**	**(16 961)**	**22 389**	**39 569**	**(16 851)**	**22 718**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Accumulated depreciation write back	Depreciation	Total
Land	2 600	-	-	-	-	2 600
Buildings	15 116	747	(2 318)	1 742	(1 088)	14 199
Furniture and fixtures	2 530	1 530	(285)	274	(643)	3 406
IT equipment	2 472	1 027	(919)	919	(1 315)	2 184
	22 718	**3 304**	**(3 522)**	**2 935**	**(3 046)**	**22 389**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Accumulated depreciation write back	Depreciation	Total
Land	2 600	-	-	-	-	2 600
Buildings	17 262	-	-	-	(2 146)	15 116
Furniture and fixtures	3 100	61	-	-	(631)	2 530
IT equipment	1 369	2 021	(66)	35	(887)	2 472
	24 331	**2 082**	**(66)**	**35**	**(3 664)**	**22 718**

Notes to the Financial Statements

	2022 R'000	2021 R'000

9. Property, plant and equipment *(continued)*

Item	Depreciation method	Depreciation rates Average useful life
Land	Straight line	Indifinite
Buildings	Straight line	20 years
Other Buildings cost	Straight line	5 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	2 years

Property ,plant and equipment fully depreciated and still in use (Gross Carrying Amount)

Computer hardware	3 593	3 863
Furniture and fittings	1 236	1 114
Motor vehicle	450	450
	5 279	**5 427**

None of TETA assets have been pledged as security.

TETA's building is located at 344 Pretoria Avenue , Ferndale, Randburg. The building was revalued to a market value of R26 million as at 31 March 2022.

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Notes to the Financial Statements

	2022 R'000	2021 R'000

10. Intangible assets

	2022			2021		
	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software, other	5 237	(3 324)	1 913	2 911	(2 866)	45

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Computer software, other	45	2 326	(458)	1 913

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Computer software, other	158	78	(191)	45

Intangible assets fully depreciated and still in use (Gross Carrying Amount)

Aggregate of items valued using deemed cost	2 833	2 833

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Notes to the Financial Statements

	2022 R'000	2021 R'000
11. Receivables from non-exchange transactions		
Other Receivables	491	1 188
Employer Receivables	319	185
	810	**1 373**
Other receivables		
Opening balance	1 188	40 061
Add / Less: Receivables	(697)	18 776
Amounts Written off as bad debts	-	(57 649)
	491	**1 188**
Employer Receivables		
Overpayment to employers	1 701	1 568
Allowance for Doubtful debts	(1 382)	(1 383)
	319	**185**

Employer Receivables

An amount of R 1 701 000 (2021: R 1 568 000) was recognised as a receivable relating to the overpayment to the employers in earlier periods, as a result of inaccurate information received, and is based on the amount of such grant over payments. An amount of R 1 382 000 (2020: R1 383 000) was provided for as doubtful debts. Also refer to Note 15 for Grant amounts owed to employers as a result of subsequent changes in levy information.

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Notes to the Financial Statements

	2022 R'000	2021 R'000
12. Receivables from exchange transactions		
Employee costs in advance	-	30
Interest receivables	262	436
Prepaid expenses	96	486
Other Receivables	406	-
Deposits	843	843
	1 607	**1 795**
13. Inventories		
Inventory consists of stationery on hand and consumables at the end of thefinancial year	254	207
14. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	8	5
Bank balances	77 384	246 361
Short-term deposits	969 772	874 814
	1 047 164	**1 121 180**

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 3.78% (2021: 3.79%). The Skills Development Act Regulations state that a SETA may, if not otherwise specified by the Public Finance Management Act, invest the monies in accordance with the investment policy approved by the relevant SETA. TETA surplus funds are invested with CPD in line with the National Treasury Regulation 31.3.

Notes to the Financial Statements

	2022 R'000	2021 R'000
15. Payables from non exchange transactions		
Skills development grants payable - mandatory	11 744	12 381
Skills development grants payable - discretionary	17 671	203
Employer Payable SARS	12 454	1 315
Levy Creditors	889	4 885
	42 758	**18 784**
16. Payables from exchange transactions		
Trade payables	6 867	4 134
Accrued leave pay	2 396	2 443
Other accrued	-	60
	9 263	**6 637**

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Notes to the Financial Statements

17. Provisions

Reconciliation of provisions - 2022

	Opening balance	Additions	Utilised during the year	Total
	R'000	R'000	R'000	R'000
Provision for exempt levies	7 577	4 479	(3 073)	8 983
Provision for leave pay	1 910	3 096	(3 676)	1 330
Provision for performance bonus	6 312	9 931	(6 312)	9 931
	15 799	**17 506**	**(13 061)**	**20 244**

Reconciliation of provisions - 2021

	Opening balance	Additions	Utilised during the year	Total
	R'000	R'000	R'000	R'000
Provision for exempt levies	7 329	1 026	(778)	7 577
Provision for leave pay	2 151	4 878	(5 119)	1 910
Provision for performance bonus	10 006	6 312	(10 006)	6 312
	19 486	**12 216**	**(15 903)**	**15 799**

Provisions for levies received from exempt employers.
An amount of R8 983 000 (2021: R 7 577 000) relates to levies incorrectly contributed by employers, and paid over by SARS and DHET, after being exempted from contributing skills development levies due to new legislation which came into effect from 1 August 2005.

In terms of Section 190(4) of the Tax Administration Act, a person is entitled to a refund under subsection 1(b) only if the refund is claimed by a person within three years, in the case of assessment by South African Revenue Services (SARS) or five years, in the case of an assessment from the date of assessment.

Therefore, where the Skills Development Levies Act has exempted employers from paying the Skills Development Levy (SDL), if their remuneration/leviable amount does not exceed R 500 000 per annum, it will be treated in terms of Section 190 (1)(b) in that a person is entitled to a refund by SARS of the amount erroneously paid in respect of a self assessment in excess of the amount payable in terms of the assessment
.
TETA will then in terms of Section 190(4) be able to utilise the provision of R3 073 000 (2021: R 778 000) levy income, which has exceeded the five year period, for discretionary grants

Provision for Leave.
An amount of R 1 330 000 (2021: R 1 910 000) relates to annual leave entitlements accrued to employees.

Provision for Performance Bonus.
An amount of R 9 931 000 (2021: R6 312 000) relates to provision for performance bonuses which will be paid in the next financial year.

Notes to the Financial Statements

	2022 R'000	2021 R'000
18. Cash (used in) / generated from operations		
Surplus / (deficit)	(104 231)	(157 665)
Adjustments for:		
Bad debts written off	3 718	57 730
Movements in provisions	4 311	(3 184)
Depreciation	3 046	3 664
Amortisation	458	191
Changes in working capital:		
Inventories	(47)	(23)
Receivables from exchange transactions	189	(1 012)
Other receivables from non-exchange transactions	698	(18 776)
Payables from exchange transactions	2 626	(3 661)
Payables from non-exchange	20 284	(25 233)
Proceeds from Disposal of Assets	(26)	(32)
Profit/Loss on Disposal of Assets	-	(2)
	(68 974)	**(148 003)**

19. Statement of comparison of budget and actual amounts

19.1. Skills development levy: income from non-exchange transactions

The amount budgeted by TETA for Skills development Levies is based on the average expected salary increases within the Transport Sector. Surplus of R81 833 000 against budget are a result of higher than budgeted increases within the Sector as well as companies resuming operations as the economy recovers.

The rollover surplus of R58 407 000 is as a result of approval by National Treasury.

19.2. Skills development levy: penalties and interest from non-exchange transactions

The deficit of R 8 347 000 against budget is due to most levy paying companies making SDL payments to SARS timeously. The budget is based on an estimate of penalties and interest to be received as TETA cannot anticipate with certainty the levy payers that will incur interest and penalties due to late payment of the Skills Development Levies to SARS.

19.3. Investment income

The deficit of R2 562 000 against the budget in investment income is largely due to lower interest rate on invested funds.

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Notes to the Financial Statements

19. Statement of comparison of budget and actual amounts *(continued)*

19.4. Other income

The surplus of R16 919 000 of other Income from non-exchange comprises of levies received from Government departments and the recovery of debt on the UIF payments.

The surplus of R8 022 000 of other income from exchange comprises of insurance refunds.

The surplus of R1 700 000 is relates to the Government grants admin portion.

EXPENSES

19.5. Grant and project expenses

Mandatory Grant expenditure has increased by R 61 287 000 from the previous year. Discretionary Grant expenditure has increased by R 145 710 000 from the previous year.

19.6. Administration expenses

Administration expenditure is limited to 10.5% of levies received. The legislation limit has been exceeded by 0.41% and TETA has applied to DHET for the Minister to approve the limit increase. The Minister has approved an amount of R31 883 000. TETA has maintained the Administration expenditure to be below the amount approved by DHET.

20. Contingencies

20.1 First-time employer registrations

The Skills Development legislation allows for an employer, registering for the first time, 6 months to submit an application for mandatory grants.

At the reporting date it is estimated that, as a result, additional mandatory grant expenditure of R 145 000 000 will be payable. The amount is contingent on the number of submission received and approved.

20.2 Contingent liability

TETA is currently involved in litigation relating to the de-accreditation of one of TETA's providers. The outcome may result in TETA being liable for an amount of R 27 336 000. As at 31 March 2022 the case had not been finalised There has no movement in the case.

TETA is currently involved in litigation relating to the rental of the premises in Randburg. The outcome may result in TETA being liable for an amount of R 242 000. As at 31 March 2022 the case had not been finalised.

TETA may be liable on the BUSA vs The Minister of Higher Education and Training case on the legislated mandatoy grant percentage. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision in regard to the mandatory grant percentage. DHET continued to show the mandatory levies portion as 20% in 2020/21 year in the levy download information. The SETA continued to pay and accrue mandatory grants at 20% in 2020/21 financial year in the absence of a decision. The Accounting Authority has approved this action. Therefore, the amount and timing is still uncertain.

TETA is currently involved in arbitration with Mashau Salphina Electrical CC.The outcome may result TETA being liable for an amount R 5 000 000. As at 31 March 2022 the case had not been finalised.

Notes to the Financial Statements

	2022 R'000	2021 R'000

20. Contingencies *(continued)*

20.2 Contingent liability *(continued)*

TETA is currently involved in arbitration with Department of Transport Limpopo.The outcome may result TETA being liable for an amount R 7 706 000. As at 31 March 2022 the case had not been finalised. TETA is currently involved in arbitration with Department of Transport Limpopo.The outcome may result TETA being liable for an amount R 7 706. As at 31 March 2022 the case had not been finalised.

20.3 Contingent Asset

TETA entered into a contractual agreement with the Department of Labour (UIF) under learning programmes, in which TETA was to pay the service providers and claim back a portion of the percentage as per the SLA. The Department of Labour did not honour all the claims submitted by TETA, as result the outstanding debt was written off, as a bad debt.

Subsequently TETA appointed Professional lawyers to facilitate the process of bad debt recovery, and part of the debt written off was paid to TETA by UIF. The recovered amount has been disclosed as other income. The balance of the debt written off remains a contingent asset as it is probable that there will be future inflows.

Bad debt written off - UIF	57 649	-
Less Amounts Recovered	(13 873)	-
Amount still to be recovered	**43 776**	**-**

20.4 Retention of Surplus

TETA notes that the National Treasury sent instruction note no. 12 of 2020/2021 dated 02 September 2020 which has excluded the commitments in the computation of surplus. The following details the new template for computation of surplus.

Calculation in terms of Paragraph 3.2 of the National Treasury Instruction No 12 of 2020/2021

Cash and cash equivalents at the end of the year	1 047 164	1 121 180
Add Receivables	2 418	3 168
Less Liabilities	(72 265)	(41 220)
	977 317	**1 083 128**

The surplus above excludes commitments to the amount of R973 068 000 (2021: R1 024 721 000) which TETA has included in the application for retention of surplus. TETA has disclosed the commitments as per note 22 to the financials.

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Notes to the Financial Statements

	2022 R'000	2021 R'000
21. Operating lease liability (accrual)		
Minimum lease payments due		
Up to 1 year	2 590	3 498
Up to 2 to 5 years	12 394	14 985
Up to 5 to greater	13 016	11 983
	28 000	**30 466**

The operating leases relate to building premises used for office accommodation for all the regional offices. No provision was made for an option to renew the leases on expiry. Deposits totalling R843 000 have been paid and will be refunded upon termination of the leases. The deposit amount will be reduced by any outstanding costs

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Notes to the Financial Statements

	2022 R'000	2021 R'000

22. Commitments

Of the balance of R 977 425 000 available in the Discretionary Grant Reserve at the end of March 2022, R973 068 000 (2021: R1 024 721 000) has been approved and allocated for future projects and skills priorities as set outbelow.

Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the Statement of Financial Performance, are also indicated.

Description of Grant	**Opening balance 2020**	**Approved by accounting authority & contracted**	**Reallocation of surpluses declared**	**Utilised**	**Opening balance 2021**	**Approved by accounting authority & contracted**	**Reallocation contracted**	**Surpluses declared/ cancellations**	**Utilised**	**Total contracted funds**	**7,5% Admin**
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Contract/Project Name											
Costed Annual Performance Plan 2013/14	27 729	-	(21 373)	(2 586)	3 770	-	-	(3 770)	-	-	-
Costed Annual Performance Plan 2014/15	14 346	-	27	(3 172)	11 201	-	-	(8 305)	(827)	2 069	-
Costed Annual Performance Plan 2015/16	26 547	-	(5 169)	(2 552)	18 826	-	-	(11 376)	(2 257)	5 193	-
Costed Annual Performance Plan 2016/17	61 023	-	(13 334)	(12 355)	35 334	-	108	(13 774)	(7 077)	14 591	-
Costed Annual Performance Plan 2017/18	116 391	-	(23 459)	(13 426)	79 506	-	1 327	(59 905)	(7 344)	13 584	-
Costed Annual Performance Plan 2018/19	225 346	-	(3 150)	(71 442)	150 754	-	4 199	(33 370)	(40 517)	81 066	-
Costed Annual Performance Plan 2019/20	441 247	-	(25 417)	(189 086)	226 744	-	18 213	(18 585)	(96 293)	130 079	-
Costed Annual Performance Plan 2020/21	-	544 543	10 106	(138 267)	416 382	-	5 876	(14 056)	(209 716)	198 486	-
Costed Annual Performance Plan 2021/22	-	-	-	-	-	683 690	33 038	(6 724)	(260 394)	449 610	-
TOTAL	**912 629**	**544 543**	**(81 769)**	**(432 886)**	**942 517**	**683 690**	**62 761**	**(169 864)**	**(624 425)**	**894 679**	**-**
7,5% Administration available for Project Management by TETA	**79 581**	**44 152**	**(9 012)**	**(32 517)**	**82 204**	**55 434**	**4 226**	**(19 136)**	**(44 339)**	**-**	**78 389**

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Notes to the Financial Statements

	2022 R'000	2021 R'000

23. Going concern

The Minister of Higher Education extended the licenses of the SETAs to 31 March 2030. TETA's ability to continue as a going concern is confirmed by the following:

- TETA is expected to continue as a going concern as the South African Economy and transport sector is recovering in light of the increased levies received compared to prior year.
- TETA is continuing to engage stakeholders in the transport sector especially the e-commerce sub-sector on economic recovery projects within the transport Sector.

24. Irregular expenditure

Opening balance	358	-
Add: Irregular Expenditure - current year - Board members	197	358
Add: Irregular Expenditure - current year - Actual vs Budget	92 112	-
	92 667	**358**

The amount of R358 000 fees paid to members of the Accounting Authority. TETA received correspondence on 30 May 2021 regarding outstanding verification checks regarding members of the board. The verification check results for board members were submitted before their appointment and have been resubmitted to DHET on 31 May 2021.

TETA awaits assessment and responses thereof. In the current financial year, R197 000 was incurred.

The amount of R92 112 000 included in irregular expenditure relates to amount identified by AGSA as irregular. There is a variance between the budget and actual expenditure of R92 112 000 in the 2021/2022 financial year. The variance represents payments for historical commitments from the rollover surplus approved by National Treasury in terms of section 53(3) of the PFMA.

Notes to the Financial Statements

	2022 R'000	2021 R'000

25. Financial instruments

In the course of the SETA operations it is exposed to credit, liquidity and market risk. The SETA has developed a comprehensive risk strategy in terms of Treasury Regulation 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.

Liquidity risk

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

	Less than 1 R'000	Between 1 year and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
At 31 March 2022				
Trade and other payables	(72 265)	-	-	-
At 31 March 2021				
Trade and other payables	(41 220)	-	-	-

In case of liquidity problems, funding resources might be available in terms of DHET and National Treasury approval for borrowing requirements in the open market.

Credit risk

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

The SETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The SETA's exposure is continuously monitored by the accounting authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. 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.

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Notes to the Financial Statements

25. Financial instruments *(continued)*

	2022		2021	
The ageing of other receivables from exchange transactions	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	1 608	-	952	-
More than one year	-	-	843	-
	1 608	**-**	**1 795**	**-**

	2022		2021	
The ageing of cash and cash equivalents	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	**1 047 164**	**-**	**1 121 180**	**-**

Interest rate risk

The SETA manages its interest rate risk by effectively investing SETA surplus cash with SA Reserve Bank CPD.

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

	Floating rate		Non-interest bearing	Total
Year ended 31 March 2022	Amount R'000	Effective interest rate	Amount R'000	R'000
Cash	1 047 164	3,78 %	-	1 047 164
	1 047 164	**3,78 %**	**-**	**1 047 164**

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25. Financial instruments *(continued)*

Interest rate risk

	Floating rate		Non-interest bearing	Total
Year ended 31 March 2021	Amount	Effective interest rate	Amount	
	R'000		R'000	R'000
Cash	1 121 180	3,79%	-	1 121 180
	1 121 180	**3,79 %**	**-**	**1 121 180**

26. Related parties

This standard prescribe the disclosure of information relevant to draw attention to the possibility that TETA's financial position and surplus/deficit may have been affected by the existence of related parties. It is not expected that this standard will significantly impact future disclosures.

Related party transactions

	2022 R'000		**2021** R'000	
Receivables - interseta	Amount of the transaction	Amount receivable/payables	Amount of the transaction	Amount receivable/payables
CETA	6	6	-	-
ETDP	38	38	-	-
MQA	16	16	-	-
AGRISETA	22	22	-	-
HWSETA	76	76	-	-
	158	**158**	**-**	**-**
Payables - interseta				
CATHSSETA	8	8	-	-
Total	**166**	**166**	**-**	**-**

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Notes to the Financial Statements

26. Related parties *(continued)*

The SETA was controlled by the Department of Higher Education and Training, which is controlled by the Minister of Higher Education and Training.

Transactions with the controlling entity

The SETA receives a monthly transfer from the Department of levies paid in its sector, for detail of the transaction amounts refer note 2. Transactions with the Department are consistent with normal operating relationships between the entities, and are undertaken on terms and conditions that are normal for such transactions.

Transactions with entities under common control

By virtue of the fact that TETA is a National Public Entity related to other entities and departments in the National sphere of government it is considered related to other SETAs and the National Skills Fund. The transactions are consistent with normal operating relationships between the entities, and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under the common control of the Department, these amounts were disclosed below.

Key management information

The key management personnel of the SETA are: the members of the accounting authority and the members of the senior management group.

The aggregate remuneration of members of the accounting authority and the number of members receiving remuneration within this category, are:

The senior management group consists of the SETA's Chief Executive Officer, the Chief Operations Officer and the Chief Financial Officer. The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are:

Refer to the report by the Accounting Authority for detail disclosure concerning the emoluments of members of the accounting authority and the Chief Executive Officer,the Chief Operations Officer and the Chief Financial Officer.

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Notes to the Financial Statements

26. Related parties *(continued)*

Remuneration of Accounting Authority and Executive Management

TETA BOARD MEMBERS

2022

Name	Board Sitting Allowance	Travel Claims and SNT Claims	Total
	R'000	R'000	R'000
Fezeka Ntlemeza	66	4	70
Saki Tlou	190	3	193
Roland Setlako	113	4	117
Samuel Zungu	10	3	13
Nqobizitha Irvin Phenyane	97	-	97
Hardhaw Tikum	97	-	97
Nokhuthula Sefunda	82	2	84
Wilfred Mogudi	66	1	67
Anele Kiet	101	1	102
Ndanduleni Munyai	66	1	67
Olivia Maponya	86	17	103
Solomon Mahlangu	66	4	70
Evidence Cebekhulu	82	11	93
Matthews Ramosie	74	7	81
	1 196	**58**	**1 254**

Notes to the Financial Statements

26. Related parties *(continued)*

2021

Name	Board Sitting Allowance	Travel Claims and SNT Claims	Total
	R'000	R'000	R'000
Samuel Zungu	148	-	148
Saki Tlou	165	4	169
Roland Setlako	146	25	171
Dinah Maleka	-	2	2
Nqobizitha Irvin Phenyane	121	-	121
Hardhaw Tikum	119	2	121
Nokhuthula Sefunda	105	1	106
Wilfred Mogudi	86	2	88
Anele Kiet	97	-	97
Ndanduleni Munyai	74	1	75
Olivia Maponya	113	18	131
Solomon Mahlangu	89	3	92
Fezeka Ntlemeza	116	10	126
Matthews Ramosie	140	6	146
Evidence Cebekhulu	113	4	117
	1 632	**78**	**1 710**

TETA AUDIT AND RISK COMMITTEE MEMBERS

2022

Name	Meeting Sitting Allowance	Travel claims	Total
Pascalis Mokupo	51	-	51
Mlamli Magigaba	32	-	32
Thiru Mudaly	42	-	42
	125	**-**	**125**

Notes to the Financial Statements

26. Related parties *(continued)*

TETA AUDIT AND RISK COMMITTEE MEMBERS

2021

Name	Meeting Sitting Allowance	Travel claims	Total
Pascalis Mokupo	57	-	57
Mlamli Magigaba	59	-	59
Thiru Mudaly	42	-	42
	158	**-**	**158**

EXECUTIVE MANAGEMENT

2022

Name	Basic salary R'000	Bonuses and performance related payments R'000	Other short-term employee benefits R'000	Ex Gratia Bonus R'000	Other benefits received by employee R'000	Total R'000
Maphefo Anno-Frempong	2 551	290	441	145	4	3 431
Famanda Shirindza	1 630	185	237	92	198	2 342
Simon Ndukwana	1 753	185	237	92	54	2 321
	5 934	**660**	**915**	**329**	**256**	**8 094**

Notes to the Financial Statements

26. Related parties *(continued)*

EXECUTIVE MANAGEMENT

2021

Name	Basic salary R'000	Bonuses and performance related payments R'000	Other short-term employee benefits R'000	Ex Gratia Bonus R'000	Other benefits received by employee R'000	Total R'000
Maphefo Anno-Frempong	2 497	435	228	290	227	3 677
Famanda Shirindza	1 596	277	146	185	177	2 381
Simon Ndukwana	1 719	277	146	185	31	2 358
	5 812	**989**	**520**	**660**	**435**	**8 416**

Included in the R8 094 000 (2021: R8 416 000) Aggregate Remuneration for Executive Management are travel claims and reimbursements which have not been included in the detailed breakdown of remuneration received.

Notes to the Financial Statements

			2022 '000	2021 '000
27. Transaction with stakeholders represented on the Accounting Authority				
The SETA has, in the normal course of its operations, entered into certain transactions with entities with a nominated representative serving on the SETA Accounting Authority.				
SAA Technical	Saki Tlou	Discretionary Grants	745	5 387
Transnet Engineering	ZonkeCebekhulu	Discretionary Grants	1 602	12 843
Imperial Logistics	Norah Munyai	Discretionary Grants	-	1 224
Kopano Bus Services	Olivia Maponya	Discretionary Grants	328	82
PRASA KZN	Hardhaw Tikum	Discretionary Grants	228	33
National Department of Transport	Dinah Maleka	Discretionary Grants	1 228	-

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

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Notes to the Financial Statements

	2022 '000	2021 '000

28. Entities under common control of the Department Higher Education,Science and Technology

TETA has discretionery grant contracts with entities under common control and they relate to apprencticeship, bursaries, learnerships, student placements, TVET lecturer development, cadetship and SMME development.

Discretionery Grant - Interventions Contracted with TVETs		
Buffalo City Tvet College	-	780
Capricorn Tvet College	-	923
Elangeni Tvet College	-	615
Esayidi TVET College	3 211	-
False Bay Tvet College	936	1 315
Gert Sibande Tvet College	485	1 012
Ikhala Tvet College	210	419
Flavius Mareka Tvet College	5 191	209
Israel Mbulaheni (Vhembe Tvet College)	-	39
King Hintsa Tvet College	-	336
Letaba College For Tvet	416	2 700
Majuba Tvet College	-	869
Lephalale Tvet College	858	2 147
Lovedale Tvet College	1 200	374
Mnambithi Tvet College	-	600
Mthashana Tvet College	-	36
Mopani South East Tvet College	-	266
Ncr Tvet College	936	1 040
Northern Cape Urban Tvet College	255	255
Potlaki Desmond (Vuselela Tvet College)	-	36
Sekhukhune Tvet College	10 000	10 000
South West Gauteng Tvet College	1 448	824
Tlharihani Tvet College -	1	632
Tshwane South Tvet College	-	3 000
West Coast College (Tvet)	438	4 591
Tvet Northlink	-	122
Umfolozi Tvet College	1 246	3 115
Waterberg Tvet College	903	3 600
TVET College of Cape Town	90	-
	27 823	**40 855**

Notes to the Financial Statements

	2022 '000	2021 '000
28. Entities under common control of the Department Higher Education,Science and Technology *(continued)*		
Discretionery Grant - Interventions Contracted with Universities		
Cape Peninsula University of Technology	2 040	12 160
Durban University of Technology	3 580	17 960
Mangosuthu University of Technology	243	3 743
Nelson Mandela University	3 621	1 298
North West University	3 258	11 297
Tshwane University of Technology	5 986	6 231
University of Johannesburg	33 404	44 895
University of Venda	434	2 216
University of Witwatersrand	580	3 279
University of Zululand	-	1 943
Vaal University of Technology	1 079	2 029
Central University of Technology	58	2 706
University of Pretoria	2 624	3 974
World of Maritime University	-	2 718
University of Cape Town	128	-
Stellenbosch University	2 942	-
	59 977	**116 449**
Discretionery Grant - Interventions Contracted with the Department of Science and Innovation		
Council for Scientific and Industrial Research	**2 480**	**2 907**
Discretionery Grant - Interventions Contracted Other Setas		
Bank Seta	**20 000**	**-**

29. Events after the reporting date

There were no adjusting events after the reporting period under review.

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Notes to the Financial Statements

	2022 '000	2021 '000

30. New standards and interpretations

30.1 Standards and Interpretations early adopted

The entity has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• 25 Employee Costs	01 April 2022	The impact of the is not material.
• 104 Financial Intruments	01 April 2022	The impact of the is not material.

31. Prior period errors

Below is an amount disclosed in note 7 under travel and subsistence for invoices relating to prior year. No prior year adjustment has been done relating to this expenditure.

Statement of Financial Performance

Travel and subsistence	134	-

NOTES

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higher education & training

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