



**MINUTES OF THE ANNUAL GENERAL MEETING (“AGM”) OF THE EWSETA**  
**THEME: IMPROVED PLANNING FOR IMPROVED PERFORMANCE**

<b>Venue:</b>	<b>Hilton Hotel, Sandton</b>
<b>Date:</b>	<b>10 November 2017</b>
<b>Time:</b>	<b>08:30 – 13:00</b>

**Attendance**

Chairperson of the Accounting Authority of the EWSETA (“the Board”); Members of the Board; Members of the Subcommittees of the Board; CEO and Management of the EWSETA; Representatives from the Department of Higher Education and Training (“DHET”); Representatives from the Department of Water and Sanitation (“DWS”); Representatives from the Department of Energy (“DOE”); Auditor General of South Africa (“AGSA”); Representatives from the Energy and Water Services Sectors; Representatives and Leadership of other SETAs; Water Institute of Southern Africa; South African Local Government Association (“SALGA”); South African National Apex Cooperative (“SANACO”); Representatives from the Foundations; Training Organisations; Centres for Leadership and other Institutes of Higher Learning (University of Johannesburg and Tshwane University of Technology); Organised Labour; Civil Society; Alumni of the EWSETA Learning Programmes

AGENDA	PERSON RESPONSIBLE	
Opening	Ms Candice Moodley Corporate Services Executive (CSE)	The CSE opened the meeting officially at 09:00 as per compliance requirements. She then welcomed everyone present and announced the AGM meeting protocols. She handed over to the Chairperson of the Board, Mr Frans Baleni who was the official Programme Director of the EWSETA AGM 2017.
Official Welcome and Programme Facilitation	Mr Frans Baleni Chairperson of the Board	<p><i>“An essential aspect of creativity is not being afraid to fail.” – Edwin Land</i></p> <p>The Chairperson welcomed all attendees and gave context to some of the harsh realities of South Africa while highlighting the need and approach of the EWSETA to focus to the critical skills development.</p> <ul style="list-style-type: none"> <li>• The 2016 Matric results for public schools showed that only a tiny fraction of those who started school in 2004 matriculated with matric exemption in 2016, while other dropped out before matric or failed the matric examination or simply did not receive university exemption.</li> <li>• On the other hand, the IMF forecasts for growth showed a growth rate of 1.7% in South Africa in October 2017.</li> <li>• The Board of EWSETA is committed to revitalisation of the economy and thus will continue to ensure</li> </ul>



		proper planning for performance delivery and implementation of specific skills programmes and / or projects through expanding partnerships with stakeholders, drive visibility amongst rural communities and working closely with TVET Colleges and other learning institutions.
Adoption of the Agenda and Minutes of previous AGM 2016	ALL	<p>The Agenda was adopted as presented.</p> <p>The Minutes of previous AGM held on 18 November 2016 were adopted.</p>
Presentation of the 2016/17 Annual Performance Report	Mr Errol Gradwell Chief Executive Officer (CEO)	<p>The CEO's interventions and / or commitments for 2016-17 financial year were to ensure alignment of organisational strategies to government priorities—particularly the priorities of the Minister of Higher Education and Training—through robust pursuance of employers in the energy and water sectors to increase EWSETA levy income. There was a commitment to continue to penetrate nuclear and oil/gas sub-sectors while ensuring an increase in the number of EWSETA offices across all the provinces.</p> <p>The EWSETA was actively pursuing these outcomes through partnerships with local and international stakeholders to, among other things, provide learners with the workplace experience they need to complete training and actively contribute to the economy and improve their livelihoods. Various programmes and / or skills projects were embarked on such as War on Leaks; Learnerships; Internships; Skills Programmes; Support for Non-Governmental Organisations; Economic Empowerment through Partnerships. Furthermore, an increase of 13% in levy income was seen in 2016-17 financial year compared to prior year.</p> <p>Likewise, a number of nuclear, oil and gas as well as green economy initiatives were pursued in order to support these areas with the requisite skills and training programmes. Role-players in the nuclear space were being engaged and some partnerships were concluded. The EWSETA was also positioning itself to provide skills development and training for nuclear build programme in the recently identified nuclear power stations construction areas in the Eastern and Western Cape. In addition, the EWSETA coordinated training interventions and provided relevant curriculum and accredited skills development providers to train learners in the Energy's Solar Water Heating Programme.</p> <p>On increasing the EWSETA footprint across all provinces, the entity had partnered with the TVET Colleges around the country as follows:</p> <ul style="list-style-type: none"> <li>• Free State: Office established at Motheo TVET College, and a satellite office is being finalised with Goldfields Free State TVET College;</li> <li>• Kwazulu-Natal: Office at the Umfolozi TVET College;</li> <li>• Eastern Cape: Office established at Port Elizabeth TVET College and a satellite office is being finalised</li> </ul>



		<p>with Lovedale TVET College;</p> <ul style="list-style-type: none"> <li>• Western Cape: Office established at False Bay TVET College.</li> <li>• North West: Lead SETA Offices established at Taletso and Orbit TVET College</li> </ul> <p>For the remainder of the term of the CEO, the commitments for 2017-18 will be strengthened.</p> <p><b>CEO's Commitments for 2016/17</b></p> <ul style="list-style-type: none"> <li>• Alignment of strategies to government priorities</li> <li>• Driving of priorities of the Minister of Higher Education and Training (artisan development, TVET graduate placement and UoT work integrated learning placement, learnerships and internships, centres of specialization, support to new college campuses, revitalisation of township and rural economies)</li> <li>• Robust pursuance of employers (both levy-paying and non-levy paying) in the energy and water sector to increase EWSETA levy income</li> <li>• Robust presence in the waste and sanitation sub-sectors</li> <li>• Continuous penetration of nuclear and oil &amp; gas sub-sectors</li> <li>• Increase the number of EWSETA provincial offices</li> </ul>
<p>Presentation of the 2016/17 Annual Financial Statements</p>	<p>Ms Mpho Mookapele Chief Financial Officer (CFO)</p>	<p>The CFO presented the financial position of the organisation. There was steady increase in the income over the last three years due to robust engagement with the levy payers. Other income was received through government levies and interest as well as various special projects that the entity was managing, such as War on Leaks project.</p> <p>A decline in mandatory grants disbursements was noted due to employer non-compliance with stipulated requirements and non-adherence to submission deadline.</p> <p>Committed funds totaling R211 089 000 were in respect of mainly learnerships, bursaries, apprenticeship and skills programmes were noted at year end. An additional R1.8 billion in commitments was for the War on Leaks project.</p> <p>There were delays in funding new projects due to backlogs identified which necessitated reallocation of funds to stakeholders who understand the mandate of the SETA.</p> <p>The audit trends reflected significant improvement in the outcome with improved oversight by those charged with governance, implementation of policies and procedures, ensuring the right skills mix and training of staff thus reducing finding from fifty two findings in 2015-16 to seventeen in 2016-17.</p>



<p>Presentation of the Auditor-General of South Africa Report</p>	<p>Mr Errol Gradwell Chief Executive Officer (CEO)</p>	<p><b>Auditor-General of South Africa Report on Annual Performance Report 2016-17</b></p> <p>The Auditor-General evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the selected Programme-2 presented in the annual performance report of the entity for the year ended 31 March 2017 (page 26-33).</p> <p>In addition, the Auditor General performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. Further procedures to determine whether the indicators and related targets were measurable and relevant and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete were performed.</p> <p>There were no material findings on the usefulness and reliability of the reported performance information for the Programme-2 (Skills Planning, Quality Assurance and Delivery).</p> <p><b>Auditor-General of South Africa Report on the Financial Statements 2016-17</b></p> <p>The Auditor General audited the financial statements of the EWSETA set out on pages 92 to 131, which comprise the statement of financial position as at 31 March 2017, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.</p> <p>It is the opinion of the Auditor General that, the financial statements present fairly, in all material respects, the financial position of the entity as at 31 March 2017 and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Management Finance Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act, 1998 (Act No 97 of 1998) (SDA).</p>
<p>Presentation of the Draft Annual Performance Plan 2018/19</p>	<p>Mr Ineeleng Molete Chief Operations Officer</p>	<p>The entity intended to achieve 100% performance goals in the 2018/19 financial year.</p> <p>The programmes and sub-programme were articulated as below:</p> <ul style="list-style-type: none"> <li>• <i>Administration:</i> to provide strategic leadership, management and administrative support to the EWSETA (supply chain management and assets; governance, organisation and audit &amp; risk; human resources, information technology; marketing and communications).</li> </ul>



		<ul style="list-style-type: none"> <li>• <i>Skills Planning</i>: to ensure that human resource development information was available and contributed to skills development planning (research; sector skills plan; work skills plans and annual training reports).</li> <li>• <i>Learning Programmes and Projects</i>: to maximise productivity in the energy and water sectors through skills development (implementation of learning programmes as per the NSDS III goals; monitoring and evaluation; career and vocational guidance).</li> <li>• <i>Quality Assurance</i>: to enable the EWSETA to execute the delegated functions of the Quality Council for Trades and Occupations (provider accreditation and reaccreditation; implementation systems for occupational qualifications; certifications; qualifications development).</li> </ul>
<p>Question and Answer Session</p>	<p>ALL</p>	<ol style="list-style-type: none"> <li>1. Tumelo Molewa from IOPSA pointed out that there was no focus on industrial plumbing across the whole country. He urged the EWSETA to look into that.  <b>RESPONSE:</b> The CEO reported that over and above playing an advisory role to the Department of Water and Sanitation, the EWSETA was instrumental in the crafting of a chapter in the National Water Resource Strategy on skills development training.</li> <li>2. Rori Mpete from TnM Innovations asked how the EWSETA was investing in Water technology and innovation given the country-wide water crisis.</li> <li>3. Mike Rycroft of Energize Magazine asked what initiatives were being undertaken to improve training of energy technicians.  <b>RESPONSE:</b> The CEO responding to questions 3 and 4 above, explained that due consideration was given to technology and innovation in the development of water and energy qualifications.</li> <li>4. Nkosana Ndaba of Africa Marketing Agency, requested more information on the EWSETA approach for rural and township development.  <b>RESPONSE:</b> The CEO invited Mr Ndaba to contact the executive responsible for this area, Ms Tsholofelo Mokotedi for detailed information regarding EWSETA's approach to rural and township development. Ms Mokotedi has been managing a project called Rural and Township Economies Revitalisation Project (RATERP).</li> <li>5. Lulama Makhubela from African Research House asked what the entity was doing to manage reputation in light of the challenges faced with the War on Leaks project; and what monitoring mechanisms were in place to ensure timeous and effective delivery of the project as well as return on</li> </ol>



		<p>investment.</p> <p><b>RESPONSE:</b> The CEO and COO explained that the implementation of the theoretical component of the project was carried out well; and this was the sole mandate of the EWSETA insofar as the protocol agreement with DWS and Rand Water. Furthermore, proper monitoring mechanisms were in place to measure impact.</p> <p>6. Mohale Shai from Department of Water and Sanitation asked if there were systems in place to ensure stakeholders delivered timeously before withdrawing funding on account of dormancy.</p> <p><b>RESPONSE:</b> The CFO explained that the projects that were withdrawn during the reporting period were old. Going forward, the service providers were inducted thoroughly on the processes and the expectations before the projects were awarded. Furthermore, there was continuous monitoring and evaluation of project to help identify gaps as they occur.</p> <p>7. Mocketenyane Moleko of Umgeni Water asked what strategies were in place to manage the gap in terms of administration cost that is higher than the income. Also, what plans are in place to manage the true cost of EWSETA presence across all provinces given the current administration budget constraints?</p> <p><b>RESPONSE:</b> The CFO explained that given the vastness and the complexities of both the water and energy space, reduction of manpower would not be practical. With the EWSETA scattered all over the provinces, there was need to ensure staff presence for proper administration and management of those projects. The entity was robustly engaging with the stakeholder to mobilise the relevant levy-paying employers to pay their levies to the EWSETA which would help increase the income of the organisation. In the meantime, there was significant cost cutting done to reduce administration budget where possible.</p> <p>8. Ryan Chand of Dynamic Business noted huge disparity between discretionary and mandatory grants in terms of allocation and spending and requested clarity in that regard.</p> <p><b>RESPONSE:</b> The CFO clarified that the payout of the grants is legislated and that a specific percentage is stipulated for mandatory grants payments with a huge chunk going to the discretionary grants and a small percentage towards the QCTO. Also, the employers who apply for mandatory grants often apply for discretionary grants as well to implement projects that are in line with the EWSETA objectives.</p> <p>9. Limakatso Moorosi from Bloem Water commended the EWSETA leadership and management for the</p>
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		<p>work done to ensure visibility in the water sector.</p> <p><b>RESPONSE:</b> Management welcomed the acknowledgement and commendation.</p>
Adoption of the Annual Report 2016/17	ALL	The Annual Report 2016/17 was adopted.
Closing Remarks	Mr Frans Baleni Chairperson of the Board	<p>The Chairperson thanked everyone for their time and participation. Special thanks went to those who worked tirelessly to ensure that the event was a success.</p> <p>The meeting adjourned at 13:00.</p>