GROWTH MEANINGFUL EMPLOYMENT SKILLS

MEANINGFUL EMPLOYMENT SKILLS GROWTH

Mining Qualifications Authority
ANNUAL REPORT
2010-2011

Digging with Skills and Knowledge

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MQA
MINING QUALIFICATIONS AUTHORITY

Acronyms

ABET	Adult Basic Education and Training
AFS	Annual Financial Statements
AIDS	Acquired Immune Deficiency Syndrome
AQP	Assessment Quality Partner
ATR	Annual Training Report
BEE	Black Economic Empowerment
BOTA	Botswana Training Authority
CBO	Community Based Organisation
CEO	Chief Executive Officer
CEP	Communities of Expert Practice
CFO	Chief Financial Officer
CLAS	Cement, Lime, Aggregates and Sand
COO	Chief Operations Officer
DHET	Department of Higher Education and Training
DMR	Department of Mineral Resources
DoF	Department of Finance
DoL	Department of Labour
DQP	Development Quality Partner
DVD	Digital Versatile Disc
ECSA	Engineering Council of South Africa
EMCS	Executive Manager Corporate Services
EPP	Executive Preparation Programme
ETDP	Education, Training and Development Practitioners
ETQA	Education, Training and Quality Assurance
EXCO	Executive Committee
FETC	Further Education and Training Certificate
FETs	Further Education and Training (Colleges)
FLC	Foundational Learning Competence
H&S	Health and Safety
HDI	Historically Disadvantaged Individuals
HDSA	Historically Disadvantaged South Africans
HRDSA	Human Resource Development South Africa
HSRC	Human Sciences Research Council
ISDF	Independent Skills Development Facilitator
ISO	International Standards Organisation
MHS	Mine Health and Safety
MHSA	Mine Health and Safety Act
MHSC	Mine Health and Safety Council
MIS	Management Information Systems
MMS	Mining and Minerals Sector
MoU	Memorandum of Understanding
MQA	Mining Qualifications Authority
NC	National Certificate
NGO	Non Governmental Organisations
NLRD	National Learner Records Database
NQF	National Qualifications Framework
NSA	National Skills Authority
NSB	National Skills Body
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NUM	National Union of Mineworkers
NVC	New Venture Creation
OFO	Organising Framework for Occupations
OHS	Occupational Health and Safety
OQDF	Occupations Qualification Development Facilitator
PDI	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act
PDGS	Provincial Development Growth Strategy
PSDF	Provincial Skills Development Forum
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SADC	South African Development Community
SAQA	South African Qualifications Authority
SDA	Skills Development Act,1998 (Act 97 of 1998)
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SGB	Standards Generating Body
SME	Small, Micro Enterprise
SMME	Small, Micro, Medium Enterprise
SQCG	Standards and Qualifications Co-ordinating Group
SSP	Sector Skills Plan
TRG	Technical Reference Group
WSP	Workplace Skills Plan

Mining Qualifications Authority
ANNUAL REPORT 2010-2011

Digging with Skills and Knowledge

Honourable Minister, it is with pleasure that we present to you the Annual Report of the Mining Qualifications Authority (MQA) for the financial year 1 April 2010 to 31 March 2011.



David Msiza
Acting Chairperson



Dr Bonginkosi "Blade" Nzimande
Minister of Higher Education and Training

higher education & training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MINING QUALIFICATIONS AUTHORITY

VISION

A competent, health and safety orientated mining and minerals workforce.

MISSION

To ensure that the mining and minerals sector has sufficient competent people who will improve health and safety, employment equity and increase productivity standards.

STRATEGIC OBJECTIVES

1. Support transformation of the sector through skills development.
2. Support objective decision-making for skills development through research in the sector.
3. Enhance information management for skills development in the sector.
4. Facilitate and support the development and implementation of core skills development programmes aligned with the sector qualifications framework.
5. Enhance the monitoring, evaluation and review of the delivery, capacity and quality of skills development in the sector.

VALUES

The MQA subscribes to the following values:

- Continuous learning
- Empowerment
- Professionalism
- Honesty and mutual respect
- Service excellence.

The skills development legislative landscape in the mining and minerals sector

Department of Mineral Resources (DMR)	Department of Higher Education & Training (DHET)	Department of Finance (DoF)
Mine Health and Safety Act (MHSA) 1996 Section 10 (2008) WSP/ATR Mandatory	Mining Qualifications Authority (MQA) Established in 1996 in terms of MHSA Recognised by the Skills Development Act 97 in 2003	Tax Act, Section 12H Learnership Allowances
Mineral & Petroleum Resources Development Act (MPRDA) 2002	South African Qualifications Authority Act (SAQA) 1995 Skills Development Act 1997 Higher Education Act 1997 National Student Financial Aid Scheme Act 1999 Adult Basic Education & Training Colleges Act 2006 National Qualifications Framework Act 2008	Skills Development Levies Act (SDLA) 1998 Purpose: SARS is the collection agency for skills levies for implementation of the Skills Development Act
Social Labour Plan		
REGULATIONS	REGULATIONS	REGULATIONS

The diagram above reflects the most important and relevant legislative mandates under which the MQA operates, as well as the interaction across these mandates.

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Section 1:

General Information

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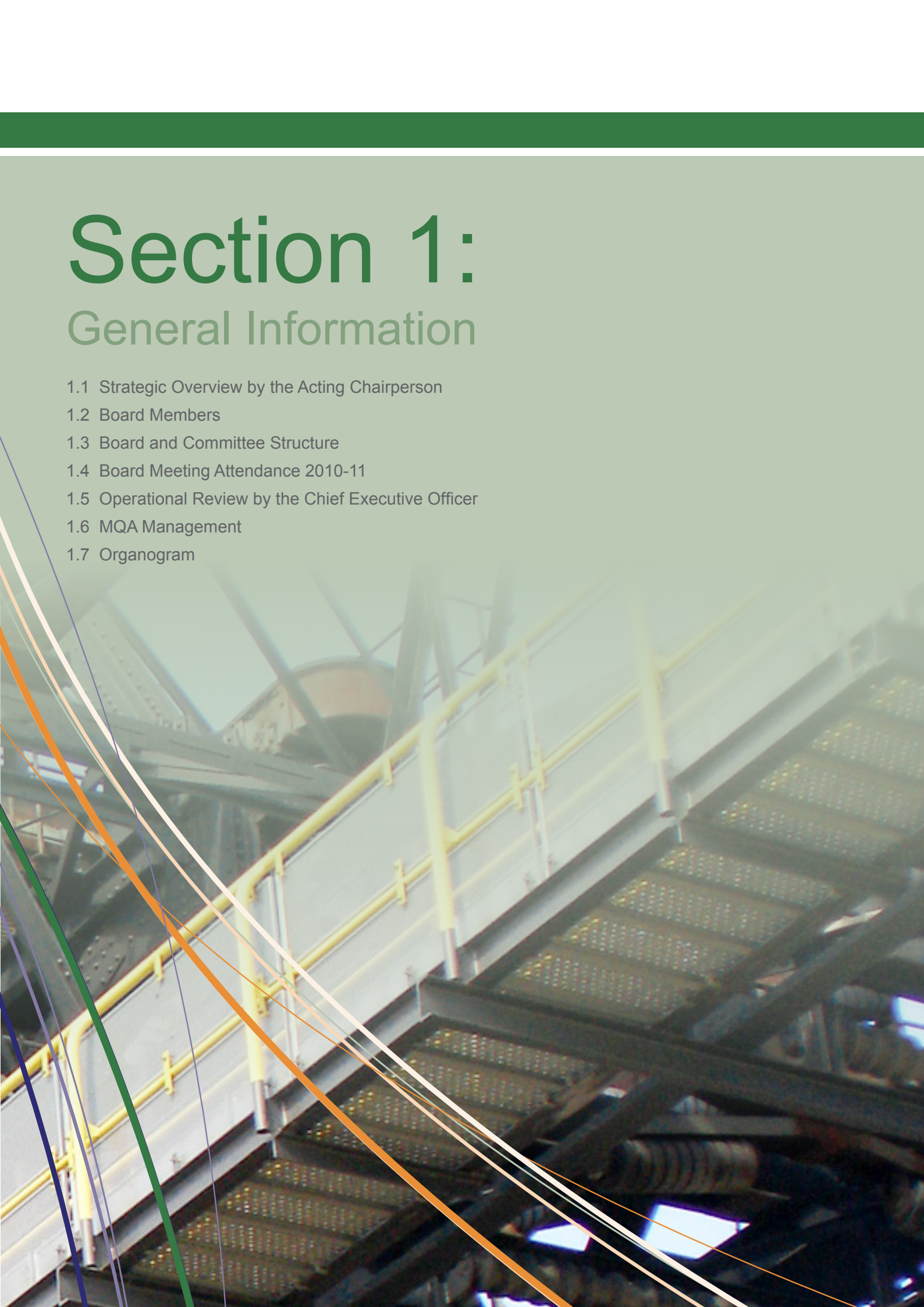




David Msiza
Acting Chairperson

1.1 Strategic Overview by the Acting Chairperson

It is an honour for me, on behalf of the Mining Qualifications Authority (MQA) Board, to present this Annual Report for the year 1 April 2010 to 31 March 2011 to the Minister of Higher Education and Training (DHET), Dr Blade Nzimande, the Minister of Mineral Resources, Ms Susan Shabangu, our industry stakeholders and the staff of the MQA. This comes at a time when the SETAs concluded the five-year implementation period of the National Skills Development Strategy (NSDS) II, which was introduced in 2006 and extended in 2010 to 2011, when the SETAs moved from the Department of Labour (DoL) to the Department of Higher Education and Training (DHET). The SETAs were reassured of the importance of their role with the launch of the NSDS III on 13 January 2011, which will be implemented from 1 April 2011 to 31 March 2016.

The MQA also saw the appointment of a new CEO in January 2011. The New Seta Constitution was announced by the DHET which resulted in the addition of two ministerial representatives on the MQA Board. New Board Members were appointed for the 2011-2012 financial year. We welcome the new CEO and Board members to one of the most well-run SETAs.

Following the signing of the Mine Health and Safety Tripartite Leadership Summit Agreement, the partnerships between the MQA, Mine Health and Safety Council (MHSC) and the affiliated trade unions, are working effectively and contributing positively to the measuring and monitoring of health and safety issues in the sector.

New Economic Growth Path

In his State of the Nation Address earlier this year, South Africa's President, Mr Jacob Zuma declared "2011 a year of job creation through meaningful transformation and inclusive growth." The goal is to create five million new jobs and reduce unemployment from 25 to 15 percent over the next 10 years through the effective implementation of South Africa's New Growth Path. The aim is to unlock employment opportunities in South Africa's key commercial sectors, including the mining and minerals sector, and achieve equitable economic growth within a cohesive society.

The global recession from 2008 claimed more than a million jobs and the negative impact on the economy affected the mining and minerals sector severly, perhaps more so than many of the other key sectors in South Africa. The shift to a New Growth Path sets out critical markers for employment creation in all key sectors. Growth will require creative partnerships and collective efforts across all sectors of the South African society for it to become a sustainable reality.

> The New Growth Path will require leadership and strong governance. It takes account of the new opportunities that are available to us, the strengths we have, and the constraints we face. We will have to develop a collective national will and embark on joint action to change the character of the South African economy and ensure that the benefits are shared more equitably by all our people, particularly the poor.
>
> - ***From: The New Growth Path: The Framework (www.info.gov.za)***

The MQA's skills development role – to prepare the employed and unemployed in the mining and minerals sector for job opportunities – will be based on research into the development and impact of the skills and employment created in the sector over the past ten years. In addition, the new MQA Sector Skills Plan (SSP), approved by the MQA Board and submitted to the DHET on 16 February 2011, will help to identify areas where the MQA can contribute to activities that support the New Economic Growth Path.

Board assessment

In terms of the MQA Constitution, the governing Board consists of 15 members with equal representation from the state, employers and labour, during the 2010–2011 financial year. I can report with confidence that the activities of the MQA and its Board are well-aligned with corporate governance principles, the King III Report on Corporate Governance and other legislative requirements.

The Strategic Planning Session of the Board took place in November 2010. Revisions to the MQA strategic objectives included research-based decision-making and enhanced information management, monitoring, evaluation and review. These revisions will improve our focus and streamline the activities of the MQA in delivering against the NSDS III targets and the objectives of the Mining Charter.

During the reporting period, the MQA Board Committees functioned effectively in terms of the MQA Constitution. The following committees have played a critical role in ensuring the success of the MQA:

- MQA Executive Committee
- Audit and Risk Committee
- Remuneration Committee
- Finance Committee
- Skills Research and Planning Committee
- Standards Generating Body Committee
- Learning Programmes Committee
- Quality Assurance Committee

The Board's vision and insight was also brought to bear on issues related to the MQA's five key strategic goals for 2010-2011, namely:

- Transformation of the sector through skills development,
- Health and safety training and development,
- The development of our current workforce and new entrants to the labour market,
- Re-skilling of employed/unemployed people for sustainable employment,
- The delivery of quality training and development.

Partnerships

The Board fully supports the MQA's partnership-driven approach to strengthening its skills and capacity. During the period under review, these included the organisation's continued efforts to ensure the success of the Mine Health and Safety Tripartite Leadership Summit Agreement, and entrenching its relationships with the Mine Health and Safety Council (MHSC), organised labour, Further Education and Training (FET) institutions and Higher Education and Training (HET) Colleges, as well as the Jewellery and Diamond Councils of South Africa.

The Memoranda of Understanding signed with other Sector Education and Training Authorities (SETAs) have also contributed to positive skills development in the sector. These partnerships continue to contribute to the MQA's growth and reputation in the skills development fraternity.

Performance

The Board is satisfied that the MQA projects and programmes for the 2010-2011 financial year were aligned with the objectives of the Mine Health and Safety Act, Basic Socio-Economic Empowerment Charter (Mining Charter), Minerals and Petroleum Resources Development Act and National Skills Development Strategy (NSDS) II. In this regard, the MQA again obtained an unqualified performance rating of 4.6 out of a possible 5, which attests to sound management.

The MQA continued to comply with the requirements by the Department of Higher Education (DHET) to timeously submit quarterly reports aligned with the MQA's performance and its balanced scorecard. In January 2011, the DHET extended the mandate of the MQA, together with those of other SETAs, for a further five years from 1 April 2011 to 31 March 2016.

The MQA remains acutely aware of the critical need to respond to stakeholder delivery expectations against its values of continuous learning, empowerment, professionalism, honesty, mutual respect and service excellence.

Way forward

The forthcoming financial year will be a period of alignment during which the MQA will ensure that the implementation of projects is aligned with the new NSDS III targets. New projects will be designed and implemented to address gaps and meet the objectives of the strategy for the benefit of stakeholders. Priority will be given to stringent financial control and budget monitoring to ensure that the MQA delivers more with less.

The MQA has also taken to heart the President's call to create jobs and unlock employment opportunities. Our contribution towards this call will be to provide individuals in the mining and minerals sector with skills in line with our slogan of "Digging with Skills and Knowledge". We further support the Minister of Higher Education and Training, Dr Blade Nzimande, in his goal to create stronger links with other post-school institutions, such as the Further Education and Training (FET) sector. The MQA is committed to exploring sector-specific skills development opportunities and aligning our programmes and learners to effectively respond to the work needs of our sector.

We take pride in our achievements, specifically those of meeting the objectives of the Mining Charter. Although not at the rate at which we would like, the transformation in the sector has been evidenced by the participation and success of its learners. Compliance with the Mine Health and Safety Act has improved markedly, with great strides made in the training of Occupational Health and Safety (OHS) representatives and OHS shop stewards.

The MQA cannot be complacent with regards to the development of the sector on issues of safety until there are no fatal accidents in our mines. One way of achieving this is through the conscious and deliberate development of skills in our sector. In this regard, I am proud of the contribution by the MQA towards the alleviation of illiteracy through ABET and other programmes. We need to continue to improve skills in our sector for it to contribute meaningfully to the growth of our economy.

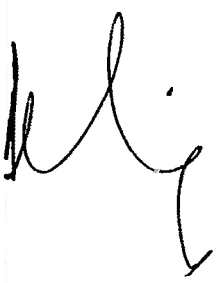
Challenges

Our challenge as the mining and minerals SETA is to develop and harness skills that are lost, mainly due to the high volume of job losses during the recession. In addition to the various programmes implemented by the MQA in this regard, we will continue to encourage employers to increase their participation in identifying the skills that have been lost and providing retrenched workers with opportunities to take up gainful employment again beyond the mining industry.

Conclusion

On behalf of the MQA Board, I would like to thank Dr Blade Nzimande for his support of the mining and minerals sector and the unchanged re-establishment of the MQA. I also thank the Minister of Mineral Resources, Ms Susan Shabangu, for her ongoing support and our valued stakeholders for their contribution towards the viability of the sector. My appreciation goes to the MQA Board and standing committee members who dedicated their time and expertise unselfishly to the success of the sector. Last but not least, I thank the MQA Executive, management and staff for their hard work and commitment, without which the MQA could not function as effectively as it does.

I urge all sector participants, as well as those in our ministries and the country as a whole, to work together to create a better South Africa for all who live in it.



David Msiza
Acting Chairperson
31 May 2011

1.2 Board Members

State



David Msiza	Thabo Gazi	Mthokozisi Zondi	Edson Ragimana	Dipalesa Mokoboto	Pessy Mnisi
Department of Mineral Resources	Department of Mineral Resources	Department of Mineral Resources	Department of Mineral Resources	Department of Mineral Resources	Department of Mineral Resources

Labour



Amon Teteme	Zwelitsha Tantsi	Eddie Majadibodu	Faith Letlala	Richard Samuel
National Union of Mineworkers	National Union of Mineworkers	National Union of Mineworkers	National Union of Mineworkers	United Association of South Africa

Employers



Vusi Mabena	Graham Brokenshire	Jacky Mathebula	Patricia Ngqeleni	Nokuhle Madolo
Chamber of Mines	AngloGold Ashanti	Harmony	Virgile Mining Contractors	Isithebe Mining

1.3 Board and Committee Structure

Name		Function	Composition	Quorum	Chairperson	Secretary	Meetings
1	MQA Board	Accounting Authority Policy, strategies and resource allocations	Five representatives per stakeholder group present	Two stakeholder groups present	Chief Inspector of Mines	External service provider	Quarterly
2	MQA Executive Committee	Oversee Board-delegated tasks and management	CEO, COO, CFO and Executive Manager Corporate Services (EMCS)	None	CEO	External service provider	Quarterly
3	Audit and Risk Committee	Advise on the effectiveness of financial management systems and controls in terms of the PFMA	Three external representatives and one each per stakeholder group. Internal auditors and external auditors, CEO, COO, CFO and EMCS by invitation	Two stakeholders from different stakeholder groups and one external representative present	External representative	External service provider	Quarterly
4	Finance Committee	Advise on budget, financial control of projects and grants and levy grant disbursement	Two representatives per stakeholder group, CEO, COO, CFO and EMCS	Two stakeholder groups present	Board Member	External service provider	Every second month
5	Skills Research and Planning Committee	Advise on development and implementation of the Sector Skills Plan, administration of workplace skills plan, annual training reports and grants and the implementation of unit projects and grants	Two representatives per stakeholder group and unit management	Two stakeholder groups present	Board Member	External service provider	Every second month
6	Standards Generating Body (SGB) Committee	Advise on development and registration of standards and qualifications, development of learning and skills programmes, ratification of learning materials, unit projects and grant implementation and liaise with other SGBs	Four representatives per stakeholder group, two each from the Standards and Qualifications Coordinator Group (SQCG) facilitators, four from professional bodies, two from providers and one each from manufacturers, suppliers and unit management	51% of representatives present	Board Member	External service provider	Every second month
7	Learning Programmes Committee	Advise on learning and skills programme registration, learning material development, apprentice administration, MQA-I-Share administration and the implementation of unit projects and grants	Two representatives per stakeholder group	Two stakeholder groups present	Board Member	External service provider	Every second month
8	Quality Assurance Committee	Advise on quality assurance, accreditation, MoUs with SETAs, learning provision monitoring and the implementation of unit projects and grants	Two representatives per stakeholder group	Two stakeholder groups present	Board Member	External service provider	Every second month
9	REMCO	Oversees the implementation of a remuneration framework for the MQA	Three external representatives, one each per stakeholder group, CEO and EMCS	Two stakeholder representatives and one external representative present	External representative	External service provider	Quarterly

1.4 Board Meeting Attendance 2010 - 2011

Chairperson		Organisation	Constituency	Meeting dates							Total
				1 Apr 10	27 May 10	29 Jul 10	28 Oct 10	26 Nov 10	1 Feb 11	22 Mar 11	
1	T. Gazi*	DMR	State	X	X	✓	X	✓	✓		3
2	D. Msiza[1]	DMR	State	X	X	X	✓	X	✓	✓	3
Member		**Organisation**	**Constituency**								
3	M. Zondi	DMR	State	✓	✓	X	✓	✓	✓		5
4	D. Mokoboto	DMR	State	✓	X	X	X	X	X		1
5	P. Mnisi	DMR	State	✓	X	X	X	X	X		1
6	E. Ragimana	DMR	State	X	X	X	X	✓	X		1
7	L. Nkhumishe[2]	DMR	State	X	✓	X	X	X	X	X	1
8	X. Mbonambi[2]	DMR	State	X	✓	X	X	X	X	X	1
9	V. Mathibeli[2]	DMR	State	X	✓	X	✓	X	X	✓	3
10	H. Mothiba[2]	DMR	State	X	X	X	✓	✓	✓	✓	4
11	A. Teteme*	NUM	Labour	✓	✓	✓	✓	✓	✓		6
12	E. Tantsi	NUM	Labour	✓	✓	X	✓	X	✓		4
13	E. Majadibodu	NUM	Labour	✓	X	✓	X	X	X		2
14	R. Samuel	UASA	Labour	✓	✓	X	✓	X	✓		4
15	F. Letlala	NUM	Labour	✓	✓	X	X	X	✓		3
16	V. Mabena*	Chamber of Mines	Employers	✓	✓	✓	✓	✓	✓		6
17	G.J. Brokenshire[3]	AngloGold	Employers	✓	✓	✓	✓	✓	X		5
18	J. Mathebula	Harmony	Employers	X	✓	X	X	X	X		1
19	P. Ngqeleni	Vigile Mining	Employers	✓	✓	✓	✓	X	X		4
20	N. Madolo	Isithebe Mining	Employers	X	X	✓	X	X	X		1
21	L. Mogaki	Anglo Platinum	Employers	✓	X	✓	✓	X	✓	X	4
22	J. Venter[2]	CTC	Employers	X	X	X	X	X	X	✓	1
23	S. Rogers[2]	Petra Diamonds	Employers	X	X	X	X	X	X	✓	1
24	W. Naidoo[2]	AngloGold Ashanti	Employers	X	X	X	X	X	X	✓	1

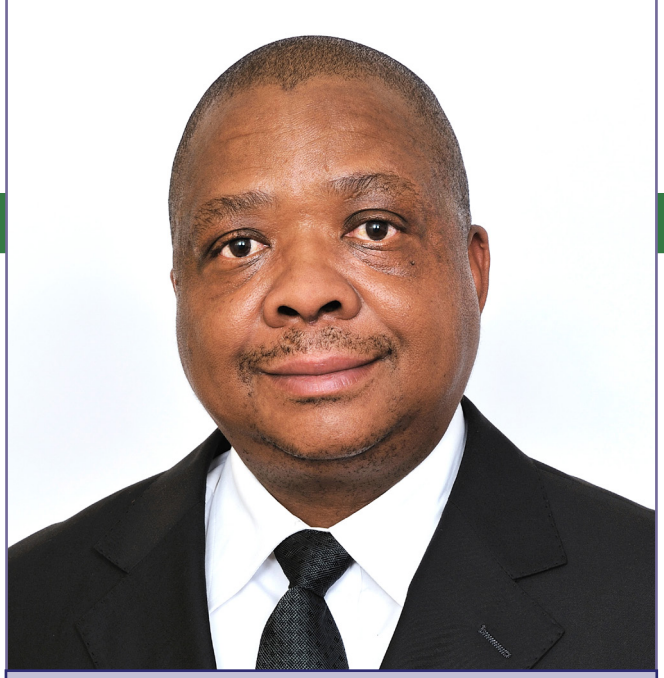
Key

* Convenor of stakeholder delegation

[1] Acting Chief Inspector of Mines

[2] New Board member

[3] Resigned with effect from 31 December 2010



Sam Seepei
Chief Executive Officer

1.5 Operational Review by the Chief Executive Officer

Introduction

It is a pleasure to present this Annual Report to the Board on the operational performance of the MQA for the year ended 31 March 2011. During the 2010–2011 financial year, the MQA achieved an outstanding performance rating of 4.6 out of a possible 5 from the Department of Higher Education and Training (DHET). We continued to support the objectives of the National Skills Development Strategy (NSDS) II in terms of the Skills Development Act 97 of 1998 as amended, the Mine Health and Safety Act, No 29 of 1996 as amended, the Basic Socio-Economic Empowerment Charter (Mining Charter) which was revised through the Mining Industry's Growth, Development and Employment Task Team (MIDGETT) and the Mineral and Petroleum Resources Development Act, No 28 of 2002.

NSDS Performance

In line with the deliverables of the NSDS II, the MQA Sector Skills Plan (SSP) was submitted to the Department of Higher Education and Training (DHET) on 16 February 2011. The content of the workplace skills plans (WSPs) and annual training reports (ATRs) informed the development of the Sector Skills Plan (SSP), which was communicated and further debated by Board members and stakeholders to ensure that the scarce skills needs of the sector are met. This culminated in the development of the scarce skills guide for the sector. Interactive Training was also implemented for Skills Development Facilitators (SDFs) and Independent Skills Development Facilitators (ISDFs) to ensure that future WSPs - ATRs are approved. The submission of WSPs - ATRs increased to 621 (2010: 511) of which 595 were approved.

The MQA embarked on a number of research projects, which included the development of the five-year SSP. Other projects included a feasibility study on the establishment of Skills Development Institutes, the language policy research to phase out Fanakalo in the mining sector, WSP-ATR analyses, the tenth in a series of reports on the contents of the mandatory grant applications, which, among others, resulted in a sector profile that identifies educational levels of employees as well as scarce skills in the sector. An Adult Basic Education and Training (ABET) symposium was also held to engage stakeholders about ABET issues and challenges to improve the quality of ABET in the sector.

The only areas of improvement on the MQA's overall performance of 4.6 against its NSDS II indicators were ratings of 3 and 2 respectively for large and medium firms. A rating of 4 was obtained in the National Skills Authority (NSA) constituency-based assessment for improved stakeholder capacity and commitment to the NSDS strategy.

Mining Charter

The Mining Industry's Growth, Development and Employment Task Team (MIDGETT) revised the Mining Charter in 2009-2010 to assess progress and streamline and expedite the achievement of objectives. The review resulted in a Stakeholders' Declaration, introduced on 30 June 2010, to sustain growth and meaningfully transform South Africa's mining industry. The Broad-based Socio-economic Empowerment Charter for the local mining and minerals industry was also amended in September 2010, as was the scorecard. The MQA continues to focus on the objectives of the Mining Charter by adhering to its employment equity principles when selecting learners for its programmes. It also supports the Human Resource Development Strategy by providing candidates with learnerships, ABET, bursaries, internships and work experience, as well as maths and science support to high school learners and other programmes.

The MQA SSP will continue to fully integrate the Mining Charter into its strategic planning processes and initiate new projects to support the strategy.

Highlights for the Period under Review

It is with great pride that I acknowledge and applaud the MQA for its achievements during the 2010-2011 financial year. Especially commendable is its achievement of supporting 160 small black employment equity firms and co-operatives against a target of 150. The MQA has remained steadfast in its support of the NSDS II and Mining Charter objectives to improve literacy in the sector. As such, 7 735 learners registered for ABET programmes, which was a 190% achievement against a target of 4 000 learners. A total of 7 938 learners completed on ABET programmes.

During the past year, the MQA introduced a Foundational Learning Competence (FLC) pilot project to improve mathematical literacy and communication competence in the sector. The project started with workshops for facilitators, whose qualification is set at NQF level 5 to ensure that they contribute to the continued development of learners that have completed ABET and, as such, the MQA's ongoing efforts to reduce illiteracy in the sector.

A Recognition of Prior Learning (RPL) strategy and guideline was developed to assist learners without a formal qualification. Through RPL, learners are practically assessed and evaluated for certification in part or in full for a specific qualification. The MQA's focus in this regard was on engineering artisans and the intention is also to apply it to other occupational areas. The RPL implementation strategy is currently being finalised for full implementation in the forthcoming year.

The MQA exceeded its targets of supporting employed learners in mining organisations. A total of 9 044 learners entered learnerships against a target of 5 500, while a total of 14 950 learners completed their learnerships against a target of 4 750. This equates to an outstanding achievement of 232 percent above target. Similarly, 2 950 unemployed learners entered learnerships against a target of 2 000, with a total of 2 648 completing their learnerships.

Strategic Projects

The MQA remains committed to creating opportunities for unemployed learners and those seeking bursaries. During the period under review, 743 bursars entered Higher Education and Training (HET) institutions and 738 learners completed their bursary programmes.

To support work experience, 627 learners were placed in programmes within various mining companies including 80 learners that were assisted with vacation work during December 2010 and January 2011, and a total of 116 placed in internships. Two hundred (200) learners, including women, were trained through the small-scale mining project, while more than 740 retrenched workers benefited from the training voucher project where they participated in various skills programmes relevant to the Small and Medium Enterprise (SME) sector.

Continuous Improvement

The MQA retained its ISO 9001 status, confirming that the required systems are in place. We also obtained a green status from the South African Qualifications Authority (SAQA) for the timeous uploading of provider, assessor

and learner information into the National Learner Records Database (NLRD). The MQA introduced a Customer Relationship Management (CRM) system to improve the consistency and excellence of our customer service.

The MQA's provincial representatives continued to contribute to the Provincial Skills Development Forums (PSDFs) in all provinces. Their activities included stakeholder engagement, especially in rural communities, to create visibility for the MQA's projects, such as the maths and science project and community engagement forums.

The MQA also conducted an exercise to identify risks within the various operational functions. This will ensure that proactive measures are put in place for the success of the organisation going forward.

Financial Analysis

Despite the decline in the economy in recent years and the resultant job losses in our mines, there was no notable decrease in the income of the MQA. Revenue increased to R608 million (2010: R576 million), with a further increase anticipated due to the revisions of Section 10 of the Mine Health and Safety Act.

Administration costs at R53 million were below the 10 percent allocation, while mandatory grant expenditure decreased to R301 million (2010: R308 million), which was allocated to 595 (2010:511) companies. The increase is attributed to a number of factors, including training more skills development facilitators and encouraging organisations to submit their WSPs and ATRs, which was supported by the revision of the Mine Health and Safety Act that stipulates that ALL mining companies, irrespective of size, have to submit these documents.

A total of R210 million was disbursed on discretionary grant projects.

Stakeholder Engagement

The MQA interaction with stakeholders continued through national and community engagement events, workshops, information sessions, exhibitions and conferences. These activities focused on reaching rural communities with all our skills development activities and distributing our sector career guidance brochure and DVD to learners in all communities and at events such as exhibitions. Stakeholder engagement during the year focused on educating those responsible to timeously complete and submit their workplace skills plans (WSPs) and annual training reports (ATRs). Focus was placed on quality assurance processes, the Quality Council for Trades and Occupations (QCTO), the Organising Framework of Occupations (OFO), MQA discretionary projects, artisan development, the Unemployment Insurance Fund for retrenched workers, the changing SETA landscape as well as the role of the MQA under the DHET and the new NSDS III.

Artisan Development

A total of 1 546 (424 employed and 1 122 unemployed) learners were registered for various artisan programmes funded by the National Skills Fund.

The SSP research clearly indicated that during 2010-2011 the greatest skills shortages were still in the occupational categories, such as technicians, trade workers, professionals and machine operators. This confirmed the need to intensify training efforts to generate the skills required for the sector.

Artisan development opportunities were developed for unemployed individuals with a N2 qualification, as well as retrenched and other workers in the sector who contributed to the Unemployment Insurance Fund (UIF). Due to the job losses in our mines, the MQA partnered with the UIF to ensure that scarce and critical skills are retained by re-integrating individuals who had lost their employment.

Employers within the sector were invited to apply for artisan grants from the MQA in various mining apprenticeships.

I am confident that the MQA will contribute to the NSDS III deliverables in terms of increasing the number of artisans in South Africa and in the mining and minerals sector.

Other projects

The MQA has marketed its internships, workplace experience opportunities and bursary programmes among school learners to promote continuous learning and career paths in the sector. Learners are encouraged to acquire good results through the maths and science project to access artisan and non-artisan opportunities and other scarce skills in the sector. The MQA Scarce and Critical Skills Guide Support Strategy was made available as a resources to sector stakeholders.

Partnerships

The MQA's efforts to facilitate skills development included fostering partnerships with non-governmental organisations, South African Women in Mining, the Mine Health and Safety Council and other Sector Education and Training Authorities (SETAs). We also established formal partnerships with key role players in the sector such as the Diamond and Jewellery Councils. These agreements create a platform for broadening and accelerating skills development in the sector.

Other partnerships established with various Further Education and Training (FET) colleges included the Northern Cape Rural FET college partnership, the Orbit FET college partnership at the Mankwe Campus in Rustenburg, the Mopani South East FET college with the Palabora Mining Company (PMC), the Foskor Artisan Development partnership as well as the Eastern Limb Human Resource Development forum partnership in Burgersfort, Steelpoort and Sekhukhune FET colleges.

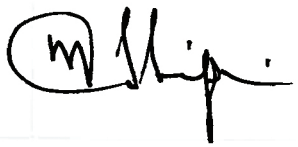
Challenges

Despite the increase in WSP-ATR submissions, not all companies are complying with this requirement. The MQA is, therefore, creating awareness about the legislated requirement for ALL mining companies to comply by submitting WSP's-ATR's. Since most mines are situated in rural areas, the MQA also needs to increase its community outreach activities, in order to improve the skills levels of individuals in historically disadvantaged areas.

Conclusion

I would like to acknowledge the continued guidance and support from the MQA Board in tirelessly steering the MQA to address its challenges. They have ensured the MQA's compliance with the principles of good governance and the ensuring of a well-run organisation. I also wish to acknowledge the valuable contribution by the Board standing committees and the commitment and hard work from the MQA management team and staff during the 2010-2011 financial year.

Lastly, the success of the MQA is attributed to the active role of its stakeholders and I am confident that the organisation will continue to grow from strength to strength with the continued support from the sector.

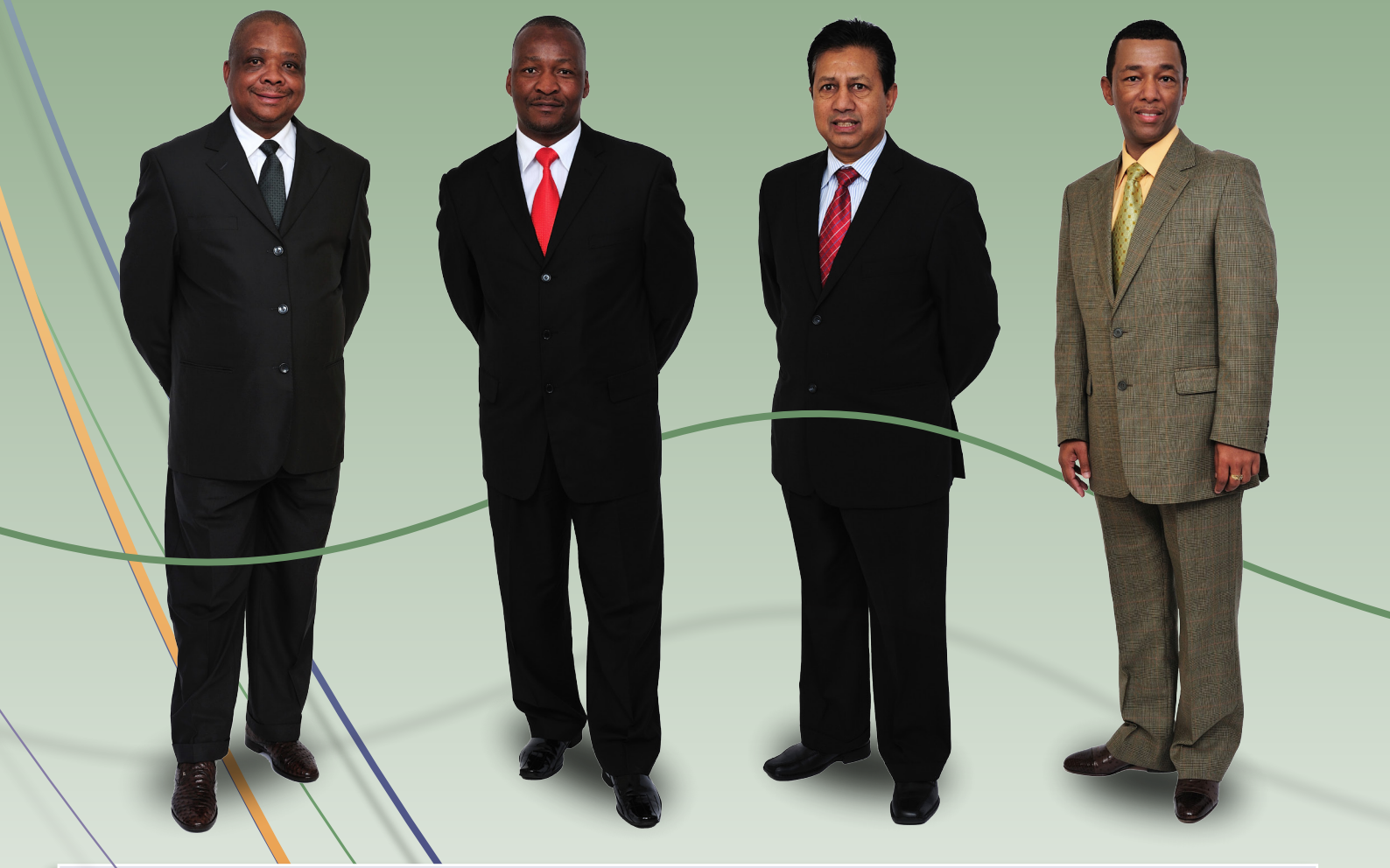


Sam Seepei
Chief Executive Officer
31 May 2011



1.6 MQA Management

Executive Management



Sam Seepei
Chief Executive Officer

Edmund Nxumalo
Chief Operating Officer

- Skills Development and Research
- Standards Generation
- Learning Programme Implementation
- Education, Training and Quality Assurance (ETQA)
- Business Systems Development

Yunus Omar
Chief Financial Officer

- Financial Administration
- Procurement
- Risk and Fraud Administration
- Information Technology

Darion Barclay
Executive Manager Corporate Services

- Corporate Governance
- Customer Service
- Communication
- Human Resources
- Office Management and Facilities

Management



Meryl Plasket
Skills Development and Research



Thapelo Madibeng
Standards Generation



Sonwabile Xaba
Learning Programmes Implementation



Merle Clark
Customer Service and Communication



Mfundo Mdingi
Finance



Lulama Manyadu
Projects



Jay Moodley
Quality Assurance



Valaine Nel
Business Systems

Specialists



Motlalepula Matjila
Skills Development

Kedibone Moroane
Research

Jeannette De Leeuw
Standards Generation

Boitumelo Makgotlo
Standards Generation

Freda Moshime
National Skills Fund



Nonceba Singiswa
Learning Programmes

Mokgubi Phasha
Learning Programmes

Michael Paulsen
Adult Basic Education and Training

Tshepo Tsotetsi
Projects

Bridgette Mathebula
Accreditation

Zodwa Mashinini
Quality Assurance



Herman Mankga
Programme Evaluation

Robert Mukhari
Monitoring and Learner Achievements

Amanda Masilo
Communication

Danny Motsoeneng
Human Resources

Olive Netsianda
Office Management and Facilities



Myan Govender
Assistant Accountant

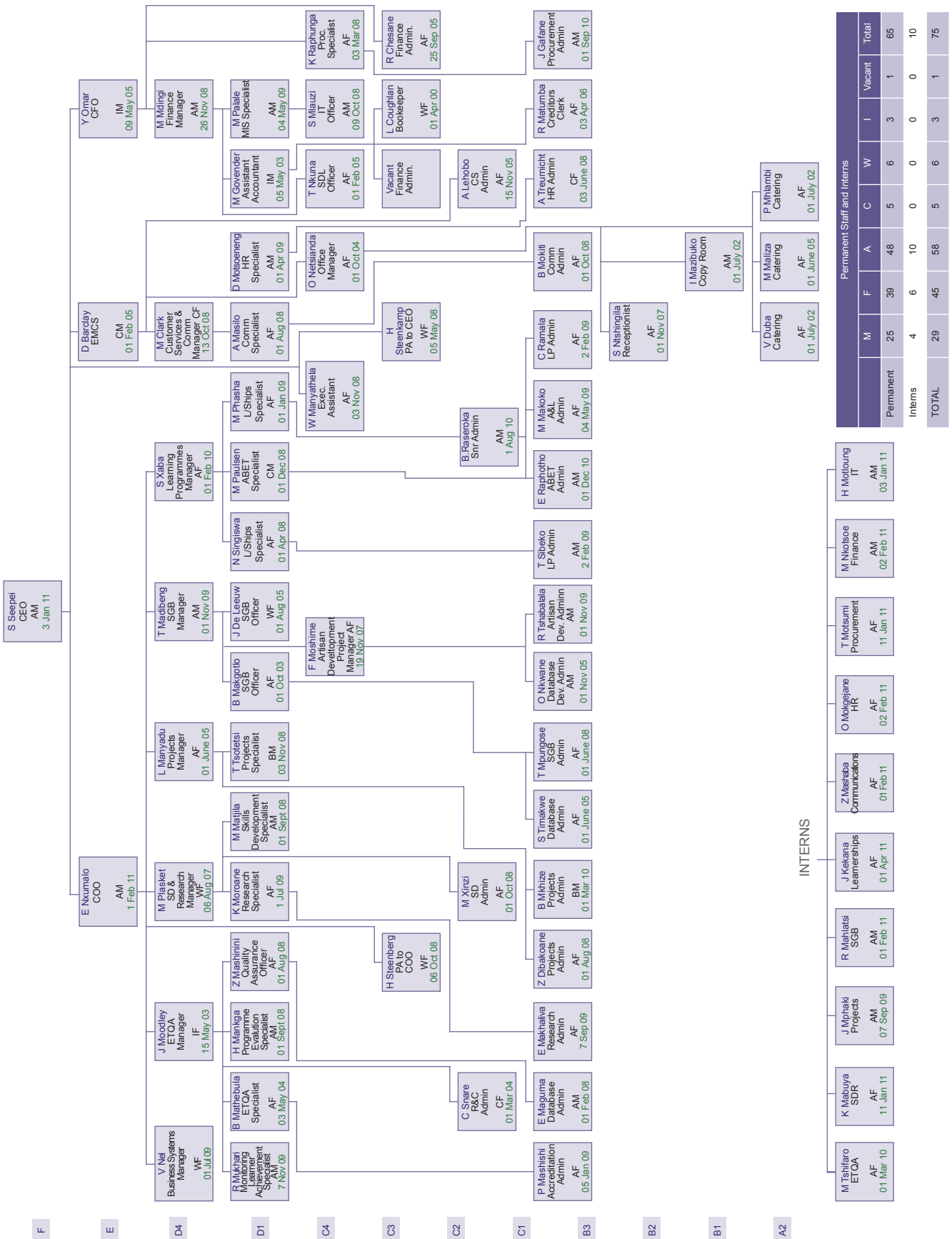
Khathu Raphunga
Supply Chain

Tintswalo Nkuna
Skills Levies

Mabvuto Palale
Information Technology

Winnie Manyathela
Legal and Contracts

1.7 Organogram



Permanent Staff and Interns								
	M	F	A	C	W	I	Vacant	Total
Permanent	25	39	48	5	6	3	1	65
Interns	4	6	10	0	0	0	0	10
TOTAL	29	45	58	5	6	3	1	75

Section 2:

National Skills Development Strategy 2005 - 2011

Indicator 1	Prioritising and communicating critical skills for sustainable growth, development and equity
Indicator 2	Promoting and accelerating quality training for all in the workplace
Indicator 3	Promoting employability and sustainable livelihoods through skills development
Indicator 4	Assisting designated groups including new entrants, to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment
Indicator 5	Improving the quality and relevance of provision

Broad-Based Black Economic Empowerment and Employment Equity Compliance

Legislative Compliance

Public Finance Management Act Compliance

Economic Growth and Productivity



The MQA Annual Performance Report for the period 1 April 2010 to 31 March 2011

Extended NSDS Objective 2005 - 2011	INDICATOR 1 Prioritising and communicating critical skills for sustainable growth, development and equity

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
	Indicator 1.1 Skills development supports national and sectoral growth, development and equity priorities.	The target is the same for each year from 2005 to 2011 as described under the Annual Targets	A signed updated SSP to be submitted to DHET on the specified deadline: *Requirements included:* a) Signature of SETA Board Chairperson; b) SETA agreed growth, development and equity strategy drivers and skills development bodies at national level; c) DHET Executive Manager responsible for quality assurance of SSP **Budgeted expenditure:** **R 7 000 000.00**	The MQA SSP was submitted on **16 February 2011** as per the required deadline with all required signatures. The scarce skills list was submitted to DHET by the required deadline Additional research has been undertaken by the MQA **Actual expenditure:** **R 6 132 447.14**	**Target Achieved** **Target Achieved**
Prioritising and communicating critical skills for sustainable growth development and equity.	**Indicator 1.2** Information on critical skills widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.	The target is set for each year from 2005 to 2011 as described under the Annual Target	Annual guide on scarce and critical skills to be developed and available to learners **400** SDFs / sector specialists to be trained in the sector **Budgeted expenditure:** **R 15 675.000**	The MQA annual guide on scarce and critical skills was developed for the sector and made available to learners The Career guide was developed and widely distributed to learners The Communication Strategy was implemented for the benefit of the sector The Maths and Science project for 740 learners in grades 11 and 12 was implemented to encourage learners to pursue technical careers 569 SDFs / sector specialists were trained in the sector **Actual expenditure:** **R 12 400 908.15**	**Target exceeded** Positive feedback received in workshop evaluation forms from SDFs. The MQA MIS Project successfully implemented.

Extended NSDS Objective 2005 - 2011	INDICATOR 2 Promoting and accelerating quality training for all in the workplace

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
Promoting and accelerating quality training for all in the workplace	**Indicator 2.1** By March 2011 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed.	Target is set annually against the baseline set by the SETA as 80% of large firms and 60% of medium firms. The SETA must communicate to the sector to ensure compliance by firms with the legislative framework (Regulation 6. 9(d) and 10 no. GG Notice R.713 dated 18 July 2005 – Grant Regulations as amended	**Large organisations support** Total number of large levy paying firms in the sector is **210** (baseline). Target for the large firms is (80%) **168** supported through the payment of mandatory grants **Medium organisations support** The total number of medium levy paying firms in the sector is **165.** The target for medium firms is (60%) with **99** supported through the payment of mandatory grants **Budgeted expenditure:** **R 316 613 000.00**	**Large organisations support** A total number of **212** large organisations submitted WSPs-ATRs of which **207** were approved. A total of **158** received mandatory grants **Medium organisations support** A total of **92** medium organisations submitted WSPs-ATRs of which **88** were approved. **5** firms are not contributing towards skills levies A total of **79** received mandatory grants **Actual expenditure:** **R 301 176 000.00**	**Target not achieved** The target was not achieved because several firms could not be paid due to outstanding proof of banking details. The MQA is providing extra support to large organisations that require assistance. The new phased WSP-ATR process requires original proof of banking details upfront. **Target not achieved** There was an insufficient number of submissions for medium organisations. The MQA is providing extra support for medium organisations that require assistance. For the 2011-12 MQA-contracted SDFs are also targeting medium organisations in order to increase the numbers
	Indicator 2.2 By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.	The target is set for each year from 2005 to 2010 as described under Annual Target. The SETA must communicate to the sector to ensure compliance by firms with the legislative framework (Regulation 6. 9(d) and 10 no. GG Notice R.713 dated 18 July 2005 – Grant Regulations as amended	**Small organisations support** The total number of small levy paying firms in the sector is **478** The target for a different number of small levy paying firms receiving WSP-ATR grants, free courses and support is **191**	A total number of 230 small organisations received their mandatory grants as well as other support.	**Target exceeded** An increased number of small organisations were supported resulting in an increase in WSP-ATR submissions

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
Promoting and accelerating quality training for all in the workplace	**Indicator 2.5** Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured.	SETA to set an annually increasing target for the period 2005 to 2010	**Small BEE organisations** The total target for Small BEE firms and/or BEE co-operatives supported is **150** The target for Small BEE firms supported is **150** The target for BEE co-operatives supported is **0** **Budgeted expenditure:** **R 9 471 000 000.00**	**Small BEE organisations** A total of 185 small BEE organisations were supported **Actual expenditure:** **R 8 333 105.67**	**Target exceeded** The balance of the budget has been committed
	Indicator 2.7 By March 2011 at least 700 000 workers have achieved at least ABET Level 4.	**ABET Entry** The target for the sector for the period 2005 to 2010 is 43 000 Learners to enter ABET levels Level 1 -15 000 Level 2 -12 000 Level 3 -10 000 Level 4 - 6 000 **ABET Completions** Target for the sector for the period 2005 to 2010 is 21 500 Learners to achieve ABET levels Level 1-7 500 Level 2 -6 000 Level 3 -5 000 Level 4 -3 000	**ABET Entry** A total of **4 000** learners to enter ABET programmes Learners to enter ABET levels Level 1 - **1 500** Level 2 - **1 250** Level 3 - **750** Level 4 - **500** **ABET Completions** A total of **2 000** learners to achieve ABET Learners to achieve ABET levels Level 1 - **750** Level 2 - **625** Level 3 - **375** Level 4 - **250** **FLC Entry** **350** Learners to enter FLC **FLC Completions** **250** Learners to achieve FLC. **Budgeted expenditure:** **R 20 960 000.00**	**ABET Entry** A total of **7 735** learners entered ABET programmes Learners entered ABET levels Level 1 - **1 667** Level 2 - **2 299** Level 3 - **1 999** Level 4 - **1 770** **ABET Completions** A total of **7 938** learners completed ABET programmes Learners achieved ABET levels Level 1 - **2 198** Level 2 - **2 648** Level 3 - **2 542** Level 4 - **552** **FLC** FLC was not implemented. however the MQA conducted a FLC Pilot for the practitioners. **Actual expenditure:** **R 8 083 033.37**	**Target met** The MQA did not allocate grants for the financial year. The budget was for the commitments only. Only R7 652 650.00 was processed for ABET for financial year **Target not achieved** FLC was not implemented however, the MQA conducted a FLC Pilot for the practitioners.

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
Promoting and accelerating quality training for all in the workplace	**Indicator 2.8** By March 2011 at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.	The target for the sector for the period 2005 to 2011 is 30 500 Learners to enter programmes and 15 250 learners to have completed programmes. (Learners entering programmes will be identified through the updated SSP. Learning Programme Type Matrix (Type 1 -5) and OFO classification)	**Learnerships Entry** A total of **5 500** workers to enter learning programmes **500** Workers to enter learnerships **5 000** Workers to enter skills programmes 0 Workers to enter (MTA S13) Apprenticeship 0 Workers to enter (MTA Section 28) Apprenticeship **Learnerships Completions** A total of **4 750** workers to enter learning programmes **250** Workers to successfully complete learnerships **Skills programmes Completions** **4 500** Workers to successfully complete skills programmes 0 Workers to enter (MTA S13) Apprenticeship 0 Workers to enter (MTA Section 28) Apprenticeship **Budgeted expenditure:** **R 66 949 000.00**	**Learnerships Entry** A total of **9 044** workers entered learning programmes **1 045** workers entered learnerships **7 999** workers entered skills programmes 0 Workers to entered (MTA S13) Apprenticeship 0 Workers to entered (MTA Section 28) Apprenticeship **Learnerships Completions** A total of **14 950** workers entered learning programmes **325** workers successfully completed learnerships **Skills programmes Completions** **14 625** workers successfully completed skills programmes 0 Workers to enter (MTA S13) Apprenticeship 0 Workers to enter (MTA Section 28) Apprenticeship **Actual expenditure:** **R 65 230 214.04**	**Target met** The budget of R38 000,000.00 for non artisans was spent for the previous commitments and completions on the financial year. The MQA did not allocate funds for learnerships for the financial year. For OHS, R25 000,000.00 was allocated with a balance of R2 200 049.00 remaining. A total of 1 514 artisan learners have been registered

Extended NSDS Objective 2005 - 2011	**INDICATOR 3** **Promoting employability and sustainable livelihoods through skills development**

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
Promoting employability and sustainable livelihoods through skills development	**Indicator 3.2** By March 2011 at least 2000 non-levy paying enterprises, NGOs, CBOs and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.	Target for the sector for the period 2005 to 2011 is **300** non-levy paying enterprises, NGOs, CBOs and community-based co-operatives	The total target for non-levy paying enterprises, NGOs, CBOs and community-based co-operatives is **250.** The target of 250 enterprises includes NLPEs, NGOs, CBOs and Community-based Co-operatives The MQA cannot control which entities utilize the support as it is open to all. DoL agreed to a single collective measure in 2007 - 2008 **Budget included under 2.5 above**	**315** NGOs, CBOs and community-based co-operatives supported **Actual expenditure included under 2.5 above**	**Target exceeded** The budget is included under the indicator 2.5. Great efforts were put in place to support NGO's, CBO's and community-based co-operatives

Extended NSDS Objective 2005 - 2011	INDICATOR 4 Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment	**Indicator 4.1** By March 2011 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.	The Target for the sector for the period 2005 to 2011 is **6 590.** Learners to enter programmes and **3 295** learners to have completed programmes. Learners entering programmes will be identified through the updated SSP. Learning Programme Type Matrix (Type 1 -5) and OFO classification	**2 000** Unemployed people to enter learning programmes **1 400** Unemployed people to enter learnerships **600** Unemployed people to receive bursaries 0 Unemployed people to enter Internships **1 000** Unemployed people to successfully complete learning programmes **700** Unemployed people to successfully complete learnerships **300** Unemployed people to successfully complete studies in bursaries 0 MTA S13 apprenticeships 0 MTA S28 programmes **Budgeted expenditure:** **R 58 040 853.62**	**2 950** Unemployed people entered learning programmes. **2 207** Unemployed people entered learnerships **743** Unemployed people received bursaries 0 Unemployed people entered Internships **2 648** Unemployed people successfully completed learning programmes **1 910** Unemployed people successfully completed learnerships **738** Unemployed people successfully completed studies in bursaries 0 MTA S13 apprenticeships 0 MTA S28 programmes **Actual expenditure:** **R 53 940 912.79**	**Target met** The budget for learnerships is indicated under 2.8. The target for unemployed artisan learners has been met. **Target exceeded** The total approved budget has been spent **Target exceeded** The balance of the budget has been committed and will be spent. An increased number of unemployed individuals from historically disadvantaged areas were included onto programmes.
	Indicator 4.2 100% of learners in critical skills programmes covered by sector agreements from FET and HET institutions assisted to gain work experience locally or abroad. of whom at least 70% find placement in employment or self-employment.	The target for the sector for the period 2005 to 2010 is 640 learners to gain work experience and 448 (70%) students - graduates find placement in employment or self-employment (Learners entering programmes will be identified through the updated SSP. Learning Programme Type Matrix (Type 1 -5) and OFO classification)	**Student / Graduate employment assistance** To assist **525** graduates to find placement in employment or self-employment **Work Experience** Target for the number of learners assisted to gain work experience opportunities is **300** **Graduate employment assistance** The target (70%) of students - graduates who find placement in employment or self-employment is **210** **Budgeted expenditure:** **R 64 560 000.00**	**Student / Graduate employment assistance** **918** learners assisted to find placement in employment or self-employment **Work Experience** **627** learners assisted to gain work experience **Graduate employment assistance** **291** learners assisted to find placement in employment or self-employment **Actual expenditure:** **R 57 488 598.00**	**Target exceeded** The allocated budget will be spent. Some of the monies will be accrued. Increased efforts were ensured for learners to find employment, be self employed or obtain work experience.

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment	**Indicator 4.3** By March 2011 at least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programme.	The target for the sector for the period 2005 to 2011 is to train and mentor 445 young individuals to form new ventures that are sustainable and in operation 12 months after the completion of the programme	The target for the sector is **0 (no new uptake)** young persons trained and mentored to form new ventures. The target for the sector is 70%. **91** new ventures are sustainable and in operation 12 months after the completion of the programme. **Budgeted expenditure:** **Not Applicable**	**166** new ventures sustained **Actual expenditure:** **Not Applicable**	**Target exceeded** The budget spent was an accrual from the previous financial year. All learners that were part of the new centre creation project obtained valuable skills with a large number establishing new businesses and sustaining them.

Extended NSDS Objective 2005 - 2011	**INDICATOR 5** **Improving the quality and relevance of provision**

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
Improving the quality and relevance of provision	**Indicator 5.1** By March 2011 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public & private institutions and through Public Private Partnerships (PPPs) where appropriate. Spread as widely as possible geographically for the development of people to attain identified critical occupational skills. whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.	The target for the sector for the period 2005 to 2011 is 5 institutes. (at least 5 spread as widely as possible geographically)	The target for the sector is **5** institutes. The geographical spread of institutes Provides information on learners successfully placed in the sector **Budgeted expenditure:** **R 17 376 000.00**	**9** Institutes of Sectoral or Occupational Excellence (ISOE) were supported **Actual expenditure:** **R 16 930 650.02**	**Target exceeded** The MQA successfully assisted and supported ISOEs. The MQA has achieved a milestone of 1 300 high quality mining and minerals sector learning packs. Various RPL workshops where held in this financial year. Implementation is expected to pick up in the next financial year. Public FET Colleges were supported for the ISOE project. Deliverables were met for the Facilitator Development project.

	2005 - 2011		2010 - 2011		
Objective	**Success Indicators (National Targets)**	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
	Indicator 5.2 By March 2010 each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.	The target is set for each year from 2005 to 2010 as described under Annual Target – 5 year target	The target for the sector is **0** as the sector has no need for NVC programme. **Budgeted expenditure: Not Applicable**	Not Applicable **Actual expenditure: Not Applicable**	
Improving the quality and relevance of provision	**Indicator 5.3** By March 2011 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the NQF in support of the NSDS.	The target is set for each year from 2005 to 2011 as described under Annual Target	The target for the SETA is to improve the quality of service delivery and implementation of NQF as required by SAQA **Budgeted expenditure: R 3 949 000.00**	NLRD report showed that the required green status was achieved **Actual expenditure: R 2 850 367.30**	**Green status achieved** NLRD report - green status achieved. The MQA has been approved by QCTO as a Development Quality Partner for occupations in Mining, Health and Safety beneficiation and artisans. Deliverables met and monies spent for assessor and moderator registration and PDA Standardised Assessment. Due to delays in QCTO Process, the External Assessment Tools Development project has not yet been implemented.

EQUITY AND GOVERNANCE

Extended NSDS Objective 2005 - 2011	BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND EMPLOYMENT EQUITY COMPLIANCE SETA to accelerate BBBEE and EE (85% black, 54% women and 4% people with disabilities, including youth in all categories). Learners with disabilities to be provided with reasonable accommodations such as assistive devices and access to learning and training material to enable them to have access to and participate in skills development

2005 - 2011		2010 - 2011		
Success Indicators (National Targets)	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
The SETA must ensure compliance with good EE and BBBEE principles	The target is set for each year from 2005 to 2010 as described under Annual Target	The SETA to accelerate the implementation of BBBEE and EE (85% black, 54% women and 4% people with disabilities, including youth in all categories) with regards to indicators 2.7. 2.8. 4.1 and 4.2 with respect to the number of learners entering programmes **Budgeted expenditure:** **Refer to budgets for 2.7. 2.8. 4.1 and 4.2.**	A disability and reasonable accommodation toolkit has been developed to provide a disability educational and resource tool for the sector. **Actual expenditure:** **Refer to budgets for 2.7. 2.8. 4.1 and 4.2.**	**Target not achieved** For the 2010-2011 financial year no learners with disability have been trained. A toolkit is being developed and possible projects have been identified for implementation in 2011-2012

Extended NSDS Objective 2005 - 2011	LEGISLATIVE COMPLIANCE SETAs must ensure that they comply with the relevant legislation e.g. SDA. SDLA. PFMA. PAA. PPPFA. and King III etc.

2005 - 2011		2010 - 2011		
Success Indicators (National Targets)	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
The SETA must ensure compliance with good governance principles	The SETA must ensure compliance with good governance principles	Annual Board evaluations **Budgeted expenditure:** **R 56 Million** **(Total Administration Budget)** **R 53 525 000.00**	The MQA ensured full compliance with corporate governance and the legislative framework. The annual evaluations on the effectiveness of the Board and standing committees was finalised. **Actual expenditure:** **R 53 539 000.00**	

FUNDS MANAGEMENT

NSDS Objective 2005 - 2011	PUBLIC FINANCE MANAGEMENT ACT COMPLIANCE PFMA section 53(1) SETA must submit Budget of estimated revenue and expenditure (ENE) for that financial year for approval by the executive authority (DHET)

2005 - 2011		2010 - 2011		
Success Indicators (National Targets)	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
PFMA regulation 30(1) as per Treasury Regulation 30.1.3(b) and (d)	The SETA to provide ENE budget	The SETA to provide ENE budget in terms of the PFMA requirements The SETA is measured on: **Administration expenditure** - 10% (12.5% of 80%) **Mandatory grant expenditure** - 50% **Discretionary grant expenditure** - 20% (plus swept funds) The SETA to provide information on Discretionary expenditure and investments in respect of National Treasury Policy	**Total Revenue:** R601 million **Administration:** R73 million **Mandatory:** R363 million **Discretionary:** R166 million	**Target met** All relevant documents and reports submitted on time.

PROVINCIAL LINKAGES

NSDS Objective 2005 - 2011	ECONOMIC GROWTH AND PRODUCTIVITY SETA to support economic growth for employment creation and poverty eradication SETA to promote productive citizenship for all by aligning skills development with national strategies for growth and development

2005 - 2011		2010 - 2011		
Success Indicators (National Targets)	**Extended MQA Plan (Six Year Targets)**	**MQA Plan (Annual Targets)**	**MQA Achievements**	**Scorecard**
The SETA needs to promote and improve participation in Provinces	The SETA needs to promote and improve participation in Provinces	The SETA should promote and improve participation in Provinces through: 1. Direct physical presence- Indirect permanent physical presence 2. Indirect temporary physical presence- Non-physical presence 3. PSDF participation 4. PDGS participation **Budgeted expenditure:** **R 263 470.00**	The MQA participated and supported skills development initiatives in all nine provinces including rural areas. A management representative was appointed as a PSDF representatives for each of the nine province **Actual expenditure:** **R 184 903.87**	**Target exceeded** The MQA participated and supported skills development initiatives in all nine provinces including rural areas. A management representative was appointed as a PSDF representative for each of the nine provinces.

Section 3:

Mining Charter Support Strategy



Mining Charter Support for the provisions, declaration and scorecard for 2010-2011

The Broad-based Socio-Economic Empowerment Charter, known as the Mining Charter, which was created in terms of Section 100(2)(a) of the Minerals and Petroleum Development Act (MPRDA), No 28 of 2002, identifies specific sector transformation targets. It was revised by MIDGETT (the Mining Industry's Growth, Development and Employment Task Team) in the 2009-2010 financial year to review industry progress made by the industry against the Charter objectives, which was gazetted in 2004, and streamlined to expedite the achievement of objectives. The revision resulted in:

- a Stakeholders' Declaration that supports a strategy for sustainable growth and the meaningful transformation of South Africa's mining industry (30 June 2010)
- an amendment of the Mining Charter for the local mining and minerals industry (September 2010), and
- the development of a scorecard.

Amended Mining Charter objectives:

- Promote equitable access to the nation's mineral wealth.
- Substantially and meaningfully expand opportunities for HDSAs to benefit from the exploitation of the nation's mineral resources.
- Utilise and expand the existing skills base to empower HDSAs and serve the community.
- Promote employment and advance the social and economic welfare of the mining community and major labour-sending areas.
- Promote the beneficiation of South Africa's mineral commodities.
- Promote sustainable development and growth in the mining industry.

MQA support for Mining Charter and Stakeholder Declaration

The MQA's support in this regard includes:

- **Conducting at least two skills audits by 2014**

- The MQA finalised the preparation for approximately 300 skills audits which will be conducted during the 2011-2012 financial year.

- **Ensuring that mechanisms for directing the mandatory skills levy are in place, efficient and effective**

- The WSP-ATR submission processes resulted in an increase of WSPs - ATRs received and evaluated by the MQA.

- **Development of requisite skills**

- **Learnerships**

A total of **3 012 certificates** were issued during the financial year for non-artisan programmes, such as Mineral Processing Operators, Miners, Health & Safety, Diamond Processing and Jewellery Manufacturing.

- **Bursaries**

A total of **743 students** were assisted with bursaries for studying Mechanical Engineering, Mineral Surveying, Mining Engineering, Chemical Engineering and Metallurgical Engineering.

- **Artisans**

A total of **1 578 certificates** were issued in the financial year for the nine MQA-designated artisan trades, namely Electricians, Millwrights, Fitters, Fitter & Turners, Instrumentation Mechanics, Rigger Ropesmen, Plater Boilermakers, Plater Welders and Diesel Mechanics.

- **Work experience**

627 tertiary education students were assisted to gain work experience in mines and jewellery manufacturing companies.

- **ABET**
  - **7 735 learners** entered ABET Programmes at Levels 1, 2, 3 and 4.
  - **7 938 learners** achieved ABET Programmes at Levels 1, 2, 3, and 4.

- **Other training initiatives (school support)**

The MQA continued with the development of matric pupils for additional Maths and Science lessons. 740 were trained during the financial year, while the MQA continued to distribute its career guidance booklet to various schools.

- **Implementation of Tripartite Agreement action plan on Health and Safety**
  - Reviewed the skills programme and learning packs for the Occupational Health and Safety (OH&S) representatives.
  - Issued 6 748 certificates during the 2010-2011 financial year for the training of Occupational Health and Safety representatives.
  - The training of individuals for the safety officer occupation commenced with 11 learners achieving the National Certificate in Occupational Health and Safety, Level 2. 4 976 learners were registered with 4 954 learners completing the National Certificate in Occupational Health and Safety, Level 3. These programmes are reflected in the revised Mining and Mineral Sector Qualifications Framework.

The MQA SSP for the 2011-2016 period contains additional requirements that support the Mining Charter, which will be rolled out during the National Skills Development Strategy III implementation period.

Section 4:
Operations Report

4.1 Skills Development and Research
4.2 Standards Generation
4.3 Learning Programmes
4.4 Projects
4.5 Education, Training and Quality Assurance
4.6 Projects & Grants 2010 - 2011



Sector Skills Development Value Chain

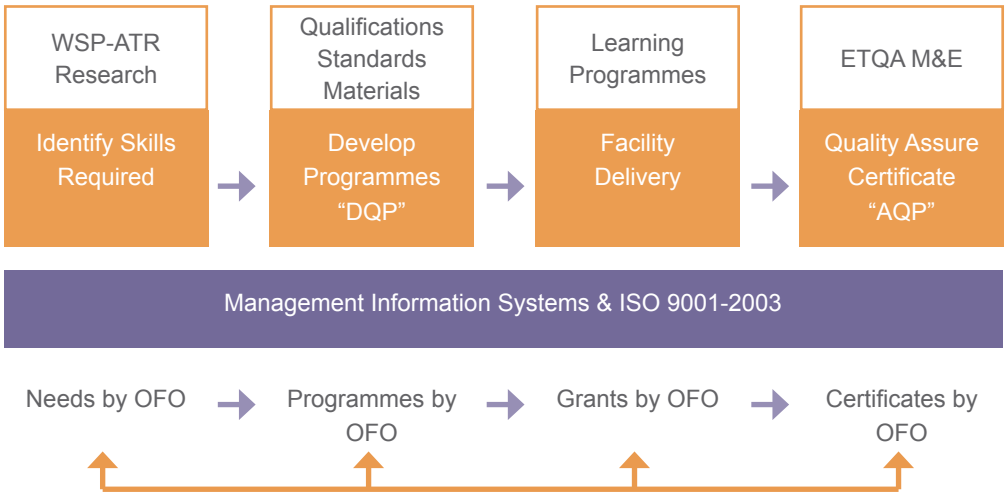


Figure 1: Sector Skills Development Value Chain

The MQA follows a simple yet effective value chain approach to support skills development in the mining and minerals sector. "Needs" (Column 1) are established through accurate research and these inform "Programme development" (Column 2). This allows the MQA to ensure that the implementation of learning programmes (Column 3) is aligned with customer requirements. As a continuous improvement process, the MQA "monitors, evaluates and quality assures" (Column 4) all programmes and feeds improvements to other value chain activities in a dynamic, continuous loop process.

4.1 Skills Development and Research

The main role of the Skills Development and Research Unit is to:

- Manage the registration of MQA organisations
- Manage the WSP-ATR (mandatory grant submissions), evaluation and approvals
- Register and support Skills Development Facilitators (SDFs) and Skills Development Committees (SDCs)
- Manage the update of the Organising Framework for Occupations (OFO) and communication within the sector
- Develop the SSP and identify scarce skills
- Manage research projects

Progress during the 2010-2011 year is summarised below.

4.1.1 Registration of organisations with the MQA

An employer who is liable to pay a skills development levy must register as an employer with the SARS office where the employer's business is situated and indicate the jurisdiction of the SETA within which the employer must be classified, as well as the applicable Standard Industrial Classification (SIC) code. The average number of levy payers contributing to levies to the MQA over the 2010-2011 period was 1 395. This included a number of Inter-SETA Transfers (ISTs) of employers who moved from another SETA to the MQA. In addition, the MQA registered a total of 34 Non-Levy Paying Enterprises (NLPEs) that fall within the sector.

The accurate registration of organisations is essential for an analysis of the sector. This includes categorising organisations into sub-sectors, namely: Coal Mining, Gold Mining, Platinum Group Metals (PGM) Mining, Diamond Mining, other Mining (including the mining of iron ore, chrome, manganese, copper, phosphates and salt), Cement, Lime, Aggregates and Sand (CLAS), and the Services Incidental to Mining, Diamond Processing and Jewellery Manufacturing.

4.1.2 WSP-ATR submission

The submission of a WSP-ATR to the MQA constitutes an application for a mandatory grant. The participation of organisations in the MMS has increased steadily over time. A total of 621 (2010: 511) organisations (by levy number) submitted their WSPs - ATRs for the 2010-2011 financial year, which represented approximately 80 percent of the workers in the sector.

4.1.3 WSP-ATR submissions and approvals

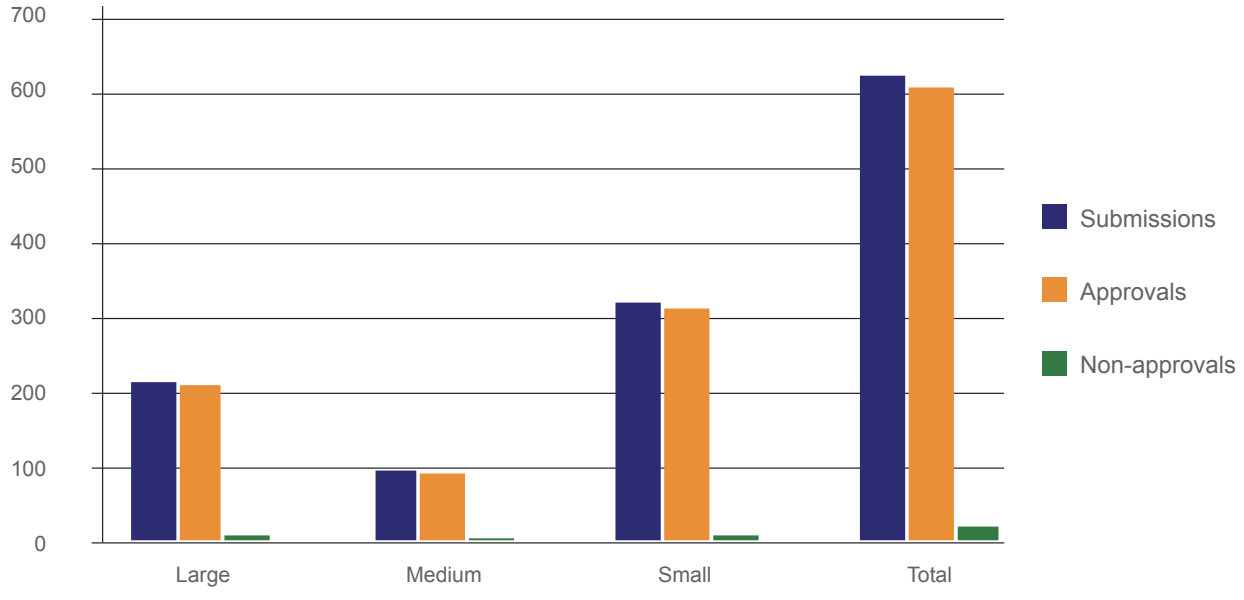
The Table below provides a snapshot of submissions and approvals for the 2010-2011 financial year.

Table 1: WSP-ATR submissions and approvals

Total submissions received by SDL number (including late and wrong SETA)	630
WSP-ATR submissions received (by SDL) by deadline	621
Approvals	604
WSP-ATR submissions by MQA-contracted SDFs	231
Non-approvals	26
Late submissions	6
Wrong SETAs	2
Submission for information (DMR)	1

4.1.4 WSP-ATR submissions and approvals by organisation size

The graph below shows WSP-ATR submissions and approvals by organisation size.

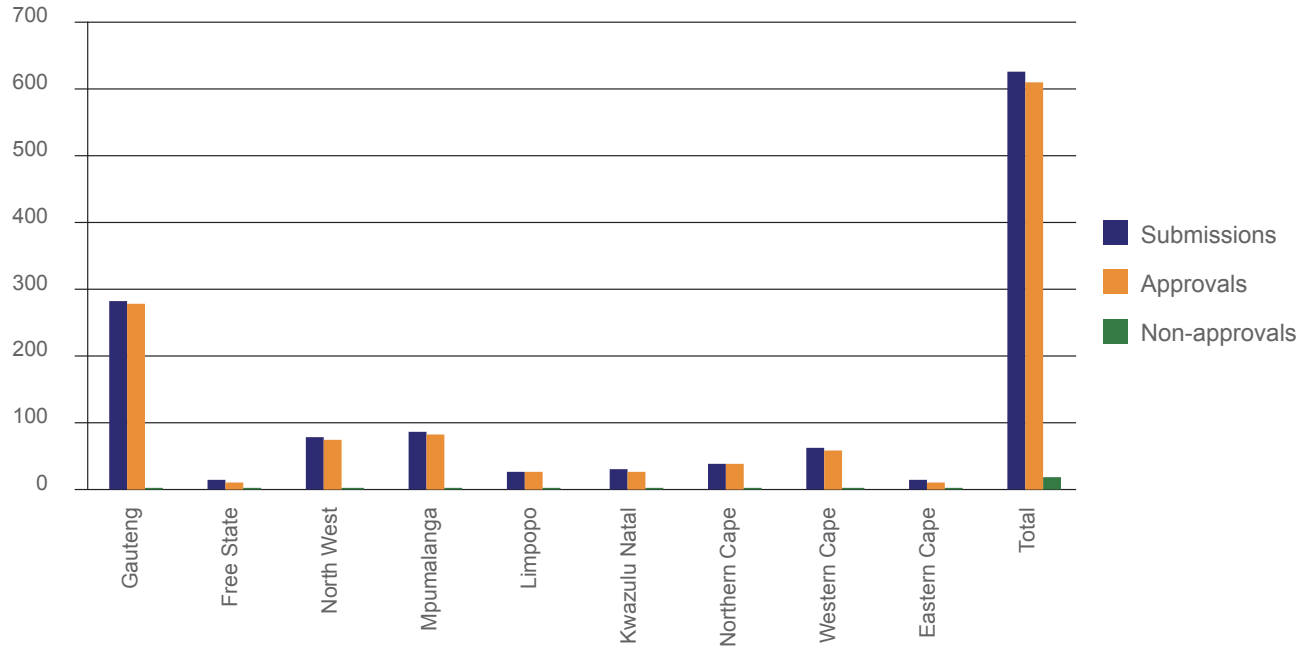


	Submissions	Approvals	Non-approvals
Large	212	207	5
Medium	92	88	4
Small	317	309	8
Total	**621**	**604**	**17**

Figure 2: Number of 2010 WSP-ATR submissions and approvals by organisation size.

4.1.5 WSP-ATR submissions and approvals by Province

The graph below shows WSP-ATR submissions and approvals across provinces.



	Submissions	Approvals	Non-approvals
Gauteng	279	277	2
Free State	13	11	2
North West	76	75	1
Mpumalanga	84	82	2
Limpopo	27	26	1
Kwazulu Natal	29	26	3
Northern Cape	38	37	1
Western Cape	61	59	2
Eastern Cape	14	11	3
Totals	**621**	**604**	**17**

Figure 3: Number of 2010 WSP-ATR submissions and approvals by province.

4.1.6 Skills Development Facilitators (SDFs) and Skills Development Committees (SDCs)

In addition to registering skills development facilitators, the MQA supports the more effective functioning of both skills development facilitators and skills development committees. This includes MQA-contracted skills development facilitators.

The Table overleaf reflects the progress made with skills development facilitators and skills development committees during the 2010-2011 financial year.

Table 2: Progress with Skills Development Facilitators and Skills Development Committees during 2010-2011

AREA OF SUPPORT	STATUS
SDF registration	The MQA-I-Share registration is ongoing, with 433 SDFs approved for 471 organisations. SDFs registered themselves and the SDL number to submit WSPs - ATRs on the IT Aware solution as part of Phase 1. After validation, the MQA approves the SDF for the organisation. By 31 March 2011, 150 SDFs and organisations had been approved.
SDF National Forum	The SDF National Forum, held on 24 November 2010, focused on the WSP-ATR requirements for 2011 and was attended by 245 SDFs and sector specialists.
SDF capacity building	A total of 19 workshops were held in February and March 2011 to: Brief SDFs/IT personnel on the MQA requirements for the 2012 submissions and the new WSP-ATR process Assist SDFs to register the levy number/s they submit on the website Align organisational processes to generate the data (including mapping job titles to occupations) The Resource Pack consisted of: • MQA requirements presentation • Scarce skills guide • WSP-ATR requirements for 2011-2012 • OFO Mapping guide.
SDC support	The national workshop held in May 2010 was attended by 100 participants, targeted labour-nominated SDC members and focused on OFO and the 2010-2011 WSP-ATR submissions. Several requests were received from sector organisations for SDC workshops. Organisation-based SDC workshops will be rolled out by MQA-contracted SDFs from May 2011 onwards.
MQA-contracted skills development Facilitators	The MQA currently has 15 MQA-contracted SDFs.

4.1.7 Skills development research and analysis

Good data and research is essential for effective skills planning and reporting. The Minister of Higher Education and Training recently stated that *"The real value added by SETAs is their understanding of labour market issues in their respective industrial and economic sectors. SETAs must ensure that they are backed by employers and workers, are acknowledged as a credible and authoritative voice on skills, create interventions and shape solutions that address needs within their sectors."* (NSDS III Foreword, 13 January 2011).

4.1.8 The Organising Framework for Occupations (OFO)

The Organising Framework for Occupations (OFO) is a system that codes and classifies occupations. It is a key tool for the Department of Higher Education and Training (DHET) and other organs of the state to identify, report and monitor skills demand and supply in the South African labour market. The coding system is a critical part of the emerging National Occupational Pathways Framework (NOPF) that already includes descriptors, tasks and alternate titles for all existing occupations. The successful integration of the OFO into the mining and mineral sector organisational data will enhance the accurate identification of occupation-specific skills needs in the sector.

SETAs need to ensure that the OFO represents sector needs. During the 2010-2011 financial year, the MQA profiled occupations in detail to ensure that the core sector occupations are aligned with workplace needs to deliver outputs. The required output needs and how these relate to occupations are the cornerstone of updating the OFO. The MQA provided the DHET with substantive input on the sector-proposed changes on the OFO (Version 9) which have been incorporated into OFO 2011 (Version 10).

The MQA also developed a methodology and supporting software to help sector organisations map their OFO-related occupations in an organogram format to find appropriate occupations. Workshops were held for SDFs on mapping against the OFO, as required by the WSP-ATR process and SDFs received a copy of the *"MQA Guide: Mapping Organisation jobs/posts to occupations on the OFO".*

4.1.9 Scarce skills within the minerals and mining sector

Scarce skills refer to occupations for which there is a scarcity or shortage of qualified and experienced people. This scarcity can be current or anticipated and is usually due to the unavailability or unsuitability of skilled people to the employment criteria of organisations.

As part of its skills development research function, the MQA annually collects data from employers on occupations that are dependent on scarce skills. The Table below contains an analysis of the information about scarce skills contained in the WSPs that were submitted for the 2010-2011 financial year at the end of June 2010. At that time, only 28.3 percent of employers who submitted WSPs reported skills shortages in their market sectors for positions for which they could not find suitable candidates.

While 1 301 people reported occupations in which there were skills shortages, this translated to only 0.2 percent of total employment in the sector.

Table 3: Scarce skills according to occupational group, June 2010

Occupational group	Vacancies	Percentage (%) of total vacancies	Percentage (%) of total occupational category
Directors and Corporate Managers	119	9.1	1.1
Professionals	188	14.5	0.9
Technicians and Trades Workers	607	46.7	0.8
Community and Personal Service Workers	1	0.1	0.0
Clerical and Administrative Workers	4	0.3	0.2
Sales Workers	0	0.0	0.0
Machine Operators and Drivers	376	28.9	0.2
Elementary Workers	6	0.5	0.0
Total	**1 301**	**100.0**	**0.2**

The occupational group with the highest percentage of people needed is technicians and trades workers (46.7 percent of the scarce skills occupations), followed by machine operators and drivers (28.9 percent), professionals (14.5 percent) and directors and corporate managers (9.1 percent).

The numbers of scarce skills positions are substantially lower than those of previous years. The decline in scarce skills may be linked to the contraction of the sector and the overall decline in sector employment as reported in the SSP 2011-2016. Some of the shortages reported over the years may also have been relieved by increases in the supply to the market, such as the substantial increase in the number of engineering students qualifying from higher education institutions over the last ten years. Employers also indicated that half (58.8 percent) of the skills were scarce because of their ''relative'' scarcity and a third (33.0 percent) because of their ''absolute'' scarcity.

In the Directors and Corporate Managers' group, Production/ Operations Managers represented the highest percentages of skills shortages. In the professional category, the largest number of vacancies was for mining engineers, followed by mechanical engineers, surveyors, geologists, metallurgists and occupational health and safety advisors.

In the technicians and trades workers group, the largest number of vacancies was for miners, followed by electricians, metal fabricators, diesel motor vehicle mechanics, fitters (general), boat builders and repairers (skills needed in the marine mining industry), electrical engineering technicians,

fitters and turners, mining technicians, civil engineering draftspersons, millwrights, precision instrument makers and repairers, automotive electricians, electricians (special class), mechanical engineering technicians and electronic instrument trades workers (special class). Finally, in the machine operator and driver category, the largest number of vacancies was for drillers, excavator operators, crane, hoist or lift operators and earthmoving plant operators.

With a few exceptions, the sector has experienced these shortages consistently over the past five years. The reasons for the difficulty to find suitable candidates include: the geographic location of the mines, the relative unattractiveness of the mining sector and the difficulty of finding HDSAs for specific occupational groups to meet employment equity requirements.

While small in relation to the overall size of the workforce, skills shortages within the MMS exist specifically in the professional and technician and trades worker categories. These shortages are not only the result of general shortages in the labour market (i.e. absolute shortages), but are often related to factors specific to the industry that deter people with these skills from taking up employment in the sector (i.e. relative shortages).

These factors include the relative unattractiveness of the mining industry in relation to other industries in the economy and the location of many mining operations in remote rural areas, as well as the generally limited supply of HDSAs with the requisite skills to meet employment equity targets. While the Mining Charter stresses the need for the development and operational exposure of HDSAs in core and critical skills areas, more often than not these skills areas coincide with those in which skills shortages are experienced by other sectors. As such, the MQA's skills development interventions to address skills shortages focus mainly on the development of HDSAs.

A complete list of scarce skills is available on the MQA website. The MQA uses a variety of interventions to support scarce skills in the MMS. In addition to bursaries and grants, the MQA ensured that the necessary qualifications and learnerships are registered with accredited providers, supported the training and registration of assessors and moderators, verified assessments and awarded qualifications. In some instances, the MQA also supported the development of learning materials, while the MQA career guide, in which scarce skills are flagged, was developed to stimulate the supply-side of the market.

Table 4*: MQA interventions to alleviate scarce skills

Occupational Category	Occupation	OFO Code	Level	Supply-side interventions
MANAGERS	Production / Operations Manager (Mining)	133503	HET	Learnership to be developed
PROFESSIONALS	Mechanical Engineer	233502	HET	Bursaries Workplace experience Internships
	Mining Engineer (excluding Petroleum)	233601	HET	Bursaries Workplace experience Internships

**This Table includes only interventions relating to occupations in which more than 20 occupations were identified as scarce.*

Occupational Category	Occupation	OFO Code	Level	Supply-side interventions
TECHNICIANS AND TRADE WORKERS	Civil Engineering Draftsperson	312201	HET	Currently no MQA intervention
	Electrical Engineering Technician	312302	HET	Bursaries Workplace experience Internships
	Mining Technician	312903	HET	Bursaries Workplace experience Internships
	Diesel Motor Vehicle Mechanic	321202	FET	Trade Learnership
	Metal Fabricator	322301	FET	Trade Learnership
	Fitter (General)	323201	FET	Trade Learnership
	Fitter and Turner	323202	FET	Trade Learnership
	Electrician (General)	341101	FET	Trade Learnership
	Boat Builder and Repairer	399101	FET	Learnership to be developed
	Miner	399910	FET	Learnership
MACHINERY OPERATORS AND DRIVERS	Mineral Processing Machine Operator	711104	FET	Learnership
	Driller	712201	FET	Skills Programme
	Earthmoving Plant Operator (General)	721201	FET	Skills Programme
	Excavator Operator	721204	FET	Skills Programme

**This Table includes only interventions relating to occupations in which more than 20 occupations were identified as scarce.*

4.1.10 Sector Skills Plan (SSP)

According to the draft framework for the NSDS III (2012 to 2016), all SETAs had to submit sectoral analysis to the DHET according to the broad guidelines of the framework document. The MQA submitted its sector analysis of the MMS by the due date 30 June 2010 and a draft SSP on 30 September 2010. As required, the final SSP was submitted by 16 February 2011.

The development of the SSP was guided by DHET requirements and took into account national and sector-related legislation, strategies and requirements.

The main purpose of the SSP is to:

- Determine skills development priorities based on an analysis of skills demand and trends and supply issues within the sector
- Identify a set of sector-specific skills development objectives and goals to meet sector needs, economic or industrial growth strategies and scarce and critical skills needs in the sector
- Identify strategies to address these objectives and goals
- Identify activities that will support these strategies and
- Report on performance in relation to these objectives and goals (this will receive attention in the subsequent updates of the SSP and as part of ongoing quarterly performance reporting requirements).

The analysis presented in the SSP is based on information from a range of sources, including the official statistical information published by the DMR, Statistics South Africa and the Department of Education. The MQA has also developed its own data system, which is updated annually with information from the WSPs-ATRs. Notably these WSPs-ATRs contain considerably more information than the legislated minimum requirements and represented approximately 80% of the workforce in the sector.

The information was combined with the information that all mines submit to the DMR every three months and used to build a coherent statistical sector picture. It is also useful to track trends over time to form the foundation for the data used in the sector profile. The projections of the future demand for

labour were derived from two models: an econometric model that produces forecasts for the total economy and a demand projection model developed for the MQA.

In addition to the quantitative analysis and the desktop research presented in this SSP, information was obtained through a consultative process. The SSP development process included extensive MMS stakeholder participation, including six workshops and various inputs, particularly by the DMR, organised employers and organised labour. The MQA Board held three workshops during a six-month period.

The 2011-2016 SSP for the sector is available on the MQA website (www.mqa.org.za).

4.1.11 Research projects

Research projects undertaken in the financial year are summarised below.

Table 5: Research projects undertaken during the 2010-2011 financial year

Core labour market research		
No.	**Project name**	**Objectives**
1	Sector Skills Plan (SSP) 2011-2016 (including scarce skills)	The Sector Skills Plan is prepared in accordance with the guidelines included in the draft NSDS III for the 2011-2016 period. The main purpose of the SSP is to guide and inform skills development initiatives in the sector.
2	Survey of small sector organisations	In 2003 and 2004, the MQA commissioned a study each into three MMS sub-sectors, namely jewellery manufacturing, CLAS and small-scale mining. The studies focused on various aspects, including specific sub-sector training and support needs. The information from these studies is now outdated. In addition, the simplified format of the 2009-2010 and 2010-2011 WSPs - ATRs provides limited information on small organisations. To encourage small organisations to provide information, a simplified WSP - ATR format has been developed for small organisations. The current study will inform the SSP and other aspects of the MQA's strategic planning. Objectives: • Develop a profile of employees for each sub-sector (WSP information will be used in conjunction with survey information, where possible) • Determine the factors that affect skills demand and supply • Determine the effect that the economic recession has had on employment and skills needs • Establish growth expectations • Determine the extent of skills shortages (scarce skills) and skills gaps in the current workforce • Determine the training needs of employees, and • Determine how best the MQA can support small organisations. MQA-contracted SDFs were trained as field workers to assist the allocated small organisations to complete questionnaires.

Core labour market research		
3	10-year sector trend analysis	The MQA has commissioned a systematic analysis of the WSPs - ATRs annually since 2002. This provided the MQA with time series data on the sector profile and skills development initiatives as important source of information for the development and updating of the SSP. The objective of this study is to conduct a 10-year review of the information contained in the WSPs - ATRs to: • determine and analyse the changes in the sector in terms of geographic location, size and composition of organisations that submitted WSPs - ATRs to the MQA over the ten-year period • analyse sector workforce changes in terms of population group, gender and education levels • analyse trends and changes in the training offered by organisations in the sector over the ten-year period and • compare WSP - ATR data with MQA MIS data, where possible. **Mining and mineral sector skills development facts and figures 2000-2010** The objective is to publish a user-friendly booklet of MMS skills development facts and figures based on the research indicated above and update the booklet annually with the most recent facts and figures, starting in 2011-2012.
4	Analysis of WSPs - ATRs for Year 10 (2009-2010)	This report is the ninth in a series of reports on information contained in the mandatory grant applications, i.e. WSPs - ATRs submitted to the MQA by sector organisations. Objectives: • Analyse the ATRs for the 2008-2009 financial year (Year 9 of the implementation of the skills development legislation) and the WSPs submitted for the 2009-2010 financial year (Year 10) in relation to sector trends • Compare completed training reported in the ATRs with completed training reported on the MQAs MIS, where possible • Compare current data with that received in previous years, where possible.
5	Analysis of WSPs - ATRs for Year 11 (2010-2011)	This report is the tenth in a series of reports on information contained in the mandatory grant applications, i.e. WSPs - ATRs submitted to the MQA by sector organisations. Objectives are to analyse the Year 11 WSPs and Year 10 ATRs.
6	Occupational profiling and skills audit	The occupational profiling and skills audit will lay the basis for the development of occupational qualifications and learning pathways, as well as the facilitation of a skills audit within sector organisations. **Occupational profiling, OFO and WSP - ATR objectives** • Undertake an extensive and participatory exercise to profile sector support occupations. Develop capacity of relevant persons within sector organisations to link unique jobs to occupations on the OFO within their organisations • Develop a comprehensive updated OFO implementation toolkit • Validate the revised MQA qualifications framework • Consolidate the changes to the OFO requested by the MQA for submission to the DHET. **Skills audit (to be undertaken in 2011-2012) objectives** • Provide a skills audit toolkit for sector organisations • Facilitate and support sector organisations to conduct skills audit within their organisations • Provide relevant skills audit reports.

Core labour market research		
Other research		
7	Implications of implementing the language policy with specific reference to the phasing out of Fanakalo	Objectives of the study: • Provide the MQA with a historical overview and critical analysis of Fanakalo and the possibilities and limitations of its current policy in terms of this language • Detail and analyse the distribution and use of Fanakalo in the sector • Consider broader technological and labour changes that impact on the future of Fanakalo (such as opencast mining development, the outsourcing of labour, labour migration and broad socio-economic changes) • Determine current perceptions and attitudes of sector stakeholders regarding: the implications of the "phasing out policy" as regards numbers, demographic profile, practical workplace problems and limitations; • the implications of illiteracy of workers for the phasing out policy (i.e. the impact that illiteracy may have on the learning of a new language) • the legal and constitutional implications of the language policy; • possible alternatives and phasing out routes, such as interventions to facilitate the phasing out process; • current capacity available to deliver such interventions. • broad estimate of the cost of such interventions; • Implications for health and safety as well as technical training and assessment • the implications for the MQA (such as qualifications, quality assurance of education, training and funding).
Other research		
8	Skills Development Institutes	Investigate the feasibility of Skills Development Institutes. Objectives of the study: • Identify the regions and/or provinces where Skills Development Institutes could be established • Develop a business case for the establishment of Skills Development Institutes • Develop process flow charts for the functioning of the Skills Development Institutes • Investigate and develop best practice in the operations of Skills Development Institutes and/or learning centres.
9	ABET	No research project was undertaken. A resource document was developed and discussed at an MQA ABET Symposium to identify the ABET challenges facing the sector and recommend the way forward.

4.2 Standards Generation

The Standards Generating Body Unit consists of the following core functions:

- Standards Setting for FET and HET institutes
- Minerals Beneficiation
- Artisan Development

The Mining and Minerals Sector Qualifications Framework (NQF Levels 1 – 10) was reviewed during the year and aligned with the Organising Framework for Occupations (OFO). The framework enables the identification of occupations by OFO code, as well as the associated registered NQF qualification, learnerships and skills programmes.

A generic OFO learning programme and training manual namely the *Organising Framework for Occupations was developed in alignment with Occupational Learning System.* This document was approved by the Standards Generating Body (SGB). A series of workshops were conducted with sector stakeholders and Technical Reference Groups to create an understanding about developments in the skills development landscape, the related concepts and structure and the relevance of the OFO to a variety of MQA-related processes. The workshops prepared sector practitioners for the occupational profiling project, which is the first stage in the design and development of curricula and qualifications for the sector job mapping process undertaken by the MQA during the past financial year.

The SAQA Act, No 1521 of 1995, and its associated NSB Regulations of 1998, was replaced by the National Qualifications Framework (NQF) Act, No 67 of 2008. It was envisioned that the Quality Council for Trades and Occupations (QCTO), the newest of the three Acts, would be operational by 1 April 2010. The first step in this process was the adoption of a draft interim policy on delegation to the Development Quality Partners (DQPs) and Assessment Quality Partners (AQPs), which enables the QCTO to immediately delegate specific functions to suitable bodies for the development and quality assurance of the 'pilot project' occupational qualifications, subject to the conditions outlined in the document.

The final interim policy will be considered by the QCTO Council in June 2011. The intention with the interim policy is to guide the QCTO for a two-year pilot period to assess functionality/applicability and the needs for further improvement. Improvements will be incorporated into the final policy for finalisation towards the end of the 2012-13 financial year.

The MQA is a Development Quality Partner (DQP) for the following sector occupations identified in the MQA qualifications framework:

- Mining Overseer, Production Supervisor (Shift Boss) and Miner (blasted and unblasted operations)
- Mine Surveyor and Mapper
- Mine Planner and Designer
- Rock Engineering Technician
- Occupational Health and Safety Advisor (includes OHS representative, practitioner and coordinator)
- Safety Inspector (Mine Health and Safety)
- Emergency Service and Rescue Official (Mines Rescue Service Worker)
- Motor Mechanic (Diesel Mechanic Trades)
- Goldsmith (including setting, design, chain making and gemstone cutting)
- Rigger and Mine Environmental Control (new qualification design and development application submitted to the QCTO for approval).

The MQA has commenced with the design and development of the Goldsmith, Mining Overseer, Production Supervisor and Miner occupations which will be submitted to the QCTO for acceptance in June 2011, and later to the NQF for registration. The MQA, with the DMR, will also finalise and pilot the recognition of competence and license to practice implications for the legislated mining occupations and legal appointments. Learner facilitators were being trained in the QCTO facilitation model during these curricula and qualifications design and development pilot projects.

4.2.1 Classification of Mines Task Team (CoMTT)

The Classification of Mines Working Group (CoMTT) was convened in 2010 and has held nine meetings from which a number of contributions have been made.

The CoMTT confirmed the adoption of a formal risk-based methodology and in June 2010 the MHSC agreed to the continuation of the risk-based classification of mines, with the CoMTT findings used as inputs for addressing future statutory appointments, mandatory competence, licensing and registration requirements.

- The SGB supported the involvement of the MQA in the License to Practise Task Team, under the auspices of the MHSC. Members of the CoMTT also became members of the Legal Appointments Task Team.

- Revised hazard criteria for all operations were adopted and applied to various mining sectors. SIMRAC and DMR accident statistics were interrogated to confirm trends and verify the task team's work on risk ratings.
- Recent discussions have evolved around the use of the Classification of Mines Risk Ratings to influence statutory competencies and inform the DMR of the frequency of required safety inspections. This required a simplified table of major hazards and processes with applied risk ratings, which was completed for surface mining types and discussed within the COMTT. A similar table for underground mining is under discussion.
- The inclusion of DMR representation on the task team was crucial to understanding regulatory and compliance issues, while the work of the task team complemented the work of relevant MHSC task teams.
- The completion of the risk rating pilots for all mining conditions and simplified risk rating tables is imminent and will be submitted to industry for discussion and confirmation.

4.2.2 Legal Appointments Task Team

The MQA held discussions to review legal appointments at mines. The aspects considered included the need to cover all mining contexts according to the CoMTT report (referred to above), the required competencies related to risk and the proposed changes to legislation. Notable progress was made in classifying a variety of risks for various categories of mines, and reviewing current appointments and linked competencies.

The Mining Regulatory Advisory Committee (MRAC) also convened a working group to review the Licence to Practice: Certificated Manager/Certificated Engineer. This work is in progress and is planned for completion in the 2011-2012 financial year.

4.2.3 Administration of the Chamber of Mines Certificates of Competence

Advise was obtained from UNISA that it could no longer continue to administer the examinations for the Survey and Valuations (sampling), Rock Engineering and Mine Environmental Control Certificates of Competence on behalf of the Chamber of Mines beyond the 2011 calendar year. Given that these qualifications are on the scarce and critical skills list, the Chamber of Mines requested the MQA to administer the examinations from the beginning of 2012 until replacement qualifications are in place. The QCTO approved the development of the replacement qualifications, while the MQA replaced some of them with those registered on the National Qualifications Framework (NQF) at Levels 2-4. The Council for Higher Education will also register replacements for the higher level qualifications.

The mining industry will be advised by June 2011 that no new candidates will be accepted on the UNISA system. Approximately 3 700 learners, mostly South African mine employees and a small number from the SADC region, registered for these programmes in 2010. A feasibility study will be conducted on these certificates and a report submitted to the MQA Board for approval.

4.2.4 Development of Learning Materials

Since the inception of the Chamber of Mines Learning Materials Development Initiative, a total of 1 319 MQA-developed learning packs have been approved, with 165 during the period under review.

The Foundational Learning Competence (FLC) learning materials have been completed for implementation in the 2011-2012 financial year. The QCTO approved the FLC as an optional requirement at NQF Level 2 and is compulsory for the Levels 3 and 4 occupational qualifications. The QCTO proposed the translation of the FLC into two African languages. The MQA will scope the translation during the 2011-2012 financial year.

The MQA has funded the development of learning materials required for Rock Engineering programmes at universities. These materials will serve as additional resources to assist learners who will write the CoM Rock Engineers examinations.

The MQA will continue with the development of learning packs during the forthcoming financial year and will also explore the development of learning materials that support the QCTO-type curriculum and occupational qualifications.

4.2.5 HET Engineering and / or Mining Qualifications

During the financial year, the MQA participated and sponsored the qualifications development of the following:

- The Bachelor of Engineering Technology Honours Degree
- The Advanced Diploma in Engineering
- The Higher Certificate in Engineering
- The Advanced Certificate in Engineering

The MQA and ECSA/ESGB worked together in providing assistance and direction in the following projects:

- The Mine Planning and Design qualifications
- The Artisanal qualifications at Level 5 and 6
- The OFO codes for engineering practitioners.

The other co-operation areas of engagement covered were:

- The accreditation of engineering programmes
- The registration and education policy developments
- The identification of work requiring compulsory registration and the implementation of Continuing Professional Development
- The promotion of the Engineering Profession.

The MQA has signed a Memorandum of Understanding (MoU) with the Engineering Council of South Africa to develop HET mining and engineering qualifications. The mining and minerals SGB approved the development of mining practical programmes associated with the registered National Certificate: Certificated Engineering, NQF Level 7. These programmes are planned for development and completion in 2011-2012 as part of the MQA Standards Setting HET project.

4.2.6 Registered Qualifications and Unit Standards

During the 2010-2011 financial year, the mining and minerals SGB contributed to the development and registration of a number of NQF qualifications, as tabulated below.

Table 6: List of newly registered qualifications

Qualification Title	NLRD ID	Status	Date
National Certificate: Diamond Processing – NQF Level 4	78843	Registered	28 July 2010
National Certificate: Diamond Design and Evaluation – NQF Level 5	78966	Registered	28 July 2010
National Certificate: Lamproom Operations – NQF Level 3	78323	Registered	02 June 2010

Table 7: List of re-registered NQF qualifications

Qualification Title	NLRD ID	Status	Date
Further Education and Training Certificate: Jewellery Setting Processes	58274	Re-registered	02 May 2010
General Education and Training Certificate: Mining and Minerals Processes	58267	Re-registered	27 June 2010
National Certificate: Laboratory Practice	64949	Re-registered	27 June 2010

All qualifications that expired during 2010-2011 were re-registered and extended to 30 June 2012.

Table 8: List of new qualifications and unit standards submitted to SAQA for NQF registration

No.	Qualification Title	NLRD ID	Remark
1	National Certificate: Mining Practices NQF Level 5 (Mine Overseer)	SAQA processing for public comment and registration	Submitted to SAQA and planned for registration in the 2011-2012 financial year
2	National Certificate : Small Scale Mining NQF Level 3		
3	Mines Rescue Services unit standards to be added as electives of the FETC: Fire & Rescue Operations	SAQA processing for public comment and registration	Submitted to SAQA and QCTO as per agreed transitional arrangements for current SAQA qualifications
4	Laboratory unit standards to be added as electives to the FETC: Chemical Operations/Laboratory Practices		
5	Shaft Sinking unit standards to be added as a stream in the NC Mining Operations Underground Hardrock Level 2 and NC Rock Breaking Underground Hardrock Level 3		
6	National Certificate: Mine Ventilation NQF Levels 2 – 5		
7	Jewellery unit standards to be added as electives to the already registered Jewellery qualifications NQF Levels 2 – 4		

4.2.7 Learnerships Development and Registration

The following new learnerships were developed and registered with the Department of Higher Education and Training:

Table 9: New learnerships developed and registered

No.	Learnership Title	Learnership No.	Date
1	NC: Occupational Health and Safety	16Q160147511202	2010/07/16
2	FETC: Diamond Design and Evaluation (Rough Evaluation)	16Q160128371644	2010/06/25
3	FETC: Diamond Design and Evaluation (Basic Marking)	16Q160129391644	2010/06/25
4	FETC: Diamond Design and Evaluation (Grading Polished Diamonds)	16Q160130381644	2010/06/25
5	FETC: Diamond Design and Evaluation (Inspection)	16Q160131381644	2010/06/25
6	FETC: Diamond Processing (Parting by Sawing)	16Q160132331614	2010/06/25
7	FETC: Diamond Processing (Bruting)	16Q160133331614	2010/06/25
8	FETC: Diamond Processing (Crossworking)	16Q160134281614	2010/06/25
9	FETC: Diamond Processing (Brillianteering)	16Q160135361614	2010/06/25
10	FETC: Diamond Processing (Fancy Stone Making)	16Q160136391614	2010/06/25
11	NC: Electrical Engineering (Engineering and Technology)	16Q160137391402	2010/06/25
12	NC: Electrical Engineering (Engineering and Technology)	16Q160138381333	2010/06/25
13	FETC: Electrical Engineering (Engineering and Technology)	16Q160139421304	2010/06/25
14	FETC: Mineral Processing	16Q160140361374	2010/07/01
15	NC: Automotive Repair and Maintenance	16Q160141351252	2010/07/01
16	NC: Mining Technical Support (Geology)	16Q160142361252	2010/07/01
17	FETC: Automotive Repair and Maintenance	16Q160143441594	2010/07/01
18	NC: Laboratory Practices (General Laboratory Practice)	16Q160144541202	2010/07/01
19	NC: Laboratory Practices (Precious Metal Laboratory Practice)	16Q160145541202	2010/07/01
20	NC: Laboratory Practices (Coal Laboratory Practice)	16Q160146541202	2010/07/01
21	FETC: Mineral Processing	16Q160140361374	2010/07/01
22	NC: Automotive Repair and Maintenance	16Q160141351252	2010/07/01

Table 10: New skills programmes approved by the mining and minerals SGB

No.	New Programme ID	Skills Programme Title
1	MQA/SP/0126 /10	Skills Programme in Gases and Gas Testing in Underground Fiery (Coal) Mines

Table 11: Reviewed skills programmes approved by the mining and minerals SGB

No.	New Programme ID	Old Programme ID	Revised Programme Title
1	MQA/SP/0124 /10	MQA/SP/0020 /05	Skills Programme in Handling Explosives in Mines
2	MQA/SP/0028 /10	MQA/SP/0016 /04	Skills Programme in Onsetter/Banksman
3	MQA/SP/0120 /05	MQA/SP/0046 /06	Skills Programme Occupational Health and Safety activities for: Part Time/ Workplace Representatives and Shop Stewards in the Mining and Minerals Sector
4	MQA/SP/0021 /10	MQA/SP/0048 /06	Skills Programme in Advanced Generic Management (Version 2)

No.	New Programme ID	Old Programme ID	Revised Programme Title
5	MQA/SP/0122 /10	MQA/SP/0059 /07	Skills Programme in Basic Generic Supervision (Version 2)
6	MQA/SP/0123 /10	MQA/SP/0047 /06	Skills Programme in Intermediate Generic Management (Version 2)
7	MQA/SP/0129 /11	MQA/SP/0057 /07	Generic Engineering
8	MQA/SP/0126 /10	MQA/SP/0041 /05	Skills Programme in Gases and Gas Testing in Underground Fiery (Coal) Mines

Standards setting grants to the amount of R 1 214 600.00 were paid out to small sector organisations that released their employees to participate in the learning and qualifications programme development activities.

4.2.8 Memoranda of Understanding (MoUs) with stakeholders

4.2.8.1 The MQA and the Diamond Council of South Africa MoU

The MQA signed a MoU with the Diamond Council of South Africa to facilitate and support skills development in the sub-sector. The projects implemented and learners trained during the reporting period included:

- 52 learners on the Rough Diamond Evaluation Course
- 24 learners on the Polished Diamond Grading Course
- 32 learners on the SMME development training
- 20 learners on the Assessors and Moderators support
- 15 learners on the Health and Safety Course
- 20 learners on the Computer Advancement Course
- 120 learners on the Polishing Course Levels 3 and 4 (related to Diamond processing trades)

Monitoring and evaluation activities were conducted to determine the impact of the diamond industry skills development intervention. The impact analysis report will be available in the 2011-2012 financial year.

4.2.8.2 The MQA and the Jewellery Council of South Africa MoU

The MQA also signed a MoU with the Jewellery Council of South Africa to facilitate and support skills development in the sub-sector. Projects undertaken and learners trained during the reporting year consisted of:

1. Top-up Technical Training sessions where a total of 2 lecturers/ facilitators were assessed and found competent in the goldsmiths trade.
2. Chain Manufacturing where learner implementation packs were finalised and endorsed by the jewellery stakeholders.
3. The Minerals Beneficiation Skills Programmes was developed pending the registration of unit standards by SAQA.
4. The Jewellery Manufacturing and Design High Schools Awareness programme which was conducted in Pretoria and Gugulethu.
5. The National Institute of the Deaf (NID) Worcester Project for jewellery learners with disabilities. Once learner selection and recruitment was completed, a total of 8 learners was selected and will commence training during the 2011-2012 financial year. The NID achieved MQA accreditation for jewellery manufacturing and design.

4.2.8.3 Cement, Lime, Aggregate and Sand (CLAS)

CLAS Project

The Technical Reference Group (TRG) 20 continued to participate in the development of the Level 4 Mining Operations and Level 5 Mine Overseer qualifications. Various edits and updates were completed for existing skills programmes and unit standards. New unit standards were developed and registered with SAQA. Thirty-four learning packs were reviewed, edited and approved.

CLAS is participating in the licence-to-practice (Certificated Manager/ Certificated Engineer), Legal Appointments, Classification of Mines, and Rockbreaker Supplement Task Teams, which will continue into the 2011-2012 budget year.

CLAS participated in the annual submissions and reviews of the skills plans and training reports and assisted the sector in alignment to the OFO. CLAS also participated in the Occupational Profiling/Skills Audit Project and the MQA submission for revisions to the OFO submitted in December 2010. Once the updated OFO is issued and the Profiling Project/Skills Audit is completed, the Minerals and Mining Qualifications Framework will be updated.

Training of Occupational Qualification Development Facilitators and the development of QCTO qualifications (Mine Overseer, Shift Supervisor, Rockbreaker and Team Leader)

commenced on I February 2011. This work will continue into the 2011-2012 financial year and will include the editing and updating of the Qualifications Framework and OFO; lower updating and editing of existing qualifications, skills programmes and unit standards; Learning Pack review, editing and approval; Occupational Qualifications Development Facilitator (OQDF) training and QCTO qualification development; participation in various Task Teams; Skills Plans and Training Reports.

4.2.8.4 National Skills Fund (NSF) - Project 1: Artisan learnerships and internships

The MQA is committed to contributing to the national priority of assisting unemployed young people to obtain learnership qualifications and enter into internships. The NSF project is a jointly funded initiative between the MQA and the NSF, aimed at placing 69 unemployed graduates in internships and 64 unemployed learners in artisan learnerships. This project was completed on 30 November 2010 and graduations for internship learners held on 11 March 2011. The close-out report was submitted to the NSF on 31 March 2011.

4.2.8.5 National Skills Fund (NSF) – Project 2: Artisan development (unemployed learners)

The NSF 2 project, which followed from the success of the MQA NSF 1 project, aimed to register 1 000 unemployed learners in MQA artisans programmes. A total of 877 learners were registered in trades such as Millwright, Diesel Mechanic, Fitter and Turner, Fitter (including Machining), Plater Welder, Plater Boilermaker, Electrician, Instrumentation Mechanic and Rigger Ropesman. It is planned that 123 learners would be registered by 31 March 2011.

4.2.8.6 Unemployed Insurance Fund (UIF) Project – Artisan development: Retrenched workers/ unemployed learners who contributed to UIF

The UIF project intends to train 1 000 retrenched workers or unemployed learners who contributed to the UIF across all the MQA artisan programmes. The project will commence on 1 April 2011.

4.2.9 The MQA Artisan Development:

Registration and completion statistics during the 2010-2011 financial year

The MQA registered the third largest number of artisan learners registered by any of the SETAs since 2007. The total number of registrations at the end of the third quarter of 2010 amounted to 6 464 (cumulative from 2007). During the past year, a total of 877 unemployed learners and 368 employed learners on artisan programmes were registered. These numbers were expected to reach a total of at least 1 500 by 31 March 2011.

Table 12: The four year trend for artisan development

SETA	2007-2008	2008-2009	2009-2010	2010 – 2011	Total (4 Yrs)	Average per annum over 4 yrs
MQA	1 766	730	2 824	1 546	6 866	1 717

*Four year trend analysis

The MQA issued a total of 1 441 certificates for artisan qualifications during the reporting period, of which 1 297 were attained through the artisan learnership process and 144 through the apprenticeship scheme.

The MQA intends to set the average annual artisan learner registration target at 2 000 for five years, which could increase if additional funding for artisan grants became available.

4.2.10 Employed and Unemployed Artisans per Province

Table 13: Artisan learners per province

Employed Artisan Learners Per Province

Province	Learners Registered
Eastern Cape	3
Free State	55
Gauteng	41
KwaZulu-Natal	13
Limpopo	65
Mpumalanga	51
North West	149
Northern Cape	5
SA National (i.e. in SA but province unspecified)	38
Western Cape	1
Unknown	3
Grand Total	424

Unemployed Artisan Learners Per Province

Province	Learners Registered
Free State	9
Gauteng	30
KwaZulu-Natal	35
Limpopo	80
Mpumalanga	100
North West	151
Northern Cape	71
SA National (i.e. in SA but province unspecified)	517
(blank)	129
Grand Total	1 122

4.2.11 MQA Apprenticeship Guidelines

The following apprenticeship/artisan learnership guidelines were developed and approved by industry stakeholders and practitioners during the 2010-2011 financial year:

- MQA Artisan N2 Programme Matrix detailing the N2 MQA-recognised programmes for each artisan trade
- MQA N2 Programme Equivalency Analysis for access to trades tests.

The equivalency analyses in the guideline exempted N2 learners that previously completed the specified subjects. Programmes considered were Grade 12 (old and new syllabus), N3 – N6, NCV Level 4 for Electrical Infrastructure Construction or Engineering and related design programmes only (learners require a mathematics pass rate of at least 40%) as well as S1-S4 learners intending to access a MQA trade test.

4.2.12 Guidelines Developed and Approved

- Application for exemption to access MQA trade test
- Application (Section 28) to the Mining Apprenticeships Committee for approval to access trade testing
- Access to MQA trade test requirements
- MQA-recognised artisan qualifications and learnerships
- Status of MQA artisan certificates – Red Seal and Silver Seal – are linked to one trade test
- Engineering N2 courses and indenturing of learners – "Clause C" of Gazette No. 33200 (17 May 2010) on indenturing of learners have been removed from the MQA requirements.

A new Recognition of Prior Learning (RPL) guideline for artisan learners is currently being developed with the oversight from the Mining Apprenticeships Committee. This guideline will ensure that learners who qualify through MQA programmes adhere to a consistent high quality standard, regardless of whether they followed the RPL, Section 28 or normal artisan learnership or apprenticeship route. The draft guidelines will be finalised in the 2011-2012 financial year and published on the MQA website and in information booklets in the 2011-2012 financial year.

4.2.13 The MQA collaboration with Public FET Colleges on Artisan Development

The MQA initiated a FET collaboration project to provision N2 engineering courses as set out below.

4.2.13.1 The MQA and the Northern Cape Rural (NCR) FET College Nated Pilot Project

- The nated pilot project was a joint initiative between the MQA, The NCR FET College and Assmang Black Rock, Assmang Khumani, Black Mountain and Kumba Sishen mines
- The 56 learners that completed the N2 programme at the NCR FET College and wrote examinations in January 2011, achieved a pass mark of 89 percent. The successful learners will be registered on MQA artisan programmes, while the SIVOS Training Centre will conduct practical training and mines will offer workplace training for these learners
- Most learners are already busy with their institutional training
- Those who failed N2 subjects are enrolled at the FET College for supplementary exams
- Kathu FET College currently enrolls learners in an N2 course on an ad hoc basis



MQA N2 Learners at the Northern Cape Rural FET College with MQA and College staff

Table 14: Breakdown per Discipline and Institute

Discipline	Black Mountain	Black Rock	Khumani	Kumba
Diesel	0	0	2	10
Electrical Engineering	4	5	2	8
Fitter	0	3	2	7
Millwright	0	0	0	1
Plater/Welder	0	0	2	10
TOTAL	4	8	8	36
Female	4	0	0	26

4.2.13.2 The MQA and Orbit FET College Partnership at the Mankwe Campus in Rustenburg

- Rigging N2 - 10 learners
- Instrumentation N2 - 12 learners
- Diesel theory N2 - 14 learners
- Electrical theory N2 - 15 learners
- Platers theory N2 - 10 learners
- Fitting and machining N2 - 19 learners

A total of 80 learners participated, with 47 female and 33 male learners. The programme is a joint partnership between the MQA, Bagatla-Ba-Kgafela Tribal Authority (BBKTA), Boynton Platinum Mine Partnership for work experience and Anglo Platinum (ESTC) to provide practical training. The learners will complete their N2 in the 2011-2012 financial year.

4.2.13.3 The Mopani South East FET College with the Palabora Mining Company (PMC) and Foskor Artisan Development Partnership

- The partnership resulted from a business need for well-trained, competent artisans, especially Electricians, Fitters, Boilermakers and Diesel Mechanics to support scarce skills requirements within the mining and minerals sector and beyond.
- A partnership was formed and proposals (funded by PMC) developed for the Sir Val Duncan Campus to become an accredited MQA trades training centre.
- Foskor signed an agreement that permits the College to utilise its machines for the practical training of FET College lecturers and learners.
- At the financial year end, the College had already begun with the upgrading of artisan training workshops and complying with the majority of the items specified in the proposal.

4.2.13.4 The MQA initiated formal partnership on Artisan Development with the Eastern Limb HRD Forum in Burgersfort, Steelport area and Sekhukhune FET College. This project will be implemented fully in 2011-2012.

The MQA's partnerships with a total of 23 FET Colleges are geared towards providing the mining and minerals sector with N2 Mechanical and Electrical Engineering qualifications. Four quarterly FET College Artisan Development Workshops are planned for the 2011-2012 financial year and the workshop dates have been agreed to with the participating FET Colleges.

4.2.13.5 The FET NCV Internship Project: Formal workplace learning (Internships and Apprenticeships)

The MQA will scope and pilot the FET NCV Internship Programme in Electrical Infrastructure Construction, Engineering and Related Design, NQF Level 4, in the 2011-2012 financial year. The proposal entails that the FET Colleges will deliver the fundamental learning, theory and practical learning for these programmes at NQF Level 4, while the MQA will fund the workplace learning for qualifying learners.

The MQA Technical Reference Groups for Mechanical and Electrical Engineering will assist the MQA with the identification of various engineering occupations that apply to the sector. Current NCV programmes will be mapped to the MQA programmes to produce a report for the mining and minerals SGB. The MQA will establish partnerships with the National Business Initiative (NBI), the mining industry and MQA stakeholders to initiate the FET NCV Internship Project.

4.3 Learning Programmes

The core function of the Learning Programmes Unit is to facilitate and support the delivery of learning within the mining and minerals sector. It further assists MQA levy-paying companies by providing discretionary grants and administering, managing and conducting learner site verification for the following learning programmes:

- Learnerships
- Adult Basic Education and Training (ABET)
- Occupational Health and Safety (OHS) skills programmes.

The Unit receives, assesses and approves the annual applications from MQA levy-paying companies for discretionary grants. Upon the approval of applications, companies recruit, select and appoint learners who meet the minimum criteria for particular learning programmes. Service Level Agreements (SLAs) are signed between the companies and accredited training providers for the delivery of training and learners placed in learning programmes within the companies, including companies that are exempted from paying a levy.

The additional functions of the Unit include the monthly disbursement of grants for the learning programmes, training companies and accredited providers on the MQA Management Information System (MQA-I-Share) and assisting them with queries about learning programmes, including cancellations, transfers and changes to learning programme agreements.

4.3.1 Learnerships

The learnerships objective is to enrol learners into core sector non-artisan learnerships. The accredited training provider creates the learning programmes agreement in the system and submits it for signatures by the employer, accredited provider and learner. The Learning Programmes Unit registers the legal agreement on the MQA-I-Share System.

Highlights

Historical data on MQA-I-Share was cleaned and new rules and criteria developed for the implementation of non-artisan learnerships. During the year ahead, the MQA will conduct capacity building for all the companies that will be participating in the non-artisans learnerships.

Challenges

The following challenges were experienced with the implementation of the learnerships:

- Learning programmes agreements that were not submitted on time to the MQA by participating companies or accredited providers
- Slow responses from participating companies in submitting grant claims to the MQA for processing and payment
- Large number of requests from participating companies to terminate learning programme agreements, which affects the learnerships budget and the learning programmes registration process
- Non-compliance by participating companies with the site learners requirements of the Skills Development Act, 97 of 1988, as amended.

To date the MQA has registered **3 252** *employed learners and* **2 235** *unemployed learners on artisan and non–artisan learnerships for which the completion rates are depicted in the Table below.*

Table 15: Learnership completion rates

NSDS Success Indicator 2.8 (Employed Learners) Learnership Programme		
Registered learners	Target	Actual achieved
	500	**1 045**
Completed learnerships	Target	Actual achieved
	250	**325**
NSDS Success Indicator 4.1 (Unemployed Learners) Learnership Programme		
Registered learners	Target	Actual achieved
	1 400	**2 207**
Completed learnerships	Target	Actual achieved
	700	**1 910**

4.3.2 Adult Basic Education and Training (ABET)

The provision and delivery of quality ABET learning programmes in the mining and minerals sector continues to play a pivotal role in the implementation of the MQA's skills development initiatives. The objective has been to incentivise employers and employees to participate in ABET training to progressively increase literacy levels in the sector.

Highlights

The MQA exceeded its annual target for registration of ABET learners by registering 7 735 learners on all ABET levels against a target of 7 938 learners, inclusive of all ABET levels. International Literacy Day was celebrated at the Western Deep Cricket Club at the Mponeng Gold Mine on 12 September 2010 to promote sector literacy. All data on the MQA-I-Share database was cleaned.

Challenges

Supporting documents, such as certified copies of ID documents and certificates or statements of results are still not submitted to the MQA on time. Participating companies are still not capturing learners on MQA-I-Share, which resulted in incorrect literacy statistics for the sector and delayed the process for payments.

The main concern raised by stakeholders at the ABET symposium, held on 2 and 3 September 2010, was the quality of ABET within the sector. Some of the challenges included the quality of teachers, learning materials, assessments and the curriculum.

The MQA proposed to take the matter forward by forming a task team to address these challenges. The Terms of Reference and the project plan developed for the task team will be submitted to the Learning Programmes Committee for approval.

The following Table reflects a breakdown per level of the MQA registrations and completions against the ABET targets for the 2010-11 financial year.

Table 16: Breakdown per level of the MQA registrations and completions against ABET targets for the 2010-11 financial year

	Programme	Target	Actual achieved
ABET 1-4 Registrations	ABET 1	1 500	1 667
	ABET 2	1 250	2 299
	ABET 3	750	1 999
	ABET 4	500	1 770
Total ABET Learner Registrations for 2010-11			**7 735**
ABET 1-4 Completions	ABET 1	750	2 198
	ABET 2	625	2 648
	ABET 3	375	2 542
	ABET 4	250	552
Total ABET Learner Completions for 2010-11			**7 938**

4.3.3 Occupational Health and Safety Project

The objective of the Occupational Health and Safety (OHS) project is aligned with that of the Mine Health and Safety Tripartite Leadership Summit Agreement, signed in September 2008, to train 40 000 OHS representatives over a period of five years. The MQA Board approved a budget of R25 million to support companies that send employees for OHS training, while the MQA Learning Programmes Unit supports a total of 10 000 safety representatives and shop stewards on an annual basis.

Highlights

The MQA is committed to supporting the mining and minerals sector in training learners and funding the OHS project for the 2011-2012 financial year. As such, the MQA Board approved the payment of OHS grants directly to MQA levy-paying companies, while MQA accredited providers will sign a Service Level Agreement with the sector employers instead of signing with the MQA.

The MQA Board also approved the proposed budget for 2011-2012 and reduced the payment per learner from R5 000 to R2 500, to be paid directly to the MQA levy-paying companies on completion of the 10 day skills programme.

Challenges

- Non-compliance of accredited training providers with the terms of their SLAs signed with the MQA.
- Failure to submit supporting documents (certified copies of ID document and letter of appointments) to the MQA, which resulted in delays in the processing for payments.
- Training learners that are not appointed as OHS representatives.

The target of supporting 10 000 learners annually, as aligned with the Mine Health and Safety Tripartite Leadership Summit Agreement, has not been achieved for the second year since the implementation of project.

Table 17: Total number of learner registrations and completions

2009-2010 Target	No. of Learners
Registered	5 575
Completed	4 526
2010-2011 Target	**No. of Learners**
Registered	4 709
Completed	4 709
Total registered: **Total competent:**	**10 284** **9 235**

Table 18: List of participating providers for 2010 - 2011

Name of Provider		Allocation utilised
1	Zurel	350
2	Siyemba	138
3	Senzeko	165
4	A & R Engineering	130
5	Goldfields	73
6	Triton	396
7	Top Performers	164
8	DNA (Dynamic New Approach)	453
9	Prisma	125
10	TWR	0
11	Snowden	224
12	Train the Nation	411
13	Inkezo	241
14	Mathome	128
15	Anglo Platinum	94
16	Technology Risk Solutions	282
17	Mancas	30
18	Baden	30
19	BRM	30
20	CTC	0
21	De Beers - Lesedi	70
22	Anglo Gold Ashanti	30
23	Xtract	800
24	Vuselela	345
Total number of learners trained from 1 April 2010 to 31 March 2011		**4 709**

4.3.4. Skills Programmes

The MQA Learning Programmes Unit continued to support other skills programmes. To date, 7 999 learners have registered and 14 625 completed skills programmes.

Table 19: Skills programmes for employed learners

NSDS Success Indicator, 2.8 (Employed learners) Skills Programme		
18.1 Registered learners	Target	Actual achieved
	5 000	**7 999**
18.1 Completed learners	Target	Actual achieved
	4 500	**14 625**

4.4 Projects

The Projects Unit managed eight projects with two projects namely the maths and science and the disability project being managed by the Customer Service and Communication Unit. The ten projects included the:

- Lecturer Support Project
- Bursaries Project
- Work Experience Project
- New Venture Creation Project
- SME and Retrenched Workers Skills Development Support Project
- Mine Inspector Training Project
- Training Layoff Scheme Project
- Internships Project
- Maths and Science Project
- Disability Project.

4.4.1 Lecturer Support Project

This programme focused on assisting the mining and minerals departments of six universities to achieve employment equity and transformation targets among their lecturing staff. A total of 14 lecturers were appointed to lecture in the Mining, Geology and Mine Survey Departments of the participating universities for the 2010-2011 financial year, namely:

- University of South Africa 1 lecturer
- University of the Witwatersrand 4 lecturers
- University of Johannesburg 3 lecturers
- University of Venda 2 lecturers
- University of Fort Hare 2 lecturers
- Rhodes University 2 lecturers.

4.4.2 Bursary Project

The project is aimed at creating a pool of qualified graduates to pursue careers within the mining and minerals sector, in support of the Mining Charter and the National Skills Development Strategy (NSDS II). The Bursary Scheme, which is funded from the MQA discretionary budget, assisted 743 (target 600) bursars from HET institutions.

A total of 738 bursary students successfully completed their studies in 2010-2011.

4.4.3 Work Experience Project

The MQA assists learners to obtain their university qualifications by enabling them to gain the required practical work experience. During the reporting year, a total of 627 (target 300) students were placed with 20 mining companies for workplace experiential training. This number includes 80 learners who were assisted with vacation work placements during December 2010 and January 2011. A total of 1 370 students were assisted with bursaries and work experience during the 2010-2011 financial year.

Table 20: Learners assisted with bursaries and work experience

No	Critical and Scarce skills	Total 2010-11	Studying 2010-11	Work experience
1	Analytical Chemistry	38	0	38
2	Chemical Engineering	18	0	18
3	Electrical	184	95	89
4	Electro-Mechanical Engineering	62	0	62
5	Extraction Metallurgy	30	0	30
6	Geology	370	230	140
7	Industrial Engineering	15	0	15
8	Jewellery Design	32	32	0
9	Mechanical Engineering	152	90	62
10	Metallurgical Engineering	168	125	43
11	Mine Survey	99	33	66
12	Mining Engineering	202	138	64
Total		**1 370**	**743**	**627**

4.4.4 New Venture Creation Project

This programme is aligned with the National Skills Development Strategy (NSDS II) targets to provide business management related training to historically disadvantaged individuals who have established or want to establish their own mining-related enterprises.

The MQA's objective is to ensure that learners trained through the NVC programme have sustainable businesses 12 months after the completion of the programme. A total of 166 (target 91) learners had sustainable businesses 12 months after completing training.

4.4.5 Skills Development Support for Small-scale Miners and Retrenched Workers Project

The project has two parts, namely small-scale mining and the small-scale miner SME training voucher scheme.

The focus of the SME training voucher programme is to increase the number of small BEE firms, BEE co-operatives, co-operatives, NGOs, CBOs and NLPEs through skills development support. Progress is measured through annual surveys of BEE firms and co-operatives within the sector.

A total of 500 SMEs benefitted from training interventions in 2010-2011, consisting of 202 NGOs, 43 CBOs, 210 NLPEs, 45 co-operatives and 750 retrenched workers.

4.4.6 Small-scale Mining Project

The focus of this project is to train and build the capacity of SMEs. Training providers Siyemba, Blue Nightingale and Mintek provided 200 learners, including women in mining, with technical training in small-scale mining.

4.4.7 Mine Inspector Training Project

This project contributes to sound mine health and safety by providing candidates with well-rounded mining inspectorate expertise in the management of legal risk exposure, root cause analysis, occupational health and hygiene, surface safety, underground safety, SHEQ management, international SHEQ management standards and practical visits. During 2010-11, 60 employees from the regional offices of the Department of Mineral Resources received training. The University of the Witwatersrand (Wits) and CSMI (Centre for Sustainability in Mining Industry) was appointed by the MQA to conduct the training.

4.4.8 Training Layoff Scheme Project

The project is aimed at identifying and assisting workers about to be retrenched through skills development initiatives. During the 2010-2011 financial year, Blyvooruitzicht Gold Mining, the only participant in the scheme, placed 13 learners on the layoff scheme. Five received Level 3 Rock-breaker training at the Goldfields Academy and eight were trained at the Ergo Academy in Electrical Engineering / Fitting and Machining.

4.4.9 Internships Project

The project provides structured work experience for young unemployed graduates from HET institutions to complement the scarce and/or critical skills qualifications required by the mining and minerals sector.

During the reporting period, 116 graduates were placed at different mining companies to gain work experience.

4.3.10. Maths and Science Project

The pilot projects, targeted historically disadvantaged learners from rural communities in mining-related areas and accommodated a total of 740 learners from eight provinces during 2010. These included 500 learners in Grade 11 and 240 in Grade 12.

Learners received extra-curricula assistance on Friday, Saturday and Sunday afternoons. Winter and spring schools were also held during holidays. The results from a successfully completed pilot project are summarised below.

Summary of results for Grades 11 and 12 learner achievements

Grade 11 - Final mathematics results

- 54% of the learners passed maths
- 1% of those learners obtained distinctions
- 21% of the learners obtained university entrance
- 46% of the learners failed or obtained supplementary examinations.

Grade 11 – Final science results

- 47% of the learners passed science
- 1% of those learners obtained distinctions
- 9% of the learners obtained university entrance
- 53% of the learners failed or obtained supplementary examinations.

Grade 12 - Final mathematics results

- 91% of the learners passed maths
- 11% of those learners obtained distinctions
- 52% of the learners obtained university entrance
- 9% of the learners failed or obtained supplementary examinations.

Grade 12 - Final science results

- 82% of the learners passed science
- 9% of those learners obtained distinctions
- 43% of the learners obtained university entrance
- 18% of the learners failed or obtained supplementary examinations.

4.4.11 Disability Project

A Disability and Reasonable Accommodation Toolkit for the sector was published. The toolkit will educate and encourage employers to become more involved in taking on learners with disabilities into their organisations. A disability workshop was also scheduled for the sector.

The MQA has increased its efforts to promote the inclusion of learners with disabilities following the poor response from employers in 2010. Efforts will be expended to encourage employers to take on learners with disabilities in the new financial year.

4.5 Education, Training and Quality Assurance (ETQA)

The ETQA, as the final stage of the core MQA value chain, is responsible for ensuring that accredited providers are available to train and develop learners for the programmes that the South African Qualifications Authority has mandated the MQA to quality assure. The MQA ETQA has to perform the following activities to achieve this:

- Accredit and approve training providers for specific skills programmes and qualifications
- Quality assure learner achievements endorsed by registered assessors in accordance with required standards and criteria
- Improve the quality and relevance of education and training in the sector
- Support provider development
- Establish and maintain a database for recording learner achievements
- Certificate learners and accredited providers
- Register assessors and moderators for specific unit standards, skills programmes and qualifications
- Certificate learners for skills programmes or qualifications achieved
- Manage the upload of data to the National Learner Records Database (NLRD).

The activities conducted in the 2010-2011 financial year are reported below.

4.5.1 Accreditation and programme approval

The ETQA conducted 97 accreditation and programme approval audits. Some providers retained their status on full accreditation for a period of three years while others were programme-approved for a period of two years. The MQA ETQA conducts quality assurance of learner achievements at each compliance audit by analysing a sample of learner records and observing assessments conducted.

The ETQA Committee approved the lapse of accreditation of six providers who did not retain their accreditation status. The Table below provides a breakdown of audits conducted during the reporting year.

Table 21: Audits conducted for constituent providers

	New training providers audited	Compliance audits for provisionally accredited providers	Fully accredited providers audited for compliance and performance	Site extension audits conducted	Scope extension audits conducted
Accreditation	6 achieved provisional accreditation	18 achieved full accreditation	24 retained their accreditation status	4	7

Table 22: Fully accredited training providers (first accreditation this financial year)

No.	Fully accredited providers
1.	Anglo American Platinum HRD
2.	Anglo American Platinum OSD
3.	Atteridgeville Jewellery Project
4.	Dilokong Chrome Mine
5.	DTC South Africa
6.	Exxaro KZN Sands
7.	Finstone South Africa
8.	Martiq T/A TWR
9.	Mathome Training Services
10.	Moolmans Mining
11.	Modikwa Platinum Mine
12.	Nikilitha Training and Development
13.	Red Path (SA) Pty Ltd
14.	Samancor Chrome Limited
15.	Thusang Metallurgical Training and Consulting
16.	Top Performers for Africa
17.	Zaaiman Drilling Exploration

Table 23: Audits conducted for non-constituent providers

	New	Retain
Programme approval	4	4

Table 24: Training providers who achieved programme approval for two years

No.	Providers who received programme approval
1	Growth Link
2	Metal Mining Training Intervention (MMTI)

4.5.2 The MQA ETQA quality assurance process observations

The ETQA policies and systems were set up during the NSDS I period and implemented during the NSDS II period. During the current financial year the Unit focused on:

- assuring the assessment processes
- assuring the quality of learner achievements
- reviewing training provider plans for the development of ETD practitioners, assessors and moderators
- analysing the contextualisation of the MQA learning packs for the relevant sites.

Going forward, further emphasis will be placed on these activities so that continuous improvements to skills development initiatives will result in competently trained people.

The MQA is also challenged with the availability of subject matter experts to assist with the audits. Different models will be looked at so that an adequate pool of these experts is available. In addition, there has been a shift towards auditing all provider sites and workplaces and more workplaces have been incorporated into the MQAs accreditation processes. Attention is being given to linking the training provider with the workplace and process improvements are continuously encouraged.

4.5.2.1 Assessor and moderator registration

A total of 626 assessors and 76 moderators were registered.

The following issues were identified for attention and most of the problems related to them were resolved during the past year:

- Linking all previously registered assessors to relevant scope
- Ensuring that assessors have the qualifications and practical experience required for the scope applied for
- Capacity building of providers regarding assessor and moderator registration requirements
- Developing an online application process on MQA-I-Share for assessor and moderator registration and piloting this functionality with a few providers. This functionality is not completely available at this stage.

4.5.2.2 Learner certification

- 3 012 certificates for non-artisan qualifications issued
- 1 578 certificates for artisan qualifications issued (1 428 of these were attained through the learnership process and 150 through the apprenticeship scheme)
- 1 479 MQA NQF Level 1 certificates issued
- 48 226 Skills programmes certificates issued
- 2 483 Certificates were verified.

Improvements to the certificates database resolved the bulk printing challenges, while continuous improvements to the database increased the number of certificates that can be printed at one time. The effectiveness of this improvement will be seen in the next financial year, while the majority of certificates due during the past financial year were issued. The challenges with capturing learner achievements on the MQA database, which resulted in delays in the issuing of some certificates, are continuously being resolved.

4.5.3 Maintaining an acceptable database system

The MQA again achieved its SAQA NLRD green status in February 2011, despite concerns about the implementation of the MQA-I-Share system.

Table 25: Scope extension granted to the MQA by SAQA

No.	Qualification title	Qualification code	Date of scope granted
1	Further Education and Training Certificate: Mining Operations	74 490	14 April 2010
2	Further Education and Training Certificate: Mining/Exploration Geology	77 963	14 April 2010
3	Further Education and Training Certificate: Laboratory Analysis: Mining and Minerals	73 312	12 April 2010
4	Further Education and Training Certificate: Jewellery Setting Processes	58 274	5 May 2010
5	National Certificate: Measurement, Control and Instrumentation - Mining and Minerals	74 550	5 July 2010
6	National Certificate: Measurement, Control and Instrumentation - Mining and Minerals	74 552	5 July 2010
7	Further Education and Training Certificate: Measurement, Control and Instrumentation - Mining and Minerals	74 551	5 July 2010
8	National Certificate: Chemical Operations - Mining and Minerals	78 547	5 July 2010
9	National Certificate: Chemical Operations - Mining and Minerals	78 903	5 July 2010
10	Further Education and Training Certificate: Mining Operations	78 904	5 July 2010
11	Further Education and Training Certificate: Automotive Repair and Maintenance - Mining and Minerals	78 545	5 July 2010
12	National Certificate: Occupational Hygiene and Safety - Mining and Minerals	79 826	15 October 2010
13	Further Education and Training Certificate: Occupational Hygiene and Safety - Mining and Minerals	79 827	15 October 2010
14	National Certificate: Occupational Safety - Mining and Minerals	79 828	15 October 2010

4.5.4 Projects and grants administered by the ETQA Unit

- **Institutions of Sectoral and Occupational Excellence (ISOE)**
  Nine institutions were recognised as ISOEs by the MQA
- **ISO 9001 2008 Grants**
  Six providers were assisted during the past financial year to achieve ISO 9001 2008 certificates
- **Assessor and moderator registration grants**
  150 registered assessors and **12** registered moderators benefited from this grant in this financial year
- **RPL**
  Various MQA workshops were held with the MQA ETQA Committee to resolve the sector's RPL strategy implementation challenges. It is envisaged that a RPL Framework will be approved for the implementation of RPL in the sector. The MQA ETQA Committee members also participated in a RPL conference hosted by SAQA
- **FLC facilitator pilot project**
  The MQA embarked on a pilot project to develop facilitators for the Foundational Learning Certificate (FLC) programme. The implementation and continuation of this project is dependent on the QCTO registration of the part FLC qualification in the next financial year
- **External assessment tool development**
  Due to a delay of QCTO processes, the development was put on hold
- **PDA standardised assessment tools development**
  During the reporting period, PDA assessment tools were developed for the Occupational Health and Safety Representatives Skills Programme and the Level 2 Mineral Processing Qualification

4.5.5 Other relevant information

4.5.5.1 The implementation of the Level 3 Rock-breaker qualifications in the sector

- Queries from the Mine Health and Safety Council about the implementation of Level 3 Rock-breaker training and assessment led to a MQA investigation. Numerous workshops with stakeholder constituencies and other interested parties resulted in the development of a supplement to improve the implementation of these qualifications. This was communicated to the relevant training providers
- The MQA also needs to endorse the importance for consistently implementing the Level 3 Rock-breaker qualifications effectively throughout the mining and minerals industry
- Industry stakeholders require all accredited training providers in the industry to adopt a common/standard approach to the delivery of training, competence assessment and internal quality assurance
- The MQA ETQA will conducted quality assurance audits during the next financial year to assess improvements in this regard
- Stakeholders will also be encouraged to develop structures, systems and processes that will deliver competent Rock-breakers in the interest of improved health and safety on the mines.

4.5.5.2 Review of accreditation and certification policies

This review of the accreditation and certification policies was undertaken for the period 2010 to 2011 to ensure streamlined processes and efficiency.

4.5.5.3 The QCTO

The MQA ETQA keeps abreast of developments within the QCTO and its activities are aligned with the QCTO approach towards Assessment Quality Partners (AQP). The activities included:

- Workshops and discussions of AQP requirements and the alignment of activities with the new QCTO model
- External assessment strategies and development of processes.

The MQA will apply to become the AQP for mining-specific qualifications in the forthcoming financial year.

4.6 Projects and Grants 2010-2011

Table 26: Projects and grants 2010-11

Project	Objective	Amount	Responsible Unit
Lecturer support	To support institutions such as universities to achieve the employment equity and transformation targets of their faculties or departments related to the mining and minerals sector.	R 5 833 000	Projects
Bursaries	To create a pool of HET graduates to pursue careers within the sector.	R 46 500 000	Projects
Work experience	To support HET graduates with relevant work experience to pursue careers within the sector.	R 44 760 000	Projects
New venture creation	To assist in the re-skilling of employed or unemployed workers who have established or want to establish their own mining and minerals sector-related enterprises.	R 180 000	Projects
Jewellery industry support	To develop and implement suitable skills development support initiatives for the jewellery industry in conjunction with the Jewellery Council of South Africa.	R 4 000 000	Standards Generating Body
Diamond industry support	To develop and implement suitable diamond beneficiation skills development initiatives in conjunction with the Diamond Council of South Africa.	R 3 000 000	Standards Generating Body
Standard settings grant (FET)	To facilitate the preparation, submission and registration of qualifications, unit standards and learning programmes on the National Qualifications Framework (NQF).	R2 400 000	Standards Generating Body
Learning materials development	To develop learning materials for learning programmes required by the mining and minerals sector.	R 9 369 000	Standards Generating Body
Internships	To provide structured work experience to young unemployed graduates from HET institutions to complement scarce and/or critical skills qualifications required by the sector.	R 19 800 000	Projects
SME skills development	To focus on annually increasing the number of small BEE firms, BEE co-operatives, co-operatives, NGOs, CBOs and NLPEs by providing skills development support. Progress is measured through annual surveys of BEE firms and co-operatives within the sector.	R9 471 000	Projects
PDA standardised assessment	To develop and implement relevant technology to create effective and economical methodologies to quality assure on-the-job (occupational) learning.	R 50 000	ETQA

Project	Objective	Amount	Responsible Unit
Recognition of Prior Learning (RPL)	To develop and implement a RPL strategy as an incentive to providers to accelerate the development of scarce and critical artisan skills in the sector.	R 500 000	ETQA
Institution of Sectoral or Occupational Excellence (ISOE)	To incentivise MQA-accredited skills development providers to apply for MQA recognition as Institutions of Sectoral or Occupational Excellence (ISOE).	R 489 000	ETQA
Skills Development Facilitator support	To support Skills Development Facilitators (SDFs) in the mining and minerals sector.	R 4 500 000	Skills Development and Research
Skills development research	To conduct ongoing sector research into skills development, including skills audit process-related issues and the development of the sector skills plan (SSP).	R 7 000 000	Skills Development and Research
External assessment tools development	To develop external assessment tools for Learning Programmes required by the mining and minerals sector.	R 1 100 000	ETQA
MQA-I-Share development	To develop capacity and competency at enterprise level among employer and provider staff to capture and maintain data on the MQA Management Information System (MIS) namely MQA I-Share.	R 1 365 000	All operational units
Literacy promotion	To support the annual International Literacy Week with events and activities that demonstrated the MQA's commitment to the eradication of illiteracy in South Africa.	R 460 000	Learning Programmes
OHS representative development	To train 40 000 OHS representatives over five years as required by the Mine Health and Safety Tripartite Leadership Summit Agreement signed on 5 September 2008.	R 25 000 000	Learning Programmes
NSF 1 (MQA Portion) learnerships and internships	To provide structured work experience to young unemployed graduates from HET institutions who completed qualifications in scarce and/or critical skills required by the mining and minerals sector and to enroll unemployed learners into selected MQA Core Learnerships.	R 2 800 000	National Skills Fund Project
NSF 2 (MQA Portion) artisan development	To accelerate the development of scarce artisan occupational skills in the mining and minerals sector.	R 4 200 000	National Skills Fund Project
Facilitator development	To develop facilitators for MQA Learning Programmes.	R 3 185 000	ETQA
Promotion of skills development	To develop and implement a comprehensive sector skills development promotion strategy to encourage stakeholder support for and continuously counter negative perceptions of the MQA as a SETA due to external environmental factors beyond its control.	R 4 810 000	Customer Service and Communication

Project	Objective	Amount	Responsible Unit
Maths and Science	To support Grade 11 and 12 maths and science learners to achieve results that will allow them access to HET institutions to enrol for mining- and minerals-related qualifications.	R 5 000 000	Customer Service and Communication
Mine Inspector training	To identify and implement a suitable training course for Mine Inspectors.	R 2 600 000	Projects
Training layoff	To identify workers who are about to be retrenched and assist them through skills development initiatives.	R 1 349 000	Projects
Learnership grants	To provide funding for the registration of 18.1 and 18.2 learners.	R 38 000 000	Learning Programmes
Assessor and Moderator registration grant	To incentivise the development and registration of assessors and moderators in the mining and minerals sector.	R 399 000	ETQA
FLC grant incentive	To incentivise employers and employees to participate in FLC training to progressively increase levels of literacy in the sector.	R 2 500 000	Learning Programmes
Learners with disability	To ensure inclusion of people with disabilities in skills development programmes and employment and support companies in the mining and minerals sector to meet this objective.	R 3 500 000	Customer Service and Communication
ISO implementation grant	To incentivise skills development training providers to become ISO 9001:2000 listed structures as a pre-requisite for accreditation with the MQA.	R 360 000	ETQA
ABET	To incentivise employers and employees to participate in ABET to progressively increase levels of literacy in the sector.	R 18 000 000	Learning Programmes
Standards setting HET	To incentivise employers to contribute to the design and development of qualifications and unit standards for registration in the National Qualifications Framework (NQF) as required by relevant legislation. This includes the development of all learning programmes and learning materials.	R 2 000 000	Standard Generating Body
CLAS support	To develop and implement suitable cement, lime, aggregate and sands skills development initiatives jointly with the Aggregate & Sand Producers Association of Southern Africa (ASPASA).	R 1 000 000	Standard Generating Body

Section 5:

Corporate Services

5.1 Corporate Governance

5.2 Customer Service and Communication

5.3 Human Resources

5.4 Office Management and Facilities



The Corporate Services Unit provides support to the MQA management, staff and stakeholders in the execution of its legislative mandate to facilitate skills development in terms of the Skills Development Act. The highlights of the Corporate Services Unit for the year under review are reflected below.

The manner in which power is exercised in an organisation is seen in the maturity of its Corporate Governance framework. The MQA is proud to be an organisation with values embedded in the principles of good corporate governance. Institutionally and operationally, the MQA has produced an outstanding set of financial and non-financial results. This could not have been achieved without the visionary leadership of the Board, which exercises strategic leadership over the MQA legislative mandate and oversees operational performance.

5.1 Corporate Governance

5.1.1 Governance structures

The Board is assisted in the execution of its oversight function by seven standing committees, namely the:

- Audit and Risk Committee
- Remuneration Committee
- Finance Committee
- Skills Research and Planning Committee
- Standards Generating Body Committee
- Learning Programmes Committee
- Quality Assurance Committee.

5.1.2 Strategic planning session

The primary purpose of the Board's strategic planning session, held on 18 and 19 November 2010, was to review the research results that inform the MQA's five-year Strategic Sector Skills Plan (SSSP) for the financial year commencing on 1 April 2011. The session enabled the Board to deliberate on a number of policy initiatives to streamline operational processes, the New Growth Path and revised Mining Charter. The annual Service Level Agreement (SLA) with the Executive Authority was discussed and the targets adopted.

5.1.3 Evaluation of the Board

The Growth Laboratory was appointed to evaluate the performance of the Board and standing committees to improve effectiveness. The primary purpose of the evaluation was to ensure that the standing committees support the Board in the execution of its legislative mandate and that these committees function optimally in line with their approved terms of reference.

5.1.4 Capacity Building

During the period under review, the following capacity building initiatives for the Board and standing committees were undertaken:

1. The Board's induction workshop took place on 1 June 2010 to inform and update current and new Board members about the mandate, vision, mission and strategic objectives of the MQA. The Institute of Directors (IOD) facilitated the induction session with a presentation on the roles, responsibilities and fiduciary duties of Board members.
2. Three Board members attended the IOD's Accelerated Director Development Programme (ADDP) from 24 to 28 January 2011. The Board resolved that all future Board members should attend the ADDP, as the programme is designed to meet the existing and emerging needs of Directors in the ever-changing environment of compliance with corporate governance requirements.
3. The Auditor-General of South Africa conducted a capacity building workshop for Board members on the auditing of predetermined objectives on 23 February 2011. Board and Audit Committee members attended the annual risk management workshop on 24 February 2011 to identify the strategic and operational risks facing the MQA. The Board increased its risk management and compliance oversight role to align it with the requirements of the King III Report on corporate governance. The testing of control measures for the new strategic and operational risks will be incorporated in the annual plan of the internal auditors.

5.1.5 Appointment of Internal Auditors

The term of office of OMA Chartered Accountants expired on 31 August 2010 and the Board appointed Nkonki Incorporated as its new internal auditors with effect from 1 September 2010 on the recommendation of Audit and Risk Committee.

5.2 Customer Service and Communication

The key goal of the Customer Service and Communication Unit activity-filled 2010-2011 financial year, was to improve customer service and stakeholder communication. The MQA's five-year Communication Strategy approved in 2006, also came to an end. The strategy was aligned with the MQA's vision, mission and values, strategic objectives, MQA legislative requirements and objectives of the NSDS II and the Mining Charter. The strategy adopted a planned communication approach to successfully meet and exceed stakeholder expectations. Various tools and activities were implemented to disseminate key messages to identified target audiences.

The reputation of the Customer Service and Communication Unit as a credible and reliable source of information to the sector has positioned the MQA favourably within its sector.

5.2.1 Promotion of the MQA

The MQA continued to promote its activities by using a range of printed, electronic and face-to-face media. Printed media included company and career brochures, a range of targeted communiqués and promotional material including banners, as well as a quarterly stakeholder newsletter and annual report. This was further supported by printed media such as newspaper and magazine articles as well as advertisements. Radio and television were also used from time to time to generate awareness about the MQA. The electronic media included company and career guidance DVDs, the website and electronic communication such as email.

A number of face-to-face stakeholder events were held throughout the financial year, such as the stakeholder and community engagement forums, information sessions, exhibitions, conferences and workshops. The MQA celebrated International Literacy Day on 12 September 2010, which was attended by at least 2 000 delegates from across the sector. The Annual Consultative Conference was held on 29 October 2010 where stakeholders were provided with the MQA 2009-2010 Annual Report. The latter was submitted to the Auditor-General on time and tabled in Parliament by the Minister of Higher Education and Training, Dr Blade Nzimande.

The career brochure and DVD were produced to assist learners to source information about career options in the mining and minerals sector and encourage them to pursue technical careers such as mining engineering, geology and electrical engineering amongst others. Scheduled and ad hoc career guidance sessions were held throughout the year to encourage learners at school and work seekers who fared well in maths and science, to pursue mining related careers. Learners in developed and rural communities, as well as community leaders, were exposed to mining-related career options and opportunities.

5.2.2 Media and Advertising

A less aggressive media approach was adopted during the year under review. A number of articles were published and more than 40 advertisements were placed in various national newspapers and magazines. The aim was to inform stakeholders and the public about the skills development interventions in the mining and minerals sector.

Magazines such as the Mining News, Mining Weekly, Mining Mirror, Aspire Magazine, Opportunity, Ubuntu Magazine, Jewellex Networking Directory, Business Times and Learnerships in SA were used to enhance communication efforts in the sector.

5.2.3 Event Management

The Unit scheduled and implemented a number of events during the past year with the objective of sharing information. Below are the events that took place

Table 27: Employee engagement events 2010-2011

Stakeholder engagement forums		
Area	**Province**	**Date**
Rustenburg	North West	4 February 2011
Cape Town	Western Cape	8 February 2011
Durban (in partnership with the Diamond and Jewellery Councils)	Kwa-Zulu Natal	9 February 2011
Port Elizabeth (in partnership with the Diamond and Jewellery Councils)	Western Cape	9 February 2011
Witbank	Mpumalanga	11 February 2011
Welkom	Free State	15 February 2011
Johannesburg (in partnership with the Diamond and Jewellery Councils)	Gauteng	24 February 2011
Johannesburg	Gauteng	25 February 2011
Polokwane	Limpopo	4 March 2011
Community engagement forum		
Area	**Province**	**Date**
Bakgatla Ba Kgafela	North West	8 March 2011
Umtata	Eastern Cape	11 March 2011
Middleburg	Mpumalanga	15 March 2011
Exhibitions		
Name	**Venue**	**Date**
Electra Mining	MTN Expo Centre Nasrec	4 - 8 October 2010
Human Recourse Development Expo	Sandton Convention Centre	5-8 October 2010
Jewellex	Sandton Convention Centre	24 - 26 July 2010
Mining Indaba	Cape Town International Convention Centre	8-11 February 2011
Career expos and information sessions		
Name	**Venue**	**Date**
Annual Free State Career Guide Focus Week	Mangaung City Hall	3 - 6 May 2010
Beatrix Gold Mine Career Exhibition Day	Beatrix Gold Mine - Welkom	6 May 2010
DHET Mandela Career Guidance Day	Letaba FET College - Giyane	18 July 2010
DMR Learners Focus Week	Noorderland Hoërskool - Polokwane	28 - 30 September 2010
DoL Learnership Career Expo	Pretoria - DoL offices	6 August 2010
DMR Women in Mining Event	Sandton Convention Centre, Gauteng	20 August 2010
Sci-Bono Engineering Career Expo with BHP Billiton	Johannesburg	17 - 18 March 2011
Mossel Bay Career Exhibition	Mossel Bay, Western Cape	25 March 2011

5.2.4 Annual Consultative Conference

The MQA's 9th Annual Consultative Conference was held at the Crown Reef Conference Centre at Gold Reef City in Johannesburg on 29 October 2010 and attended by over 250 delegates. The Acting Chief Inspector of Mines, Mr David Msiza, delivered the keynote address. The conference theme was "*A decade of skills success and achievement in the mining and minerals sector*". The chosen theme was aimed at informing delegates about the successes of the MQA over the past ten years.

The MQA for the first time included a success story of a female learner who was also a MQA bursar from a rural community as part of the proceedings to mark the commemoration of a successful decade. Ms Sindisiwe Mkhwanazi, a Bachelor of Science Mining Engineering student at Wits University is due to complete her studies at the end of 2011.

5.2.5 International Literacy Day

International Literacy Day was held on 12 September 2010 at Anglo Gold Ashanti's Mponeng Mine in Carletonville. This was an event organised jointly between the MQA, employers and organised labour. Over 3 000 ABET learners, community members, invited speakers and MQA representatives attended the event.

5.2.6 Corporate Identity (CI)

The MQA's Corporate Identity Manual was revised and templates developed and implemented for consistency of use. The logo elements were all retained, while the corporate fonts were revised to ensure compatibility with standard Microsoft fonts. Workshops were conducted to educate staff on the consistent application of the corporate identity.

5.2.7 Website

The MQA website is used as a reliable source of information for existing and potential stakeholders. The interactive website has enhanced communication with stakeholders and is also used for the registration of delegates at MQA conferences and events. The website will soon be reviewed to reflect the revised corporate identity. The steady increase in the number of visitors to the website over the last number of years is indicative of its value as a source of information to sector stakeholders and other interested and affected parties.

Table 28: Website statistics for the period 1 April 2010 to 31 March 2011

Month	Unique Visitors	Number of Visitors	Pages	Bandwidth
2010				
March	490	646	2 601	518.94 MB
April	3 790	7 023	26 841	4.90 GB
May	3 741	7 119	26 277	5.39 GB
June	3 805	7 381	31 434	6.56 GB
July	5 390	11 297	40 826	6.82 GB
August	5 085	10 825	37 621	6.03 GB
September	4 918	9 856	35 596	5.81 GB
October	5 403	11 284	39 847	6.67 GB
November	5 615	11 031	37 329	6.42 GB
December	3 777	7 044	22 087	3.87 GB
2011				
January	5 924	12 446	43 214	7.56 GB
February	5 152	11 341	43 020	7.76 GB
March	2 178	3 739	12 105	2.08 GB

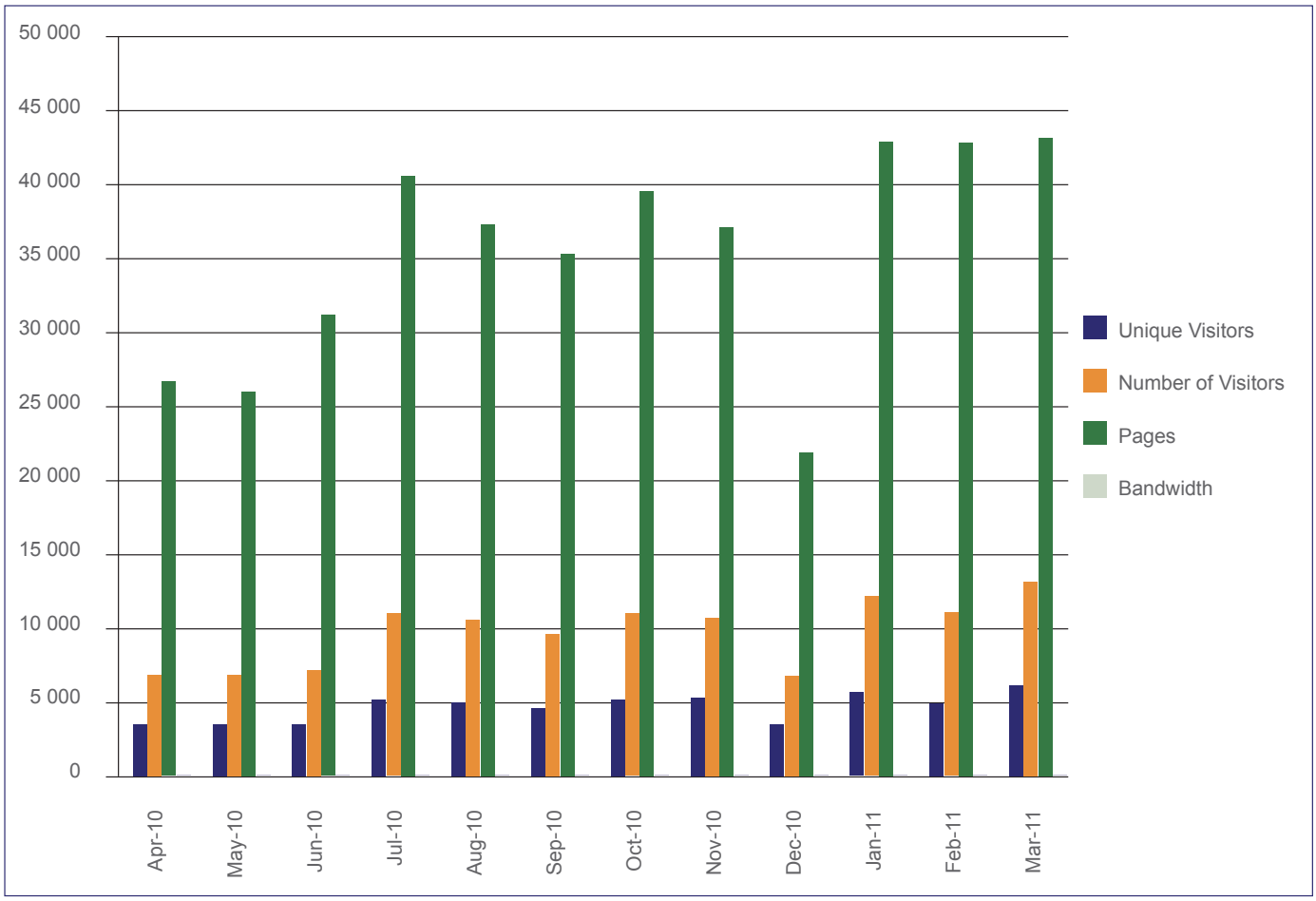


Figure 4: Website statistics for the period 1 April 2010 to 31 March 2011

5.2.8 Customer Satisfaction Survey

A research company namely, Plus 94 was appointed to conduct a comprehensive customer satisfaction and climate survey to measure the impact and determine the level of satisfaction with service delivery. Stakeholders were relatively satisfied with the MQA's support of the Mine Health and Safety Act [mean score of 7.39 on a 10-point scale] and fairly satisfied with its commitment to the advancement of women in the industry [6.81] and to transformation [6.66].

However, stakeholder satisfaction levels with the MQA's communication [5.90] and stakeholder consultation [5.81] require attention and interventions are being implemented to ensure continuous improvement. A follow-up survey will be commissioned in the new financial year.

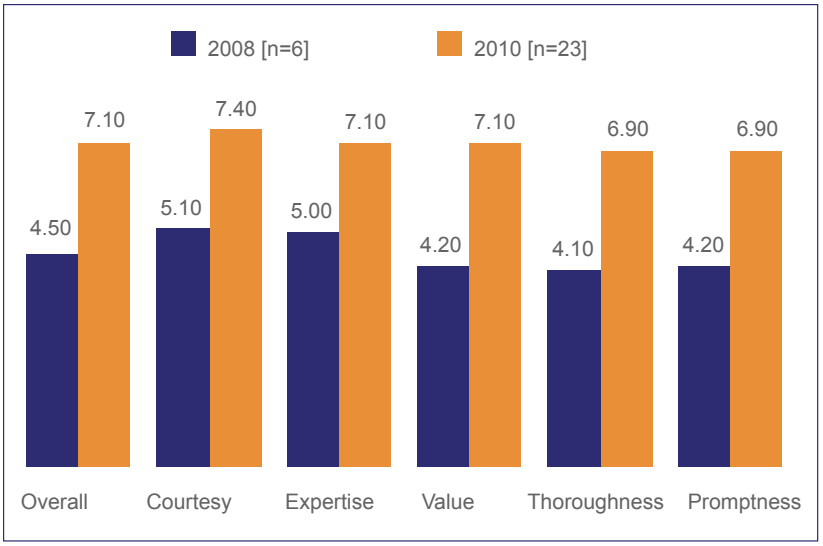


Figure 5: Board and Exco ratings of service delivery by MQA staff.

5.2.9 Customer Relationship Management (CRM)

The stakeholder survey report also indicated that stakeholder complaints were not always handled well and recommended the implementation of a Customer Relationship Management (CRM) system. As a result, the MQA developed a CRM system with the assistance of a service provider and most queries are now logged on the system with a case number. Ten licenses were purchased for ten MQA users and each Unit. Reports are compiled at least monthly or when required. The system will address stakeholder perceptions of inadequate communication by ensuring timeous feedback, monitoring and appropriate reporting on customer complaints.

5.2.10 Good Practice in Skills Development Awards

The Department of Higher Education and Training (DHET) convened a meeting with SETA representatives to advise them that the National Skills Authority had not approved the long anticipated 2009 National Awards. This was due to gaps identified in the advertising and selection of organisations for the Good Practice Awards. SETAs were also informed about the revised criteria for good practice in the skills development standard and the DHET requested the SETAs to encourage company participation in the standard. SETAs collectively made a decision to promote the standard in the new financial year. The MQA will promote the standard with its sector, pending advice from the DHET on the identified gaps.

5.2.11 Corporate Social Investment

The MQA rolled out its Corporate Social Investment initiative during the year under review. Thorough research at a number of charity organisations in the Soweto and East Rand areas, led to the Orlando Children's Home being identified as the preferred children's shelter to support as its main corporate social investment activity.

The MQA staff members supported the initiative by contributing clothes, non-perishable foods, toys and money, while the MQA donated R20 000 to the facility on 21 February 2011. The event was aired live on Soweto TV during the 18:00 and 19:00 news slots. The aim is to provide senior orphaned learners, who matriculate at the Home, opportunities to enter MQA learning programmes and become skilled and self-sufficient.

5.3 Human Resources

The MQA's Human Resources function has been transformed from transactional and process-based to that of a strategic business partner. This new role was evident with the implementation of the HR Management Information System in August 2010 and the approval of the succession plan and retention strategy, which are integral to the achievement of the MQA's strategic business objectives.

The strategies will be integrated with the performance management system to identify individuals with potential and reward good performers and staff excellence as adjudicated by the Remuneration Committee.

5.3.1 Staff complement

At its meeting on 28 October 2010, the MQA Board approved the integration of three staff members, linked to the National Skills Fund project, into the MQA. As at financial yearend, the MQA staff complement comprised 65 permanent staff members, which excluded 10 internship positions linked to a twelve-month work integrated learning contract.

5.3.2 Job profiling

A comprehensive job profiling exercise was commissioned following a salary survey undertaken to address anomalies in staff salary packages. The project is pivotal to aligning skills and competencies with job functions and to ensure that the correct salaries per grade are paid. This process will be concluded in the first quarter of the new financial year.

5.3.3 Talent development

The MQA regards human resource development as critical to achieving organisational objectives. A training and development calendar, which is linked to training interventions as part of the performance management system, was implemented to enhance employee skills. The training interventions included, among others:

1. Training for managers and specialists as complainants in disciplinary hearings
2. Business communication
3. Finance for non-financial managers

4. Bid adjudication committee training
5. Microsoft Office
6. Project management
7. Corporate governance.

The Remuneration Committee attended a workshop on its roles and responsibilities, which was facilitated by 21st Century Solutions. Skills development interventions are aligned with the MQA human resources strategy to optimise the achievement of goals.

The MQA is also forming partnerships with Institutions of Higher Learning to develop tailor-made skills programmes to enhance leadership capacity and address skills shortages.

5.3.4 Employee relations

The MQA is committed to fair labour practices and optimised the employee relations through effective engagement processes. Engagement forums such as staff meetings, team building sessions and targeted unit discussions are held on a regular basis.

5.3.5 Employee Wellness

Healthy employees are critical for the performance and well-being of the MQA. The wellness programme is celebrated each year in commemoration of International Aids Day on 1 December. The 61 percent employee participation in the voluntary counseling and testing programme is indicative of the MQA's commitment to dealing with the psychological and emotional well-being of employees to maintain optimal levels of productivity.

5.3.6 Employment Equity

The MQA made significant progress in ensuring that its workforce reflects the demographics of the country. The graph below depicts the current employment equity status of management positions. The MQA also achieved its employment equity targets and will focus on the recruitment of people with disabilities in the new financial year, as well as revise its employment equity plan and targets for the new financial year.

Management Levels

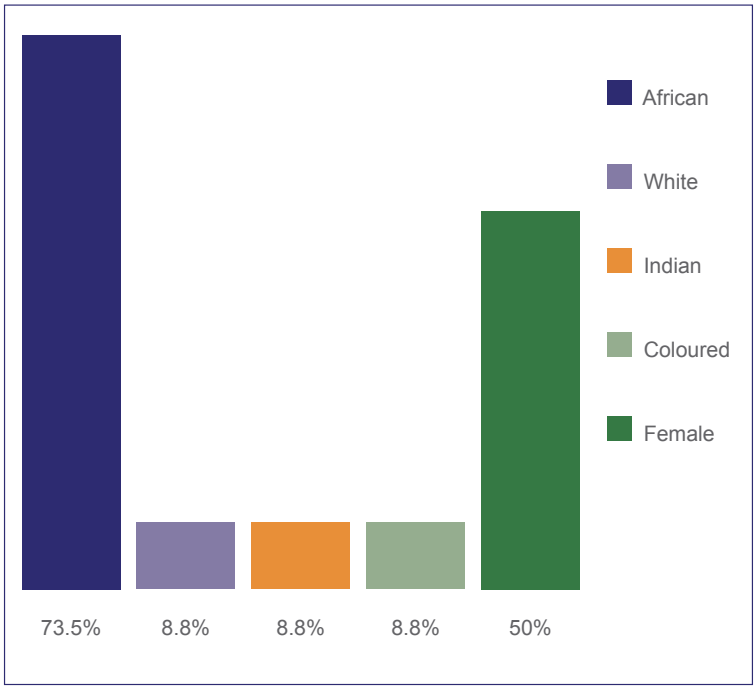


Figure 6: Management positions
(includes Executive Managers, Managers and Specialists, Paterson D-Band and upper).

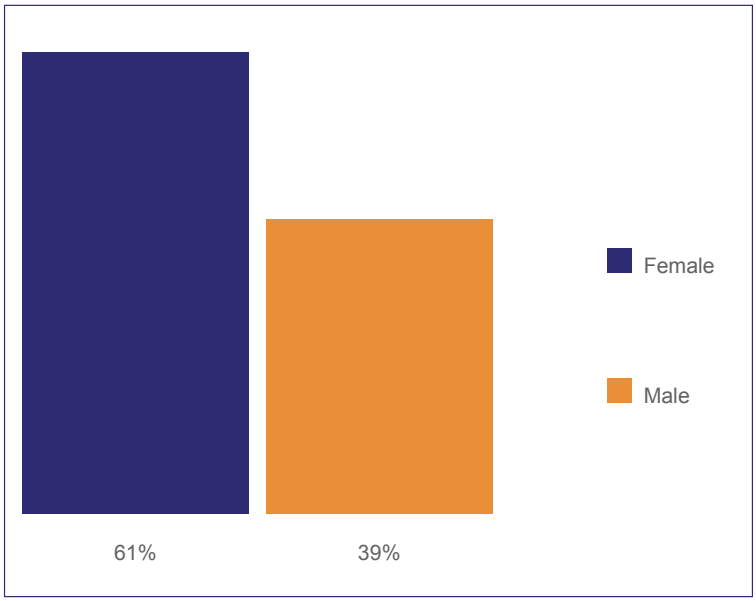


Figure 7: Gender profile.

Table 29: Remuneration packages

Occupational category	Total cost to company
General administration and support	R 11 315 – R 136 199
Administrators	R 163 779 – R 215 519
Specialists	R 352 215 – R 438 058
Managers	R 608 635 – R 657 285
Executive Managers	R 736 450 – R 1 028 164

Table 30: Resignations during the 2010-2011 financial year

	Male				Female				
Occupational category	A	C	I	W	A	C	I	W	Total
General and Support									
Administrators	2	0	0	0	0	0	0	0	2
Specialists	0	0	0	0	0	0	0	0	0
Managers	0	0	0	0	0	0	0	0	0
Senior Managers	0	0	0	0	0	0	0	0	0
Executive Managers	1	0	0	1	0	0	0	0	2

Table 31: Appointments during the 2010-2011 financial year

	Male				Female				
Occupational category	A	C	I	W	A	C	I	W	Total
General and Support	0	0	0	0	0	0	0	0	0
Administrators	3	0	0	0	1	0	0	0	4
Specialists	1	0	0	0	0	0	0	0	1
Managers	0	0	0	0	0	0	0	0	0
Senior Managers	0	0	0	0	0	0	0	0	0
Executive Managers	2	0	0	0	0	0	0	0	2

5.4 Office Management and Facilities

5.4.1 Alternative office accommodation

The MQA board approved an amount of R40 million to acquire alternative office accommodation. The purchase price will be financed from the administration reserves from previous years. Open tender process were followed, using property management companies to invite proposals for consideration. The MQA is awaiting principle approval from the Executive Authority (Minister of Higher Education and Training) in terms of the Public Finance Management Act, No 1 of 1999.

5.4.2 Occupational health and safety

The MQA fully complies with the provisions of the Occupational Health and Safety Act (OHSA), No 85 of 1993 (as amended). The occupational health and safety evacuation drill was conducted on 14 December 2010. No injuries on duty were reported for the period under review.

Appointed health and safety representatives attended training and are fully aware of their duties in terms of the Act.

5.4.3 Bulk printing solution

The MQA implemented a printing strategy to streamline bulk printing and to improve efficiency and reduce wastage. This initiative will result in consumable and maintenance cost-savings over the long-term. The implementation of multifunctional machines with fax, scan and printing capabilities at strategic places, as opposed to inkjet and laser printing machines, will also add to efficiency and cost-effectiveness.

5.4 4 Centralisation of stationery

Non-core services, such as stationery, was centralised as part of an integrated shared services solution aimed at standardising stationery items, monitoring the usage, wastage and running cost of stationery, ensuring the availability of stationery for operational purposes and manage the available financial resources effectively.

Section 6:

Finance, Grant Disbursement and Management Information Systems

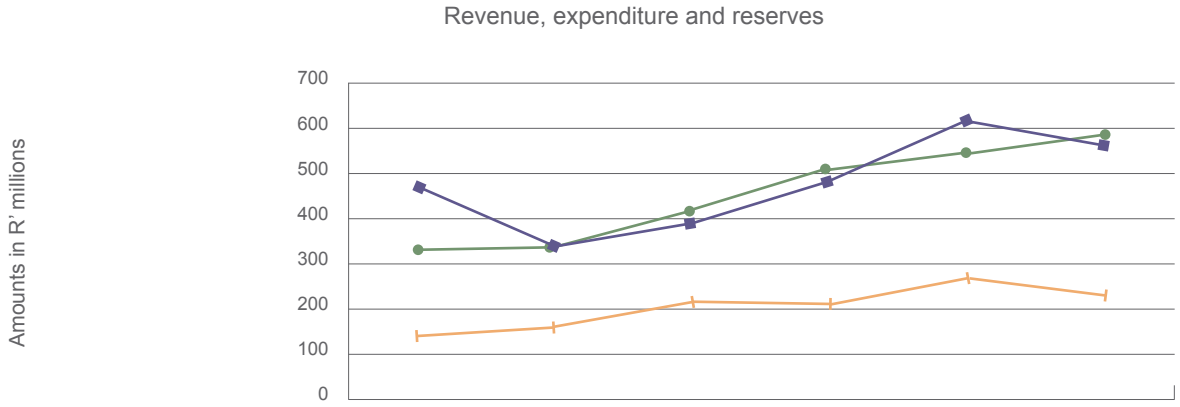
6.1 Financial Performance
6.2 Financial Position and Cash Flow
6.3 Use of Consultants
6.4 Supply Chain Management
6.5 Risk Management and Internal Control Systems



It is with pride that the MQA can report its tenth consecutive year of unqualified audit reports from the Auditor-General of South Africa. This years' audit report represents a text book definition of a clean audit report as there is no emphasis of matter paragraph, nothing reported on other legal and regulatory matters and internal controls. The other reports paragraph, merely informs the users of an investigation that was in progress in the previous financial year and was closed in the current financial year because the Public Prosecutor declined to pursue the case.

6.1 Financial performance

The Figure below depicts the MQA's historical revenue, expenditure and reserves data for the NSDS II over the last six years.



Year	05-06	06-07	07-08	08-09	09-10	10-11
Revenues	332	341	420	508	546	590
Expenditure	476	340	392	490	616	565
Reserves	138	165	212	207	266	225

Figure 8: Revenue, expenditure and reserves for the period 2005 to 2011.

6.1.1 Skills development levy income

Skills development levy revenue has been on a steady increase since the 2006 financial year. During the reporting period, similar to the previous financial year, levy income increased by 8 percent.

6.1.2 Investment income

Interest on bank accounts decreased by 38 percent from R30 million to R19 million.

The decline is mainly due to our efforts of shortening the turnaround time in the disbursement of mandatory grants, as well as a decrease in the prime lending rate.

6.1.3 Expenditure

6.1.3.1 Mandatory grants expenditure

While the grant regulations require the quarterly payment of mandatory grants, the MQA pays grants monthly on receipt of levy income to fast-track the provision of skills development initiatives by the employers.

Mandatory grant expenditure of R301 million, included in total expenditure, decreased by 2 percent from R308 million in the previous financial year. The decrease is mainly due to an employer that was transferred from the MQA to another SETA.

An amount of 83 percent (2010:91%) of mandatory grant revenue was claimed back, a decrease of 8%. Unclaimed mandatory income for the year was therefore 17 percent and can be attributed mainly to employers not submitting their claims on time.

6.1.3.2 Discretionary grants expenditure

Discretionary grants expenditure, decreased by 20 percent to R210 million(2010: R262 million). The decrease was mainly due to unclaimed discretionary grants, after employers had been advised to claim timeously in June 2010.

The discretionary grants expenditure of R210 million during the reporting period, against a levy income allocation for discretionary grants, indicates that the MQA spent 142 percent of its discretionary revenue funds. This was done by utilising the unclaimed mandatory grants, as well as the interest from investments and reserves not committed to future liabilities that could arise out of existing contracts.

6.1.3.3 Administration expenditure

The MQA's administration expenditure of R53 million, also included in total expenditure, reflected a saving of R19 million when compared to its administration revenue of R72 million.

During the reporting period, the MQA exceeded the skills development regulation of not spending more than 12.5 percent of levy income on administration with 4 percent by an expenditure on administration of only 9 percent. Annually, these savings are transferred to the MQA discretionary grants for the following year to be used for skills development. In the forthcoming year these funds are earmarked for the the acquisition of an office building.

6.2 Financial position and cash flows

The cash and cash equivalents represent 95 percent of total assets (2010: 99 percent). The decrease is due to an increase in accounts receivable as a result of a SARS reversal of levies to an employer to whom the MQA had already paid a mandatory grant.

The Executive Authority experienced difficulties in providing the MQA with levy downloads that are integral to the timeous disbursements of mandatory grants. As a result, we reported net cash outflows of R2 million compared to R78 million in the previous financial year. Without the delays, the net cash out flow would have been approximately R83 million.

The MQA's discretionary grant reserves amounted to R266 million and discretionary grant commitments to R133 million.

6.3 Use of consultants

	2009-2010	2010-2011	VARIANCE	COMMENTS
NUMBER OF CONSULTANTS USED	54	33	-21	It is always our intention to limit the number of consultants and generate internal capacity
EXPENDITURE AMOUNT	994	2 692	1 698	The few consultants used in the year were required for long term contracts

6.4 Supply chain management

In terms of Section 76(4)c of the PFMA, the MQA has an a unit that is dedicated to supply chain management. All expenditure during the year under review was incurred in compliance with the Preferential Procurement Policy Framework Act (PPPFA) and its regulations and guidelines.

The following major tenders were issued during the year:

- R4 million to a 100 percent black-owned company for the implementation of the Organising Framework for Occupations (OFO).
- The appointment of a 100 percent black-owned firm of internal auditors to provide outsourced internal audit services.

6.5 Risk management and internal control systems

Risk management has been elevated to a strategic level and the audit committee given additional risk management functions. An independent member of the audit committee was appointed as Chairperson of the Risk and Fraud Management Committee to enhance the risk management process.

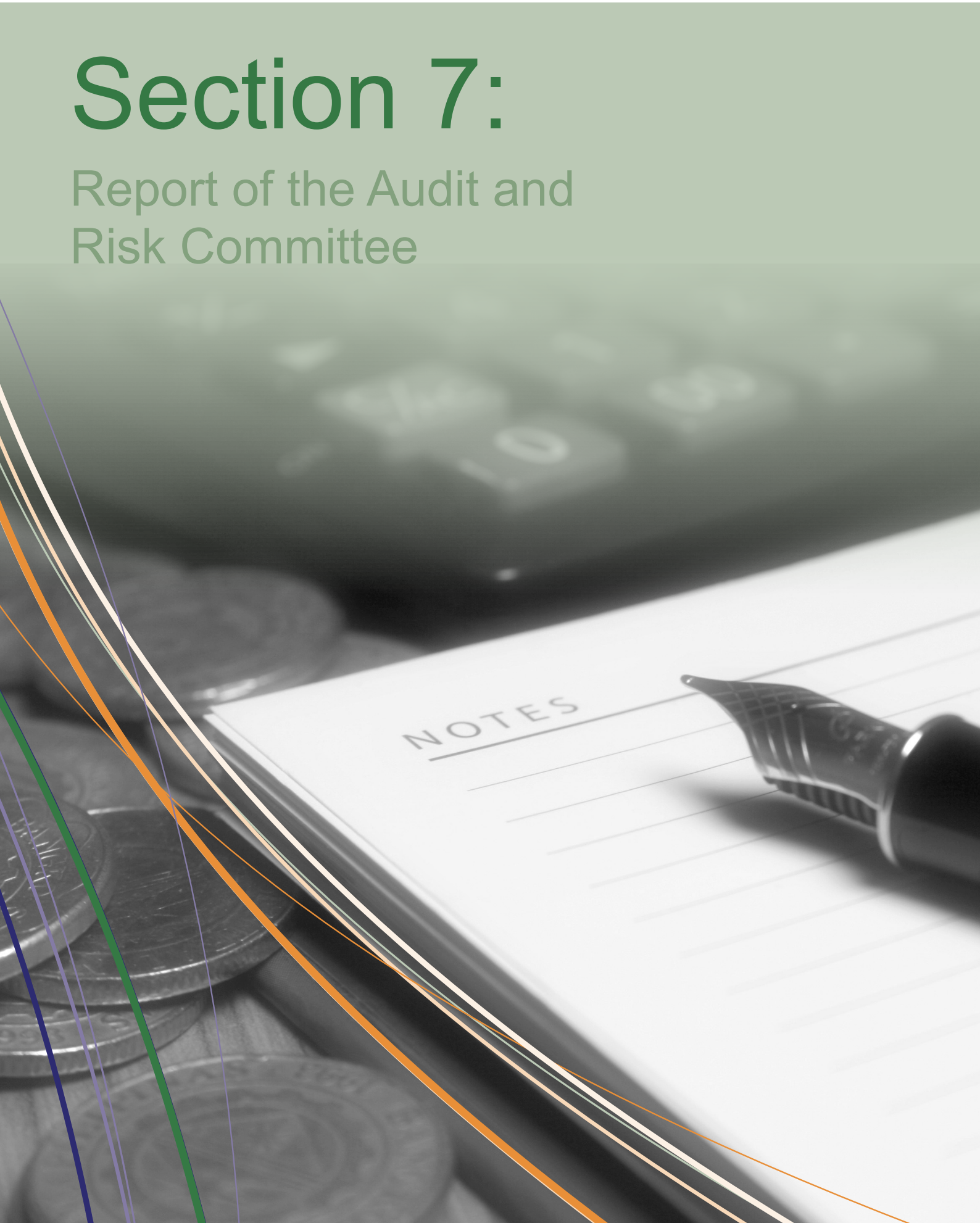
Regular risk assessments are conducted and internal controls reviewed regularly to assess their relevance, adequacy and effectiveness.

The MQA maintains a zero tolerance attitude towards fraud and corruption and our toll free fraud prevention hotline, which is hosted by an independent service provider, registers and logs all calls to the line for investigation.

The MQA's continuous improvement in risk management reported by independent auditors that perform internal and external audits, are indicative of the success of our efforts in this regard.

Section 7:

Report of the Audit and Risk Committee





M S Seepei
Chief Executive Officer



Mr Hale Qangule
Independent Member



Ms Antoinette Ngwenya
Independent Member



Prof Yaswant Gordhan
Independent Member

The report of the Audit and Risk Committee is required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999.

We are pleased to present our report for the financial year ended 31 March 2011.

Committee Members and Attendance

The Audit and Risk committee consists of the members listed hereunder and were scheduled to meet five times per annum as per its approved terms of reference. During the period the Audit and Risk Committee met on five occasions and appropriate feedback was provided to the Board on matters that fell within the mandate of the Committee.

	Chairperson	Constituency	Number of Meetings Attended	Date Started	Fees Paid
1.	H Qangule*	Independent	5	Oct 00	R76 500 (1)
2.	A.R. Ngwenya	Independent	4	Apr 09	R38 500 (3)
3.	Prof. Y.N. Gordhan	Independent	5	Sep 04	R55 000 (2)
4.	V. Mabena	Board Representative	4	Apr 04	N/A
5.	D Mooketsi	Labour	3	Jul 08	N/A
6.	J Hugo	Labour	1	Apr 09	N/A
7.	S. Mokgothu (Alternate)	Labour	3	Jul 08	N/A
8.	C Rivett-Carnac	Employer	2	Nov 08	N/A
9.	J. Masha	Labour	2	Jun 10	N/A

**Chairperson.*
State representatives were unable to attend the meetings due to capacity constraints as they are full time employees of the state.

(1) Fees for Audit and Risk committee R37 500 and other meetings R39 000
(2) Fees for Audit and Risk committee R27 500 and other meetings R27 500
(3) Fees for Audit and Risk committee R22 000 and other meetings R16 500

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee charter, and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Internal Control and Risk Management

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are adequate and effective to mitigate the risks applicable to the MQA. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. In order to enhance the risk management process the MQA has established a Risk and Fraud Management Committee.

In the conduct of its duties, the Audit and Risk Committee has amongst other things, reviewed the following:

- The effectiveness of internal control systems.
- The effectiveness of the internal audit function.
- The risk areas of the entity's operations covered in the scope of internal and external audits.
- The adequacy, reliability and accuracy of financial information provided by management for users of such information.
- Accounting and auditing concerns identified as a result of internal and external audits.
- The entity's compliance with legal and regulatory provisions.
- The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.
- The independence and objectivity of both the internal and external auditors.

The Audit and Risk committee is of the opinion, based on the information and explanations given by management and the internal auditors and discussions with the independent external auditors on the results of their audits, that the internal accounting controls are operating to ensure that the financial records may be relied upon for preparing the Annual Financial Statements, and accountability for assets and liabilities is maintained.

For the period under review the Audit and Risk Committee is satisfied that it has carried out the mandate in accordance with its charter, good governance principles and the requirements of the Public Finance Management Act.

We can report that the key systems of internal control over financial reporting for the period under review were efficient and effective. Management have taken corrective steps to address areas of weakness identified during the course of the financial year.

Evaluation of Annual Financial Statements

Following our review of the Annual Financial Statements for the year ended 31 March 2011, we are of the opinion that they comply in all material respects with the relevant provisions of the Public Finance Management Act, No 1 of 1999, as amended, and South African Statements of Generally Recognised Accounting Practice, and the South African Statements of Generally Accepted Accounting Practice, including any interpretations of such statements, where no GRAP standard exists and that they fairly present the results of operations, cash flow and the financial position of the MQA. We therefore recommend that the financial statements submitted be approved.

The Audit and Risk Committee concurs with members of the Board that the adoption of the going concern assertion in the preparation of the annual financial statements is appropriate.

Internal Audit

We are satisfied that the internal audit function is operating effectively and it has addressed risks pertinent to the MQA in its audits.

Auditor-General of South Africa

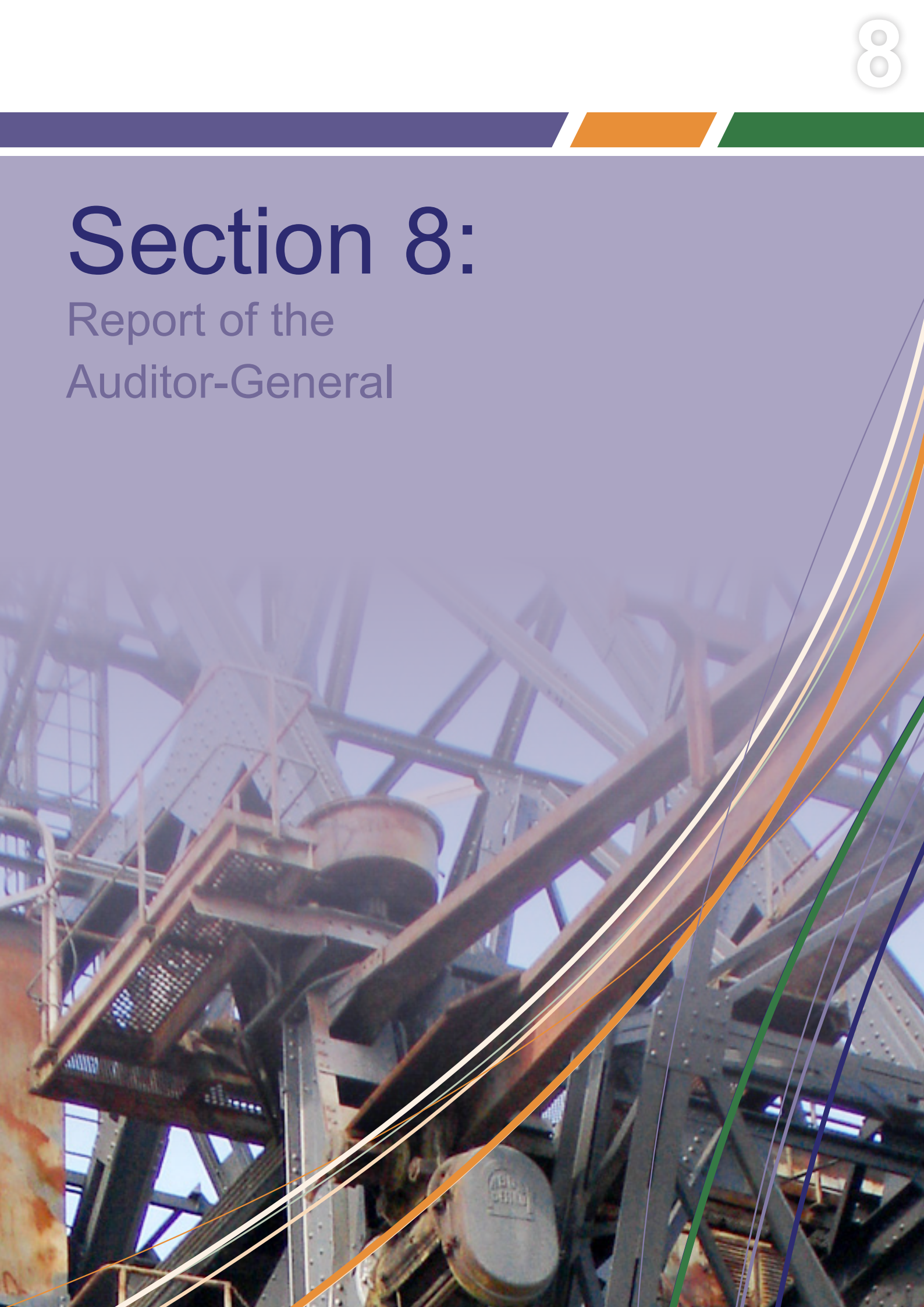
We have met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



H Qangule
Chairperson
19 July 2011

Section 8:

Report of the Auditor-General



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE MINING QUALIFICATIONS AUTHORITY

Report on the financial statements

Introduction

1. I have audited the accompanying financial statements of the Mining Qualifications Authority (MQA), which comprise the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, and the accounting authority's report, as set out on pages 86 to 143.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 14(6) (a) of the Skills Development Act of South Africa, 1998 (Act No. 97 of 1998) (SDA), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mining Qualifications Authority as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and in the manner required by the PFMA.

Report on other legal and regulatory requirements

8. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of*

15 December 2010, I include below my findings on the annual performance report as set out on pages 22 to 31 and material non-compliance with laws and regulations applicable to the Mining Qualifications Authority.

Predetermined objectives

9. There are no material findings on the annual performance report.

Compliance with laws and regulations

10. There are no findings concerning material non-compliance with laws and regulations applicable to the Mining Qualifications Authority.

Internal control

11. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010,* I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. There are no significant deficiencies in internal control that resulted in a qualification of the auditor's opinion on the financial statements, findings on predetermined objectives or material non-compliance with laws and regulations.

Other reports

Investigations

12. During the 2009-10 financial year, a fraudulent request for a change of banking details was received and was not detected. Subsequent to the payment of the creditor, an enquiry from the creditor revealed that the request had been fraudulent. During the current financial year, the investigation was concluded, with a final amount of R 83 668,99 remaining unrecoverable.

Auditor-General

Pretoria
31 July 2011

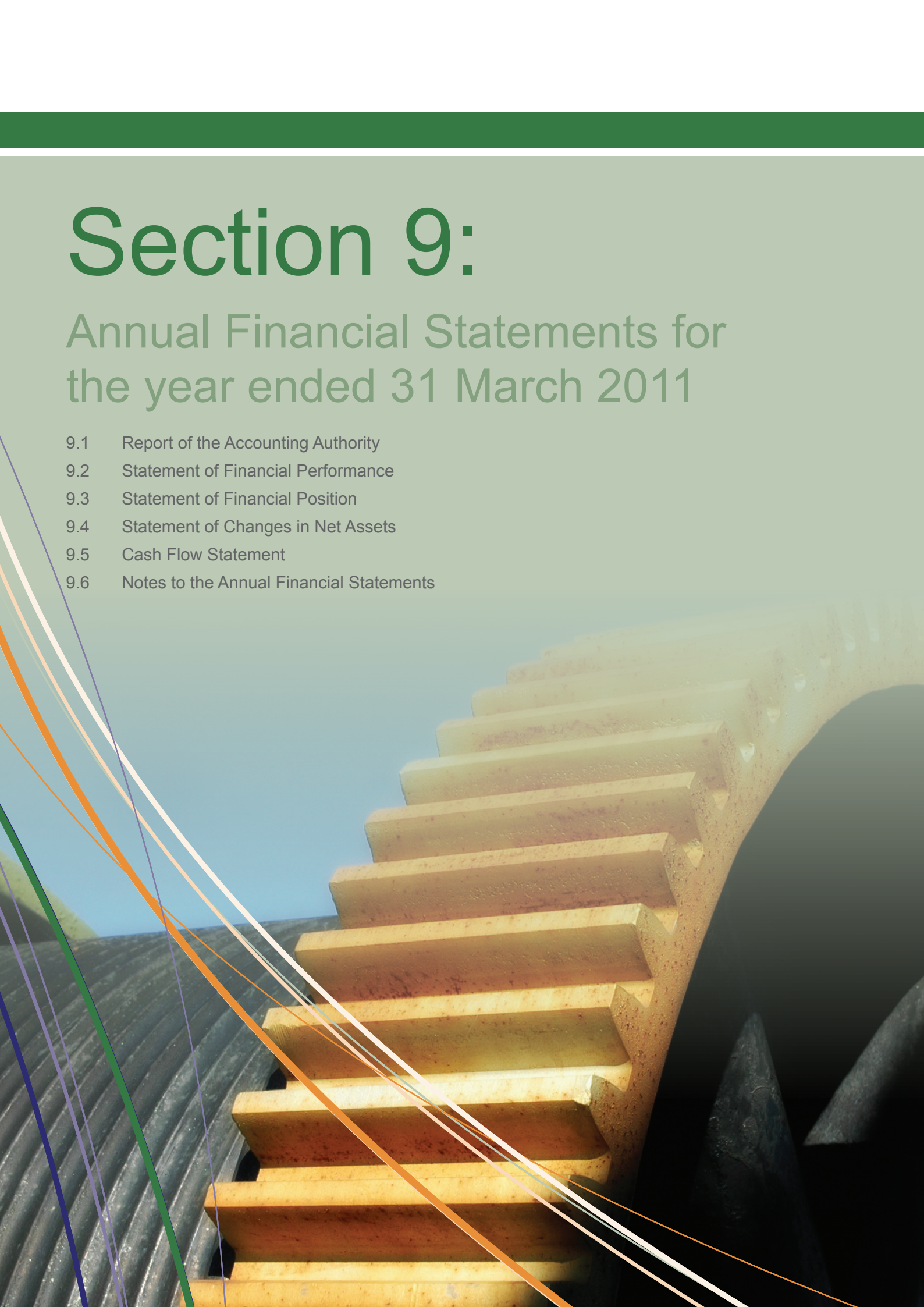
AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Section 9:

Annual Financial Statements for the year ended 31 March 2011

9.1 Report of the Accounting Authority
9.2 Statement of Financial Performance
9.3 Statement of Financial Position
9.4 Statement of Changes in Net Assets
9.5 Cash Flow Statement
9.6 Notes to the Annual Financial Statements



9.1 REPORT OF THE ACCOUNTING AUTHORITY FOR THE YEAR ENDED 31 MARCH 2011

Responsibilities of the Accounting Authority

The Accounting Authority (Governing Board) is responsible for the preparation and presentation of financial statements that are relevant and reliable, the integrity of the information contained therein, the maintenance of effective control measures, compliance with relevant laws and regulations and the related financial information contained elsewhere in this annual report.

To meet their responsibilities, the Accounting Authority has set standards, which require that management implement effective and efficient systems of financial and risk management and internal controls, as well as transparent financial reporting and accounting information systems.

Further responsibilities of the Accounting Authority include:

- The management and safeguarding of the assets of the MQA, as well as the management of revenues, expenditures and liabilities of the MQA.
- The submission by the MQA of all reports, returns, notices and other information to Parliament or the relevant provincial legislature and to the relevant executive authority or treasury, as may be required by the Public Finance Management Act.

General review of the state of affairs

Total revenue for the MQA for the 2010/11 financial year including NSF income amounted to R609 million (2009/10 R576 million). The effect was an increase of R33 million. The increase was mainly due to payroll increases within the mining industry.

The administration income allocated from levies received was R73 million for the financial year (2009/10 R68 million). The actual administrative expenditure for the year amounted to R53 million (2009/10 R 46 million).

The MQA recorded a surplus of R44 million for the current financial year (2009/10 deficit of R 40 million). The MQA reserves at year end amounts to R 269 million (2009/10 R 225 million). These reserves are also adequate to meet future commitments of R 133 million.

During the year the MQA expensed R 504 million towards mandatory and discretionary grants and projects. The total figure for the 2009/10 financial year was R 566 million.

The following are some of the major allocations in respect of discretionary grants and projects made to the Mining and Minerals Sector during the year:

	2010/11	2009/10
	R' millions	R' millions
Adult basic education (ABET)	**6**	14
New Enterprise skills Development	**-**	4
Bursary Scheme and Work Experience	**90**	80
Learnerships & skills programes	**8**	48
Graduate Training Programme	**15**	12
Learning material development grants	**7**	4
Unit standard generation grants	**3**	2
Employment equity grant(University)	**6**	6
Maths and Science project.	**5**	3
SME skills development support	**8**	23
Occupational Health & Safety programme	**23**	24
Mine Inspector training	**3**	5
Jewelry and Diamond industry support	**6**	6
Training Lay-off scheme	**1**	5
Artisan Development	**10**	-
Skills development Research Analysis	**6**	3
Other various projects	**13**	30
Total	**210**	**269**

Services Rendered by the MQA

The MQA is a Public Entity established in terms of the Mine Health and Safety Act of 1996 and is also registered as a Sector Education and Training Authority (SETA) for the Mining and Minerals Sector in terms of the Skills development Act of 1998.

Capacity

There were a small number of staff resignations during this financial year. The MQA saw the arrival of a new CEO and COO due to resignations during the financial year. We can report that the MQA currently have a stable workforce.

Utilisation of Donor funds

The National Skills Fund (NSF) transferred R8 million to the MQA during the year under review. These funds were mainly used for the training of artisans. The funds are utilised in terms of the project plan and service agreement between the MQA and NSF.

Public Private Partnerships

During the period of review, no formal Public Private Partnership agreements were concluded.

Corporate Governance arrangements

The Accounting Authority is satisfied with the contribution made to the strategic objectives of its five standing committees during the period under review.

The MQA Constitution has also been amended to ensure alignment with the PFMA with particular emphasis on the fiduciary duties of members of the Accounting Authority.

Change in Legislative interpretation

There were no changes in legislation that effected the financial statements for the current financial year.

Discontinued Services

During the period under review no projects or services were discontinued.

New/Proposed activities

During the period under review no new projects or services were introduced.

Allowances for Members of the Accounting Authority

The members of the Accounting Authority receive no allowances from the MQA. Members may however claim travel expenses incurred as a result of their attendance of Board and Standing committee meetings. The names and attendance of members of the Accounting Authority are covered in the Chairpersons Report.

Table 1: Executive Management Remuneration

Name & Title	Basic Salaries	Performance Bonuses	Service Bonus	Non-Pensionable Allowances	Medical Aid Allowances	Pension Contribution	Totals 2010 - 2011	Totals 2009 - 2010
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
L Nengovhela (CEO)	282	150	0	234	0	45	711	1 114
S Seepei (CEO)	120	0	0	83	0	19	222	0
Y Omar (CFO)	629	145	55	162	21	101	1 113	952
F Prinsloo (COO)	448	136	0	60	0	72	716	988
E Nxumalo (COO)	89	0	0	25	0	14	128	0
D Barclay (EMCS)	427	132	38	370	2	68	1 037	979

Notes: L. Nengovhela resigned 31-08-2010, F. Prinsloo resigned 31-10-2010, S. Seepei joined on 03-01-2011 and E. Nxumalo joined 01-02-2011.

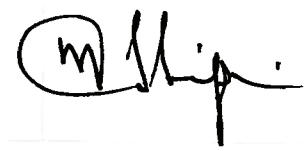
Events after reporting date.

The MQA has signed a new SLA covering the next five years with DHET. A new constitution for the MQA as a Seta has also been gazetted, effective 1st April 2011.

The Minister of HET has given permission for the MQA to purchase a building for office administration.

Going concern

The MQA is dependent on skills development levies from the Mining and Minerals Sector. Members of the Accounting Authority are of the opinion that the MQA will be a going concern in the foreseeable future. For this reason they continue to adopt a going concern basis in preparing the annual financial statements.



S. Seepei
CHIEF EXECUTIVE OFFICER

31 July 2011

Seta re-establishment

Setas are established for a five year period. The MQA has been given a renewal certificate for the establishment as a SETA until 31 March 2016.

Responsibility for annual financial statements

The members of the Accounting Authority are responsible for the preparation of the annual financial statements.

Approval of financial statements

The annual financial statements for the year ended 31 March 2011 set out on pages 86 to 143, have been approved by the Accounting Authority on 26 May 2010 in terms of section 51(1)(f) of the Public Finance Management Act, (Act No. 1 of 1999), as amended, and signed on their behalf by:



D. Msiza
ACTING CHAIRPERSON

31 July 2011

9.2 STATEMENT OF FINANCIAL PERFORMANCE

	Note	2010/11 R'000	2009/10 R'000 (Restated)
REVENUE			
Revenue from non exchange transactions		**589 635**	545 777
Skills Development Levy: income	**3.1**	**580 216**	539 897
Skills Development Levy: penalties and interest	**3.2**	**2 181**	1 787
Government grants and donor funding income recognised	**18**	**7 238**	4 093
Revenue from exchange transactions		**18 915**	30 317
Investment income	**4.1**	**18 625**	30 047
Other income	**4.2**	**290**	270
Total revenue		**608 550**	576 094
EXPENDITURE			
Employer grant and project expenditure	**5**	**(504 328)**	(566 103)
Administration expenditure	**6**	**(53 232)**	(46 234)
Finance costs	**7**	**(24)**	(1)
Government grants and donor funding expenditure	**18**	**(7 238)**	(4 093)
Total expenditure		**(564 822)**	(616 431)
Gain / (loss) on disposal of property, plant and equipment		**34**	(2)
Surplus/ (Deficit) for the year	**2**	**43 762**	(40 339)

9.3 STATEMENT OF FINANCIAL POSITION

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Non-current assets		**3 172**	1 919
Property, plant and equipment	9.1	**3 042**	1 780
Intangible assets	9.2	**130**	139
Current assets		**390 435**	378 430
Inventories	11	**128**	178
Receivables from non-exchange transactions	12	**16 033**	2 238
Trade receivables from exchange transactions	10	**1 117**	551
Cash and cash equivalents	13	**373 157**	375 463
TOTAL ASSETS		**393 607**	380 349
LIABILITIES			
Non-current liabilities			
Finance lease obligations	14	**300**	-
Current liabilities		**124 188**	154 992
Grants and transfers payable	16	**106 469**	119 458
Trade and other payables from exchange transactions	17	**9 970**	27 509
Government grants and donor funds received in advance	18	**-**	1 304
Current portion of finance lease obligations	14	**145**	-
Provisions	19	**7 604**	6 721
TOTAL LIABILITIES		**124 488**	154 992
NET ASSETS		**269 119**	225 357
NET ASSETS			
FUNDS AND RESERVES			
Administration reserve	22	**3 172**	1 919
Employer grant reserve	21	**130**	1 598
Discretionary reserve	22	**265 817**	221 840
NET ASSETS		**269 119**	225 357

9.4 STATEMENT OF CHANGES IN NET ASSETS

	Note	Administration reserve	Employer grant reserve	Discretionary reserve	Unapproriated surplus	Total
		R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2009		2 100	1 605	261 991	-	265 696
(Deficit) / Surplus for the year		-	-	-	(40 339)	(40 339)
Allocation of unappropriated deficit	2	21 513	28 622	(90 474)	40 339	-
Transfer to discretionary reserves		(21 694)	(28 629)	50 323	-	-
Balance at 31 March 2010		1 919	1 598	221 840	-	225 357
Surplus for the year		-	-	-	**43 762**	**43 762**
Allocation of unappropriated surplus	2	**19 476**	**61 437**	**(37 151)**	**(43 762)**	-
Transfer to discretionary reserves		**(18 223)**	**(62 905)**	**81 128**	-	-
Balance at 31 March 2011	21.22	**3 172**	**130**	**265 817**	**-**	**269 119**

9.5 CASH FLOW STATEMENT

	Note	2010/11 R'000	2009/10 R'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		**606 225**	575 229
Levies, interest and penalties received		**582 910**	541 504
Government grants and donor funding received		**4 850**	2 926
Interest received	4.1	**18 625**	30 047
Other cash receipts from stakeholders		**(160)**	752
Cash paid to stakeholders, suppliers and employees		**(607 015)**	(652 062)
Grants and project payments		**(551 761)**	(604 955)
Special projects		**(4 558)**	(4 093)
Compensation of employees		**(27 586)**	(23 693)
Payments to suppliers and other		**(23 086)**	(19 320)
Interest paid	7	**(24)**	(1)
Net cash outflows from operating activities	**20**	**(790)**	**(76 833)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	**(1 900)**	(699)
Proceeds from disposal of property, plant and equipment		**35**	16
Net cash outflow from investing activities		**(1 865)**	(683)
CASH FLOW FROM FINANCING ACTIVITIES			
Assumption / (Repayment) of finance lease obligations	14	**349**	(17)
Net cash inflow from financing activities		**349**	(17)
Net decrease in cash and cash equivalents		**(2 306)**	(77 533)
Cash and cash equivalents at beginning of year	13	**375 463**	452 996
Cash and cash equivalents at end of year	13	**373 157**	375 463

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

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

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

The principal accounting policies adopted in the preparation of the financial statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

GRAP 1 requires the disclosure of actual perfomance against the approved budget.
GRAP 24, the accounting standard for presentation of Budget Information in Financial Statements has been issued but is not yet effective.

Paragraph 51 of this standard does not require the disclosure of comparative information in respect of previous periods, hence comparative amounts have not been disclosed.

1.2 Currency

These financial statements are presented in South African Rands as it is the currency in which the majority of the entity transactions are denominated.

1.3 Revenue

Revenue from non exchange transactions

1.3.1 Skills Development Levy (SDL) income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999), registered member companies of the MQA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training.

Companies with an annual payroll of less than R500 000 are exempted in accordance with section 4(b) of the Levies Act, as amended, with effect from 01 August 2005.

Eighty percent (80%) of skills development levy contribution is transfered to the MQA and 20% to the National Skills Fund (NSF) by the Deparment of Higher Education and Training.

Skills Development Levy (SDL) income is set aside in terms of the Skills Development Act, 1998 (Act No. 97 of 1998 as amended and the Skills Development Levy Grant Regulations (Grant Regulations), issued in terms of this act, for the purposes of:

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2010/11	2009/10
Administration costs of the MQA	**10%**	10%
Mandatory grants	**50%**	50%
Discretionary grants and projects	**20%**	20%
	80%	80%

In addition to these amounts, employers that fail to file their returns and pay skills development levies within the prescribed time limits as set by SARS are charged interest and penalties at rates prescribed by SARS from time to time.

Interest and penalties charged are remitted to the Department of Higher Education and Training, who in turn transfers them to the MQA. The interest and penalties are disclosed separately as Skills Development Levy penalties and interest.

1.3.1.1 InterSETA transfers

Revenue is adjusted for transfers of employers between SETAs. This occurs due to incorrect allocation of some employers to a SETA on initial registration for Skill Development Levy or changes to their business that result in a need to change SETAs.

Such adjustments are disclosed separately as inter-SETA transfers. The amount of inter-SETA adjustments is calculated according to the most recent Standard Operating Procedure as issued by the Department of Labour and adopted by the Department of Higher Education and Training from November 2009.

Where transfers from other SETAs to the MQA occur, the levies transferred or transferable are recognised as revenue and allocated to the respective catergories as reflected in 1.3.1 above to maintain their original identity.

For transfers from the MQA to other SETAs, the levies in the respective catergories are reduced by the amounts transferred or transferable to other SETAs.

1.3.1.2 Recognition

Skills Development Levy income is recognised when it is probable that future economic benefits will flow to the MQA and these benefits can be measured reliably. This occurs when the Deparment of Higher Education and Training either makes an allocation or payment to the MQA, whichever occurs first, as required by section 8 of the Skills Development Levies Act, 1999 (Act No.9 of 1999).

Levy contributions from employers with an annual payroll of less than R500,000 are not recognised as revenue but as a provision as they represent an obligation of an uncertain amount or timing to be refunded to such employers because the employers are exempted from paying skills development levies.

1.3.1.3 Measurement

SDL income is measured at the fair value of the consideration received or receivable.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.3.2 Government grants and donor funding income for special projects

Conditional government grants and other conditional donor funding are recognised as a liability when they become receivable and are recognised as income on a systematic basis over the period necessary to match the grants with the related costs which they are intended to compensate. Unconditional grants received are recognised as revenue when the amounts are received or become receivable.

Funds transferred by the National Skills Fund (NSF) are recognised as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue is recognised.

Property, plant and equipment acquired from Government grants (NSF) are capitalised, as the MQA controls such assets for the duration of the project. Such assets can however only be disposed of in terms of written agreement with the NSF.

Revenue from exchange transactions

1.3.3 Investment income

Interest income is accrued on a time proportion basis, taking into account the capital invested and the effective interest rate over the period to maturity.

1.3.4 Other income

Other income from rendering of services is recognised as revenue when the outcome of a transaction can be estimated reliably and this occurs when:

- The amount of revenue can be measured reliably,
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- The stage of completion of the transaction at the reporting date can be measured reliably and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

1.4 Grants and project expenditure

In terms of the Grant Regulations, registered employers may recover 50% of levy payments (excluding interest and penalties) in the form of mandatory grants provided they timeously submit the documents prescribed in terms of grants regulations 6 and 10.

In addition registered employers that participate in skills development initiatives prescribed in the National Skills Development Strategy (2005-2011), as extended by the Department of Higher Education and Training to 31 March 2011, can apply for and be granted discretionary grants to supplement their training costs.

1.4.1 Mandatory grants

Mandatory grants expenditure and the related payables are recognised when an employer has submitted an application for the grant in the prescribed format, within the legislated cut-off period and the application has been approved as the payment then becomes probable.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The grant is equivalent to 50% of the total levies paid by the employer during the corresponding financial period for the skills planning and annual training report grants. (2009/10 : 50%).

The related liability is measured at the present value of the expected future cash outflow as determined in accordance with the Act and the grant regulations and is based on the amount of levies received.

1.4.1.1 Retrospective amendments by SARS

The MQA calculates and pays mandatory grants to employers based on the information from the Department of Higher Education and Training as obtained from SARS.

Where SARS retrospectively amends the information on levies collected, this may result in grants that have been paid to certain employers that are in excess of the amount the MQA is permited to have granted to employers as mandatory grants.

A receivable relating to the overpayment to the employers in earlier periods is raised at the amount of such grant overpayments, net of bad debts and provisions for irrecoverable amounts.

The receivable is measured at the present value of the expected future cash inflow as determined in accordance with the MQA policy on debtors management and is based on the actual overpayments.

1.4.2 Discretionary grants and project expenditure

The MQA may in terms of the grant regulation 7, out of funds set out in grant regulation 7(3), determine and allocate discretionary grants to employers, education and training providers and the mining and mineral sector employees.

The allocations of discretionary grants and projects is dependent on employers submitting the prescribed application, in the prescribed format and within the prescribed cut-off period as well as the availability of funds.

The discretionary grants and project expenditure and the related payables are recognised when the application has been approved and the conditions for the grant payments, as set out in the MQA funding policy have been met.

The liability is measured at the present value of the expected future cash outflow as determined in accordance with the Act and the grant regulations and is based on the monetary value of grants allocations that are due and payable at year end.

Project expenditure comprises:
- costs that relate directly to a specific contract;
- costs that are attributable to contract activity in general and can be allocated to a project; and
- such other costs as are specifically chargeable to the MQA under the terms of a contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Where a project has been approved, but the duration of the contract extends beyond the reporting period, a commitment arises and is disclosed in the notes to the financial statements.

Discretionary grants and project costs are recognised as expenditure in the period in which they are incurred. A receivable is recognised, net of a provision, for irrecoverable amounts for incentive and other payments made to the extent of expenditure not yet incurred.

1.5 Prepayments

The MQA may, in certain instances, when contracting with SMMEs and when required by the terms of the contract of a services provider, make advance payments.

1.6 Irregular, fruitless and wasteful expenditure

Irregular expenditure means, expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA,
- The Skills Development Act,
- The Skills Development Levies Act.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular, fruitless and wasteful expenditure is charged against the respective expenditure class in the reporting period in which it is incurred and disclosed in the notes to the financial statements of the reporting period in which it is identified.

1.7 Property, plant and equipment

1.7.1 Recognition

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset only if it is probable that future economic benefits or service potential associated with the item will flow to the MQA, and the cost or fair value of the item can be measured reliably.

1.7.2 Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost and where an asset is acquired at no cost, or for a nominal amount, its cost is measured at its fair value as at the date of acquisition.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.7.3 Subsequent measurement

Subsequent to initial recognition, assets are either carried at cost less accumulated depreciation and any accumulated impairment losses or at a revalued amount, being its fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is the systematic write off of the depreciable amount recognised in respect of an item of property, plant and equipment over its useful life.

The depreciation charge for each period is recognised in the surplus or deficit unless it is included in the carrying amount of another asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The residual values and the useful lives of all assets are reviewed at each reporting date and, if expectations differ from previous estimates, any changes are accounted for as changes in accounting estimates.

Impairment

Where the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss is recognised in the surplus or deficit for the period, unless the asset is carried at fair value or revalued amount. The impairment loss of a revalued asset decreases or increases the revaluation surplus or deficit.

All items of property, plant and equipment are assessed for any indications of impairment at each reporting date. If the impairment indications exist, the recoverable service amounts are estimated.

An impairment loss recognised in prior periods is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given are included in the surplus or deficit when the compensation becomes receivable.

1.7.3.1 Cost basis

Depreciation is calculated on the straight-line method to write off the cost of each asset to estimated residual value over its estimated useful life over the following periods:

- Computer equipment	2-3 years
- Office furniture and fittings	10-15 years
- Office equipment	5-10 years
- Motor vehicles	4-5 years
- Cellphones	1-2 years

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.7.3.2 Revaluation basis

Where the fair value of assets can be measured reliably they may be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The fair value of items of land and buildings is determined from market-based evidence by appraisal undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification.

The fair value of other items of plant and equipment is ascertained by reference to quoted prices in an active and liquid market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs is revalued.

If assets are revalued upwards, the increase is credited directly to revaluation surplus unless the upward revaluation reverses a previous downward revaluation, in which case it is recognised in the surplus or deficit for the period.

If assets are revalued downwards, the decrease is recognised in the surplus or deficit for the period unless the downward revaluation reverses a previous upward revaluation credit, in which case it is applied against a revaluation credit in respect of that asset.

1.7.4 Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses araising from derecognition of items of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amounts of such items and are included in the surplus or deficit for the period when the item is derecognised.

1.7.5 Key accounting judgements

In the application of the MQA's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. The financial effects of the reviews to the accounting estimates are recognised in the period in which the estimates are reviewed if the revision affects only that period, or in the period of the review and future periods if the review affects both current and future periods.

1.7.2 Key sources of estimation uncertainty

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

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The MQA reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. The MQA is currently established as a SETA until 31 March 2016.

In the light of the extension of MQA's establishment until 31 March 2016, management is required to consider how it impacts the period over which assets are expected to be available for use by the MQA.

As a result of the fact that the MQA was originally established in terms of the Mine Health and Saftey Act, Act no 29 of 1996 (as amended) and was later incorporated into the SETAs, management determined, consistently with prior years, that the useful lives of assets should not be limited by the MQA's establshment as a SETA.

Managements determination of useful lives also impact the determination of residual values of assets.

The MQA has reviewed the residual values of property, plant and equipment used for the purpose of depreciation calculations in light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values will continue to be reviewed annually in future.

1.8 Intangible assets

1.8.1 Recognition

Intangible assets are identifiable non-monetary assets without physical substance.

An intangible asset is recognised if it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the MQA and the cost or fair value of the asset can be measured reliably.

The useful life or service potential of an intangible asset is assessed as to whether it is finite or indefinite.

An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

1.8.2 Initial measurement

An intangible asset is initially measured at its cost and where an intangible asset is acquired at no cost, or for a nominal cost, the cost is measured at its fair value as at the date of acquisition.

1.8.3 Subsequent measurement

Subsequent to initial recognition, an intangible asset is either carried at cost less accumulated amortisation and any accumulated impairment losses or at a revalued amount, being its fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Ammortisation

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life.

Amortisation begins when the asset is available for use and is in a condition necessary for it to be capable of operating in the manner intended by management.

Amortisation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Impairment

Where the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

Irrespective of whether there is any indication of impairment, the MQA tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing their carrying amounts with their recoverable service amounts.

This impairment test may be performed at any time during the reporting period, provided it is performed at the same time every year.

Different intangible assets may be tested for impairment at different times. However, if such an intangible asset was initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

An impairment loss is recognised in surplus or deficit, unless the asset is carried at a revalued amount and any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss recognised in prior periods is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised.

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss is recognised immediately in the surplus or deficit unless the asset is carried at revalued amount, a reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8.3.1 Cost basis

The amortisation is charged to the statement of financial perfomance in a maner that reflect the pattern in which the asset's future economic benefits or service potential are expected to be consumed or on straight line method as follows;

- Computer software	1-3 years

1.8.3.2 Revaluation basis

The revaluations of intangible assets to fair value is determined by reference to an active market.

If an intangible asset cannot be revalued because there is no active market for this asset, the asset is carried at its cost less any accumulated amortisation and impairment losses.

If the fair value of a revalued intangible asset can no longer be determined by reference to an active market, the carrying amount of the asset is its revalued amount at the date of the last revaluation by reference to the active market less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

Revaluations are made with such regularity that at the reporting date the carrying amount of the asset does not differ materially from its fair value.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

If an intangible asset is revalued upwards, the increase is credited directly to a revaluation surplus unless the increase reverses a revaluation decrease of the same asset previously recognised in the surplus or deficit in which case it is recognised in the surplus or deficit.

If an intangible asset is revalued downwards, the decrease is recognised in the surplus or deficit unless the increase relates to any credit balance in the revaluation surplus in respect of that asset in which case the decrease is debited directly to a revaluation surplus in respect of that asset.

1.8.4 Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses arising from the derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset. It is recognised in the surplus or deficit.

1.9 Inventories

Inventories are assets in the form of materials or supplies to be consumed or distributed in the rendering of services.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and they can be measured reliably.

1.9.1 Initial measurement

Inventories held for that qualify for recognition as assets are initially measured at cost and when acquired at no cost, or for nominal consideration, their cost is their fair value as at the date of acquisition.

1.9.2 Subsequent measurement

Inventories held for distribution in the rendering of services at no charge or for a nominal charge are measured at the lower of cost and current replacement cost.

1.9.2.1 Recognition as an expense

When inventories are exchanged or distributed, the carrying amount of those inventories is recognised as an expense when the goods are distributed, or related service is rendered.

The cost of inventories is assigned consistently, using the first-in, first-out (FIFO) or weighted average cost formula for all items of a similar nature and use.

The amount of any write-down of inventories to current replacement cost and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in the current replacement cost, is recognised as a reduction in the amount of inventories recognised and as an expense in the period in which the reversal occurs.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.10 Borrowings and borrowing costs

1.10.1 Borrowings

In terms of section 66(3)(c) of the Public Finance Management Act 1999 as amended, the MQA may,

- In the case of the issue of a guarantee, indemnity or security, the MQA may only issue such through the Minister of Higher Education and Training, acting with the concurrence of the Minister of Finance.
- In the case of the issue of a guarantee, indemnity or security, the MQA may only issue such through the Minister of Higher Education and Training, acting with the concurrence of the Minister of Finance.

In terms of Treasury regulation 32.1.1, a Public Entity may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.

1.10.2 Borrowing costs

Borrowing costs in respect of qualifying assets are capitalised and other borrowing costs are expensed.

1.10.2.1 Borrowing costs in respect of qualifying assets

Recognition

Borrowing costs that are directly attributable to the acquisition, construction or production of the cost of qualifying assets are capitalised unless it is inappropriate to do so. It is only inappropriate to capitalise borrowing costs when there is clear evidence that it is difficult to link the borrowing requirement directly to the nature of the capital or current expenditure to be funded.

Borrowing costs are capitalised either when expenditure for qualifying assets is incurred, when the borrowing costs are incurred or when activities that are necessary to prepare the asset for its intended sale are undertaken, whichever occurs first.

Capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended.

Capitalising borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Measurement

Where borrowing relates to a specific qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Where borrowings are made for general purposes and part of the general borrowings are used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditure on that asset.

The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

The amount of borrowing costs capitalised during a period shall not exceed the amount of borrowing costs incurred during that period.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.10.2.2 Other borrowing costs

Recognition

Other borrowing costs are borrowing costs that are deemed inappropriate to be capitalised.
It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirement directly to the nature of the expenditure to be funded, whether capital or current.

Such borrowing costs are expensed to the statement of financial perfomance in the period they are incurred.

Measurement

The amount of other borrowing costs is the actual borrowing costs incurred during the period that are not eligible for capitalisation.

1.11 Leases

1.11.1 Finance leases

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of an asset to the MQA, title may or may not eventually be transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is impracticable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Finance charges arising out of finance lease agreements are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rents are charged as expenses in the periods in which they are incurred.

A finance lease also gives rise to a depreciation expense for depreciable assets in each accounting period.

The depreciation policy for depreciable leased assets is consistent with that for depreciable assets that are owned, and the depreciation recognised is calculated in accordance with the Standard of GRAP on Property, Plant and Equipment.

Where there is no reasonable certainty that the MQA will obtain ownership by the end of the lease term, assets held under finance leases are depreciated over the shorter of the lease term and its useful life.

1.11.2 Operating leases

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset, title may not eventually be transferred.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

Lease payments under operating lease are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the MQA's benefit.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the reporting period in which termination takes place.

1.12 Employee benefits

Employee benefits comprise short-term benefits and termination benefits.

1.12.1 Short-term employee benefits

Short-term employee benefits are benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which employees render the related service.

The MQA awards the following short term employee benefits:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave)
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period; and
- non-monetary benefits (communication tools) for current employees.

The employee benefits are recognised as an expense and liability during the reporting period in which the employee has rendered the services.

The benefits are measured at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service, after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the MQA recognises that excess as an asset.

1.12.2 Termination benefits

Termination benefits are employee benefits payable as a result of either the MQA's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and mainly comprise proceeds from a defined contibution plan.

The assets of the defined contribution plan are held by third party trustee-administered funds and are funded by payments from the MQA and its employees.

Payments to the defined contribution benefit plan are charged to the statement of financial performance in the year to which they relate.

Obligations arising out of the MQA and employee contributions to the fund are measured on an undiscounted basis unless they fall due wholly after twelve months after the end of the period in which the employees rendered the related services.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.13 Provisions

1.13.1 Recognition

A provision is a liability of uncertain timing or amount.

A provision is recognised when, and only when :

- There is a present obligation (whether legal or constructive) as a result of a past event,
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- A reliable estimate of the amount of the obligation can be made.

When there is contract that is onerous, the present obligation, net of recoveries under the contract, is recognised as a provision.

Provisions for deficits from future operating activities are not recognised.

Provisions are recognised in the reporting period in which they are incurred.

1.13.2 Measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

In reaching the best estimate of a provision, the risks and uncertainties that surround the events and circumstances of each event are taken into account.

1.13.3 Effects of the time value of money

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability and not a discount rate that reflects risks for future cash flow estimates.

1.13.4 Future events and gains

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur.

Gains from the expected disposal of assets are not taken into account in measuring a provision.

1.13.5 Reimbursements

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The reimbursement is treated as a separate asset. The amount recognised for the reimbursement may not exceed the amount of the provision.

In the statement of financial performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

1.13.6 Usage and review

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is reversed.

A provision is used only for the expenditure for which the provision was originally recognised.

1.14 Contingent Liabilities

A contingent liability is:
A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity;

Or

A present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Amounts disclosed in respect of contingent liabilities are measured on the basis of the best estimate of the outcome of the possible obligation that may arise, using experience of similar transactions or reports from independent experts.

Where the dislosure of a contingent liability is reasonably expected to prejudice the position of the MQA in a dispute with other parties on the subject matter of the contingent liability the information is not disclosed, but the general nature of the dispute, together with the facts and the reason why the information has not been disclosed, is stated.

1.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

1.15.1 Financial assets

Financial assets are cash or contractual rights to receive cash or another financial asset from another entity or exhange financial assets or financial liabilities with another entity under conditions that are potentially favourable.

Financial asset are recognised in the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.15.1.1 Investments and loans

The following categories of investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity, or at cost if there is no fixed maturity:

– Loans and receivables;
– Held-to-maturity investments;
– An investment that does not have a quoted market price in an active market and whose fair value cannot be measured reliably.

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

Investments other than those listed above are classified as available-for-sale investments or investments held-for-trading and are measured at subsequent reporting dates at fair value, without any deduction for transaction costs that may be incurred on sale or other disposal.

Financial assets can be classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held to maturity investments, available for for sale financial assets and loans and receivables.

The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

All financial assets of the MQA are categorised as loans and receivables.

1.15.1.2 Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables.

Loans and receivables are measured at amortized cost using the effective interest rate method less any impairments. Interest income is recognized by applying the effective interest rate, except for short term receivables where the recognition of interest would be immaterial.

1.15.1.3 Effective interest rate method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

1.15.1.4 Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance for doubtful debts. Changes in the carrying amount of the allowance for doubful debts are recognised in the surplus or deficit for the reporting period.

Cash and cash equivalents are measured at fair value.

1.15.2 Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

1.15.2.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or is designated at FVTPL.

1.15.2.2 Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments, other than available-for-sale financial assets, are included in net profit or loss in the period in which it arises.

Gains and losses arising from a change in the fair value of available-for-sale financial assets are recognised in equity, until the investment is disposed of or is determined to be impaired, at which time the net profit or loss is included in the surplus or deficit for the period.

All financial liabilities of the MQA are classified as other financial liabilities.

1.15.2.3 Other financial liabilities

Other financial liabilities are initially measured at their fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

1.16 Reserves

Reserves are sub-classified in the statement of changes in net assets between the following:
- Administration reserve
- Employer grant reserve
- Discretionary reserve

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Grant Regulations (note 1.3.1) issued from time to time by the Department of Labour and adopted by the Department of Higher Education and Training in terms of the Skills Development Act, Act No. 97 of 1998 as amended.

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

Other income received is utilised in accordance with the original source in terms of the above classifications, that is where income is associated with administration activities it is utilised for admistration purposes, whereas where it is associated with project activities it is utilised for discretionary grants and projects purposes.

The items of revenue and expenditure are recognised on the accrual basis of accounting in the annual financial statements.

Consequently, the reserves disclosed in the statement of changes in net assets and movements disclosed in note 2 do not represent cash reserves or fund monies as implied in Grants Regulations.

- Administration reserve represents the net book value of property, plant and equipment and other commitments of an administration nature arising from signed contracts.

- Employer grant reserve represents possible mandatory grants claims from newly registered employers that are eligible to submit their mandatory grants claims at year end in terms of the grants regulations.

- Discretionary reserve represents the excess of discretionary grants revenue over discretionary and projects expenditure and includes transfers from administration and mandatory grant reserve where appropriate.

1.17 Related party transactions

Transactions are disclosed as other related party transactions

- Where the MQA has, in the normal course of its operations, entered into certain transactions with entities either under the control of the Department of Higher Education and Training or which had a nominated or appointed representative serving on the MQA Accounting Authority as well as their close family members,
- where InterSETA transactions arise due to the movement of employers from one SETA to another,
- where the MQA transacts with close members of the family of its employees,
- where the MQA transacts with a member of its key management, and
- other related parties.

1.18 Comparatives

Where necessary, comparative figures have been restated, adjusted or reclassified to achieve fair presentation and to conform to changes in presentation that arise due to changes in accounting policies, errors, reporting standards and legislation.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES

	2010/11				
	Total per Statement of financial performance	Administration	Mandatory grant	Discretionary grants	Special projects
	R'000	R'000	R'000	R'000	R'000
Total revenue	608 550	72 698	362 613	166 001	7 238
Skills development levy: income	582 397	72 408	362 613	147 376	-
Admin levy income (10%)	72 408	72 408	-	-	-
Grant levy income (70%)	507 808	-	362 613	145 195	-
Skills development levy: penalties and interest	2 181	-	-	2 181	-
Donations for special projects	7 238	-	-	-	7 238
Investment income	18 625	-	-	18 625	-
Other income	290	290	-	-	-
Total expenditure	(564 822)	(53 256)	(301 176)	(203 152)	(7 238)
Administration expenditure	(53 232)	(53 232)	-	-	-
Finance costs	(24)	(24)	-	-	-
Employer grants and project expenditure	(511 566)	-	(301 176)	(203 152)	(7 238)
Gain / (loss) on disposal of property, plant and equipment	34	34	-	-	-
Surplus allocated	43 762	19 476	61 437	(37 151)	-

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2009/10				
	Total per Statement of financial performance	Administration	Mandatory grants	Discretionary grants	Special projects
	R'000	R'000	R'000	R'000	R'000
Total revenue	576 094	67 750	337 015	167 236	4 093
Skills development levy: income	541 684	67 480	337 015	137 189	-
Admin levy income (10%)	67 480	67 480	-	-	-
Grant levy income (70%)	472 417	-	337 015	135 402	-
Skills development levy: penalties and interest	1 787	-	-	1 787	-
Donations for special projects	4 093	-	-	-	4 093
Investment income	30 047	-	-	30 047	-
Other income	270	270	-	-	-
Total expenditure	(616 431)	(46 235)	(308 393)	(257 710)	(4 093)
Administration expenditure	(46 234)	(46 234)	-	-	-
Finance costs	(1)	(1)	-	-	-
Employer grants and project expenditure	(570 196)	-	(308 393)	(257 710)	(4 093)
Gain / (loss) on disposal of property, plant and equipment	(2)	(2)	-	-	-
Deficit Allocated	(40 339)	21 513	28 622	(90 474)	-

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. REVENUE FROM NON EXCHANGE TRANSACTIONS

3.1 Skills development levy income

	Note	2010/11 R'000	2009/10 R'000
Levy income: Administration		**72 408**	67 480
Levies received		**72 472**	67 457
Levies received from SARS		**72 386**	67 376
Interseta transfers in		**92**	81
Interseta transfers out		**(6)**	-
Movement in levies accrued		**(64)**	23
Levy income: Employer Grants		**362 613**	337 015
Levies received		**362 929**	336 901
Levies received from SARS		**362 506**	336 494
Interseta transfers in		**456**	407
Interseta transfers out		**(33)**	-
Movement in levies accrued		**(316)**	114
Levy income: Discretionary Grants		**145 195**	135 402
Levies received		**145 326**	135 359
Levies received from SARS		**145 153**	135 197
Interseta transfers in		**187**	162
Interseta transfers out		**(14)**	-
Movement in levies accrued		**(131)**	43
		580 216	539 897

3.2 Interest and penalties : skills development levy income

	2010/11 R'000	2009/10 R'000
Levy interest	**695**	709
Levy penalties	**1 486**	1 078
	2 181	1 787

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. REVENUE FROM EXCHANGE TRANSACTIONS

	Note	2010/11 R'000	2009/10 R'000
4.1 Investment income		**18 625**	30 047
Interest received		**18 171**	30 499
Movement in interest accrued		**454**	(452)
4.2 Other income		**290**	270
Reprinting of training certificates		**11**	87
Insurance recoveries		**21**	6
SDL recoveries		**120**	18
Fixed assets rights transfer		**57**	-
Other recoveries		**81**	159

5. EMPLOYER GRANT AND PROJECT EXPENDITURE

Mandatory grants expenditure		**301 174**	308 393
Disbursed		**265 133**	366 926
Movement in liabilities and accruals		**36 041**	(58 532)
Discretionary grants expenditure	20,3	**82 942**	129 155
Disbursed		**147 817**	129 042
Movement in liabilities and accruals		**(64 875)**	113
Project expenditure	20,3	**120 212**	128 555
Disbursed		**137 447**	107 438
Movement in provisions and accruals		**(17 235)**	21 117
Total employer grants and projects expenditure		**504 328**	566 103

5.1 Project expenditure consist of:

Direct project costs	**115 628**	124 760
Service provider costs	**4 584**	3 777
Administration costs	**-**	18
Total projects expenditure	**120 212**	128 555

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. ADMINISTRATION EXPENDITURE

	Note	2010/11 R'000	2009/10 R'000
Depreciation		**638**	862
Operating lease rentals		**2 280**	1 901
Buildings-Operating leases		**2 065**	1 709
Plant, machinery and equipment-operating leases		**215**	192
Maintenance, repairs and running costs		**613**	611
Property and buildings		**412**	377
Machinery and equipment		**201**	234
Research and development costs		**1 921**	1 565
Advertising, marketing and promotions, communication		**2 180**	1 414
Entertainment expenses		**116**	56
Consultancy and service provider fees		**2 692**	994
Legal fees		**68**	95
Cost of employment	6.1	**28 471**	25 212
Travel and subsistence		**1 381**	1 781
Staff training and development		**1 096**	1 825
Provincial linkages expenditure		**213**	254
Remuneration to members of the audit committee		**220**	105
Internal auditor's remuneration		**697**	683
External auditor's remuneration		**1 569**	1 319
Other		**9 077**	7 557
Printing and Stationery-other		**1 971**	1 177
Conference costs-other		**6 082**	5 407
Insurance-other		**292**	191
Rates & taxes, water & lights & security-other		**599**	530
Donations & sponsorships-other		**66**	110
Sundry items-other		**67**	142
Total administration expenditure		**53 232**	46 234

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6.1. Cost of employment

	Note	2010/11 R'000	2009/10 R'000
Salaries and wages		**25 080**	22 222
Basic salaries		**15 541**	14 074
Performance awards		**3 672**	3 105
Other non-pensionable allowance		**3 874**	3 551
Temporary staff		**1 375**	796
Leave payments		**618**	696
Social contributions		**3 391**	2 990
Medical aid contributions		**714**	575
Pension contributions: defined contribution plans		**2 233**	1 992
UIF		**113**	104
Other salary related costs		**331**	319
	6	**28 471**	25 212
Average number of employees		**82**	76

Refer to the report by the Accounting Authority for disclosure concerning the emoluments of members of the Accounting Authority and the executive management of the MQA.

7. FINANCE COSTS

	Note	2010/11 R'000	2009/10 R'000
Obligations under finance leases		**24**	1
Total interest expense		**24**	1

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. COMPARISON OF BUDGET AND ACTUALS

	Note	2010/11			
		Approved Budget	Final Budget	Actual	Variance
		R'000	R'000	R'000	R'000
Administration funds - income	8.2.1	69 250	66 555	72 698	6 143
Mandatory funds - income	8.2.1	346 250	333 277	362 613	29 336
Discretionary funds - income	8.2.1	138 500	133 311	147 376	14 065
Investment income	8.2.2	14 065	18 162	18 625	463
Total income		568 065	551 305	601 312	50 007
Administration funds - expenditure	8.2.3	(53 609)	(53 525)	(53 221)	304
Mandatory funds - expenditure	8.2.4	(311 625)	(316 613)	(301 176)	15 437
Discretionary funds - expenditure	8.2.5	(302 512)	(257 920)	(203 152)	54 768
Total expenditure		(667 746)	(628 058)	(557 549)	70 509
(Deficit)/Surplus		(99 681)	(76 753)	43 763	120 516
Capex	8.2.6	43 032	42 248	-	(42 248)

8.1 Basis of budget preparation and revision of approved budget

The MQA prepares its budget for items of income and expenditure on the accrual basis of accounting.

The budget is based on anticipated activities, property plant and equipment and intangible assets required to achieve the mandate of the MQA as well as the estimated costs to carry out such activities or acquire such tangible and intangible assets.

The approved budget includes only the activities of the MQA and is for the period 01 April 2010 to 31 March 2011.

The approved budget was revised in October 2010 to adjust for revenue trends observed during the first six months of the financial year.

The revision of the approved budget resulted in a final budget which had items of revenue, mandatory grants expenditure and discretionary grants expenditure reduced or lower than the original budget as a result of erratic revenue in the first six months of the year.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8.2 Material differences between the final budget and actual amounts

8.2.1 Skills Development levy income

During the first six months of the financial year we received erratic skills development revenues from SARS and this prompted us to reduce our budgeted revenue in October 2010.

Subsequent to the downward revision of the revenue budget, revenue receipts from SARS increased and was closer to what we had originally budgeted for. The variances is as a result of SARS changes in the system of collecting the levies which only stabilised in the second half of the financial year after we had revised our budget downwards.

8.2.2 Investment income

The actual interest received approximates the budget.

8.2.3 Administration expenditure

The actual expenditure approximates the budget.

8.2.4 Mandatory grants expenditure

Mandatory grants expenditure variance to budget mainly resulted from fewer employers that claimed their mandatory grants than anticipated in the preparation of the budget.

8.2.5 Discretionary grants expenditure

The variance mainly relates to the write back of accruals for learnerships and ABET grants that were due to employers in previous years. Communication was sent out to the mining industry to claim all previous year's grants by 31 July 2010 and that failure to claim them would result in their expiry, no such claims were made and such grants were written off.

The budget also included grants in respect of learners whose grants expired.

8.2.6 Capital expenditure

The variance mainly relates a budget for the acquisition of an office building. A request for the acquisition of an office building was sought from the Minister of Higher Education and Training in terms of section 54(2)(d) of the PFMA.
At reporting date, this approval had not been granted to the MQA, hence the variance to the budget.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. NON CURRENT ASSETS

9.1 Property, Plant and Equipment by class

Year ended 31 March 2011 balances	Cost (items fully depreciated)	Cost (all items)	Accumulated depreciation/ impairment	Closing carrying amount
	R'000	R'000	R'000	R'000
Computer equipment	**1 223**	**2 663**	**(1 710)**	**953**
Office furniture and fittings	**226**	**2 472**	**(1 508)**	**964**
Office equipment	**-**	**1 990**	**(1 186)**	**804**
Motor vehicles	**281**	**471**	**(225)**	**246**
Cellphones	**16**	**135**	**(60)**	**75**
Balance at end of the year	**1 746**	**7 731**	**(4 689)**	**3 042**
Made up as follows:				
- Owned	**1 746**	**7 244**	**(4 636)**	**2 608**
- Leased - office equipment	**-**	**487**	**(53)**	**434**

Year ended 31 March 2010 balances	Cost (items fully depreciated)	Cost (all items)	Accumulated depreciation/ impairment	Closing carrying amount
	R'000	R'000	R'000	R'000
Computer equipment	1 218	1 928	(1 558)	370
Office furniture and fittings	357	2 386	(1 428)	958
Office equipment	728	1 532	(1 115)	417
Motor vehicles	384	384	(384)	-
Cellphones	5	94	(59)	35
Balance at end of the year	2 692	6 324	(4 544)	1 780
Made up as follows:				
- Owned	2 692	6 238	(4 471)	1 767
- NSF owned	-	12	(6)	6
- Leased - office equipment	-	74	(67)	7

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Movement summary 2011	Carrying amount 2009/10	Additions	Disposals	Depreciation charge	Depreciation Adjustment	Accumulated Depreciation on disposals	Carrying amount 2010/11
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	370	937	-	(349)	-	-	958
Office furniture and fittings	958	86	-	(197)	108	-	955
Office equipment	417	551	-	(228)	71	-	811
Motor vehicles	-	190	(103)	(40)	96	103	246
Cellphones	35	91	(14)	(53)	-	13	72
	1 780	1 855	(117)	(867)	275	116	3 042

Movement summary 2010	Carrying amount 2008/09	Additions	Disposals	Depreciation charge	Depreciation Adjustment	Accumulated Depreciation on disposals	Carrying amount 2009/10
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	508	187	(225)	(315)	-	215	370
Office furniture and fittings	1038	149	(42)	(223)	-	36	958
Office equipment	429	183	(6)	(194)	-	5	417
Motor vehicles	63	-	-	(63)	-	-	-
Cellphones	42	35	-	(42)	-	-	35
	2 080	554	(273)	(837)	-	256	1 780

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net deficit for the period.

The MQA has reviewed the residual values and useful lives of all the items of property, plant and equipment. The review of the residual values highlighted a requirement for an adjustment to the residual value of the motor vehicles.

The review of the useful lives highlighted a requirement for adjustments to the useful lives of certain items of office furniture and fittings, office equipment and motor vehicles.

The impairment of all classes of property, plant and equipment was considered at year end and no impairment adjustments have been taken into account.

There are no restrictions on the title of property, plant and no items have been pledged as security for liabilities.

There are no commitments for the acquisitions of property, plant and equipment.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9.2 Intangible Assets

Year ended 31 March 2011 balances	**Cost (items fully depreciated)**	**Cost (all items)**	**Accumulated depreciation/ impairment**	**Closing carrying amount**
	R'000	**R'000**	**R'000**	**R'000**
Computer software	**59**	**249**	**(119)**	**130**
Balance at end of the year	**59**	**249**	**(119)**	**130**

Year ended 31 March 2010 balances	Cost (items fully depreciated)	Cost (all items)	Accumulated depreciation/ impairment	Closing carrying amount 2009/10
	R'000	R'000	R'000	R'000
Computer software	59	204	(65)	139
Balance at end of the year	59	204	(65)	139

Movement summary 2011	**Carrying amount 2009/10**	**Additions**	**Depreciation charge**	**Carrying amount 2010/11**
	R'000	**R'000**	**R'000**	**R'000**
Computer software	**139**	**45**	**(54)**	**130**
Balance at end of the year	**139**	**45**	**(54)**	**130**

Movement summary 2010	Carrying amount 2008/09	Additions	Depreciation charge	Carrying amount 2009/10
	R'000	R'000	R'000	R'000
Computer software	20	145	(26)	139
Balance at end of the year	20	145	(26)	139

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Note	2010/11 R'000	2009/10 R'000
Prepayments and Advances - Current		**1 117**	551
Prepayments		**93**	94
Free Minutes Receivable		**158**	125
Deposits		**228**	227
Staff Advances		**85**	8
Interest receivable - MQA		**546**	92
Interest receivable - NSF		**7**	5

11. INVENTORY

Printing and other consumable stores		**128**	178
Expensed during the period		**810**	978

12. TRADE AND OTHER RECEIVABLES FROM NON - EXCHANGE TRANSACTIONS

InterSETA receivables	27	**282**	827
Administration		**35**	103
Employer grants		**177**	514
Discretionary grants		**70**	210
Mandatory grants receivables	12.1	**14 611**	1 411
Donor funding (NSF) receivables		**1 140**	-
		16 033	2 238

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12.1 Mandatory grants receivables

	2010/11	2009/10
	R'000	R'000
Overpayment of mandatory grants to registered employers		
Overpayments to employers	**14 748**	2 691
Provision for doubtful debts	**(201)**	(1 302)
Net effect of SARS retrospective adjustments	**14 547**	1 389
Mandatory grants receivable from other SETAs	**64**	22
	14 611	1 411

R14.748 million (2009/10:R2,691 million) was recognised as a receivable relating to actual overpayment of mandatory grants to employers in the reporting period.

The MQA recovers such debts by withholding the overpayments from future grant payments.

A provision for bad debts of R201 000 (2009/10:R1,302) has been raised. R1,165 million (2009/10 :R249,807) was written off as bad debts.

13. CASH AND CASH EQUIVALENTS

	2010/11	2009/10
	R'000	R'000
Cash at bank and in hand	**371 476**	373 637
Cash at bank	**371 465**	373 630
Cash on hand	**11**	7
Short term investments/instruments	**1 681**	1 826
Cash and cash equivalents at end of year	**373 157**	375 463

Included in cash at bank is a current account with a balance of R472,000, (2009/10: R1,386 million) in respect of NSF funds.

The funds were received from the National Skills Fund for the purposes of the Learnerships, workplace experience and Internship grants. The funds may not be used for any purposes except for purposes specified in a service level agreement.

The Skills Development Act Regulations states that the MQA may, if not otherwise specified by the Public Finance Management Act, invest the moneys in accordance with the investment policy approved by the MQA Accounting Authority.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, the MQA as a public entity that is listed in Schedule 3A of the Act must invest surplus funds with the Corporation for Public Deposits.

As the MQA was exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits, surplus funds were deposited in institutions with investment grade rating and in line with the investment policy as required by Treasury Regulation 31.3.5.

13.1 Borrowings/Loans

In terms of PFMA section 66(3)(c), public entities may only through the Minister of Finance borrow money or, in the case of the issue of a guarantee, indemnity of security only through the Minister of Higher Education and Training acting with the concurrence of the Minister of Finance.

In terms of Treasury Regulation 32.1.1, the MQA as schedule 3A public entities may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.

No such borrowings were entered into during the year.

14. FINANCE LEASE OBLIGATIONS

	2010/11	2009/10
	R'000	R'000
Non current finance lease obligation (recoverable after 12 months)	**300**	-
Current finance lease obligation (recoverable within 12 months)	**145**	-
Finance lease obligation	**445**	-
Reconciliation between the total of the minimum lease payments and the present value:		
Up to 1 Year		
Future minimum lease payments	**203**	-
Finance cost	**(58)**	-
Present value	**145**	-
1 to 5 years		
Future minimum lease payments	**342**	-
Finance cost	**(42)**	-
Present value	**300**	-
Finance lease repayments for the year	**41**	17

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Assets held under finance leases comprise photocopiers, have been capitalised and classified as office equipment under property, plant and equipment.

The lease agreement was entered into in November 2010 for a period of 3 years and the interest rate in the agreement is linked to the prime lending rate.

The interest rate implicit in the agreement, 16.51% was used as a basis for estimating the finance costs.

15. RETIREMENT BENEFIT OBLIGATIONS

The MQA operates a defined contribution pension fund. Employees contribute 8% and the MQA 16%.
The employees future benefits depend on the operating efficiency and investment earnings of the fund. Earnings of the fund were 27% (2009/10:27%).

16. GRANTS AND TRANSFERS PAYABLE

	Note	**2010/11** R'000	2009/10 R'000
Skills development grants payable - mandatory		**84 799**	35 558
Skills development grants payable - discretionary		**18 991**	83 866
NSF creditors		**2 679**	-
InterSETA payables	27	**-**	34
Administration		**-**	4
Mandatory		**-**	21
Discretionary		**-**	9
		106 469	119 458

17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	755	1 126
Trade creditors		
Project creditors	**6 695**	23 930
Trade creditors accruals	**655**	650
Cellphone Contracts Obligation	**219**	160
Operating lease payments due	**-**	74
Payroll creditors and accruals	**1 646**	1 569
	9 970	27 509

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. GOVERNMENT GRANTS AND DONOR FUNDING

	Note	2010/11 R'000	2009/10 R'000
NATIONAL SKILLS FUND			
Opening balance		**1 304**	2 478
Draw downs and interest received		**4 851**	2 919
NSF funding received		**4 757**	2 847
Interest received		**94**	72
Draw downs receivable - conditions met		**1 140**	-
Fixed assets rights transfer		**(57)**	-
Utilised and recognised as revenue-conditions met		**(7 238)**	(4 093)
		-	1 304

During the current year R4,757 million (2009/10 : R2,847 million) was received from the National Skills Fund in respect of Learnerships and Internships.

At year end, no amount was accounted for as a liability as all amounts received in the current year met the conditions for recognition as revenue. (2009/10:R1,304 million).

19. PROVISIONS

Employee entitlements	19.1	**1 801**	1 642
Sars creditors	19.2	**5 803**	5 079
		7 604	6 721

19.1 Employee benefits

Opening balance	**1 642**	847
Amount utilised	**(1 642)**	(847)
Change in estimate	**1 801**	1 642
Closing balance	**1 801**	1 642

The provision relates to performance bonuses, and is expected to be utilised in full within three months after reporting period.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19.2 Provision for SARS creditors

	Administration provision	Mandatory grants provision	Discretionary grants provision	**Total 2010/2011**	Total 2009/2010
Open carrying amount	635	3 174	1 270	**5 079**	4658
Amounts utilised	-	-	-	**-**	-
Change in estimate	90	453	181	**724**	421
Closing carrying amount	725	3 627	1 451	**5 803**	5 079

The provision for SARS creditors relates to levy contributions received during the year from employers that are exempted from SDL contributions as they are under the legislated threshold. The utlisation of the provision depends on employers becoming aware that they are exempt from the skills development levies.

20. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET SURPLUS (DEFICIT)

	Note	**2010/11 R'000**	2009/10 R'000
Surplus/(deficit) as per statement of financial performance		**43 763**	(40 339)
Adjusted for non-cash items:			
Depreciation		**638**	862
Fixed assets rights transfer		**(57)**	-
(Gain)/loss on disposal of property, plant and equipment		**(34)**	2
Bad debts written off		**1 165**	249
Allowance for doubtful debts		**201**	1 302
Increase in provisions		**883**	1 216
Adjusted for working capital changes:			
(Increase)/decrease in inventory	11	**50**	12
Decrease/(increase) in receivables	10 & 12	**(14 490)**	(1 322)
Increase/(decrease) in payables	16 & 17	**(33 204)**	(37 648)
Increase/(decrease) in special project funding		**294**	(1 167)
Cash generated (utilised) in operations		**(790)**	(76 833)

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21. CONTINGENCIES

21.1 Mandatory grant reserve

A balance of R130,000 (2009/10 : R1,598 million) has been set aside in terms of the accounting policy.

The amount of the outflow depends on the new employer's awareness about the provisions of the grants regulations that entitle them to claim the grants within six months of their first registration as employers for the purposes of the Skills Development Levies Act.

The employers have until 30 September 2011 to claim the mandatory grants after which they expire and will be swept to the discretionary funds in terms of the grants regulations.

22. COMMITMENTS

22.1 Administration reserve

A balance of R3,172 million (2009/10 : R1,919) has been set aside in terms of the accounting policy as follows.

	Note	**2010/11** **R'000**	2009/10 R'000
Net assets	9	**3 172**	1 919
Total Admin Reserve		**3 172**	1 919

22.2 Discretionary reserve

Of the balance of R265,817 million (2009/10 : R221,840 million) available in the discretionary reserve at the end of March 2011, R132,555 million (2009/10 R195,191 million) has been approved and allocated for future projects and skills priorities as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the statement of financial performance, are indicated as utilised.

22.2 Discretionary reserves (continued)

	NSDS Indicator	Opening balance 2009/10	Reallocations approved by Accounting Authority	Utilised	**Opening balance 2010/11**	**Reallocations approved by Accounting Authority**	**Utilised**	**TOTAL**
		R'000	R'000	R'000	**R'000**	**R'000**	**R'000**	**R'000**
OBJECTIVE 1:		-	9 936	(9 936)	**-**	**11 874**	**(11 124)**	**750**
MQA-020-Skills Development Research & Impact Analysis	1.1	-	3 315	(3 315)	**-**	**6 882**	**(6 132)**	**750**
MQA-027-Constituency Representative Capacity Building	1.2	-	38	(38)	**-**	**-**	**-**	**-**
MQA-018-Skills Development Facilitator Support	1.2	-	2 625	(2 625)	**-**	**4 653**	**(4 653)**	**-**
MQA-021-Company Skills Development Committee Support	1.2	-	37	(37)	**-**	**-**	**-**	**-**
MQA-028-Promotion of Skills Development	1.2	-	3 921	(3 921)	**-**	**339**	**(339)**	**-**
OBJECTIVE 2:		71 143	160 625	(130 686)	**101 082**	**(19 643)**	**(64 489)**	**16 950**
MQA-022-MQA I-Share Development	2.1	681	747	(1 019)	**409**	**(409)**	**-**	**-**
MQA-034-Good Practice Awards	2.4	-	588	(588)	**-**	**-**	**-**	**-**
BEE Firms & BEE Co-ops Support	2.5	469	(469)	-	**-**	**-**	**-**	**-**
Small scale miners technical support	2.5	419	(419)	-	**-**	**3 110**	**(3 110)**	**-**
MQA-012-SME Skills Development Support	2.5	-	32 558	(23 080)	**9 478**	**(748)**	**(8 333)**	**397**
MQA-033-Training Lay-Off Scheme	2.5	-	5 663	(4 832)	**831**	**18**	**(849)**	**-**
MQA-019-ABET	2.7	17 962	15 947	(13 914)	**19 995**	**(13 556)**	**(6 439)**	**-**
MQA-023-Literacy Promotion	2.7	-	363	(363)	**-**	**431**	**(431)**	**-**
MQA-030-Maths & Science	2.7	-	2 500	(2 500)	**-**	**5 000**	**(5 000)**	**-**
MQA-011-Learnerships	2.8	39 002	77 054	(48 283)	**67 773**	**(43 256)**	**(7 964)**	**16 553**
MQA-016-Recognition of Prior Learning	2.8	445	(20)	(425)	**-**	**-**	**-**	**-**
406-Upskilling of ETDPs to deliver Fundamentals	2.8	-	37	(37)	**-**	**-**	**-**	**-**
MQA-005-Jewellery Industry Support	2.8	1 234	1 327	(2 561)	**-**	**3 315**	**(3 315)**	**-**
MQA-039 Cement Lime Aggregates and Sand Support	2.8	-	-	-	**-**	**981**	**(981)**	**-**

MQA-024-OHS Rep Development	2.8	8 931	15 066	(23 997)	-	**23 172**	**(23 172)**	-
MQA-031-Mine Inspector Training	2.8	-	7 949	(5 353)	**2 596**	-	**(2 596)**	-
MQA-006-Diamond Industry Support	2.8	2 000	1 734	(3 734)	-	**2 299**	**(2 299)**	-
OBJECTIVE 3:		560	(560)	-	-	-	-	-
Beneficiation Support	3.2	560	(560)	-	-	-	-	-
OBJECTIVE 4:		127 596	65 191	(105 231)	**87 556**	**150 039**	**(122 740)**	**114 855**
MQA-001-Lecturer / Trainer Support	4.1	26 282	(3 710)	(5 581)	**16 991**	**(1 264)**	**(6 037)**	**9 690**
MQA-010-Internships (GDP)	4.1	16 985	10 981	(11 613)	**16 353**	**709**	**(15 154)**	**1 908**
MQA-025-NSF 1 - Learnerships & GDP	4.1	4 985	(888)	(2 912)	**1 185**	**651**	**(1 836)**	-
MQA-026-NSF 2 - Artisan Development	4.1	-	1 262	(342)	**920**	**9 119**	**(10 039)**	-
MQA-035 Learners with Disabilit-MQA Proj-Direct	4.1	-	-	-	-	**500**	**(400)**	**100**
MQA-002-Bursaries	4.1	70 613	(1 030)	(34 251)	**35 332**	**81 300**	**(46 500)**	**70 132**
MQA-003-Work Experience	4.2	8 731	53 997	(46 133)	**16 595**	**59 120**	**(42 690)**	**33 025**
MQA-004-New Venture Creation	4.3	-	4 579	(4 399)	**180**	**(96)**	**(84)**	-
OBJECTIVE 5:		937	17 471	(11 855)	**6 553**	**5 484**	**(12 037)**	-
MQA-014-ISO 9001-2000	5.1	-	1 680	(1 680)	-	**360**	**(360)**	-
MQA-017-Institute of Sectoral / Occupational Excellence	5.1	-	1 004	(1 004)	-	**535**	**(535)**	-
MQA-013-Assessor & Moderator Registration	5.3	524	1 253	(1 777)	-	**399**	**(399)**	-
MQA-015-PDA Standardised Assessment	5.3	-	513	(513)	-	**51**	**(51)**	-
MQA-032-Certification Verification	5.3	413	627	(810)	**230**	**(230)**	-	-
MQA-038 FLC-MQA Proj-Direct Costs	5.3	-	-	-	-	**(25)**	**25**	-
MQA-007-Standard Setting Grant (TRGs)	5.3	-	1 426	(1 426)	-	**3 455**	**(3 455)**	-
MQA-008-Unit Standards & Qualifications Registration	5.3	-	980	(980)	-	**2**	**(2)**	-
MQA-009-Learning Materials Development	5.3	-	9 988	(3 665)	**6 323**	**937**	**(7 260)**	-
TOTAL COMMITMENTS NSDS 2		200 236	252 663	(257 708)	**195 191**	**147 754**	**(210 390)**	**132 555**

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22.3 Operating Leases

Future minimum lease payments under non-cancellable leases:

	Note	2010/11 R'000	2009/10 R'000
Not later than one year		**487**	1 845
Later than one year and not later than five years		**-**	455
		487	2 300

The operating lease relates to the building premises; 4th and 5th floor 74-78 Marshall Street used for office accommodation.

The lease agreement entered into from 1 July 2004, renegotiated on 1 July 2005, terminated in on 30 June 2010 and renewed to 30 June 2011 while the MQA awaits permision from the Minister of Higher Education and Training to acquire its own office building.

No provision was made for an option to renew the lease on expiry.

23. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

To the best of our knowledge, no material losses through criminal conduct, or irregular, fruitless and wasteful expenditure were incurred during the year ended 31 March 2011.

Material losses through criminal conduct:

None

Material losses through fraud

None

Irregular expenditure for current year

Irregular expenditure incurred in the previous financial year was condoned by the MQA board in the current financial year.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2010/11	2009/10
	R'000	R'000
Opening balance	**166**	-
Add: Irregular Expenditure – current year	**-**	166
Less: Amounts condoned	**(166)**	-
Less: Amounts recoverable (not condoned)	**-**	-
Less: Amounts not recoverable (not condoned)	**-**	-
Irregular expenditure awaiting condonation	**-**	166

Fruitless and wasteful expenditure

None

24. EVENTS AFTER REPORTING DATE

24.1 Acquisition of office building

In November 2009, the MQA requested permision to acquire office building from the Mininster and to utilise savings from previous financial years administration funds savings and interest from investments.

In May 2011, the minister gave us an in principle approval to engange in activities necessary to acquire the building using the requested funding model.

Once we secure a suitable building, the minister requires us to submit certain information for his final approval for the acquisition.

24.2 Constitution of the MQA and the MQA Board

A new constitution was gazetted in April 2011 limiting the board members to 15 including three ministerial appointments.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS

In the course of its operations, the MQA is exposed to interest rate, credit, liquidity and market risk. The MQA has developed a comprehensive risk strategy in order to monitor and control these risks.

The risk management process relating to each of these risks is discussed under the headings below.

The MQA's exposure to cash flow interest rate risk and the effective interest rates on the financial instruments at reporting date are as follows.

	Floating rate		Non-interest bearing		TOTAL
Year ended 31 March 2011	**Amount**	**Effective interest rate**	**Amount**	**Weighted average period until maturity**	
	R'000	**%**	**R'000**	**Years**	**R'000**
Assets					
Cash	**373 146**	**9.5.%**	**11**	**-**	**373 157**
Accounts receivable	**-**	**-**	**1 117**	**1 year**	**1 117**
Total financial assets	**373 146**	**-**	**1 128**	**-**	**374 274**
Liabilities					
Accounts payable	**-**	**-**	**(9 970)**	**0,5 years**	**(9 970)**
Total financial liabilities	**-**	**-**	**(9 970)**	**-**	**(9 970)**
	373 146		**(8 842)**		**364 304**

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Year ended 31 March 2010	Floating rate		Non-interest bearing		TOTAL
	Amount	Effective interest rate	Amount	Weighted average period until maturity	
	R'000	%	R'000	Years	R'000
Assets					
Cash	375 456	11%	7	-	375 463
Accounts receivable	-	-	551	-	551
Total financial assets	375 456	11%	558	-	376 014
Liabilities					
Accounts payable	-	0%	(27 509)	0,8 years	(27 509)
Total financial liabilities	-	0%	(27 509)	-	(27 509)
	375 456		(26 951)		348 505

Credit risk

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

The MQA limits its counter-party exposure by only dealing with well established financial institution approved by the National Treasury. The MQA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The MQA's concentration of credit risk is limited to the industry (mining industry) in which it operates. No events occurred in the mining industry that may have an impact on the accounts receivable that has not been adequately provided for.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Credit risk

Ageing of trade and other receivables from non exchange transactions

	2010/11		2009/10	
	Gross	**Impairment**	Gross	Impairment
	R'000	**R'000**	R'000	R'000
Not past due	**-**	**-**	-	-
Past due 0 - 30 days	**-**	**-**	-	-
Past due 31 - 120 days	**16 033**	**-**	-	2 238
Past due 1 year	**-**	**-**	-	-

Cash & cash equivalents

	2010/11		2009/10	
	Gross	**Impairment**	Gross	Impairment
	R'000	**R'000**	R'000	R'000
Not past due	**373 157**	**-**	-	375 463
Past due 0 - 30 days	**-**	**-**	-	-
Past due 31 - 120 days	**-**	**-**	-	-
Past due 1 year	**-**	**-**	-	-

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Liquidity risk

The MQA manages liquidity risk through proper management of working capital, capital expenditure, long term cash projections and monitoring of actual vs. forecasted cashflows and its cash management policy.

Adequate reserves and liquid resources are also maintained.

	2010/11			
	Carrying amount	**Contractual cash flows**	**6 months or less**	**6 months or more**
	R'000	**R'000**	**R'000**	**R'000**
Trade and other payables from exchange transactions	**9 970**	**9 970**	**9 970**	**-**

	2009/10			
	Carrying amount	Contractual cash flows	6 months or less	6 months or more
	R'000	R'000	R'000	R'000
Trade and other payables from exchange transactions	27 509	27 509	27 509	-

Market risk

The MQA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates.

No significant events occurred during the year that the MQA are aware that may result in the shrinking of employment and a reduction is skills development levy income in the future.

Fair values

The MQA's financial instruments consist mainly of cash and cash equivalents, trade and other receivables, and accounts and other payables.

No financial instruments were carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Cash and cash equivalents
Cash and cash equivalents comprise cash held by the MQA and short term bank deposits with an original maturity of less than 1 month. The carrying amount of these assets approximates their fair value.

Accounts receivable
The carrying amount of accounts receivable, net of allowance for bad debt, approximates fair value due to the relatively short-term maturity of these financial assets.

Investments
The fair value of debt securities is determined using the discounted cash flow method (where applicable). The fair value of publicly traded investments is based on quoted market prices for those investments.

Borrowings
The fair value of interest-bearing borrowings is based on either :

- the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (where applicable).

- the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (where applicable).

The fair values of interest-bearing borrowings with variable interest rates approximate their carrying amounts.

Accounts payable
The carrying amount of accounts payable approximates fair value due to the relatively short-term maturity of these financial liabilities.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

26. NEW ACCOUNTING PRONOUNCEMENTS

At the date of authorisation of these financial statements there are Standards and Interpretations in issue but effective.

These include the following Standards and Interpretations that are applicable to the MQA and may or may not have an impact on future financial statements.

Title	Reference Number	Date issued	Effective date, commencing on or after
Segment Reporting	GRAP 18	February 2011	Not specified
Impairment of Non-cash generating assets	GRAP 21	March 2009	01 April 2012
Revenue from Non-exchange transactions	GRAP 23	February 2008	01 April 2012
Presentation of Budget information in financial statements	GRAP 24	November 2007	01 April 2012
Employee Benefits	GRAP 25	November 2009	Not specified
Impairment of Cash generating assets	GRAP 26	March 2009	01 April 2012
Heritage Assets	GRAP 103	July 2008	01 April 2012
Financial Intruments	GRAP 104	October 2009	Not specified
Transfer of Functions Between Entities Under Common Control	GRAP 105	November 2010	Not specified
Transfer of Functions Between Entities Not Under Common Control	GRAP 106	November 2010	Not specified
Mergers	GRAP 107	November 2010	Not specified

The MQA shall, where applicable, apply Standards of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1)(b) fo the PFMA and as indicated in the table above.

For the standards whose effective date of commencement of application is indicated as not specified in the table above, this date has not yet been published as at the date of this set of financial statements.

The following are the objectives of the accounting standards that have been issued but are not yet effective as of the reporting date, together with any significant they may have in future reporting periods.

GRAP 18 : Segment Reporting

The Standard establishes principles for the presentation of specific and detailed information about major activities undertaken by an entity during a particular period, along with resources allocated to those activities.

It is not expected that the standard will significantly impact future accounting and disclosure because the MQA's mandate is the facilitation of skills development and this has been and is likely to continue to be done through a centralised operation.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

GRAP 21 : Impairment of Non-cash generating assets

The Standard prescribes the procedures that an entity applies to determine whether a non-cash generating asset is impared and prescribes that impairment losses are recognised. It also specifies when should an entity would reverse an impairment loss and prescribes the relevant disclosures.

It is not expected that the standard will significantly impact future accounting and disclosure due to the nature of the MQA's assets and the similarity of the standard to the accounting and disclosure requirements in the standard on Property, Plant and Equipment.

GRAP 23 : Revenue from Non-exchange transactions

The Standard prescribes requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination.

The Standard deals with issues that need to be considered in recognising and measuring revenue from non-exchange transactions, including the identification of contributions from owners.

It is not expected that the standard will significantly impact future accounting and disclosure as the MQA already accounts for and discloses revenue from Non-exchange transactions in terms of this standard.

GRAP 24 : Presentation of Budget information in financial statements

This Standard requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable.

It also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts.

Compliance with the requirements of this Standard will ensure that entities discharge their accountability obligations and enhance the transparency of their financial statements by demonstrating compliance with the approved budget(s) for which they are held publicly accountable and, where the budget(s) and the financial statements are prepared on the same basis, their financial performance in achieving the budgeted results.

It is not expected that the standard will significantly impact future disclosure as the MQA already makes the relevant disclosures in note 8 to the annual financial statements and the standard does not require adjustments to comparative amounts.

GRAP 25 : Employee Benefits

The Standard provides principles for accounting for short term and long term and post retirements benefits provided by the entity to its employees, former employees and their dependants.

It is not expected that the standard will significantly impact future disclosure as the MQA operates and is expected to continue to operate a defined contribution plan due to the short nature (5 years) of its operating licence.

GRAP 26 : Impairment of Cash generating assets

The Standard prescribes procedures that an entity applies to determine whether a cash-generating asset is impaired and to ensure that impairment losses are recognised. It also specifies when an entity should reverse an impairment loss and prescribes disclosures.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

It is not expected that the standard will significantly impact future accounting and disclosure due to the nature of the MQA's legislative mandate and the fact that holding assets primarily for commercial return (cash generating assets) would be against its mandate.

GRAP 103 : Heritage Assets

The Standard prescribes the accounting treatment for heritage assets and related disclosure requirements.

Heritage assets are defined as assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

It is not expected that the standard will significantly impact future accounting and disclosure due to the nature of the MQA's legislative mandate and the fact that holding assets primarily for commercial return (cash generating assets) would be against its mandate.

GRAP 104 : Financial Instruments

The Standard provides principles for recognition, measurement, presentation and disclosure of financial instruments.

It is not expected that the standard will significantly impactu future disclosure because the MQA has basic financial instruments such as cash, deposits with banks and debtors and creditors. The MQA does not have complex financial instruments such as investments in bonds or equity instruments, borrowings (typically loans and overdraft facilities) and derivatives.

The MQA does not have complex financial instruments such as investments in bonds or equity instruments, borrowings (typically loans and overdraft facilities) and derivatives and its financial instruments are already disclosed in note 25 to the annual financial statements.

GRAP 105 : Transfer of Functions Between Entities Under Common Control

The Standard provides principles for recognition, measurement, presentation and disclosure of by the acquirer and transferor in a transfer of functions between entities under common control.

It is not expected that the standard will significantly impact future disclosure because the MQA has been re-established as it is for the next 5 years to 2016 and under the existing legislation no transfer of functions to or from the MQA are expected.

GRAP 106 : Transfer of Functions Between Entities Not Under Common Control

The Standard provides principles for recognition, measurement, presentation and disclosure of by the acquirer in a transfer of functions between entities not under common control.

It is not expected that the standard will significantly impact future disclosure because the MQA has been re-established as it is for the next 5 years to 2016 and under the existing legislation no transfer of functions to or from the MQA are expected.

GRAP 107 : Mergers

The Standard provides principles for recognition, measurement, presentation and disclosure by the combined entity and combining entities in a merger.

It is not expected that the standard will significantly impact future disclosure because the MQA has been re-established as it is for the next 5 years to 2016 and under the existing legislation no mergers with other entities are expected.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. RELATED PARTY TRANSACTIONS

27.1 Transactions with other national public entities

27.1.1 Sector education and training autorities

InterSETA transactions and balances arise due to the movement of employers from one SETA to another and levies due from the SETA to which the MQA contributes its levies and submits its WSP & ATR. No other transactions occurred during the year with other SETAs.

	Amount receivable/ (payable) 2010/11 R'000	**Transfers in/(out) during the year 2010/11 R'000**	Amount receivable/ (payable) 2009/10 R'000	Transfers in/(out) during the year 2009/10 R'000
	R'000	**R'000**	R'000	R'000
Receivables	**281**	**281**	826	1 478
CETA	**5**	**5**	-	291
CHIETA	**69**	**69**	46	46
CTFL SETA	**-**	**-**	-	10
ESETA	**5**	**5**	-	-
FASSET	**10**	**10**	-	104
HWSETA	**41**	**41**	-	-
SERVICES SETA	**70**	**70**	721	968
TETA	**74**	**74**	-	-
W&RSETA	**7**	**7**	59	59
Payables	**-**	**(20)**	(34)	(34)
FOOBEV SETA	**-**	**(20)**	-	-
SERVICES SETA	**-**	**-**	(34)	(34)
Total				

27.1.2 Other public entities

	2010/11			
	Amount received	**Amount Receivable**	**Amount paid**	**Amount Payable**
National Skills Fund	**4 757**	**1 140**	**-**	**-**

	2009/10			
	Amount received	Amount Receivable	Amount paid	Amount Payable
National Skills Fund	2 847	-	-	1 304

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27.2 Transactions with stakeholders represented at the MQA Board

27.2.1 The companies listed below have officials serving in the Board and Board committees of the MQA.

27.2.2 Board members do not receive remuneration for attending MQA Board meetings.

27.2.3 Board members may claim travel expenses incurred as a result of attendance of MQA meetings.

27.2.4 The companies contribute their levies under the same legislative provisions applicable to all MQA registered employers.

27.2.5 The companies claim their grants and their grants approvals are based on the same legislative and MQA approval processes applicable to all employers that claim grants from the MQA.

27.2.6 The grant amounts paid to these companies are based on the same legislative and MQA grant amounts applicable to all employers that claim grants from the MQA and are paid on the same terms as are applicable to all other MQA registered employers.

		2010/11			
Stakeholder represented	**Board member**	**Levies Received**	**Payments**	**Grants /Amounts Payable**	**Grants overpaid (Receivables)**
		R'000	**R'000**	**R'000**	**R'000**
Harmony Gold Mine	**J Mathebula**	**20 399**	**22 316**	**617**	**10**
Teba Development	**J Mathebula**	**-**	**41**	**-**	**-**
Chamber of Mines	**V Mabena**	**181**	**9 490**	**-**	**-**
Isithebe Mining	**M Madolo**	**-**	**-**	**-**	**-**
UASA	**R Samuel**	**-**	**-**	**-**	**-**
National Union of Mineworkers	**M Letlala**	**-**	**-**	**-**	**-**
Elijah Barayi Training Centre	**Z Tantsi**	**-**	**61**	**-**	**-**
Ka Rona Training 501 C	**P Ngqeleni**	**-**	**-**	**-**	**-**
Virgile Mining	**P Ngqeleni**	**-**	**16**	**-**	**-**
		20 581	**31 923**	**617**	**10**

		2009/10			
Company represented	Board member	Levies Received	Payments	Grants /Amounts Payable	Grants overpaid (Receivables)
		R'000	R'000	R'000	R'000
Anglo Gold Ashanti	G Brokenshire	35 358	42 989	5 468	-
Harmony Gold Mine	J Mathebula	33 763	28 516	3 246	6
Teba Development	J Mathebula	-	377	41	-
Chamber of Mines	V Mabena	249	4 211	79	-
Isithebe Mining	M Madolo	-	-	-	-
UASA	R Samuel	-	-	-	-
National Union of Mineworkers	M Letlala	-	-	-	-
Elijah Barayi Training Centre	Z Tantsi	-	54	-	-
Ka Rona Training 501 C	P Ngqeleni	-	6	-	-
Virgile Mining	P Ngqeleni	-	14	2	-
		69 370	76 168	8 837	6

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