



**ANNUAL PERFORMANCE
PLAN FOR 2016/-17**

Date considered - October 2015

FOREWORD

This annual performance plan of the AgriSETA had been drawn from;

- The Sector Skills Plan which provides the overarching long-term strategic focus for the SETA
- The Strategic Plan which is drawn within the parameters of the MTSF for the period 2013 to 2017 and updated for the period 2016 to 2017.

We believe that it sufficiently addresses the peculiar needs of the agricultural sector and is well aligned to government objectives are contained in;

- The New Growth Path,
- Industrial Policy Action Plan,
- The Comprehensive Rural Development Programme,
- Human Resource Development South Africa and
- Cognisance was also taken of the National Development Plan.

This Annual Performance Plan is aligned with the goals and outputs of NSDS III – with this plan; the AgriSETA believes it will make a direct contribution to both the achievements of NSDS III and upskilling those who work in the agricultural sector.

The introduction of expenditure ceiling in January 2014 pegging it at R236 million, has had crippling effects on AgriSETA's ability to deliver to its sector at large; as well as its capability in supporting the Minister of Higher Education and Training in his endeavours to upscale delivery in certain key government priorities pertaining to the post-school education and training system.

Despite the lack of clarity beyond March 2016, AgriSETA has taken up the responsibility to continue with its strategic imperatives and programmes;

- Rural development.
- Co-operatives.
- Agricultural Colleges and targeted TVET Colleges.

Prof. G Mayende

(Chairperson: AgriSETA Accounting Authority)

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan;

- Was developed by the management of the AgriSETA under the guidance of the AgriSETA Accounting Authority.
- Was prepared in line with the current Strategic Plan of AgriSETA.
- Accurately reflects the performance targets which the AgriSETA will endeavour to achieve given the resources made available in the budget of the 2016/-17 financial year.

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1. SITUATIONAL ANALYSIS

This Annual Performance Plan (APP) is based on the outcome of a strategic planning process (as contained in the Strategic Plan). The AgriSETA Sector Skills Plan (SSP), whilst addressing wide ranging issues in the agricultural sector, in essence captures the important realities which have a direct impact on skills development in the sector¹.

Apart from macro-economic realities and changes in the sector as captured in the SSP, other external influences impact on the strategic direction of the AgriSETA as well as its ability to perform (deliver its mandated services).

1.1 Scope of Coverage

The agriculture sector in the context of skills development is based only on agricultural activity concerned with production and some primary processing of food, aquaculture and growing of trees as a secondary activity.

As per the scope of coverage as determined by the Minister (AgriSETA Constitution, 2011), the agricultural sector in South Africa is divided into 41 Standard Industrial Classification (SIC) Codes that are classified according to agricultural and economic focus. The sector encompasses both primary (resource production) and secondary (primary processing) activities. Out of these 41 industries, AgriSETA has constituted twelve sub-sector committees. Table 1 below illustrates the allocation of the 41 industries into 12 sub-sectors, their codes, as well as their area of focus. These 12 sub-sector committees are as follows: Seed; Pest Control; Fibre; Aquaculture; Sustainability; Sugar; Tobacco; Poultry; Milling; Pet Foods and Animal Feeds; Grains and Cereals; Horticulture; and Red Meat.

Table 1: Activities within the agricultural sector by international SIC code

SIC Code	Scope of Coverage / Description
SSC: Seed	
11140	Seed production and marketing
SSC: Pest Control	
99003	Pest control
SSC: Fibre	
30118	Grading, ginning and packing of wool and cotton raw material.
SSC: Aquaculture	
13000	Fishing, operation of fish hatcheries and fish farms
Sustainability SSC	
	No SIC codes allocated
SSC: Sugar	
30420	Manufacture of sugar including golden syrup and castor sugar
11122	Sugar plantation including sugar cane and sugar beet, etc.
SSC: Tobacco	
11142	Manufacture of tobacco products

¹ A comprehensive situation analysis is available in the Sector Skills Plan.

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62208	Processing and dispatching of tobacco
SSC: Poultry	
30114	Poultry and egg production including the slaughtering, dressing and packing of poultry
11220	Other animal farming, production of animal products not elsewhere classified
11221	Ostrich farming
SSC: Milling, Pet Foods and Animal Feeds	
30311	Manufacture of flour and grain mill products, including rice and vegetable milling, grain mill residues
30330	Manufacture of prepared animal feeds
30331	Manufacture of pet foods
30332	Manufacture of starches and starch products
SSC: Grains and Cereals	
30313	Manufacture of grain mill products, starches and starch.
30313	Handling and storage of grain
61502	Wholesale & retail trade in agricultural machinery
62111	Sale and distribution of agricultural raw materials & other farming inputs
11110	Growing of cereals and other crops
SSC: Horticulture	
30132	Fruit packed in cartons, fruit juice concentrate drummed and fruit juice in containers ready for consumption
30133	Fruit exporters and importers
11130	Growing of fruit, nuts, beverage and spice crops
62112	Service for nut farmers and companies.
30493	Processing and marketing of coffee and tea including coconuts, cocoa, nuts, olives, dates.
11301	Growing of coffee and tea including coconuts, cocoa, nuts, olives, dates, etc.
11120	Growing of vegetables, horticultural specialities and nursery products
11121	Growing of vegetables, horticultural specialities (including ornamental horticulture) and nursery products
12109	Growing of trees as a second crop by farmers
SSC: Red Meat	
11141	Production and animal products
30111	Slaughtering, dressing and packing of livestock, incl. poultry and small game for meat
30115	Production, sale and marketing of agricultural by-products (e.g. bones, hides)
30117	Slaughtering, dressing and packing of livestock and processing of ostrich products
61210	Wholesale trade in agricultural raw materials and livestock
74136	Transport of livestock as supporting activity
87120	Agricultural and livestock research
11210	Farming of cattle, sheep, goats, horses, asses, mules and hinnies; dairy farming
11222	Game farming
11300	Growing of crops combined with farming of animals (mixed farming)
11400	Agricultural and animal husbandry services, except veterinary activities
11402	Other animal farming

SOURCE – AGRISSETA 2015

The agriculture sector has strong linkages with many sectors including tourism, manufacturing, wholesale and retail among others. Regarding tourism, most South African game farms are in rural areas. These game lodges provide employment opportunities to rural people, but there is also potential for creating business for local people through the supply of fresh produce to the

lodges for guests. In some areas, tourism ventures can be extended to villagers so that tourists go and experience an afternoon in a village, including tasting the cuisine. Such ventures require skills in business development, planning and business management in order for them to be sustainable and profitable for local communities.

Backward linkages in manufacturing are created during the purchase of fertilisers, chemicals and implements, and forward linkages are established through the supply of agricultural raw materials to the manufacturing industry. Agricultural products like vegetables, fruit, dairy products and meat are marketed through retail shops, straight from the farm. The agricultural sector therefore directly and indirectly creates employment for a significant number of people.

1.2 Change Drivers

1.2.1 Factors impacting on skills demand and supply

i. Land reform

Land reform has a significant bearing on food security and agriculture's contribution to GDP. The objective of the land reform programme is to transfer 30% of agricultural land to black ownership by 2025 to ensure more equitable access to land by historically disadvantaged people and to increase their participation in agricultural activities (Xingwana, 2008). The MTSF target is for 20% or 16.2 million hectares by 2019. Four processes have informed land reform (Centre for Development Enterprise, 2008):

- Land restitution, involving returning land or providing financial compensation to those whose land was dispossessed during apartheid;
- Land redistribution, transferring more land to the historically disadvantaged;
- Tenure reform, modernising land tenure rules and access to land ownership; and
- Providing financial support for the development of emerging farmers.

Between 1994 and 2010, 7, 4 million hectares of land were transferred or redistributed to previously disadvantaged persons via the Land Reform Programme. This included agricultural land as well as land used for other activities. For agricultural land redistributed, the programme resulted neither in rising production nor increased economic growth as many of its beneficiaries lacked the necessary skills and knowledge to farm effectively. In 2010 the Department of Rural Development and Land Reform (DRDLR) introduced a Recapitalisation and Development Programme (RADP) for distressed farms that were redistributed since 1994. The aim of this programme is sustainable rural land reform and targets some 1807 farms over the current MTEF period. The use of mentors and strategic partners from the farming sector is central within the programme. Mentors and partners are expected to assist land reform beneficiaries with, "access to markets, farm production, skills development, packaging of projects, and access to additional finance, coaching mentorship and advocacy" (DRDLR, 2012, 21). The programme has undergone numerous challenges. Emergent farmers face difficulties in accessing adequate financing, marketing their products and, accessing higher levels of the value chain. Also, the pool of emergent farmers need extensive skills development and is ageing.

Emergent farmers may access agricultural infrastructure finance via The Land Bank of South Africa. The Micro Agricultural Financial Institutions of South Africa (MAFISA) financial scheme provides *soft loans* at lower, fixed interest rates (currently 8 per cent) and is made available to livestock farmers. Pre-training is a prerequisite for accessing the MAFISA loan. The scheme provides state-subsidised loans but is often interpreted as providing grants, amongst those

accessing them. Record keeping of agricultural input costs is poor making it difficult to measure output. There is a lack of general financial management skills. Many of the businesses applying for finance are built around one person and this is problematic for sustainability (SSP stakeholder interview, 2014).

ii. Agricultural Co-operatives

The interview process for the SSP included a focus group discussion with twelve, primary agricultural co-operatives held in Katlehong in the East Rand of Johannesburg. All the co-operatives had been engaged for between 3 and 7 years in planting and growing crops (mainly vegetables) and selling these locally, mainly via street vendors. All have aspirations to expand production and markets and feel that with more reliable water supply, access to better quality land, better implements and some machinery, as well as skills training, they could be much more effective. There are currently some 450 cooperatives and other small and emergent enterprises (generally governed by Community Property Associations (CPAs) that are receiving support from AgriSETA, some funded by the SETA, some by DAFF and some by funds obtained from the National Skills Fund. Although no formal evaluation of this work has been conducted a number of lessons have been learned and inform current strategy.

iii. Food security

South Africa currently produces enough food to meet the needs of its population. Despite this, many people continue to go hungry. According to Food Bank SA, 11 million people are food insecure in the country whilst a further 14 million are vulnerable to food insecurity (GCIS, 2012). Similarly, the results of the *National Health and Nutrition Survey* released in August 2013 indicate that only 45,6% of our population are food secure, 28,3% is at risk of hunger and 26% experienced hunger and were food insecure (HSRC, 2014). There is increasing evidence that food security can become a cause for concern. In a document produced by the Bureau for Food and Agricultural Policy (BFAP) in 2012, reference is made to the increasing impact of mining on agriculture in Mpumalanga Province. A pilot study has been initiated to evaluate the effects on coal mining on maize farming, in the Delmas, Ogies and Leandra areas. *“At the current rate of coal mining in Mpumalanga, it was calculated that approximately 12% of South Africa’s total high potential arable land will be transformed, while a further 13.6% is currently being prospected by the mines in Mpumalanga. Current mining and new prospects for mining could soon have devastating effects on agricultural production as well as long term food security implications for the entire country”* (BFAP, 2012). BFAP estimates that at current maize farming yields, 447 581 tons of maize will be taken out of production as the result of current and prospective mining operations. This will result in a 10% rise in the price of maize with huge repercussion for South Africa and particularly the poor and vulnerable sectors of our population.

iv. Mechanisation in agriculture

A prominent trend within the agricultural sector is that, *“as agriculture becomes more mechanized, the unskilled labour force is replaced by a significantly smaller skilled labour force”* (South African Ministry of Labour, 2013, 14). That being said, increases to the agricultural labour wage will not, *“automatically result in increased mechanisation,”* (South African Ministry of Labour, 2013, 16) as technologies are not always available and for certain types of agriculture such as intensive fruit farming, mechanized harvesting techniques are not appropriate for meeting the high quality standards required for the exporting of such produce. The rate at which mechanisation displaces labour in agriculture is dependent on the availability of technology, the cost of labour and capital and existing economic conditions. What has become noticeable in recent years is that demand for artisans (mechanics for example) has increased in the sector. As mechanisation occurs it is likely that this trend will continue with

demand reducing for general labouring or less skilled workers and demand increasing for artisans and technically qualified workers.

v. Sustainable agricultural development

There has been an increasing focus on the use of environmentally sustainable farming practices across the agricultural sector. In some policy documents such as the National Development Plan and the New Growth Path this is referred to as green economy practices. However, within the agricultural sector “green economy” industries are often associated with such enterprises as ornamental horticulture, organic nurseries and farms and landscaping. Thus, for the purpose of this SSP, the term *sustainable farming* is preferred as this better describes sustainable practices associated within the broader “green economy.”

1.3 Scarce Skills and Skills Gaps

A number of approaches were combined to identify the scarce and critical skills in the agricultural sector, to project these over the period 2011-2016 and to extrapolate the list of priority skills that form the focal point of skills development interventions for the AgriSETA over this period.

Top 10 Scarce Skills

The top ten scarce skills for the agriculture sector spread across various major occupational groups. Whereas most are in the managerial and professional occupational groups, there are some plant and machine operators that are also featuring. The list represents priority skills and doesn't imply these are the only skills that are critical for the sector economy. The top ten scarce skills occupations need to be understood in the context of the organising framework of occupations which provides for an occupation with multiple alternative titles.

TABLE 2: TOP 10 SCARCE SKILLS

OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE
225101	Veterinarian	Animal Doctor; Veterinary Epidemiologist; Veterinary Parasitologist; Veterinary Pathologist and Veterinary Surgeon
213202	Agricultural Scientists	Agronomists, Plant Breeders, Plant Pathologists, Animal Scientists, Plant Scientist, Soil, and Pasture Scientists
131101	Farm Manager	Agronomy, Horticulture, Crop, Livestock Mixed Crop and Livestock, and Ornamental Horticultural Managers
325703	Agricultural Produce Inspectors	Meat Inspector, Fruit and Vegetable Inspector, Produce Inspector, and Quality Controller
214905	Agricultural Engineer	Agricultural Product Process Engineer, Irrigation Engineer, Agricultural Structures and Facilities Engineer, and Crop Production Mechanisation Engineer
653301	Industrial Machinery Mechanic	Agricultural Machinery Mechanic, Farm Machinery Repairer
734101	Mobile Plant Operators	Agrochemical Spraying Operator, Tractor driver, Harvester Operator, and Farm Equipment /Machinery Operator.
134915	Operations Managers	Abattoir Manager, Abattoir Veterinarian, Feed mill Manager, Sugar Mill Manager, Pet Food Mill Manager, Seed Processing Plant Manager
841601	Mixed Crop and Livestock Farm Worker	Agronomy, Horticulture, Crop, Livestock Mixed Crop and Livestock skills
122301	Research and Development Manager	Product Development Manager, Research Managers
213201	Agriculture Consultant	Agriculture Extension Officer

AgriSETA has a number of programmes including bursaries, internships and Learnership programmes to address the scarce skills. Due to limited funds, the AgriSETA cannot on its own meet the anticipated demand in the sector.

1.4 Performance delivery environment

- **The long-term impact of the minimum wage**

The minimum wage in the sector has increased by 54% on 1 March 2013. As a result two possible scenarios could play out for AgriSETA;

- Firstly, it could result in a dramatic growth in AgriSETA's income, creating new and expanded opportunities delivering on its mandate.
- Secondly, it could result in large-scale retrenchments which in turn would force AgriSETA to downsize its activities

It has during the 2013/-14 and 2014/-15 financial year become clear that the first rather than the latter scenario played itself out - the AgriSETA's income grew by approximately 20% from the 2013/-14 to the 2014/-15 financial year. As for the 2015/-16 financial year income is expected to grow by CPI-X and the same is foreseen for the 2016/-17 financial year. This has to be taken into consideration when planning.

- **Lifting of the Cap on Expenditure and need for Re-submission**

The capping on expenditure of SETA's has been lifted in March 2015 and communicated to SETAs in April 2015. This had a major effect on AgriSETA's available discretionary fund in that it increased by R77 million (this also includes an upward adjustment in organic growth in income). As for the 2016/-17 Financial year planning continues based on full projected income - thus with no capping or other limitations in place

- **TVET Colleges**

TVET Colleges have been identified as strategic and earmarked as new *centres of excellence* by government for post-school education and training system; as such it is a national imperative that Seta's should collaborate closely with TVET Colleges. In the same token the Colleges of Agriculture will continue to receive high levels of support from AgriSETA to rise to the expected standard and quality desired of these new '*centres of excellence*'; however emphasis should be made that this is not to be achieved at the expense of the other. In maintaining this balance, AgriSETA has targeted key Pivotal Programmes currently supported through workplace approved TVET Colleges; Gert Sibande, Waterberg and West Coast College - this APP takes note of both requirements and attempts to balance these two, often opposing, calls for support.

Cognisance is taken of the fact that the transfer of Agricultural Colleges from DAFF to DHET is on the cards for a number of years. It is foreseen that this will begin to *form* during the 2016/-17 financial year.

- **Creating opportunities for graduates**

Addressing youth and graduate unemployment is one of our nation's key focus areas. Government and private sector needs to grapple with this phenomenon and find ways to make inroads. Similarly, AgriSETA took up the challenge and whilst it always supported intern and

graduate placements, even operating within the limitations of the expenditure capping, it needs to do so at an increasing pace. This planning cycle takes note of the need to expand activities pertaining to graduate placements and budget accordingly.

- **Skills Gaps – ‘understanding & addressing new challenges’**

It should be pointed from the outset that AgriSETA has placed large resources in addressing both Lower Level & Higher Level Skills; the research emerging from the recent Sector Skills Plan update, suggest it's time we consider a different direction – Middle Level Skills, beyond Level 4; and start allocating time and resources in the generation of qualifications pegged at Levels 5&6.

Farm Management Skills (and general management skills in other agricultural businesses) coupled with a business orientation and entrepreneurship skills; are starting to emerge as skills/occupations in high demand and therefore we ought to align this demand with the relevant supply pegged at the correct level – *‘fit for purpose’* qualifications, so to speak. The resurgence of these middle level occupations is necessitated by a number of principal growth factors in our sector; which has pushed for a great need in improved management skills and relevant technological knowledge for increasing productivity levels and improved production methods.

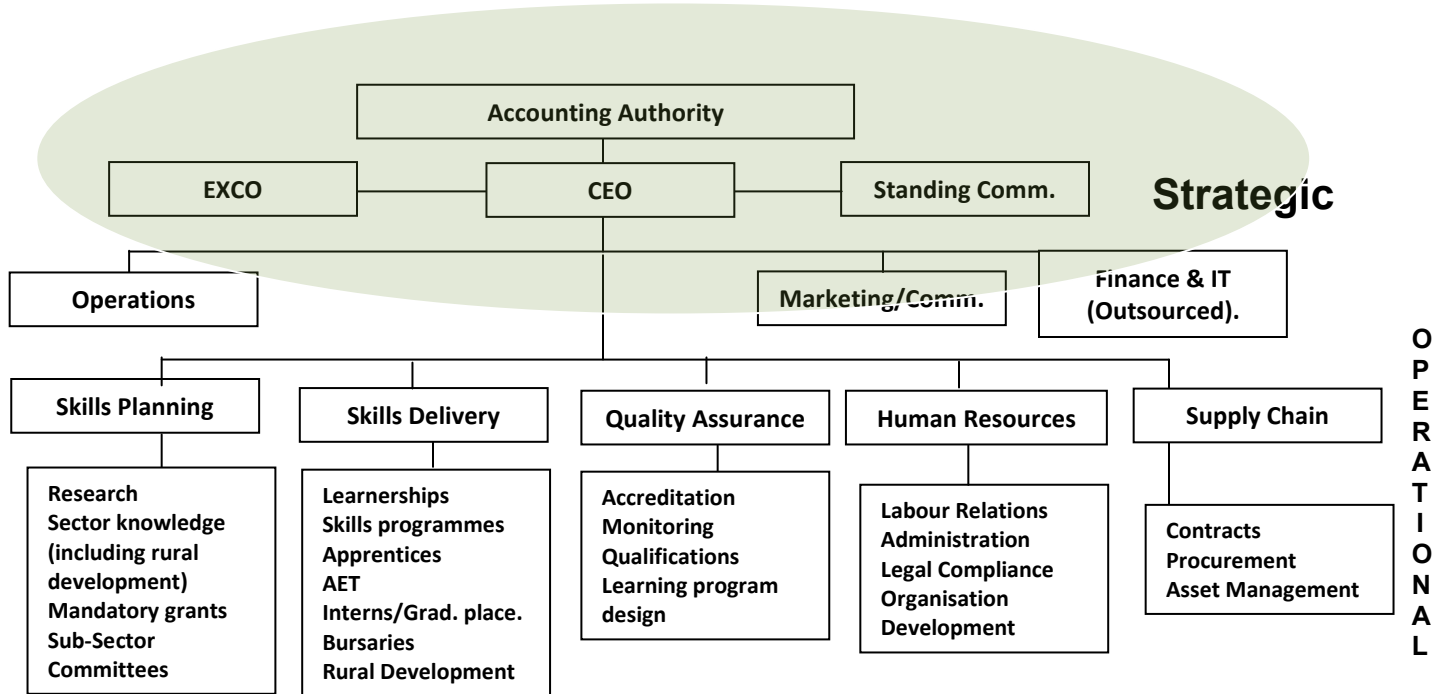
This coupled with a big need for skills upgrading amongst Extension Officers – particularly with regard to redress the historical neglect of small-scale farmers and resource strapped farmers. Critically improved farm management and business skills within an agricultural context to support the majority of BEE and emerging farmers. It should however be pointed that AgriSETA cannot deliver on this *‘national project’* alone given its limited resources at its disposal, if this were to succeed a collaborative partnership with other stakeholders such as QCTO will have to effect, notwithstanding related challenges.

- **Quality Council for Trades and Occupations and related matters**

The slow speed, at which the QCTO is taking up its role whilst at the same time the need to design and implement occupationally directed qualifications, has a direct bearing on AgriSETA's ability to deliver. Whilst the SETA continues to develop occupationally directed qualifications, the implementation thereof and subsequent budgeting is challenging. This planning cycle approaches the matter in a two-fold manner. Firstly, the AgriSETA has budgeted for and will continue with the development of new qualifications. Secondly, should qualifications be activated during the financial year, a budget re-allocation will be made to ensure that sufficient funds are available for implementation, even if it is on a small scale. The 2016/-17 financial year will then fully cater for large scale implementation.

1.5 Organisational environment

The AgriSETA structure is well balanced and entrenched; from Accounting Authority level to the operational structure stability and extensive institutional knowledge exist due to the low labour turnover rate and the fact that appropriately qualified staff members are employed.



SETA landscape

NSDS III will be concluded by March 2016. Institutionally this makes it extremely challenging to plan beyond March 2016 as there is no clarity on both the skills system nor the future of SETAs post March 2016.

At an operational level, even at this stage, the replacement or employment of new staff becomes increasingly difficult as the SETA can only appoint staff on short term contracts (not exceeding March 2016). This also applies to governance structures such as the Accounting Authority and its various standing committees.

1.6 Revisions to legislative and other mandates

There have been no significant changes to AgriSETA's legislative and other mandates.

2. BUSINESS PLAN (2016/-17)

2.1 Assumptions

Presented here are some assumptions upon which the budget is based.

1. The budget is based on mandate that must be performed within the following parameters:
 - 1.1 Admin budget does not exceed 10.5% of gross levy income.
 - 1.2 Mandatory grant is based on the 20% mandatory portion of the Skills Development Levy,
 - 1.3 Project administration budget is calculated at 7, 5% of project value.
2. Assumption on staff establishment:
 - 2.1 Budget prepared on the assumption that AgriSETA remains active with its current staffing complement and that there are either Coordinators or Interns placed in Agricultural Colleges.
3. Assumptions for salary increases:
 - 3.1. Increases will include an inflation linked component.
 - 3.2. The maximum increase for individual staff members will be limited to 8%.
4. Assumption on performance and broad banding level adjustments for all levels:
 - 4.1 The budget includes a fixed bonus component based on 7.5% of company wage bill. However there is no level adjustment planned for staff.
 - 4.2 Performance management bonus based on 5% of wage bill allocated to meritorious staff performance.
5. Assumption on inflation scenarios on income:
 - 5.1 The levy income is based on the actual levies of 2015/-16 plus the increase in basic wages of 6.2%.
6. Assumption on inflation of costs
 - 6.1 Inflationary increases were applied to some administration costs (stationery, printing, postage, insurance, bank costs). A figure of 6.2% was used for expenditure.
7. Assumptions on Government/Levy funding
 - 7.1 The skills levy will remain at 1% and the threshold at R500 000.
 - 7.2 Line function national department and provincial departments all pay the 30% of the 1% skills levy budget – 1/3 to be used for SETA administration and 2/3 for discretionary projects.

2.2 Overview of 2016/17 budget and MTEF estimates

2.2.1. Expenditure estimates

DESCRIPTIONS	AUDITED OUTCOMES			CURRENT (Est)	MEDIUM TERM EXPENDITURE ESTIMATE		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Actual/ Budgeted Income	249 496 000	307 614 000	326 613 949	331 028 874	349 900 964	371 594 824	394 633 703
Levy Income							
Mandatory Income @ 20% *	136 423 000	67 483 000	73 052 285	76 960 959	81 350 000	86 393 700	91 750 109
Other Project Income & Interest/Penalties	17 836 000	28 335 000	21 127 441	6 190 695	6 574 518	6 982 138	7 415 031
Discretionary Income @ 49.5% *	54 648 000	167 020 425	180 804 405	190 478 374	201 341 250	213 824 408	227 081 521
Discretionary income from Depts. of Agric @ 2/3 x 30% of 1% x 1.05				2 800 000	2 973 600	3 157 963	3 353 757
Admin Income @ 10.5% *	32 109 000	35 428 575	38 352 449	40 404 503	42 708 750	45 356 693	48 168 807
Admin income from Depts. of Agric @ 1/3 x 30% of 1%				1 400 000	1 486 800	1 578 982	1 676 877
Other income	212 000	280 000	334 398				
Income from DRDLR							
Investment Income/Interest	8 268 000	9 067 000	12 942 971	12 794 343	13 466 046	14 300 940	15 187 599
Total Budgeted Expense	247 415 000	255 449 000	324 594 813	331 028 874	349 900 964	371 594 824	394 633 703
Administrative Costs	28 024 000	31 132 000	35 662 848	39 880 480 **	42 161 800 **	44 775 832 **	47 551 933**
Finance Costs	10 000	9 000	1 368				
QCTO		393 000	701 881	1 924 024***	2 033 750***	2 159 843***	2 293 753***
Mandatory Grants @76% payout ratio	99 892 000	54 936 000	46 332 369	58 490 329 #	61 826 000 #	65 659 212 #	69 730 083 #
Discretionary Costs	104 015 000	144 277 000	141 921 911	230 734 042 @	243 879 414@	258 999 937 @	275 057 934 @
DRDLR expenditure	15 474 000	24 702 000	14 958 543				
Surrender of surplus funds	0	0	85 015 893		0	0	0
Surplus	2 081 000	52 165 000	2 019 136	0	0	0	0

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* As per the Skills Development Levies Act, 80% of Levies collected from employers is transferred to the Seta and the remaining 20% to the National Skills Fund. Of the 80% received by the Seta, 10.5% can be utilized for administration costs, 49.5% for discretionary grants and 20% for mandatory grants. These allocations have therefore been used to apportion the expected budgeted income

** Inflationary increases of 6.2% were applied to administration costs.

*** QCTO costs have been determined at 0.5% of the 80% budgeted levy income. This is as per the new grant regulations. An inflationary increase of 6.2% has been applied.

Mandatory grants have been budgeted for at the grant payout percentage of 76%. Based on historic trends, only 76% of the 20% mandatory income is paid out as mandatory grants. An inflationary increase of 6.2% has been applied

@ Discretionary costs have been budgeted for at the legislated 49.5% of total ADL income, unclaimed mandatory income and interest and penalties. An inflationary increase of 6.2% has been applied.

2.3 Allocation of various priorities/ programmes

Allocations for various strategic objectives are made against funds available after the Minister of Finance set a ceiling for expenditure of SETAs.

Mandatory grant and administration payments are calculated on the full projected levy whilst and discretionary funds will be based on the ceiling amount.

The full (100%) sector levy income is estimated at R406 750 000.

Admin Expenditure	R44 338 750
From levy income (10.5%)	R42 708 750
From Govt Departments ($\frac{1}{3}$ of R4,2m)	R1 630 000
Mandatory Expense @ 76% pay out %: R384.8m x 76% x 20%	R81 350 000
Discretionary Expenditure	R243 897 414
Levy income (49.5%)	R201 341 250
Non-claimed mandatory grants (24%)	R19 524 000
Interest and penalties (2014/-15 actual figure)	R6 574 518
Interest on investments (2014/-15 actual figure)	R13 466 046
Government Dept. income ($\frac{2}{3}$ of R4,2 mil)	R2 973 600

2.4 Reconciling Performance targets with the budget and MTEF

OBJECTIVES	Audited outcome			Revised estimate	Medium-term estimate		
	2012/13 R'000	2013/14 R'000	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Administration/Operations	28 024	31 525	50 623	39 881	42 354	44 980	47 769
Discretionary Grants (@ 49.5%)	104 015	144 277	141 922	230 734	245 040	260 232	276 366
Mandatory Grants (@ 20%)	99 892	54 935	46 332	58 490	62 116	65 968	70 058
Other Objectives (NSF)/QCTO	15 484	24 711	85 718	1 924	2 043	2 170	2 305
Total expense	247 415	255 449	324 595	331 029	351 553	373 349	396 498

Financial information

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2012/13 R'000	2013/14 R'000	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Details							
Revenue	234 022	273 565	298 378	314 035	333 505	354 182	376 142
Tax revenue							
Non-tax revenue	15 474	34 049	28 236	16 994	18 048	19 167	20 355
Sale of goods and services other than capital assets <i>of which:</i>							
Admin fees							
Sales by market establishments							
Other sales							
Other non-tax revenue							
Transfers received							
Total revenue	249 496	307 614	326 614	331 029	351 553	373 349	396 497
Expenses							
Current expense							
Compensation of employees	9 412	10 403	11 856	11 950	12 691	13 478	14 314
Goods and services	237 596	245 002	312 353	318 666	338 423	359 406	381 689
Depreciation(Actual) /CAPEX – Furniture	94	102	105	64	139	148	157
Depreciation(Actual) /CAPEX – Motor Vehicles	62	126	64	0	0	0	0
Depreciation(Actual) /CAPEX – Office Equipment	96	72	67	110	116	123	131
Depreciation(Actual) /CAPEX – IT Equipment	152	123	143	239	184	195	207
Depreciation(Actual) /CAPEX – Project Assets	3	22	7	0	0	0	0
Interest, dividends and rent on land							
Utilization of Prior Year Funds							
Total expenses	247 415	255 449	324 595	331 029	351 553	373 349	396 497
Surplus / (Deficit)	2 081	52 165	2 019	0	0	0	0

All values above in R'000

3. DIRECT CHARGE AGAINST THE DISCRETIONARY (BUDGET)

The tables below reflect the direct charges/expenditure against the discretionary allocations for the strategic goals as identified through a sector skill planning process. The focus of the 2016/-17 APP is on PIVOTAL programmes. Therefore;

APP - 2016/17 SO 2 & 3

PROGRAMME	RATE	NO.LEARNERS	TOTAL
LEARNERSHIP 18.1	R 18 200.00	2300	R 41 860 000.00
SKILLS PROGRAMMES 18.1	R 4 368.00	2304	R 10 063 872.00
AET	R 4 246.00	827	R 3 511 442.00
COMMODITY ORGANISATIONS	R 500 000.00	16	R 8 000 000.00
INTERNSHIPS	R 45 000.00	300	R 13 500 000.00
GRADUATE PLACEMENT - TVET	R 45 000.00	100	R 4 500 000.00
GRADUATE PLACEMENT - UNIVERSITY	R 45 000.00	250	R 11 250 000.00
ARTISAN DEVELOPMENT	R 50 000.00	210	R 10 500 000.00
BURSARIES-EMPLO - POST GRAD	R 60 000.00	30	R 1 800 000.00
BURSARIES-EMPLO - UNDER GRAD	R 37 500.00	70	R 2 625 000.00
BURSARIES-UNEMPLOY - POST GRAD	R 60 000.00	30	R 1 800 000.00
BURSARIES-UNEMPLOY - UNDER GRAD	R 37 500.00	170	R 6 375 000.00
LEARNERSHIP 18.2	R 30 880.00	1536	R 47 431 860.00
SKILLS PROGRAMMES 18.2	R 4 368.00	3500	R 15 288 000.00
LEARNERSHIP - NVC	R 39 265.00	50	R 1 963 250.00
			R 180 468 244.00

OTHER SO (ETQA & SP & SD)

HIV	R 200.00	1000	R 200 000.00
AGRIC COLLEGES	R 500 000.00	11	R 5 500 000.00
DEV.OCCUPATIONALLY DIRECTED QUAL.	R 600 000.00	5	R 3 000 000.00
ALIGNMENT TO QCTO (AQP)	R 300 000.00	4	R 1 200 000.00
EXPAND ON RPL	R 1 500 000.00	6	R 9 000 000.00
DEV. CAPACITY FOR BOARD	R 125 000.00	4	R 500 000.00
LEADER DEVELOP LEADERSHIP CAPACITY	R 40 000.00	40	R 1 600 000.00
PARTNERSHIP WITH PUBLIC ENTITIES			R 500 000.00
PARTNERSHIP WITH DAFF (RESEARCH)	R 20 000.00	100	R 2 000 000.00
MG ROADSHOW	R 52 246.01	9	R 470 214.10
MINISTERIAL PROJECT (SD)			R 10 000 000.00
MENTORSHIP (SD)	R 446 000.00	25	R 11 150 000.00
			R 45 117 692.00

ADMIN - 7.5%

R 18 290 956.00

AGRISETA ANNUAL PERFORMANCE PLAN 2016/-17

R 243 879 414.00

The total planned investment in PIVOTAL activities adds up to at least R180.4 million or at least 80%.

It should be noted that for all training interventions figures reflected is for enrolments. A minimum successful completion rate of 50% is set with the exception of NVC where a 70% success rate is targeted. These statements will not be repeated in the tables to follow.

Total available discretionary fund:	R 243 897 414
To be allocated in this APP	R243 897 414

4. PROGRAMME AND SUB-PROGRAMMES

Following is a logical framework aligning the Seta's programmatic work and its related strategic objectives; infused in the objectives are selected performance indicators by programme and its related outcomes, these are presented in PART - D & E respectively:

4.1 PROGRAMME 1: Skills Planning & Research

4.1.1. PURPOSE

This programme aims to ensure that HRD information is available and contribute to skills development planning.

4.1.2. STRATEGIC OBJECTIVES

Establish a credible mechanism for skills planning and delivery in the agricultural sector.

SUB-OBEJECTIVES	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 1.1 Reliable sector intelligence and information to support planning, monitoring and evaluation	Skills planning, monitoring and evaluation system are fully established as per the sector needs	Skills Planning Department
SO 1.2 Learning and skills development communicated to youth	Learning and skills development needs and opportunities communicated, through	Marketing & Communication
SO 1.3 Strengthen SSCs	SSCs strengthened and utilised	Skills Planning Department

4.1.3. SKILLS PLANNING DEPARTMENT

This sub-programme primarily provides management and administrative support and reports directly to the Chief Executive Officer; who is responsible for reporting to the Board and leading the strategic direction and leadership of AgriSETA.

The department facilitates through its Units (Mandatory & Reporting) improved effectiveness in planning, research & reporting; in that role it provides:

- Sector Informed Research policy statement.
- Approved Sector based research agenda.
- Research informed Sector Skills Plan developed.
- Credible partnership with the research establishment.

4.1.4. COMMUNICATION AND MARKETING

This sub-programme supports the Office of the CEO by providing leadership & management for this objective output; it also handles all programmatic work related to the youth by implementing career guidance and counselling.

4.2 PROGRAMME 2: Skills Delivery

4.2.1. PURPOSE

This programme's aim is to maximize through skills development impact on the productivity and profitability of the agricultural sector.

4.2.2. STRATEGIC OBJECTIVES

Establish PPPs to encourage better use of work-place skills development

SUB-OBJECTIVES	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 2.1 Work based vocational / occupational learning for workers	To provide: <ul style="list-style-type: none"> • Learnership Programmes • Skills Programmes • AET to employed learners – (18.1) specific for the Agricultural Sector, support commodity organisations as per the prescript of the NSDS III	Skills Delivery Department
SO 2.2 Work integrated exposure to bridge educational gaps	To award: <ul style="list-style-type: none"> • Internships Programmes and Graduate Placement to TVET /Agricultural Colleges	Skills Delivery Department
SO 2.3 Address middle level skills	To strengthened the escalation of Artisan Development	Skills Delivery Department
SO 2.4 Address high level skills	To offer Bursaries for the 18.1s & 18.2s at both cohort strata: <ul style="list-style-type: none"> • Post Grad & • Under Grad 	Skills Delivery Department
SO 2.5 Create awareness re. HIV/AIDS	To further enhance awareness on HIV/AIDS Prevalence & Infection	Marketing & Communication

4.2.3. SKILLS DELIVERY DEPARTMENT

This sub-programme provides management and administrative support and reports directly to the Chief Executive Officer; who is responsible for reporting to the Board and its related Su-Committee, the CEO also leads the strategic direction and leadership of AgriSETA.

The department facilitates through its personnel (Projects Managers & Coordinators) the effective delivery of:

- Learnerships.
- Skills Programmes.
- Further Adult, Education and Training.
- A range of Commodity Organisations are engaged on number pf projects.
- Internships awarded.
- Graduate placement's.
- Artisans trained annually.

4.2.4. COMMUNICATION AND MARKETING

The continued new infections of HIV/AIDS amongst the youth threaten to escalate the prevalence rate of new HIV infection in our country and cannot be taken lightly. Our Marketing & Communication sub-programme supports the Office of the CEO by providing leadership & management for this objective output; through awareness campaign; a DVD produced and distributed annually in rural farming communities. This is done in keeping up with the momentum to sustain the positive messages about the effects of HIV & AIDS.

4.3 PROGRAMME 3: Skills Delivery (Food Security & Rural Dev)

4.3.1 PURPOSE

This programme aims to contribute towards food security and self-employment in the agricultural sector.

4.3.2. STRATEGIC OBJECTIVES

Support agricultural and rural development processes and strategies to promote food security and growth of the rural economy.

SUB-OBEJECTIVES	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 3.1 Occupational learning aimed at rural people and structures	To provide: <ul style="list-style-type: none"> • Learnership Programmes • Skills Programmes to unemployed learners – (18.2) specific for the Agricultural Sector, support Mentorships and other learning programmes to support new & emerging farmers as per the prescript of the NSDS III	Skills Delivery Department
SO 3.2 Support entrepreneurial development	To implement: <ul style="list-style-type: none"> • New Venture Creations Programmes 	Skills Delivery Department
SO 3.3 Engage NGO/ CBO's in strategic partnership with agric organisations	To support with learning inventions to: <ul style="list-style-type: none"> NGOs CBOs Co-ops Learnerships are supported, combining New Venture Creations to the 18.2s	Skills Delivery Department

4.3.3. SKILLS DELIVERY DEPARTMENT

This sub-programme provides management and administrative support and reports directly to the Chief Executive Officer; who in turn reports to the Board and its related Sub-Committees; the CEO also leads the strategic direction and leadership of AgriSETA. The department facilitates through its personnel (Projects Managers & Coordinators) the effective delivery of:

- Learnerships – 18.2s
- Skills Programmes – 18.2s
- Mentorship Projects

- As well as a range of New Venture Creations Programmes implemented across the sector,
- Learnerships are also supported, combining New Venture Creations targets for the (18.2s)

4.4 PROGRAMME 4: Education, Training & Quality Assurance

4.4.1. PURPOSE

This programme aims to ensure that there is sufficient, high quality skills development institutions serving the agricultural sector.

4.4.2 STRATEGIC OBJECTIVES

Enhancing agricultural education and training systems to be more responsive to the needs of the sector.

SUB-OBEJECTIVES	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 4.1 Promote growth of AFETs and TVET's involved in agriculture	To support the Agricultural Colleges with capacity building Programmes	ETQA Department
SO 4.2 Develop occupationally directed qualifications	To support the sector to develop qualifications & learning materials	ETQA Department
SO 4.3 Alignment to QCTO requirements (AQPs)	To support the establishment of AQPs	ETQA Department
SO 4.4 Expand on RPL	To support the full implementation of RPL at Agric Colleges and TVET Colleges	ETQA Department

4.4.3. ETQA DEPARTMENT

This sub-programme primarily provides management and administrative support and reports directly to the Chief Executive Officer; who is also responsible for reporting to the Board and leading the strategic direction and leadership of AgriSETA.

The department facilitates through its personnel (Projects Manager & Coordinators) the full implementation of:

- Agric Colleges capacitated, with Lectures supported for further training.
- Supported newly developed occupational qualifications.
- Establishment of AQPs.
- Implement models of RPL understudy projects.

4.5 PROGRAMME 5: Agricultural Leadership Programme

4.5.1. PURPOSE

This programme aims to improve the service delivery of public institutions in the agricultural sector.

4.5.2. STRATEGIC OBJECTIVES

Increase public sector capacity and other relevant actors for improved service delivery and to provide appropriate support for the agricultural and rural development

SUB-OBJECTIVES	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 5.1 Develop capacity of AgriSETA structures	Provide Capacity to Board Standing Committees	Office of the CEO
SO 5.2 Develop leadership capacity in sector	Co-facilitate the process leading to the Agricultural Leadership Development	Skills Planning Department
SO 5.3 Develop delivery partnerships with public entities	<ul style="list-style-type: none"> • Facilitate Partnership Leadership Programmes through Public Entities • Partnership with DAFF (Research Output) for SSCs • Partnership with Public Entities in support of (Ministerial Projects) 	Office of the CEO Skills Planning Department Office of the CEO

4.5.3. SKILLS PLANNING DEPARTMENT/OFFICE OF THE CEO

This sub-programme primarily provides management and administrative support and reports directly to the Chief Executive Officer; who is responsible for reporting to the Board and leading the strategic direction and leadership of AgriSETA.

The department facilitates through the (Office of the CEO) the delivery of the Agricultural Leadership Development Programme and ensures equity and fairness in the recruitment process leading to the selection and nominations of well suited candidates for the ALDP, in achieving this the Department collaborates closely with the University of Pretoria in the selection and recruitment of the appropriately qualified cohorts of students:

4.5.4. OFFICE OF THE CEO

This sub-programme supports the delivery of high level programmatic work related to:

- Board Capacity development.
- Ministerial Partnership arrangements.
- Partnerships with Public Entities.

4.6 PROGRAMME 6: Skills Planning Department (Mandatory Grants)

4.6.1. PURPOSE

This programme aims to ensure that the maximum number of enterprises in the sector participate in the National Skills Development Strategy.

4.6.2. STRATEGIC OBJECTIVES

To administer the mandatory grant system to ensure effective workplace skills planning (WSPs and annual training reporting (ATR) of the companies and the disbursement of the mandatory grants funding.

STRATEGIC OBEJECTIVES	OBJECTIVE STATEMENT	SUB-PROGRAMMES
SO 6.1 Develop and implement new MG system	Implement an enhanced access to an-online MG system	Skills Planning Department (Mandatory Grants Unit)
SO 6.2 Increase participation to 76%	Hold national roads Show Campaigns specific to Mandatory Grants mobilisation across the sector	Communication & Marketing

4.6.3. SKILLS PLANNING DEPARTMENT (Mandatory Grant)

This sub-programme primarily provides management and administrative support for the administration of the Mandatory Grants and is also responsible for the processing of WSPs/ATRs when submitted every April.

The department facilitates through this Unit (Mandatory) improved effectiveness in planning, collating the submission of WSPs & ARTs; in that role it provides:

- Levy paying employers to participate directly in the skills levy system.
- It increases the basis for constantly endeavouring to participate in the mandatory grant system (WSP/ATRs).
- Furthermore the WSP/ATR system provides invaluable research data for Skills Planning purposes.

4.6.4. COMMUNICATION AND MARKETING

This sub-programme supports the Office of the CEO by providing leadership & management for this objective output; it also handles all programmatic work related to the AgriSETA roadshows and it also encapsulate Mandatory Programme campaigns and programmes.

5. PART – E: PROGRAMME AND SUB-PROGRAMMES (ANNUAL PLANS: CURRENT, PAST, PLANNED, & PROJECTIONS)

5.1. Strategic objective 1: Establish a credible mechanism for skills planning and delivery in agricultural sector

Purpose: To ensure that HRD information is available and contribute to skills development planning

Objective Statement 1: Facilitating a common understanding of the dynamics of the sector and its human development needs to support inclusive growth and development of the sector (Previous title: Establish a credible mechanism for skills planning and delivery in the agricultural sector) (This section combines Focal Area 1 and Focal Area 6 of the Strategic Plan)						
PROGRAMME PERFORMANCE INDICATOR						
Programme 1	Estimated Performance	Audited Actual Performance		Medium Term Target		
Strategic Objective	2015/2016	2013/2014	2014/2015	2016/2017	2017/2018	2018/2019
SO 1.1 Reliable sector intelligence and information to support planning, monitoring and evaluation	Research and submit Sector Skills Plan					
	Final SSP Submitted to the DHET on the 3 rd Agust 2015 met (FINAL DUE DATE)	SSP updated, approved by the Board and submitted to the DHET	SSP updated, approved by the Board and submitted to the DHET	1 X SSP to be submitted, August 2016	1 x SSP to be submitted, August 2017	1 x SSP to be submitted August 2018
SO 1.2 Learning and skills development communicated to youth	Learning and skills development needs and opportunities communicated, through					
	20 000 career guides 15 x Expos 120 Schools 7 000 learners (transferred from previous Strat goal 6)	8 Career Expo's were held, with close to 3000 Learners exposed	10 Career expo's were held, around 5000 Learners had come through. The Seta has been growing this aspect of its work and is now recognised for its growing impact	20 000 x careers info guides distributed. 15 x careers expo's participated. 120 x schools visited and 7 000 x learners exposed to career guidance	25 000 x careers info guides distributed. 20 x careers expo's participated. 125 x schools visited and 8 000 x learners exposed to career guidance	30 000 x careers info guides distributed. 25 x careers expo's participated. 130 x schools visited and 10 000 x learners exposed to career guidance
SO 1.3 Strengthen SSCs	SSCs strengthened and utilised					
	12 SSCs (12 newly established) and 2 plenary meetings to be held; including 12 individual meetings	SSCs re-established after a long spell of non functioning	SSC's newly formed	Minimum of 2 meetings per SSC and 2 plenary held during 16/17 with an approved research agenda	Minimum of 2 meetings per SSC and 2 plenary held during 17/18 with an approved programme of action and research agenda	Minimum of 2 meetings per SSC and 2 plenary held during 18/19 with an approved programme of action and research agenda

5.2. Strategic objective 2: Establish PPPs to encourage better use of work-place skills development

Purpose: To, through skills development impact on the productivity and profitability of the agricultural sector

Objective Statement 2: Building and supporting partnerships to facilitate access to learning programmes, enhance the quality of learning programmes and raise the skills base of the sector (Reference Strategic Objective 3, 4,5 and 6 in SSP)						
PROGRAMME PERFORMANCE INDICATOR						
Programme 2	Estimated Performance	Audited Actual Performance		Medium Term Target		
Strategic Objective	2015/2016	2013/2014	2014/2015	2016/2017	2017/2018	2018/2019
SO 2.1 Work based vocational / occupational learning for workers	Intensify the establishment of PPPs to encourage better use of work-place skills development					
Related - acronymys' LS – Learnerships SP – Skills Programme NVCs – New Venture Creation	Provide: Learnership Programmes, SkillsProgrammes and AET to employed learners – (18.1) and support commodity organisations as per the prescript of the NSDS III	LS-800 SP-1200 AET-1000 Commodity Orgs 16	LS-675 SP- 900 AET-850 Commodity - 10	LS-2300 SP-2304 AET -827 Commodity Orgs - 16	LS-2300 SP-2304 AET -827 Commodity Orgs - 16	LS-2300 SP-2304 AET -827 Commodity Orgs - 16
SO 2.2 Work integrated exposure to bridge educational gaps	Intensify the establishment of PPPs to encourage better use of work-place skills development					
	Award: Internships Programmes And graduate placement to TVET /Agricultural Colleges	INT-400 G.PL-300	INT- 250 G-PL 275	INT-300 G.PL 350	INT-310 G.PL 350	INT-320 G.PL 350
SO 2.3 Address middle level skills	Intensify the establishment of PPPs to encourage better use of work-place skills development					
	Further strengthening the escalation of Artisan Development	Art.Dev-100	Art.Dev 210	Art.Dev 210	Art.Dev 220	Art.Dev 230
SO 2.4 Address high level skills	Intensify the establishment of PPPs to encourage better use of work-place skills development					
	Offer Bursaries for the 18.1s & 18.2s at both cohort strata: Post Grad & Under Grad	B(18.1)–50 B(18.2)-90	B(18.1)–70 B(18.2)-150	B(18.1)–100 B(18.2)-200	B(18.1)–120 B(18.2)-100	B(18.1)–125 B(18.2)-105
SO 2.5 Create awareness re. HIV/AIDS	Intensify HIV/AIDS Sector awareness, a Campaign through a DVD					
	To further enhance awareness on HIV/AIDS Prevalence & Infection	100	100	Distribute 500 DVDs at Roadshows	Distribute 500 DVDs at Roadshows	Distribute 500 DVDs at Roadshows

5.3. Strategic objective 3: Support agricultural and rural development processes and strategies to promote food security and growth of the rural economy

Purpose: To contribute to food security and self-employment in the agricultural sector

Objective Statement 3: Skills development located within the agriculture supply chain contributing to growth in the rural economy (Reference Strategic Objective 2 and 6 in SSP)						
PROGRAMME PERFORMANCE INDICATOR						
Programme 3	Estimated Performance	Audited Actual Performance		Medium Term Target		
Strategic Objective	2015/2016	2013/2014	2014/2015	2016/2017	2017/2018	2018/2019
SO 3.1 Occupational learning aimed at rural people and structures	Support agricultural and rural development processes to promote food security and growth of the rural economy					
Related - accronmys' LS – Learnerships SP – Skills Programme NVCs – New Venture Creation	To provide: Learnership Programmes & SkillsProgrammes for unemployed learners – (18.2) specific for the Sector, support Mentorships and other learning programmes to support new & emerging farmers as per the prescript of the NSDS III	LS – 800 SP – 3000 Mentors –25	LS – 650 SP – 3000 Mentor – 25	LS – 1536 SP – 3500 Mentor's - 25	LS – 1536 SP – 3500 Mentor's - 25	LS – 1536 SP – 3500 Mentor's - 25
SO 3.2 Support entrepreneurial development	Support agricultural and rural development processes to promote food security and growth of the rural economy					
	To implement: New Venture Creations Programmes	NVC – 50 People trained	50 People trained	50 People trained	60 will be trained	70 will trained
SO 3.3 Engage NGO/ CBO's in strategic partnership with agric organisations	Support agricultural and rural development processes to promote food security and growth of the rural economy					
	To support with learning interventions to: NGOs, CBOs, Co-ops +- 220 Learnerships are supported, combining New Venture Creations to the 18.2s	100 Organisations trained	200 Organisations trained	220 to be trained currently	A further 220 to be trained	230/35 to be trained respectively

5.4. Strategic objective 4: Enhancing agricultural education and training systems to be more responsive to the needs of the sector

Purpose: To ensure that there is sufficient, high quality skills development institutions serving the agricultural sector

Objective Statement 4: Building and supporting partnerships to facilitate access to learning programmes, enhance the quality of learning programmes and raise the skills base of the sector(Reference Strategic Objective 5 in SSP)						
PROGRAMME PERFORMANCE INDICATOR						
Programme 4	Estimated Performance	Audited Actual Performance		Medium Term Target		
Strategic Objective	2015/2016	2013/2014	2014/2015	2016/2017	2017/2018	2018/2019
SO 4.1 Promote growth of AFETs and TVET's involved in agriculture	Enhancing agricultural education and training systems to be more responsive to the needs of the sector					
	Support the Agricultural Colleges with capacity building Programmes	12 Colleges (AFETs)	Redused to 11 Colleges, as 1 College gets amalgamated into the University of Mpumalanga	11 Colleges supported	11 Colleges supported	11 Colleges supported
SO 4.2 Develop occupationally directed qualifications	Enhancing agricultural education and training systems to be more responsive to the needs of the sector					
	Support the sector to develop qualifications & learning materials	6 Quals developed	6 Qualifications fully developed	5 Qualifications developed	10 to be supported as uptake improves	10 to be supported and number to increase in the future
SO 4.3 Alignment to QCTO requirements	Enhancing agricultural education and training systems to be more responsive to the needs of the sector					
	Support the establishment of AQPs	4 AQPs supported	8 AQPs were supported	5 AQPs currentl supported	6 will be the adjusted figure for yr 17	10 will be the incremental AQPs number in the nearest future
SO 4.4 Expand on RPL	Enhancing agricultural education and training systems to be more responsive to the needs of the sector					
	Support the full implementation of RPL at Agric Colleges and TVET Colleges	6 RPL Projects Supported	6 RPL Projects Supported	6 RPL Projects Supported	11 RPL Projects currently Supported	11 Will be retained as good pilot, until the system is able to accommodate more

5.5. **Strategic objective 5: Increase public sector capacity and other relevant actors for improved service delivery and to provide appropriate support for agricultural and rural development**

Purpose: To improve the service delivery of public institutions in the agricultural sector

Objective Statement 5: Supporting skills development within DAFF and DRDLR to provide appropriate support to agricultural enterprises, establishing sound social partner governance structures and systems, monitoring human development and evaluating impact (Reference: Strategic Objective 6 and 7 in SSP)						
PROGRAMME PERFORMANCE INDICATOR						
Programme 5	Estimated Performance	Audited Actual Performance		Medium Term Target		
Strategic Objective	2015/2016	2013/2014	2014/2015	2016/2017	2017/2018	2018/2019
SO 5.1 Develop capacity of AgriSETA structures	To improve the service delivery of public institutions in the agricultural sector					
	Provide Capacity to Board Standing Committees	–	–	(NEW) 1 x Capacity Development for the Board Members on Governance and related modalities	2 x Board Capacity Development 4 of the Board Structures	2x Board Capacity Development Session 4 of the Board Structures
SO 5.2 Develop leadership capacity in sector	To improve the service delivery of public institutions in the agricultural sector					
	Co-facilitate the process leading to the Agricultural Leadership Development	40 AgriLeaders trained across the value chain	50 AgriLeaders trained across the value chain	40 AgriLeaders will be trained across the value chain	40 AgriLeaders trained across the value chain	40 AgriLeaders trained across the value chain
SO 5.3 Develop delivery partnerships with public entities	To improve the service delivery of public institutions in the agricultural sector					
	Facilitate Partnership Leadership Programmes through Public Entities Partnership with DAFF (Research Output) for SSCs Partnership with Public Entities in support of (Ministerial Projects)	50 Extension Officer's trained	50 Extension Officers trained	50 Extension Officer's trained	60 will be trained	70 will be trained, it is expected the cohort will increase as Seta's move into NSDS IV

5.6. Strategic objective 6: To administer the mandatory grant system to ensure effective workplace skills planning (WSPs) and annual training reporting (ATR) of the companies and the disbursement of the mandatory grants funding

Purpose: To ensure that the maximum number of enterprises in the sector participate in the National Skills Development Strategy

Objective Statement 6: To promote active participation in the skills revolution by increasing mandatory grant activities (Reference: Strategic Objective 1 in SSP)						
PROGRAMME PERFORMANCE INDICATOR						
Programme 6	Estimated Performance	Audited Actual Performance		Medium Term Target		
Strategic Objective	2015/2016	2013/2014	2014/2015	2016/2017	2017/2018	2018/2019
SO 6.1 Develop and implement new MG system	Administer the mandatory grant system to ensure effective workplace skills planning (WSPs) and annual training reporting (ATR)					
	Implement an enhanced access to an-online MG system	30 SDF Trained	40 SDF Trained as an assistance to Levy Paying Organisations	50 SDF to be trained as a form of assistane to Levy paying organisations	50 SDF to be trained as a form of assistane to Levy paying organisations <i>(target will be staying the same due pending NSDSIV and related new seta landscape.)</i>	50 SDF to be trained as a form of assistane to Levy paying organisations <i>(target will be staying the same due pending NSDSIV and related new seta landscape.)</i>
SO 6.2 Increase participation to 76%	Administer the mandatory grant system to ensure effective workplace skills planning (WSPs) and annual training reporting (ATR)					
	Hold national roasd Show Campaigns specific to Mandatory Grants mobilisation across the sector	Sector awareness Campaign through Roadshows	Sector awareness Campaign through Roadshows	Sector awareness Campaign through Roadshows	Sector awareness Campaign through Roadshows	Sector awareness Campaign through Roadshows

6. PART – F: PROGRAMME AND SUB-PROGRAMME (ANNUAL PLANS: QUARTERLY REPORTING)

6.1. Strategic objective 1: Establish a credible mechanism for skills planning and delivery in agricultural sector

Purpose: To ensure that HRD information is available and contribute to skills development planning

Objective Statement 1: Facilitating a common understanding of the dynamics of the sector and its human development needs to support inclusive growth and development of the sector (Previous title: Establish a credible mechanism for skills planning and delivery in the agricultural sector) (This section combines Focal Area 1 and Focal Area 6 of the Strategic Plan)						
Programme 1: Skills Planning & Research						
Programme Performance Indicator	Researched updated Sector Skills Plan (SSP) updated and approved by AgriSETA Board submitted to the DHET					
Strategic Objective	Baseline			Quarters		
	2014/2015	2015/2016	2016/2017	Q2	Q3	Q4
SO 1.1 Reliable sector intelligence and information to support planning, monitoring and evaluation	Research and submit Sector Skills Plan					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	SSP updated, approved by the Board and submitted to the DHET	Final SSP Submitted to the DHET on the 3 rd August 2015 met (FINAL DUE DATE)	1 x Researched & updated Sector Skills Plan (SSP) and approved by AgriSETA Board for submission in August 2016	1 x SSP Researched and Submitted by August 2016	1 x Research Partnership	1 x Research Desk, established and fully functional
SO 1.2 Learning and skills development communicated to youth	Learning and skills development needs and opportunities communicated, through					
Notes: (objective was originally transferred from previous Strat goal 6 Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	10 Career expo's were held, around 5000 Learners had come through. The Seta has been growing this aspect of its work and is now recognised for its growing impact	20 000 career guides 15 x Expos 120 Schools 7 000 learners	20 000 x careers info guides distributed. 15 x careers expo's participated. 120 x schools visited and 7 000 x learners exposed to career guidance	5 000 Pamphlets distributed 4 x Expos attended 40 Schools visited 2000 learners attended	5 000 Pamphlets distributed 4 x Expos attended 40 Schools visited 2000 learners attended	5 000 Pamphlets distributed 4 x Expos attended 40 Schools visited 2000 learners attended
SO 1.3 Strengthen SSCs	SSCs strengthened and utilised					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	SSC's newly formed	12 SSCs (12 newly established) and 2 plenary meetings to be held; including 12 individual meetings	Minimum of 2 meetings per SSC and 2 plenary held during 16/17 with an approved research agenda	1 x Plenary meeting held	12 x SSC meetings held	12 x SSC meetings held

6.2. Strategic objective 2: Establish PPPs to encourage better use of work-place skills development

Purpose: To, through skills development impact on the productivity and profitability of the agricultural sector

Objective Statement 2: Building and supporting partnerships to facilitate access to learning programmes, enhance the quality of learning programmes and raise the skills base of the sector (Reference Strategic Objective 3, 4,5 and 6 in SSP)						
Programme 2: Establish PPPs to encourage better use of work-place skills development						
Programme Performance Indicator	Establish PPPs to encourage better use of work-place skills development					
	Baseline			Quarters		
Strategic Objective	2014/2015	2015/2016	2016/2017	Q2	Q3	Q4
SO 2.1 Work based vocational / occupational learning for workers	1. Intensify the establishment of PPPs to encourage better use of work-place skills development					
Related - accronmys' LS – Learnerships SP – Skills Programme NVCs – New Venture Creation	LS-675 SP- 900 AET-850 Commodity - 10	Provide: LS /SP, and AET to employed learners – (18.1) & support commodity organisations.	LS-2300 SP-2304 AET -827 Commodity Orgs - 16	LS – 300 SP – 600 AET – 400 Commodity Orgs - 6	LS – 800 SP – 1 000 AET – 235 Commodity Orgs - 8	LS – 1125 SP – 629 AET – 77 Commodity Orgs - 0
SO 2.2 Work integrated exposure to bridge educational gaps	2. Intensify the establishment of PPPs to encourage better use of work-place skills development					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	INT- 250 G-PL 275	Award: Internships Programmes And graduate placement to TVET /Agricultural Colleges	INT-300 G.PL 350	INT -25 G-PL 100	INT -0 G-PL 100	INT -250 G-PL 125
SO 2.3 Address middle level skills	3. Intensify the establishment of PPPs to encourage better use of work-place skills development					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	Art.Dev 210	Further strengthening the escalation of Artisan Development	Art.Dev 210	Art.Dev 100	Art.Dev 50	Art.Dev 30

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SO 2.4 Address high level skills	4. Intensify the establishment of PPPs to encourage better use of work-place skills development					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	B(18.1)-70 B(18.2)-150	Offer Bursaries for the 18.1s & 18.2s at both cohort strata: Post Grad & Under Grad	B(18.1)-100 B(18.2)-200	P- Grad Employed B(18.1)- 0 U-Grad Employed B(18.2)- 0 PGradUnemployed B(18.1)- 0 UGradUnemployed B(18.1)- 0	P-Grad Employed B(18.1)- 0 U-Grad Employed B(18.2)- 0 P- Grad Unemployed B(18.1)- 0 P- Grad Unemployed B(18.1)- 0	P-Grad Employed B(18.1)- 30 U-Grad Employed B(18.2)- 70 P- Grad Unemployed B(18.1)- 30 P- Grad Unemployed B(18.1)- 170
SO 2.5 Create awareness re. HIV/AIDS	5. Intensify the establishment of PPPs to encourage better use of work-place skills development					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	Distribute 1000 DVDs to in the promotion of awareness of HIV/AIDS	To further enhance awareness on HIV/AIDS Prevalence & Infection	Distribute 1000 DVDs at Roadshows	-	-	Distribute 1000 DVDs at Roadshows

6.3. Strategic objective 3: Support agricultural and rural development processes and strategies to promote food security and growth of the rural economy

Purpose: To contribute to food security and self-employment in the agricultural sector

Objective Statement 3: Skills development located within the agriculture supply chain contributing to growth in the rural economy (Reference Strategic Objective 2 and 6 in SSP)						
Programme 3: Skills Delivery (Food Security & Rural Dev)						
Programme Performance Indicator	Support agricultural and rural development processes to promote food security and growth of the rural economy					
Strategic Objective	Baseline			Quarters		
	2014/2015	2015/2016	2016/2017	Q2	Q3	Q4
SO 3.1 Occupational learning aimed at rural people and structures	Support agricultural and rural development processes to promote food security and growth of the rural economy					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	LS – 650 SP – 3000 Mentor – 25	Provide: LS/SP – (18.2) specific for the Sector, support Mentorships and LP to support new & emerging farmers.	LS – 1536 SP – 3500 Mentor's - 25	LS – 200 SP – 1000 Mentor's - 5	LS – 300 SP – 1500 Mentor's - 10	LS – 836 SP – 500 Mentor's - 5
SO 3.2 Support entrepreneurial development	Support agricultural and rural development processes to promote food security and growth of the rural economy					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	50 People trained	To implement: New Venture Creations Programmes	50 People trained	25 People trained	5 People trained	0 People trained
SO 3.3 Engage NGO/ CBO's in strategic partnership with agric organisations	Support agricultural and rural development processes to promote food security and growth of the rural economy					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	200 Organisations trained	To support with learning interventions to: NGOs, CBOs, Co-ops +- 220 LS are supported, combining NVC to the 18.2s	220 to be trained currently	100 to be trained currently	25 to be trained currently	45 to be trained currently

6.4. Strategic objective 4: Enhancing agricultural education and training systems to be more responsive to the needs of the sector

Purpose: To ensure that there is sufficient, high quality skills development institutions serving the agricultural sector

Objective Statement 4: Building and supporting partnerships to facilitate access to learning programmes, enhance the quality of learning programmes and raise the skills base of the sector(Reference Strategic Objective 5 in SSP)						
Programme 1: Skills Planning & Research						
Programme Performance Indicator	Researched updated Sector Skills Plan (SSP) updated and approved by AgriSETA Board submitted to the DHET					
	Baseline			Quarters		
Strategic Objective	2014/2015	2015/2016	2016/2017	Q2	Q3	Q4
SO 4.1 Promote growth of AFETs and TVET's involved in agriculture	Enhancing agricultural education and training systems to be more responsive to the needs of the sector					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	Redused to 11 Colleges, as 1 College gets amalgamated into the University of Mpumalanga	Support the Agricultural Colleges with capacity building Programmes	11 Colleges supported	Continue with 11 colleges 3 TVET Continue with 14 TVETs	Continue with 11 colleges and 3 TVET 40 lecturers Continue with 14 TVETs	Continue with 11 colleges and 3 TVET Continue with 14 TVETs
SO 4.2 Develop occupationally directed qualifications	Enhancing agricultural education and training systems to be more responsive to the needs of the sector					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	6 Qualifications fully developed	Support the sector to develop qualifications & learning materials	5 AQPs currentl supported	1 x Qualification Developed	1 x Qualification Developed	2 x Qualification Developed
SO 4.3 Alignment to QCTO requirements	Enhancing agricultural education and training systems to be more responsive to the needs of the sector					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	8 AQPs were supported	Support the establishment of AQPs	5 AQPs currentl supported	1 x AQP established	1 x AQP established	1 x AQP established

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SO 4.4 Expand on RPL	Enhancing agricultural education and training systems to be more responsive to the needs of the sector					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	6 RPL Projects Supported	Support the full implementation of RPL at Agric Colleges and TVET Colleges	6 RPL Projects Supported	2 RPL Projects Implemented	2 RPL Projects Implemented	2 RPL Projects Implemented

6.5. **Strategic objective 5: Increase public sector capacity and other relevant actors for improved service delivery and to provide appropriate support for agricultural and rural development**

Purpose: To improve the service delivery of public institutions in the agricultural sector

Objective Statement 5: Supporting skills development within DAFF and DRDLR to provide appropriate support to agricultural enterprises, establishing sound social partner governance structures and systems, monitoring human development and evaluating impact (Reference: Strategic Objective 6 and 7 in SSP)						
Programme 5: Improve service delivery and to provide appropriate support for agricultural and rural development						
Programme Performance Indicator	Baseline			Quarters		
Strategic Objective	2014/2015	2015/2016	2016/2017	Q2	Q3	Q4
SO 5.1 Develop capacity of AgriSETA structures	To improve the service delivery of public institutions in the agricultural sector					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	–	Provide Capacity to Board Standing Committees	(NEW) 1 x Capacity Development for the Board Members on Governance and related modalities	1 x Capacity Building Programme Implemented	1 x Capacity Building Programme Implemented	1 x Capacity Building Programme Implemented
SO 5.2 Develop leadership capacity in sector	To improve the service delivery of public institutions in the agricultural sector					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	40 AgriLeaders trained across the value chain	Co-facilitate the process leading to the Agricultural Leadership Development	40 AgriLeaders will be trained across the value chain	20 Leaders Fully Developed	20 Leaders Fully Developed	–
SO 5.3 Devolp delivery partnerships with public entities	To improve the service delivery of public institutions in the agricultural sector					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	50 Extension Officers trained	Facilitate Partnership in Leadership Programmes through Public Entities; partnership with DAFF (Research Output) for SSCs Partnership with Public Entities.	50 Extension Officer's trained	25 Officer's Fully Developed (SETAs has an oversight)	25 Officer's Fully Developed (SETAs has an oversight)	Oversight continues, including Programme Evaluation

6.6. Strategic objective 6: To administer the mandatory grant system to ensure effective workplace skills planning (WSPs) and annual training reporting (ATR) of the companies and the disbursement of the mandatory grants funding

Purpose: To ensure that the maximum number of enterprises in the sector participate in the National Skills Development Strategy

Objective Statement 6: To promote active participation in the skills revolution by increasing mandatory grant activities (Reference: Strategic Objective 1 in SSP)						
Programme 6: Skills Planning & Research						
Programme Performance Indicator	Researched updated Sector Skills Plan (SSP) updated and approved by AgriSETA Board submitted to the DHET					
	Baseline			Quarters		
Strategic Objective	2014/2015	2015/2016	2016/2017	Q2	Q3	Q4
SO 6.1 Develop and implement new MG system	Administer the mandatory grant system to ensure effective workplace skills planning (WSPs) and annual training reporting (ATR)					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	40 SDF Trained as an assistance to Levy Paying Organisations	Implement an enhanced access to an-online MG system	50 SDF to be trained as a form of assistane to Levy paying organisations	1 x MIS Systeme fully developed, tested and running, including fully trained SDFs around 50pple	-	-
SO 6.2 Increase participation to 76%	Administer the mandatory grant system to ensure effective workplace skills planning (WSPs) and annual training reporting (ATR)					
Notes: Refer to Programme Summary on the Strategic Plan for Q1 details & reporting targets.	Sector awareness Campaign through Roadshows	Hold national roasd Show Campaigns specific to Mandatory Grants mobilisation across the sector	Sector awareness Campaign through Roadshows	-	-	9 Roadshows 380 large firms 470 medium firms 850 small firms (number of firms to be confirmed in next financial year as submission date is only end of Argic

7. LIST OF ACRONYMS

AFETs	Agricultural Further Education and Training
AgriSETA	Agricultural Sector Education and Training Authority
APP	Annual Performance Plan
ABET	Adult Basic Education and Training
ATR	Annual Training Report
CAPEX	Capital Expenditure
CBC	Community Based Co-operative
CBO	Community Based Organisation
DAFF	Department of Agriculture, Fisheries and Forestry
DHET	Department of Higher Education and Training
DTI	Department of Trade and Industry
DRDLR	Department of Rural Development and Land Reform
FET	Further Education and Training
HR	Human Resources
IPAP	Industrial Policy Action Plan
MTSF	Medium Term Strategic Framework
NGO	Non-governmental Organisation
NSDS	National Skills Development Strategy
NSF	National Skills Fund
PLWD	People Living with Disabilities
PPP	Public Private Partnership
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SSC	Sub sector committees
SSP	Sector Skills Plan
WSP	Workplace Skills Plan

ANNEXURE A

8. MATERIALITY FRAMEWORK



AGRICULTURAL SECTOR EDUCATION AND TRAINING AUTHORITY (AGRISETA) MATERIALITY FRAMEWORK 2016/17 Financial Year

1. BACKGROUND

Treasury Regulation Section 28.3.1 – “For purposes of material [sections 55(2) of the Public Finance Management Act (PFMA)] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority

The purpose of this document is to record the level and reasoning for the suggested levels of materiality and significance for consideration by the governance structures of the Seta and for submission to and approval by the executive authority.

SAAS 320.03 defines materiality as follows: “Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful.”

Accordingly we will be dealing with this framework under two main categories, being quantitative and qualitative aspects.

2. QUANTITATIVE ASPECTS

2.1 MATERIALITY LEVEL

The level of materiality is assessed as **R 1 891 021 (Note 1)** (14/15 R 1 732 410), being 0.5% of gross revenue. Gross revenue is defined as consisting of 100% of Skills Development Levies, as well as investment income.

Note 1

For purpose of the calculation we have used the audited balances for 2014/15

$[(R\ 292\ 209\ 000 * 100/80 = R\ 365\ 261\ 250\ (\text{levies}) + R\ 12\ 943\ 000\ (\text{investment income})]$
 $= R\ 378\ 204\ 250 * 0.5\% = R\ 1\ 891\ 021$

Different levels of materiality can be set for different classes of transactions. We have however taken the approach of setting a more conservative materiality level that will be used for all classes of transactions.

Materiality can be based on a number of financial indicators. Detailed below is an indicative table of financial indicators of the type that is widely used and accepted in the accounting profession as basis for calculating materiality. It is important to note that this should not be confused with audit materiality as determined by the Office of the Auditor General.

Basis	Acceptable Percentage Range
Gross revenue	0.25 – 1%
Gross profit	1 – 2%
Net income	2.5 – 10%
Equity	2 – 5%
Total assets	0.5 – 2%

In determining the said materiality value as 0.5% of revenue, we also took cognisance of the following factors:

- Nature of the SETA's business.

Funding in a SETA is received from levies collected by the Department of Higher Education and Training's collection agent, being SARS, and interest earned on investments in call deposit accounts. A potential 87.5% of these levies received are then channelled back to the sectors via various grants types. The SETA can therefore be seen as a conduit for the redistribution of funds received for learning needs back into the sector. Given the nature of the SETA to be revenue driven organisation preference is given to gross revenue as basis of defining the level of materiality.

- Statutory requirements laid down on the SETA.

The SETA is a statutory body that has been formed to give effect to the Skills Development and Skills Development Levies Act, and has been listed as a Public Finance Management Act (PFMA) Schedule 3A public entity. We accordingly decided to give preference to a lower level of materiality (i.e. closer to the lower level of the acceptable percentage range) due to it being so closely governed by various acts and the public accountability responsibility it has to stakeholders.

- The control and inherent risks associated with the SETA.

In assessing the control risk of the SETA, and concluding that a materiality level higher than 0.25% of revenue can be used due to a good control environment being present (i.e. 0.5% of revenue), cognisance was given to amongst other:

- Proper and appropriate governance structures has been established;
- An audit committee that closely monitors the control environment of the SETA was established;
- The function of internal audit was outsourced to a reputable firm;
- A three year internal audit plan, based on annual risk assessments being performed, is annually reviewed and agreed by the audit committee;
- The function of financial management and administration is outsourced to a reputable firm;
- The results of internal audit reports will be looked at and customised to suit the findings of internal audit.
- Risks identified in the risk assessment are considered accordingly.

3. QUALITATIVE ASPECTS

Materiality is not merely related to the size of the entity and the elements of its financial statements. Obviously, misstatements that are large either individually or in the aggregate may affect a "reasonable" user's judgment. However, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst other:

- New ventures that the SETA has entered into.
- Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof due to knowledge thereof affecting the decision making of the user of the financial statements.
- Transactions entered into that could result in reputational risk to the SETA.
- The nature and circumstances relating to any fruitless and wasteful expenditure and unauthorised expenditure incurred by or on behalf of the SETA.
- Any fraudulent or dishonest behaviour of an officer or staff of the SETA at senior or management level.
- Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations)

4. STATUTORY APPLICATION

Section 50 (1)	<p>(1) The accounting authority for a public entity must -</p> <p>(c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way influence the decision or actions of the executive authority or that legislature; and</p>	Both quantitative and qualitative aspects as referred in sections 2.1 and 3 define materiality for purposes of section 50(1) (c).
Section 55 (2)	<p>(b) include particulars of –</p> <p>(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p>	Both quantitative and qualitative aspects as referred in sections 2.1 and 3 define materiality for purposes losses through criminal conduct. All losses performed at senior and management level relating to criminal conduct, irregular and any fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses (qualitative aspects).
Section 54 (2)	<p>(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction</p> <p>(a) establishment or participation in the establishment of a company;</p> <p>(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement</p> <p>(c) acquisition or disposal of a significant shareholding in a company</p> <p>(d) acquisition or disposal of a significant asset</p> <p>(e) commencement or cessation of a significant business activity; and</p> <p>(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>	<p>Specific level of significance defined per subsection:</p> <p>Any transaction to establish a company.</p> <p>Where participation exceeds 20% of voting rights.</p> <p>Any transaction to acquire or dispose of shareholding in a company.</p> <p>The cost of the asset acquired or disposed exceeds 15% of the total cost of assets</p> <p>Any transaction where the income from or the investment in the business activity exceeds the amount determined in section 2.1 and 3.</p> <p>Where the change in the interest results in a change in the accounting treatment of the arrangement</p>

 Gilingwe Mayende
 Board Chairperson

 Antoinette Ngwenya
 Audit Committee Chairperson

 Jerry Madiba
 CEO

ANNEXURE B

9. TECHNICAL INDICATOR DESCRIPTOR

ANNEXURE C

10. SECTOR SKILLS PLAN – 15/16

ANNEXURE D

11. SERVICE LEVEL AGREEMENT

