



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



VISION

MISSION

SCOPE

CONTENTS

Chairperson's review	1
Chief executive officer's report	2
Governance and organisational structure	3
Staffing	5
Skills planning	6
Learnerships	8
ETQA	9
Finances	12

Contribute towards the development of a dedicated, productive and people-centred public service staffed by public servants whose performance is maximised and whose potential is fully developed through the comprehensive provision of appropriate, adequate and accessible training and education at all levels.

To create a coordinated structure for ensuring the provision of appropriate, adequate and accessible public service training and education that will meet the current and future needs of public servants, the public service and the public and thereby contribute positively to the realisation of the vision.

Employer bodies

- National and provincial departments
- Provincial administrations
- Parliament
- National legislatures
- Identified parastatals

In addition, PSETA is responsible for quality assurance of transversal training among departments across all national and provincial government departments and administrations, although departments such as the Department of Transport are members of their 'line function' SETA.

CHAIRPERSON'S *review*

Much of the focus for 2005/6 centred on the groundwork for the recertification of PSETA as a public entity. The process progressed efficiently and smoothly and culminated in the announcement contained in the Government Gazette of 24 May 2006 of PSETA's new lease of life.

The consultants brought in by GTZ to coordinate arrangements, develop a new constitution and devise a suitable funding model, did a sterling job of seeing the process through and making it headache-free for all involved.

Our appreciation goes to the Minister for Public Service and Administration Geraldine Fraser-Moloketi for endorsing our proposal to become what I shall term a 'regular' SETA.

We are finally leaving behind the poor performance of the past and evolving into a fully functioning SETA, which will be integral in the development of a more professional public sector. To improve service delivery, performance, productivity, quality and cost effectiveness will require a significant investment in skills development. PSETA will be pivotal in the coordination of initiatives to produce skills and competences that will support increasingly sophisticated technology, and further the goal of a people-centred public sector.

Early on in the 2005/6 year, we welcomed on board the Department of Foreign Affairs and the Department of Trade and Industry, formerly constituents of the Diplomacy, Intelligence, Defence and Trade and Industry Sector Education and Training Authority (DIDTETA). The remaining sub-sectors of DIDTETA merged with POSLEC SETA to form the Safety and Security SETA (SASSETA).

Taking on the two new member communities was achieved without disruption to PSETA's day-to-day work. Whilst POSLEC SETA absorbed between 80% and 90% of DIDTETA, the impact on PSETA was limited. Only two members of the DIDTETA team moved over, necessitating no organisational restructure.

Our appreciation goes to SASSETA (POSLEC) for the cordial and constructive work relationship we enjoyed during the process of taking on DIDTETA staff and transferring assets.

Shortly, I will be handing over my seat to a new chairperson. The process is well underway to establish a board to take PSETA through its next phase, having started with a call for board nominations in September 2005. This is a perfect opportunity for me to thank my fellow board members for their contribution over the past few years, for always acting in the best interests of the SETA and for the many hours they have devoted to serving the sector.

A special word of thanks must go to Kenny Govender, our acting Chief Executive Officer over the last year. We wish him luck and happiness in his new capacity as deputy director general of the DPSA.

We welcome Renée Deschamps, who was appointed PSETA CEO just after year end. With a strong SETA background and extensive management experience, she is the ideal candidate to take the new PSETA to the forefront of the skills development revolution in the years to 2010.

I look forward to celebrating PSETA's climb to new heights in the years to come and have no doubt that the public service will be more productive, professional and service oriented for its efforts.



Hein Luiters
Chairperson

To improve service delivery, performance, productivity, quality and cost effectiveness will require a significant investment in skills development

CHIEF EXECUTIVE OFFICER'S *report*

It was a great year for PSETA, not least because the atmosphere was abuzz with preparations for our reclassification as a schedule 3A public entity. During the 2006/7 year, our funding, approved by National Treasury, will double from the current R7-million, subsequently increasing to R21-million in 2007/8 and R24-million in 2008/9. By that stage, we aim to be self funding, moving away from a grant to a contribution from national and provincial government departments affiliated to PSETA.

The current situation is, however, wonderful news for an organisation that has been hampered in its achievement of its National Skills Development Strategy (NSDS) targets by an inadequate budget, the bulk of which, of necessity, went to administrative and human resource costs, leaving little for operational purposes.

Nevertheless, the year was busy, with resources being used to best advantage across the functions.

QUALITY

Considerable progress was made particularly in the core area of quality assurance. An important milestone was the reaccreditation of PSETA as an Education, Training and Quality Assurance body (ETQA) for the three years to September 2008. For a SETA whose previous SAQA quality assurance audit revealed 55 non-compliances, this is reason for celebration.

All the required systems and policies are now in place and the ETQA department can start to focus its full attention on qualification development, accreditation and capacity building of assessors and moderators.

SKILLS PLANNING

The skills development department finalised PSETA's first Sector Skills Plan (SSP). It received a generally favourable report from the Department of Labour (DoL) and will be signed off once a couple of amendments have been made.

The document details the status of skills in the public sector and highlights the challenges we face, particularly in the development of scarce and critical skills. This area will occupy much of the SETA's time in the next year or so, as it strives to make a solid contribution to the

government's Accelerated Shared Growth Initiative for South Africa (ASGISA), which reinforces the crucial role skills will play in creating 6% economic growth by 2010 and halving unemployment by 2014.

We have recently compiled a list of critical and scarce skills that will form the platform for action in the foreseeable future. The list reads:

- Leadership skills
- Human resource management
- Budgeting and financial management
- Supply chain management
- Policy analysis
- Strategic thinking and planning
- Communication and information management
- Basic administration and office management
- Programme and project management
- Problem solving and decision making, and
- Customer care.

LEARNERSHIPS

A R106-million boost pledged by the National Skills Fund (NSF) towards the end of 2004 enabled PSETA to make real progress in learnership implementation. Just over 3 000 learners undertook learnerships during 2005/6, with the majority completing their programmes by year end.

However, the process was not pain free. Having never been in the position before, we were faced with coordinating learner payrolls and, generally, managing a large sum of money. Workplace preparation was also a troublesome area.

A ministerial determination setting payments for learners and interns has now removed the burden of payroll calculation, but we will still face significant challenges in future learnership implementation:

- Government departments continue to appoint non-accredited training providers;
- Departments need to migrate from non-credit bearing short courses to credit-bearing skills programmes;
- Failure of government departments to budget and fund learnerships adequately in terms of the 1%;

...we aim to be self funding, moving away from a grant to a contribution from national and provincial government departments...

- Increased attention is needed on the recruitment of learners for learnerships to ensure that prospective candidates meet the entrance requirements. If necessary, numeracy and literacy training must precede learnerships. Greater focus has to be placed on disabled learners;
- Departments need to budget for the training of their own mentors, coaches and assessors to support learnership implementation.

Total commitment to the learnership process must be evident among all roleplayers if we are to move forward. Naturally, much hinges on the government departments themselves, but PSETA also needs more support from the National Skills Fund (NSF) to fund learnerships, particularly in the light of ASGISA.

The next financial year will be exciting and more than a little demanding, as PSETA tackles the learning curves of an

independent SETA and finetunes its role as coordinator of transversal skills across the other public service SETAs.

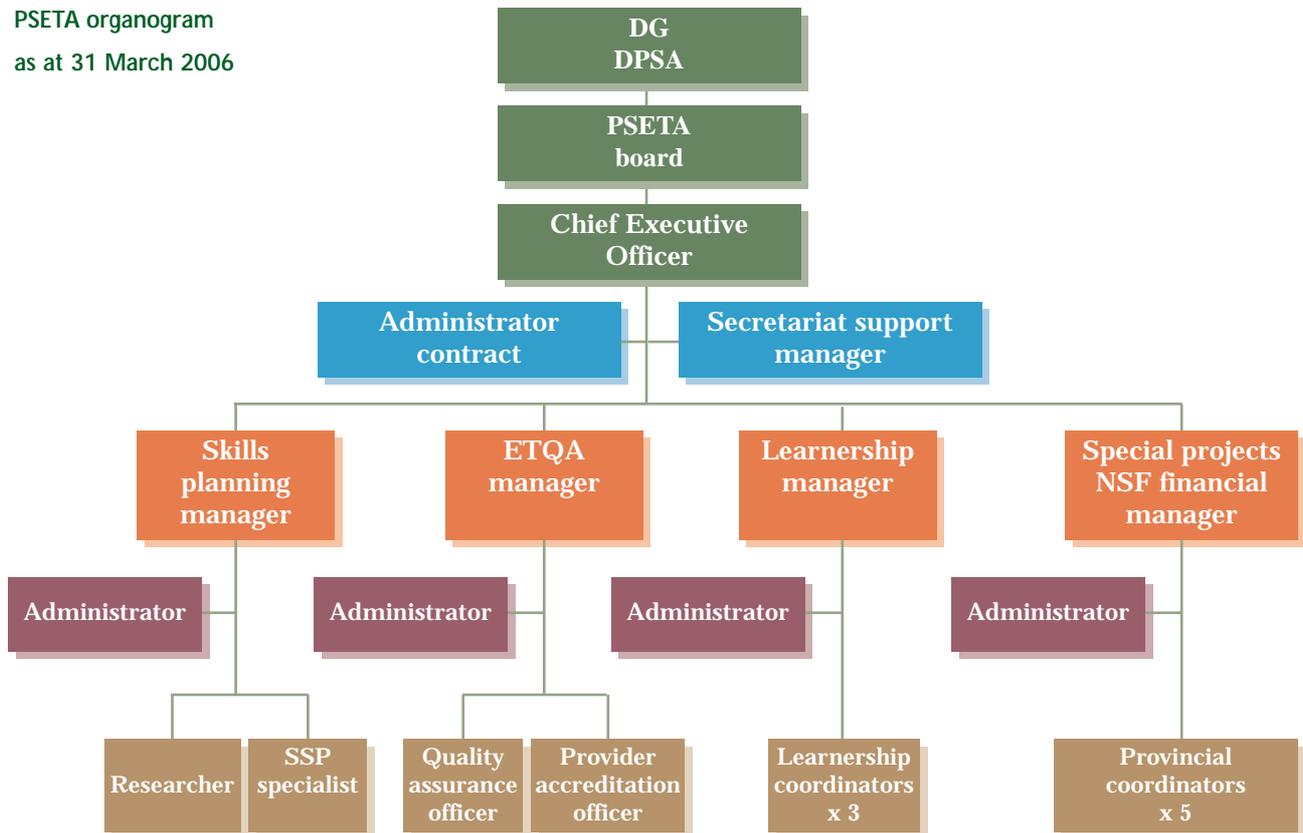
I have no doubt that PSETA will achieve what it sets out to – it has a fine team that is used to conquering obstacles and whose attitude reflects a strong belief in the SETA's ability to deliver. These attributes are further strengthened by the ongoing support of organisations such as GTZ and DoL.

I have enjoyed my tenure as acting Chief Executive Officer, but feel strongly that the portfolio should be in the hands of someone whose sole focus is the SETA and its activities. In Renée, we have such a person and I wish her every success.

Kenny Govender
Acting Chief Executive Officer

GOVERNANCE AND ORGANISATIONAL structure

PSETA organogram as at 31 March 2006



GOVERNANCE AND ORGANISATIONAL *structure*

BOARD

Nominations for new board members were called for nationally in September 2005. At year end, the new

board had still to be finalised, a process that was to be set in motion once the announcement of PSETA's public entity status came through.

BOARD MEMBERS AND MEETING ATTENDANCE									
Member	Representing	Race and gender	Meeting 1 2 June 2005	Meeting 2 13 July 2005	Meeting 3 26 August 2005	Meeting 4 15 Nov 2005	Meeting 5 17 Feb 2006	Meeting 6 21 Feb 2006	Meeting 7 28 Mar 2006
Carien Goussard	Provincial administration: Western Cape	White female	✓		✓	✓			
Konkie Heflin	Nehawu	Black male				✓	✓	✓	✓
Surprise Hlungwani	Office of the Premier: Gauteng	Black female							
Nontsasa Lebaka	Nehawu	Black female			✓	✓		✓	✓
Tselane Letseli	Officer of the Premier: North West	Black male	✓			✓	✓		✓
Hein Luiters (chairperson)	Officer of the Premier: Eastern Cape	Coloured male	✓	✓	✓		✓	✓	✓
Gloria Mavunda	Office of the Premier: Limpopo	Black female	✓	✓	✓	✓		✓	
Tony McGregor	Statistics SA	White male	✓	✓	✓		✓	✓	✓
Johanna Meyer	PSA	White female	✓	✓		✓	✓	✓	✓
Thomas Milford	Northern Cape Legislature	Coloured male							
Dr Nomsa Mlondo	Office of the Premier: Mpumalanga	Black female		✓	✓	✓	✓	✓	✓
Rachel Madipa	Office of the Premier: Northern Province	Black female		✓					
Fazal Safila	Office of the Premier: KwaZulu-Natal	Indian male	✓						
Rachel Thomas	Office of the Premier: Free State	Indian female	✓						
Ganga Tsengiwe	Department of Labour	Black male		✓	✓	✓	✓	✓	✓
Anthea van Tonder	PSA	White female	✓	Resigned					
Daniel van Wyk	Pawusa	Coloured male			✓	✓	✓	✓	✓

* PSETA covers the travel and accommodation costs of union members only. Public servants receive no stipend.

EXCO MEMBERS AND MEETING ATTENDANCE						
Member	Representing	Race and gender	Meeting 1 5 May 2005	Meeting 2 23 Sept 2005	Meeting 3 25 Nov 2005	Meeting 4 10 Feb 2006
Nontsasa Lebaka	Nehawu	Black female	✓		✓	✓
Hein Luiters (chairperson)	Officer of the Premier: Eastern Cape	Coloured male	✓	✓	✓	✓
Johanna Meyer	PSA	White female		✓		✓
Dr Nomsa Mlondo	Office of the Premier: Mpumalanga	Black female	✓		✓	✓
Ganga Tsengiwe	Department of Labour	Black male	✓	✓		✓

STAFFING

STAFF BREAKDOWN					
Post	Salary level	No	Salary	Financial	Gender and race
Managers (including one contract position)	13	4	453 147	1 812 588	1 black female, 2 black males and 1 Indian male
Specialist	12	1	325 950	325 950	Black female
Learnership coordinator	11	3	271 797	815 391	3 black females
IT/data officer (contract position)	11	1	271 797	271 797	Black male
Provincial coordinator (contract positions)	11	5	271 737	1 358 685	4 black males, 1 black female
Skills planning officer	10	1	173 868	173 868	Black male
Researcher	10	1	173 868	173 868	Black male
Quality assurance	10	1	173 868	173 868	Black male
Provider accreditation officer	10	1	173 868	173 868	Black male
Provincial coordinator	10	1	173 868	173 868	Black male
Marketing officer	9	1	139 302	139 302	Black male
Office administrator (contract position)	7	1	109 062	109 062	Black female
Administrative assistant	6	1	87 552	87 552	Black female
Administrator	5	1	70 725	70 725	Black female
Administrative assistant		1	19 200	19 200	Black female
Total		24		5 879 592	



SKILLS planning



The Sector Skills Plan for 2005-10 was finalised and submitted to the Department of Labour by end October 2005. The plan outlines demand for and supply of skills in the sector and highlights scarce and critical skills that will come into the spotlight in the years to come.

The Workplace Skills Plan (WSP) submission rate relative to that of the SETA's early years reflects the continued increasing emphasis placed on skills development by national and provincial government. Of 140 government departments, 113 submitted WSPs. The number of Annual

Training Reports (ATRs) received increased dramatically over the previous period, from 26 to 107.

Mpumalanga, Western Cape and Free State performed exceptionally, with a 100% submission rate for both WSPs and ATRs.



The overall totals, however, failed to reach the SETA's 90% target, ending the year at 80,3% (WSPs) and 74% (ATRs). This can be attributed to skills audit difficulties in the departments, poor training budget reconciliation and insufficient management support, among other problems.

During the year, PSETA, in collaboration with other government SETAs, was tasked with developing new templates for the WSP and ATR forms to be used by all government departments. These common templates will simplify information gathering and collation.

In February and March 2006, the new forms were workshopped to all Skills Development Facilitators (SDFs) from government departments countrywide. The sessions were attended by about 250 SDFs and afforded PSETA the opportunity to discuss the role of SDFs in the NSDS 2 and to encourage an increase in skills planning activities in the sector.

PSETA is committed to continuing its engagement with the departments to explore the challenges of report preparation, quality and submission.

**CONSOLIDATED WORKPLACE SKILLS PLANS
RECEIVED FOR 2005/6**

Province	Number received	Expected WSPs	Response rate (%)
Eastern Cape	9	12	75
Free State	12	12	100
Gauteng	10	11	91
KwaZulu Natal	7	12	58
Limpopo	8	11	73
Mpumalanga	11	11	100
Northern Cape	5	12	41.6
North West	9	11	82
Western Cape	12	12	100
National departments	30	36	83.3
Total	113	140	80.3

**CONSOLIDATED ANNUAL TRAINING REPORTS
RECEIVED FOR 2004/5**

Province	Number received	Expected ATRs	Response rate (%)
Eastern Cape	5	12	42
Free State	12	12	100
Gauteng	8	11	73
KwaZulu Natal	5	11	46
Limpopo	8	11	73
Mpumalanga	12	12	100
Northern Cape	11	12	92
North West	2	11	18
Western Cape	12	12	100
National departments	32	36	89
Total	107	140	76,4

* The figures in both the tables above include PSETA member and non-member government departments. The response rate of PSETA member departments was 92,5%.

2006/7 GOALS

- Actively encourage departments to invest at least 1% of personnel budget in training as required by the Skills Development Act;
- Update the SSP with more qualitative content, including greater emphasis on identifying skills requirements and gaps.

TRAINING NEEDS IDENTIFIED FROM WSPS	
Training need	Number
Abet	7 669
Administration skills	4 098
Coaching and mentoring	2 942
Communication skills	7 678
Computer skills	18 956
Customer care	10 766
Diversity management	5 690
Financial management	10 839
HIV/Aids	6 187
Human resources management	8 956
Labour relations	6 240
Policy formulation	2 063
Project management	6 098
Research skills	1 761
Strategic planning	6 230
Monitoring and evaluation	523

* These training needs have also been identified in WSPs of previous years. This indicates that there is consistency in critical skills needs identified every year. As a result the skills planning, learnerships and ETQA units are currently developing a strategy to translate most of these training needs into credit-bearing skills programmes.



PSETA made its debut on the learnership implementation stage during 2005/6 with R106-million in NSF funding approved during the previous year. Six providers were contracted and 3 158 learners enrolled (against a target of 3 653) on eight learnerships across five provinces and in the Department of Labour (DoL). By the end of March 2006, 86% of the learners had completed their classes.

The project posed several major challenges, not least the management of finances and learner payroll. Plans are in place to boost PSETA's capacity to manage future projects and finetune the recruitment and selection process to improve the learner competence rate on completion of programmes.

Workshops are planned to capacitate government departments to implement learnerships. Special attention will be focused on budgeting, the importance of the learnership agreement and the selection of learners.

An application for a further R28-million in learnership funding for 2006/7 has been submitted to the NSF.

During the year, PSETA registered a learnership in human resource management and developed a supporting learnership implementation pack. Ultimately, PSETA qualifications that address critical and scarce skills needs will be registered as learnerships and as skills programmes.



NUMBER OF LEARNERS ACTIVE AT MARCH 2006					
	Black	Coloured	Indian	White	DoL
Human resource management	602	114	2	1	
Public sector accounting	126	62	3	2	
Project management	743	107	3	3	
Public administration	143	1	-	1	
Office administration	118	140	-	-	
Information technology*	87	105	-	-	
Employment and skills development services					147
Inspection and enforcement services					185
Total	1847	529	8	7	332

* This learnership was terminated when the provider encountered implementation challenges. Learners were provided with workplace experience only.

NUMBER OF LEARNERS ENROLLED AT END OF NSF-FUNDED LEARNERSHIP PROJECT (MARCH 2006)						
	North West	Northern Cape	Mpumalanga	Eastern Cape	KwaZulu Natal	DoL
Human resource management	172	154	108	257	11	
Public sector accounting	49	44	37	51		
Project management	367	192	161	165		
Public administration			155			
Office administration		276				
Information technology		192				
Employment and skills development services						147
Inspection and enforcement services						185
Total	588	858	461	473	11	332

2006/7 GOALS

- 1 000 new learners in Gauteng, the Western Cape, Limpopo, Free State and KwaZulu Natal – 600 in public accounting and 400 in public administration, including 40 disabled learners;
- 40 high-level internships for unemployed graduates and post graduates in scarce and critical skills areas (eg public policy);
- Promote the enrolment of more 18.1 learners in credit-bearing skills programmes and learnerships;
- Promote skills programmes to replace non-credit bearing short courses, which currently account for most public sector training.

ETQA

The ETQA function maintained the strong progress it made in the previous year to bring it in line with South African Qualifications Authority (SAQA) requirements for a quality assurance body.

By September 2005, it had resolved all 55 non-compliances uncovered during an April 2004 SAQA audit. It has been accredited as an ETQA until 2008.

Provider monitoring and support continued. Full accreditation was awarded to seven providers and provisional status to another five. Eleven existing accreditations lapsed and the providers were removed from the database.

An assessor training intervention was held at the end of 2005 to ensure that there were registered assessors to support learnership implementation. Seven of the nine provinces and one national department nominated candidates, the balance being unable to meet the deadline. Of the 127 candidates trained, only 62 submitted Portfolios of Evidence (POEs), but at year end, a provider contracted by PSETA was assisting learners to compile their portfolios.

A different methodology will be adopted in future assessment training, with PSETA consulting the departments on the best approach. In future, PSETA will urge them to use their 1% to fund their own assessor training aligned to the learnerships they want to implement.

Moderation and certification systems were

implemented and moderation commenced on assessments for 70 (18.1) learners in Mpumalanga and Gauteng and 162 (18.2) learners in Mpumalanga who were working towards a National Certificate in Public Administration. In addition, 188 learners trained by the Independent Electoral Commission (IEC) in the unit standard 'Manage a voting station' were moderated in readiness for certification in 2006/7.

Funds were not available to continue the evaluation of learning programmes already underway, but a model for the training of about 30 learning programme evaluators during 2006/7 was approved by the Department of Public Service and Administration (DPSA).

Key among the year's achievements were the development and implementation of both a Quality Management System (QMS) and a Management Information System (MIS). The QMS process was a valuable learning experience for the entire SETA, as all staff were involved in the development and implementation of an integrated system dealing with all operations and functions. In February 2006 the electronic QMS was launched and all staff received training on the system. The QMS remains a priority and will be reviewed and enhanced regularly.



The PSETA MIS is a legislative requirement for uploading public sector training achievements to SAQA. On the National Learner Records Database (NLRD) league table, PSETA has attained 'yellow' status (10th position out of 31 ETQAs) with an overall weighted average of 68,2%, higher than more than 50% of other ETQAs. This is a commendable achievement considering that the MIS has been developed and implemented over eight months. PSETA is determined to achieve the minimum standard set by SAQA and by July 2006 envisages being 100% compliant.

Much of the ETQA's time was spent supporting departments that deliver their own training to adapt to delivering unit standards-based programmes. The department hosted nine provincial workshops in October and November 2005, using the platform to promote quality, to improve understanding of the ETQA's role and requirements, and to explore accreditation issues, QMS implementation, qualifications and monitoring and auditing of education and training in the public sector.

The first of four public administration qualifications was developed and registered on NQF level 5 through a Joint Implementation Plan (JIP) with SAQA. The remaining three programmes – on levels 4, 6 and 7 – were developed and submitted to key stakeholders for comment.

By year end, PSETA was accredited for the qualifications listed alongside and unit standards in general public administration, trade and industry, foreign affairs, housing and election coordination.

Unit standard	NQF level
Manage a voting station to contribute to free and fair elections	5
Apply moral decision making and problem solving strategies	3
Apply government communication processes and assess communication effects	5
Develop holistic productivity improvement strategies and plans	5
Conduct electoral observation and monitoring to enhance the practice and assessment of free and fair elections	5
Demonstrate knowledge of electoral principles, processes and procedures	5
Design electoral processes	7
Design standards and practices for electoral observation and monitoring	6
Evaluate and revise electoral processes	7
Manage voter registration	5
Plan and manage electoral observations to contribute towards free and fair elections	6
Plan and manage electoral processes	6

Qualification	NQF level
National Certificate: Public Administration	3
National Certificate: Inspection and Enforcement Services	5
National Certificate: Local Employment and Skills Development Practices	4
National Certificate: Conflict Management and Transformation	5
Advanced Diploma: Diplomacy	7
Advanced Certificate: Mission Administration	6
National Certificate: Mission Administration	5
National Certificate: Foreign Economic Representation	6

A memorandum of understanding (MoU) was signed with SASSETA to facilitate the DIDTETA amalgamation. Fifteen MoUs are now in force, with a further three pending.

In addition to assisting government departments with training advice and guidance, the ETQA team remained active on various task teams. Working with SAQA and DPSA, it drew up a correlation table between Relative Value Coefficients and NQF levels, which was circulated to government departments. It was a member of DoL's committees on learnership provision monitoring and on skills development standards, and sits on the task team of Department of Local Government's Local Government Leadership Academy.

2006/7 GOALS

- Four qualifications and six units standards to support training in scarce and critical skills;
- Development of a qualifications matrix;
- Funded training for 400 assessors, using approaches suited to each province;
- Recognition of prior learning (RPL) guidelines and toolkit;
- Support for providers in the transformation of short courses to unit standards based programmes, and for departments in the sourcing of NQF-aligned training;
- Enhancement and integration of the MIS to promote better skills planning in the sector.



DISCLOSURE NOTE ON PSETA INCLUDED IN THE DPSA ANNUAL FINANCIAL STATEMENTS

In terms of the Skills Development Act of 1998, the Public Sector Education and Training Authority (PSETA) was established in March 2000 with the goal of providing SAQA-accredited training and education services.

However, PSETA (a schedule 3A public entity) was delisted with effect from 30 November 2001.

PSETA's financial matters were taken over by the DPSA and included in the department's accounting system as per an MoU between the two.

At March 2006, there were two bank accounts held in

PSETA's name that were not included in the DPSA's annual financial statements.

These were an operational bank account (R503 687,70) and a grant disbursement account (R262 297,79).

The PSETA board has proposed that the renewal of the certificate of establishment be issued for PSETA and that it should be established as a legal, independent schedule 3A entity in terms of Section 9(1) of the Skills Development Act and of the Public Finance Management Act.

An application was submitted to National Treasury during 2005, but the outcome of this process was not finalised by 31 March 2006.

	2005/6 R'000	2004/5 R'000
Movement of operations account		
Opening balance	19 299	1 713
Plus: interest	21	3
Plus: transfers in	84 526	19 402
Less: transfers out	(103 245)	(1 817)
Less: bank charges	(97)	(2)
Closing balance	504	19 299
Movement of grant disbursement account		
Opening balance	2 363	2 284
Plus: interest	19	16
Plus: South African Revenue Services (SARS) deposits	368	368
Less: transfers out	(2 487)	(304)
Less: bank charges	(1)	(1)
Closing balance	262	2 363



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