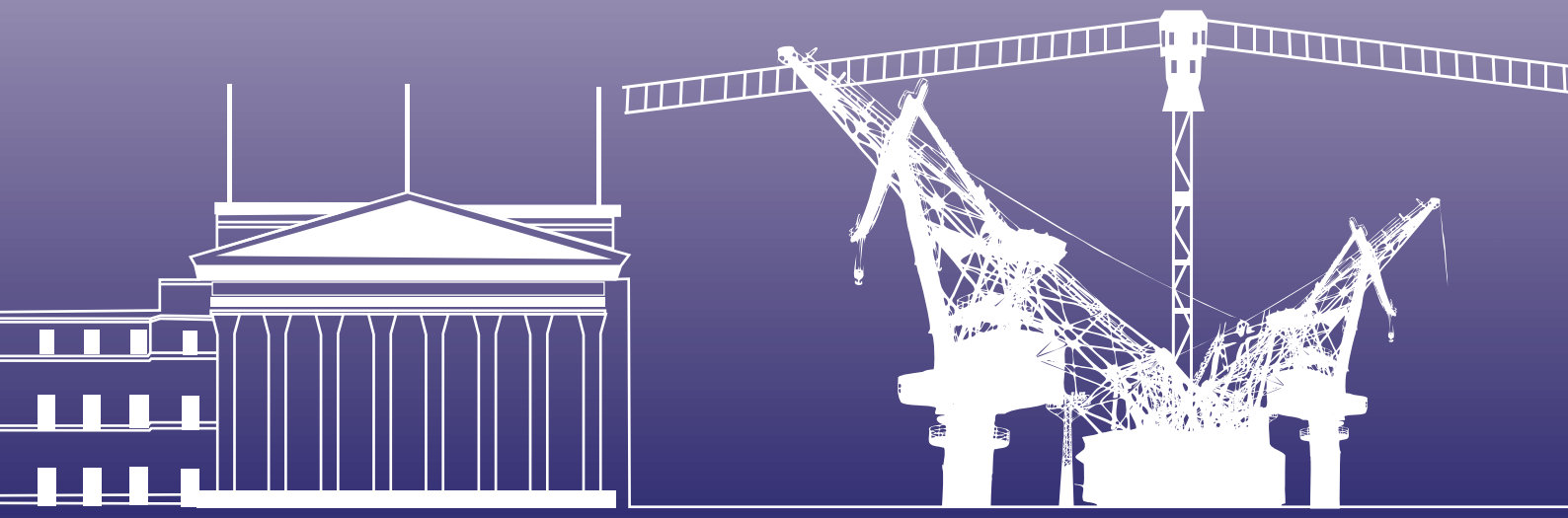
ANNUAL REPORT
2011 - 2012

PARTNERING FOR SUPERIOR SKILLS TRANSFORMATION SUCCESS IN MINING





higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Digging with Skills and Knowledge

MQA

ACRONYMS

AA	Affirmative Action
ABE	Adult Basic Education
ABET	Adult Basic Education and Training
AEL	Adult Education and Learning
AFS	Annual Financial Statements
AIDS	Acquired Immune Deficiency Syndrome
ATR	Annual Training Reports
AQP	Assessment Quality Partner
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CBO	Community-based Organisation
CEP	Communities of Expert Practice
CHE	Council for Higher Education
CLAS	Cement, Lime, Aggregates and Sand
CoMTT	Classification of Mines Task Team
DEA	Department of Environmental Affairs
DHET	Department of Higher Education and Training
DoE	Department of Education
DoF	Department of Finance
DoL	Department of Labour
DMR	Department of Mineral Resources
DQP	Development Quality Partner
DTI	Department of Trade and Industry
DVD	Digital Versatile Disk
ECSA	Engineering Council of South Africa
EE	Employment Equity
EPP	Executive Preparation Programme
ETD	Education, Training and Development (Practitioners)
ETQA	Education, Training and Quality Assurance
EXCO	Executive Committee
FETC	Further Education and Training Certificate
FET	Further Education and Training (College)
FLC	Foundational Learning Competence
FOG	Falls of Ground
H&S	Health and Safety
HDI	Historically Disadvantaged Individuals
HDSA	Historically Disadvantaged South Africans
HIV	Human Immune Virus
HRDSA	Human Resources Development Strategy for South Africa
HSRC	Human Science Research Council
ISDF	Independent Skills Development Facilitator
ISO	International Organisation for Standardization
JAC	Jewellery Apprenticeship Committee
LFS	Labour Force Survey
LMSC	Learning Materials Steering Committee
MAC	Mining Advisory Committee
MHS	Mine Health and Safety
MHSA	Mine Health and Safety Act
MHSC	Mine Health and Safety Council
MIS	Management Information System
MIGDETT	Mining Industry Growth, Development and Employment Task Team
MMS	Mining and Minerals Sector
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
MRAC	Mining Regulatory Advisory Committee
MTSF	Medium Term Strategic Framework
NATED	National Technical Education
NC	National Certificate
NCV	National Certificate (Vocational)
NGO	Non-Government Organisation
NLRD	National Learner Records Database
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NRF	National Research Foundation
NSB	National Skills Body
NSF	National Skills Fund
NSA	National Skills Authority
NSB	National Standards 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
OQF	Occupational Qualification Framework
OQDF	Occupational Qualification Development Facilitator
PDI	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act
PGDS	Provincial Growth Development Strategy
PGM	Platinum Group of Metals
PIVOTAL	Professional, Vocational, Technical and Academic Learning Programmes
PSDF	Provincial Skills Development Forum
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SA	South Africa
SADC	South African Development Corporation
SADPMR	South African Diamond and Precious Metals Regulator
SAM & MS	South African Mining and Minerals Sector
SANIRE	South African National Institute of Rock Engineering
SAQA	South African Qualifications Authority
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDFW	Social Development Funding Window
SDL	Skills Development Levy
SDR	Skills Development and Research
SDT	State Diamond Trader
SEE	Survey of Employment and Earnings
SETA	Sector Education and Training Authority
SGB	Standards Generating Body
SIC	Standard Industrial Classification
SLA	Service Level Agreement
SME	Small, Micro Enterprises
SMME	Small, Micro, Medium Enterprises
SOC	Standard Occupational Classification
SOPF	Sector Occupational Pathway Framework
SPR	Skills Planning and Research
SQCG	Standards and Qualifications Co-ordinating Group
SSP	Sector Skills Plan
SWOT	Strengths, Weaknesses, Opportunities and Threats
TB	Tuberculosis
TEBA	The Employment Bureau of Africa
ToR	Terms of Reference
TRG	Technical Reference Group
UASA	United Association of South Africa
UMALUSI	Umalusi Council for General and Further Education and Training
UNISA	University of South Africa
VAT	Value-Added Tax
WSP	Workplace Skills Plans
ZAR	South African Rand

MINING QUALIFICATIONS AUTHORITY

ANNUAL REPORT 2011- 2012

DIGGING WITH SKILLS AND KNOWLEDGE



David Msiza
Chairperson



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

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 2011 TO 31 MARCH 2012.

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

MQA

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, entrench employment equity and increase productivity standards.

STRATEGIC OBJECTIVES

1. Support sector transformation through skills development.
2. Support objective decision-making for skills development through sector research.
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.
6. To run an efficient, effective and transparent corporate governance system within the legislative framework.

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

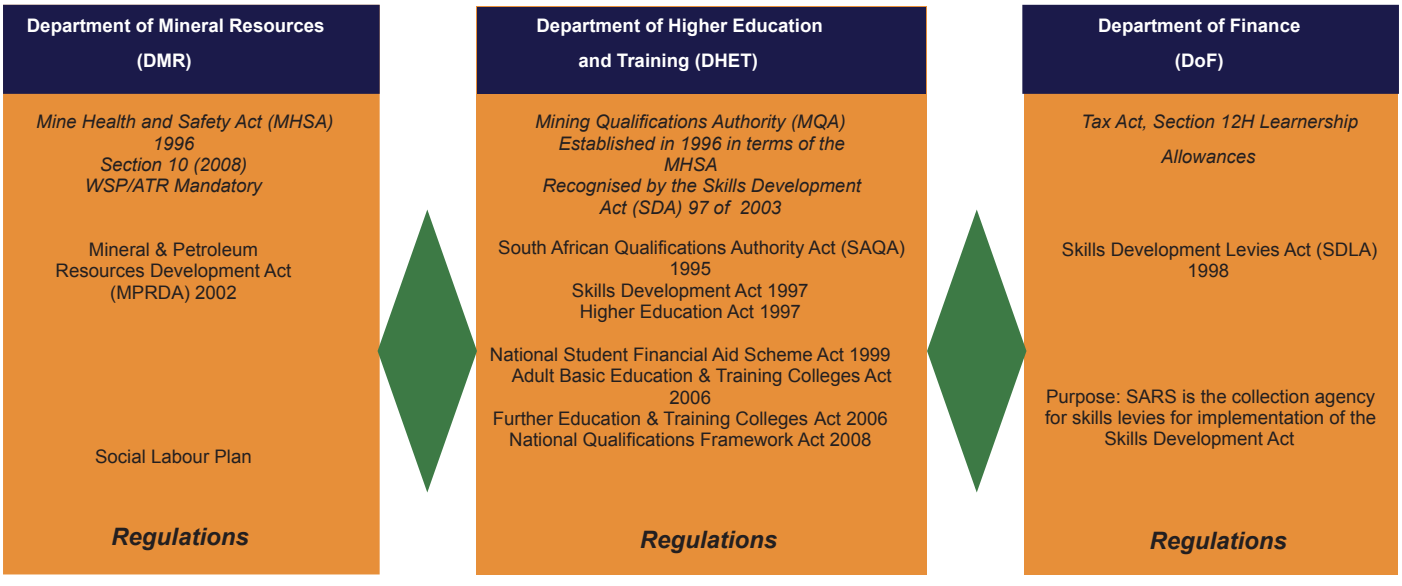


Figure 1: The diagram above reflects the most important and relevant legislative mandates under which the MQA operates, as well as the interaction across these mandates.

CONTENTS

SECTION ONE

1.	**General Information**	6
1.1	Strategic Overview by the Chairperson	7
1.2	Board Members	10
1.3	Board and Committee Structure	12
1.4	Board Meeting Attendance 2011-2012	13
1.5	Operational Review by the Chief Executive Officer	14
1.6	MQA Leadership	18
1.7	Organogram	21

SECTION TWO

2.	**National Skills Development Strategy 2011-2015**	22

SECTION THREE

3.	**Mining Charter Declaration, Commitments and Scorecard**	43

SECTION FOUR

4.	**Operations Report**	47
4.1	Skills Development and Research	49
4.2	Standards Generation	58
4.3	Learning Programmes	69
4.4	Projects	74
4.5	Education, Training and Quality Assurance (ETQA)	79
4.6	Projects and Grants List for 2011-2012	82

SECTION FIVE

5.	**Corporate Services**	84
5.1	Corporate Services	85
5.2	Customer Service and Communication	86
5.3	Human Resources	92
5.4	Office Management and Facilities	94

SECTION SIX

6.	**Finance, Grant Disbursements and Supply Chain Management**	95
6.1	General Overview	96
6.2	Financial Performance	96
6.3	Financial Position, Changes in Net Assets and Cash Flows	97
6.4	Supply Chain Management	97

SECTION SEVEN

7.	**Report of the Audit and Risk Committee**	98

SECTION EIGHT

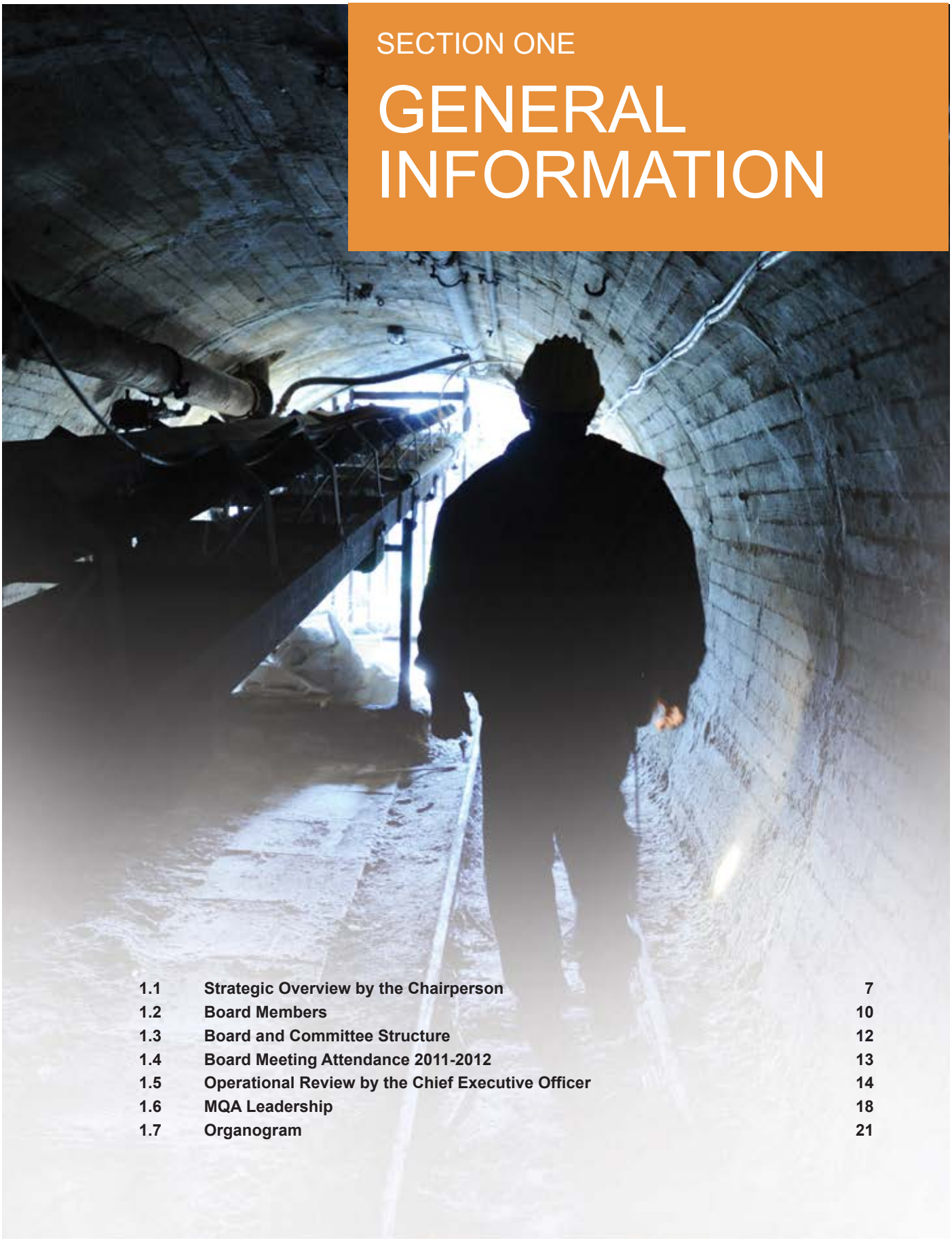
8.	**Report of the Auditor-General**	101

SECTION NINE

9.	**Annual Financial Statements for the year ended 31 March 2012**	104
9.1	Report of the Accounting Authority	105
9.2	Statement of Financial Performance	109
9.3	Statement of Financial Position	110
9.4	Statement of Changes in Net Assets	111
9.5	Cash Flow Statement	112
9.6	Notes to the Annual Financial Statements	113

SECTION ONE

GENERAL INFORMATION



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1.1 STRATEGIC OVERVIEW BY THE CHAIRPERSON

It gives me great pleasure on behalf of the Mining Qualifications Authority (MQA) Board to present the Annual Report for the period 1 April 2011 to 31 March 2012 to the Minister of Higher Education and Training, Honourable Dr Bonginkosi "Blade" Nzimande, the Minister of Mineral Resources, Honourable Ms. Susan Shabangu, our industry stakeholders and the staff of the MQA. The SETA constitution was finalised in 2011 culminating in the appointment of the MQA board members comprising two ministerial representatives, five members of the state, five representatives from employers and five from labour organisations.



David Msiza, *Chairperson*

During 2011, we saw the launch of the National Skills Development Strategy 3, a strategy that will ensure that the MQA delivers on its mandate of ensuring continuous skills development in the mining and mineral sector for the period 2011-2016. We saw notable progress in terms of transformation in our sector during NSDS 1 and 2. We are confident as the MQA Board that the sector will continue to improve with regards to skills development through the implementation of NSDS 3.

The MQA aims to continue to support the Mine Health and Safety Tripartite Leadership Summit Commitments. The partnerships created between the MQA, the Mine Health and Safety Council (MHSC), employers and trade unions affiliated with the MQA will ensure that we continue to work effectively and contribute positively to the measuring and monitoring of health and safety issues in the sector. We support the Minister of Mineral Resources in her drive to ensure that the mining sector achieves the goal of zero harm. We are committed to the development of employees and enhancement of skills and literacy levels, which will contribute positively to safer mines. The MQA is also conducting ongoing research on the language policies in the mine, in order to facilitate engagement that will benefit the sector.

The mining sector aims to play an instrumental role in the reduction of unemployment over the next 10 years. Transformation programmes such as Adult Basic Education and Training (ABET) to improve the literacy levels of miners, the Historically Disadvantaged South Africa Development project aimed at developing management skills as well as maths and science expertise, bursaries, work experience, internships and other projects aimed at encouraging the youth to pursue mining-related careers are ongoing. The MQA's key mandate is to develop both employed and unemployed individuals in the mining and minerals sector, thus contributing to increased skills and greater chances of creating employment opportunities. Ongoing research continues to be conducted on the impact of skills development and employment created in the sector over the past decade.

National Skills Accord

The National Skills Accord, launched in 2011, as a commitment by business, organised labour, community and government to ensure the development of 50 000 artisans and provide greater support for Further Education and Training (FET) colleges, is supported by the MQA through the artisan and artisan aide programmes. The Board has also made a firm commitment to increase the rural and provincial reach of the MQA. To this end, a strategy is being finalised on the regional representation of the MQA in mining areas.

Sector Skills Plan

The MQA Sector Skills Plan has been approved by the MQA Board and submitted to the DHET. Through this tool, we continue to identify areas where the MQA can contribute to activities that support the government's relevant focus areas. The MQA Board has welcomed the involvement and contribution of stakeholders to the Sector Skills Plan, which will contribute to the long-term success of the sector. It is an ongoing drive by the MQA to encourage all mining companies, immaterial of turnover, to submit

Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) as per the revised Mine Health and Safety Act.

Strategic Planning and Corporate Governance

In terms of the SETA Constitution, the governing Board consists of 17 members with equal representation of five Board members each from the state, employers and labour together with two Ministerial representatives. I can report with confidence that 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 on 15 and 16 September 2011. The strategic objectives of the MQA were reviewed to set the strategic direction for the MQA and to ensure that we derive value from the substantial funds that the SETA has been entrusted with, and thus enhance sustainable skills development within the sector.

The Board's focus was also aligned to the MQA's key strategic goals namely to:

- Support sector **transformation** through skills development.
- Support **objective decision-making** for skills development through sector research.
- Enhance **information management** for skills development in the sector.
- Facilitate and support the **development and implementation of core skills development programmes** aligned with the sector qualifications framework.
- Enhance the **monitoring, evaluation and review** of the delivery, capacity and quality of skills development in the sector.
- To run an efficient, effective and transparent **corporate governance system** within the legislative framework

During the reporting period, 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 Generation Body Committee
- Learning Programmes Committee
- Education and Quality Assurance Committee

The Remuneration Committee (REMCO) functioned effectively. A new Chairperson was appointed on 11 November 2011. The Committee approved the MQA salary increases for 2011-2012 and recommended the revision of the MQA Human Resources policies to ensure alignment with industry and national standards.

To ensure continuous improvement and the effectiveness and efficiency of Board members, an induction programme was conducted on 20 June 2011 for the newly appointed Board members, to ensure understanding of the MQA's mandate, vision, mission and strategic objectives. The Board Members were also trained on the Accelerated Directorship Programme and Risk Management in order to increase understanding of Corporate Governance and Compliance issues for Audit Committee and Board members.

Partnerships

The Board continued to support the MQA's partnership-driven approach in order to strengthen 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 goals and entrenching its relationships with the Mine Health and Safety Council (MHSC), Organised Labour, skills development and Further Education and Training (FET) institutions and Higher Education and Training (HET) Colleges, as well as the government departments to which the MQA reports, such as the DMR and the DHET.

Performance

The Board is satisfied that the MQA projects and programmes for the 2011-2012 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 (MPRDA) and National Skills Development Strategy (NSDS) 3. In this regard, the MQA obtained an unqualified performance rating from the Auditor-General. The MQA achieved and in some cases, exceeded its targets.

The MQA continued to comply with the requirements by the Department of Higher Education (DHET) to timeously submit quarterly reports aligned to the NSDS 3. The MQA is cognisant of the critical need for it to remain responsive to stakeholder expectations and has aligned its projects in line with NSDS 3 deliverables.

Challenges

We continue to face skills losses in the sector. Together with the MQA, the sector needs to nurture existing employees and secure new entrants within the mining sector for continued growth. It is imperative that employers increase their participation in identifying skills. I also encourage the sector to ensure that employed learners are trained in our efforts to contribute to the New Growth Path and address unemployment.

Way Forward

The forthcoming financial year will be a period in which the MQA will continue to implement appropriate projects aligned with the NSDS 3 targets. The latest projects, conceptualised during the launch of NSDS 3 are being implemented, ensuring that the objectives thereof, as well as any gaps identified at the MQA are attended to. Stringent financial controls and budget monitoring are in place to ensure that the MQA delivers more with less.

The Minister of Higher Education and Training, Honourable Dr. Nzimande, also warned the SETAs to guard against allocating funds to short courses which in the long run are not of value in skills development. The MQA will constantly ensure that all our skills programmes are relevant and will assist the mining and mineral sector. The MQA will also ensure that we attain value for money on all the projects through a monitoring and evaluation unit which will conduct the verification of the quality and quantity of the training provided by the respective service providers.

As the Chairperson of the Board, I commit to ensuring that the MQA Board and Committees positively contribute to the effectiveness of the organisation over the next five years.

Conclusion

On behalf of the MQA Board, I would like to thank the Ministers namely the Honourable Dr Bonginkosi “Blade” Nzimande Minister of the Department of Higher Education and Training (DHET) and Honourable Ms. Susan Shabangu, Minister of Mineral Resources who are involved in the management and development of skills in the mining sector. Their support ensures that this sector is well regarded and recognised as a key contributor to South Africa’s economy. The valued stakeholders in the sector continue to contribute towards the viability of the sector. Even though some training programmes were not funded by the MQA, mine houses trained over and above the grants allocated, confirming their commitment to the skills success of the sector.

My sincere appreciation goes to the MQA Board and standing committee members who have dedicated their time and expertise unselfishly for the success of the MQA and the sector.

Lastly, I would like to 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

Chairperson

31 May 2012

1.2 BOARD MEMBERS

Ministerial



Thulani Tshozane
National Union of Mineworkers



Nomathemba Kubeka
Milzet Consulting

State



David Msiza
Department of Mineral Resources



Headman Mbiko
Department of Mineral Resources



Motlatso Kobe
Department of Mineral Resources



Mthokozisi Zondi
Department of Mineral Resources



Pat Gamede
Department of Mineral Resources

Employers



Johan Venter
Colliery Training College



Lorato Mogaki
Anglo American Platinum



Mashego Mashego
Harmony Gold



Sheridan Rogers
Petra Diamonds



Vusi Mabena
Chamber of Mines

Labour



Azaria Tshangase
National Union of Mineworkers



Faith Letlala
National Union of Mineworkers



Richard Samuel
United Association of South Africa



Zwelitsha Tantsi
National Union of Mineworkers



Amon Teteme
National Union of Mineworkers

1.3 BOARD AND COMMITTEE STRUCTURE

NAME		FUNCTION	COMPOSITION	QUORUM	CHAIRPERSON	SECRETARY	MEETING
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	Board delegated tasks and management	CEO, COO, CFO and Executive Manager Corporate Services (EMCS)	None	CEO	External service provider	Monthly
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, CEO, COO, CFO and EMCS by invitation	Two stakeholders from different stakeholder groups and one external representative present	External representative	External service provider	Every second month
4.	Skills Development Levy/ Finance Committee	Advise on budget, financial control of projects and grants, 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 Planning and Research Committee	Advise on the development and implementation of the Sector Skills Plan, administration of workplace skills plans and annual training reports, unit projects and grants implementation	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 programmes, skills programmes, ratification of learning materials unit projects grant implementation and liaises with other SGBs	Four representatives per stakeholder group present, two representatives from the Standards and Qualifications Co-ordinator Group (SQCG) facilitators, four representatives from professional bodies, two representatives from external providers, one representative 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 programmes, skills programme registration, artisan and non-artisan administration, MQA-I-Share administration, and implementation of the unit projects, and grants	Two representatives per stakeholder group present	Two stakeholders	Board Member	External service provider	Every second month
8.	Quality Assurance Committee	Advise on quality assurance, accreditation, MoUs with SETAs, monitoring of learning provision, unit projects and grants implementation	Two representatives per stakeholder group present	Two stakeholder groups present	Board Member	External service provider	Every second month
9.	Remuneration Committee (REMCO)	Oversees the implementation of a remuneration framework for the MQA	Three external representatives present, one representative per stakeholder group, CEO and EMCS	Two stakeholders from different stakeholder groups and one external representative present	External representative	External service provider	Quarterly

1.4 BOARD MEETING ATTENDANCE 2011 - 2012

CHAIRPERSON		ORGANISATION	CONSTITUENCY	MEETING DATES				TOTAL
				27 May 11	29 July 11	11 Nov 11	02 Feb 12	
1	D. Msiza *	DMR - Pretoria	State	√	√	√	√	4
	MHSC REP	**ORGANISATIONS**	**CONSTITUENCY**					
2	T. Gazi [4]	MHSC	MHSC	√	x	√	x	2
	MEMBERS	**ORGANISATION**	**CONSTITUENCY**					
3	T. Tshozane [2]	Ministerial Appointee	Ministerial Appointee	√	√	x	x	2
4	N. Kubheka [2]	Ministerial Appointee	Ministerial Appointee	√	√	√	√	4
5	A. Tshangase	NUM – Head Office	Labour	√	√	x	x	2
6	F. Letlala	NUM – Head Office	Labour	√	x	x	√	2
7	R. Samuel	UASA	Labour	√	x	x	√	2
8	Z. Tantsi	NUM – Head Office	Labour	x	√	x	√	2
9	D. Shikati [3]	NUM	Labour	√	√	√	√	4
10	A.Teteme [1]	NUM – Head Office	Labour	x	x	√	√	2
11	V.Mabena [1]	Chamber of Mines	Employers	x	√	√	√	3
12	S. Carthy [3]	Chamber of Mines	Employers	√	√	√	√	4
13	L. Mogaki [3]	Anglo Platinum	Employers	x	√	√	x	2
14	W. Naidoo [3]	Anglo Gold Ashanti	Employers	√	x	x	√	2
15	D. Mostert [3]	Great Basin	Employers	√	√	x	x	2
16	J. Kleynhans [3]	Xstrata Alloys	Employers	x	x	x	x	0
17	J. Venter [3]	CTC	Employers	√	√	x	√	3
18	M. Mashego [3]	Harmony	Employers	x	x	√	x	1
19	S. Rogers [3]	Petra Diamonds	Employers	x	x	√	√	2
20	P. Gamede [3]	DMR	State	√	x	√	√	3
21	H. Mbiko [3]	DMR	State	√	√	x	√	3
22	M. Kobe [3]	DMR	State	x	x	x	x	0
23	M. Zondi [3]	DMR	State	x	x	√	√	2

*Chief Inspector of Mines

1. Convenor of Stakeholder delegation
2. Ministerial Appointees effective 01 April 2011
3. New appointments effective 01 April 2011
4. Resigned

1.5 OPERATIONAL REVIEW BY THE CHIEF EXECUTIVE OFFICER

Introduction

It is an honour for me to table this Annual Report to the MQA Governing Board, which focuses on the operational performance of the MQA for the period 1 April 2011 to 31 March 2012. During the financial year under review, the MQA continued to perform and achieve outstanding results. Our implementation of the objectives of the NSDS 3 in terms of the Skills Development Act, No. 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 (MIGDETT) and the Mineral and Petroleum Resources Development Act, No. 28 of 2002, gained momentum. New projects were developed to ensure that any gaps identified during NSDS 1 and 2 were addressed and that the new projects catered for the revisions in NSDS 3.



Sam Seepei, *CEO*

NSDS Performance

In line with the deliverables of the NSDS 3, the annual update of the MQA Sector Skills Plan (SSP) took place. The content of the Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) informed the development of the SSP. The Sector Skills Plan was approved by the MQA Board and submitted to the Department of Higher Education and Training (DHET) by the deadline set as per the National Treasury format. A revised scarce and critical skills guide was also developed for the sector.

The average number of levy-paying companies registered during the year was 1 186. There was an increase in WSP and ATR submissions from 621 in the previous year to 654 in 2011-2012. A total of 648 WSPs-ATRs were approved. A number of training interventions took place for skills development facilitators and independent skills development facilitators in an effort to improve on the quality of WSPs - ATRs submitted.

The MQA embarked on a number of research projects, which included the development of the Annual SSP. Other projects included the WSP-ATR Analysis for 2010-2011, the Skills Development Trend Analysis for the mining sector and the Occupational Profiling and the Skills Audit Feasibility Study into establishing Skills Development Institutes and Language Policy Research to phase out fanakalo in the mining sector. The Skills Audit Project, which was launched on 24 August 2011 resulted in 59 companies applying for participation therein. I am confident that the MQA is establishing credible mechanisms to ensure effective skills planning in the sector.

Mining Charter

The MQA continued to support the objectives of the Mining Charter during the financial year. The MQA's support included working closely with universities and strengthening of partnerships with research institutions. To support mine health and safety, qualifications were developed for safety representatives, coordinators, officers/practitioners and advisors. Over 3 020 learners were certificated for Skills Programme Occupational Health and Safety activities and 23 learners have completed the National Certificate: Occupational Health; Safety and Environment: Mining and Minerals, Level 2 qualification. Progress relating to training 40 000 OHS representatives and shop stewards through the OHS Representative Development Project over the next five years continued. The Beneficiation Project, aligned to the National Beneficiation strategy and particularly the Jewellery Fabrication value chain for jewellery and diamond manufacturing skills in commodities platinum, gold and diamonds, is progressing well. This project includes SMME support in the form of hives or incubators.

Various programmes including learnerships, bursaries, artisans, work experience and ABET, support the objectives of the Mining Charter.

The MQA is developing its Mine Community Development Programme (MCDP) to facilitate and support the registration of mining community' learners on this programme. Once finalised, this programme will include the social and labour plan subject topics. A total of 100 learners from mining communities in different mining provinces will be selected for training. This is also supported through our ABET programme, through which employers and employees are being given incentives to participate in ABET training in order to progressively increase the levels of literacy in the sector.

Highlights for the Period under Review

I applaud the MQA for its achievements during the 2011-2012 financial year. Especially commendable, is its achievement in supporting growth of Further Education and Training (FET) Colleges and aligning qualifications being developed to the Quality Council for Trades and Occupations (OCTO) requirements. A total of 386 learners were registered on various mining related N2 qualifications and have proceeded with apprenticeship training with host employers at the Nkangala, Northern Cape Rural and Orbit FET Colleges. The MQA has also remained steadfast in its support of the NSDS 3 and Mining Charter objectives to improve literacy and numeracy in the sector. As such, 7 656 learners registered for ABET programmes against a target of 8 800 learners. A total of 2 342 learners completed the ABET programme against a target of 4 400. The MQA continues to ensure that illiteracy is alleviated in our mines and that efforts are in place to encourage participation.

The Maths and Science Project also yielded results following the registration and successful completion of 705 matric learners. This MQA project resulted in one learner achieving the top learner position in Limpopo and being recognised as one of the top ten learners nationally. An average of 86% was obtained by the learners in mathematics and 87% in physical science.

The MQA also exceeded its learnership targets. The set target for employed non-artisan learners registered on various learning programmes was 600. The total number of employed learners registered was 1 911, an impressive 120% achievement. A total of 1 244 employed learners completed our learning programmes and 1 156 unemployed learners enteredlearnerships with 1 243 completing these.

The total learner registration figures were 3 067 employed learners and 2 487 unemployed learners. Furthermore, 26 424 employed and unemployed learners enrolled in skills programmes with 35 534 learners completing during the financial year.

Our certification initiatives continued in earnest with 3 366 learner certificates being verified and 36 791 skills programmes statements of attainment being issued. The pool of assessors increased with 520 being registered, together with a further 135 moderators being registered. To further support our literacy initiatives, 64 FLC facilitators were developed on the FLC Facilitator Pilot Project. To support the Recognition of Prior Learning (RPL) strategy, an RPL framework was developed and communicated to accredited providers. Communication and advocacy campaigns are planned for all stakeholders in the 2012-2013 financial year.

Strategic Projects

The MQA remains committed to creating opportunities for unemployed learners and those seeking bursaries. During the period under review, 907 learners were assisted with bursaries (target 500), thereby entering Higher Education and Training (HET) institutions and 81 learners successfully completed their bursary programmes.

With regards to work experience, 537 learners were placed in related programmes within 18 mining companies. This included 77 learners who were assisted with vacation work placement during December 2011 and January 2012. A total of 167 graduates gained work experience, with 27 graduates successfully completing the two year internship programme. Two hundred learners, including women, were trained through the small-scale mining project in all nine provinces. Learners were appointed from CBOs, NLPEs and Co-ops. The learners have also been assisted with mentoring and coaching to ensure that their businesses are sustainable. To support retrenchees, the MQA registered 50 retrenched workers on carpentry training. To support HIV/AIDS awareness, 132 learners have been linked to an MQA discretionary grant.

In addition, the MQA established the HDSA project to develop supervisory and management level skills of employees. A total of 130 employees were trained through various management development programmes.

The pilot project for workplace coaches also yielded results with 50 learners from various mining disciplines being coached. This training has ensured at least 10 new coaches.

Continuous Improvement

The MQA retained its ISO 9001:2008 status in 2011-2012. We also maintained our green status awarded to ETQAs from the South African Qualifications Authority (SAQA). The Customer Relationship Management (CRM) system introduced in 2010 continued to ensure that customer interactions are recorded, resulting in improved consistency and excellence of our customer service approach. Resources to support this intervention are being finalised at Board level.

The MQA's provincial representatives continued to contribute to the Provincial Skills Development Forums (PSDFs) in all provinces. Their activities included stakeholder engagement in an effort to ensure visibility and to promote the MQA's activities. A regional model was also approved by Board that will ensure a dedicated regional presence.

Financial Analysis

Due to the increase of salaries in mining houses, revenue increased to R716 million (2011: R608 million) for the financial year. Administration expenditure increased from R53 million during the previous financial year to R58 million in the year under review. The administration costs remained below the 10 percent allocation to SETAs. The mandatory grant expenditure increased to R379 million (2011: R301 million), which was allocated to 648 companies that were approved. This increase was due to increased initiatives to train skills development facilitators and the ongoing efforts of the MQA to encourage organisations to submit their WSPs and ATRs. Discretionary grant and project expenditure decreased from R203 million in the previous year to R178 million in 2011-2012.

Stakeholder Engagement

Through concerted efforts, the MQA increased interaction with stakeholders in all nine provinces. Events such as the Stakeholder and Community Engagement Forums, the Annual Consultative Conference, International Literacy Day, workshops, stakeholder information sessions, career days, exhibitions and conferences ensured that stakeholders were kept abreast with developments in the skills environment and the sector.

We strengthened our rural reach, focusing on engaging with youth in mining focused areas and encouraged these learners to consider mining related technical careers. A wide range of printed materials such as the sector career guide, company brochures and DVDs were also distributed to learners.

Stakeholder engagement during the year also focused on communicating MQA discretionary projects and highlighting the deliverables of NSDS 3. Increased education efforts for companies to submit WSPs-ATRs, information on the Quality Council for Trades and Occupations (QCTO) and Organising Framework of Occupations (OFO), artisan development and the support of FETs were an extensive focus.

Artisan Development

The National Artisan Development certification target of 10 000 artisan learners was exceeded by over 132% based on the 13 168 artisans certified by 31 March 2012. The MQA contributed positively to the total number of 24 378 registered learners across SETAs. A number of partnerships were established by the MQA to support artisan development. These included the UIF Artisan, NSF 2, Artisan Project for Employed Learners and the Mpumalanga Artisan Development Project.

Funding Policy

The MQA's funding policy was revised in an effort to streamline processes and ensure greater participation in skills development by employers.

Partnerships

The MQA's efforts to facilitate skills development included fostering partnerships with non-governmental organisations. These agreements continue to create a platform for broadening and accelerating skills development in the sector.

Challenges

Despite the increase in WSP and ATR submissions, not all companies are complying with this requirement. As a result, the MQA is focusing on generating awareness regarding the legislated requirements for compliance by all mining companies. Since most mines are situated in rural areas, the MQA needs to increase its community outreach activities, including in labour-sending areas. In line with the Mine Health and Safety Tripartite Leadership Summit Agreement, the MQA increased its commitment to Occupational Health and Safety (OHS)

where the intention was to train 40 000 OHS Representatives over a five year period. With 10 000 safety representatives and shop stewards being trained annually, increased efforts need to be undertaken to encourage participation and develop staff, thus preventing accidents in our mines. A total of 9 422 OHS representatives including shop stewards were registered against the 10 000 target. 11 420 learners were declared competent.

Conclusion

I would like to thank the MQA Board for their guidance and support during the financial year. Without their dedication we could not have achieved the success that we have. I also wish to acknowledge the valuable, consistent contribution of the Standing Committees. Their subject expertise allows us to ensure the best standards and qualifications are developed for our sector. The success of the MQA is attributed to the active role of its stakeholders. I acknowledge the government departments that we interact with, as well as labour and our employers for their active role in sectoral development. Last but by no means least, I thank the MQA management and staff for their unwavering support.



Sam Seepei
Chief Executive Officer
31 May 2012

1.6 MQA LEADERSHIP

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



Lulama Manyadu
Projects



Jay Moodley
Education, Training and Quality Assurance



Mabvuto Palale
Acting Business Systems



Merle Clark
Customer Service and Communication



Mfundo Mdingi
Finance

Specialists



Mahlatse Xinzi
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



Myan Govender
Assistant Accountant



Tintswalo Nkuna
Skills Levies



Khathu Raphunga
Supply Chain



Amanda Masilo
Communication



Danny Motsoeneng
Human Resources

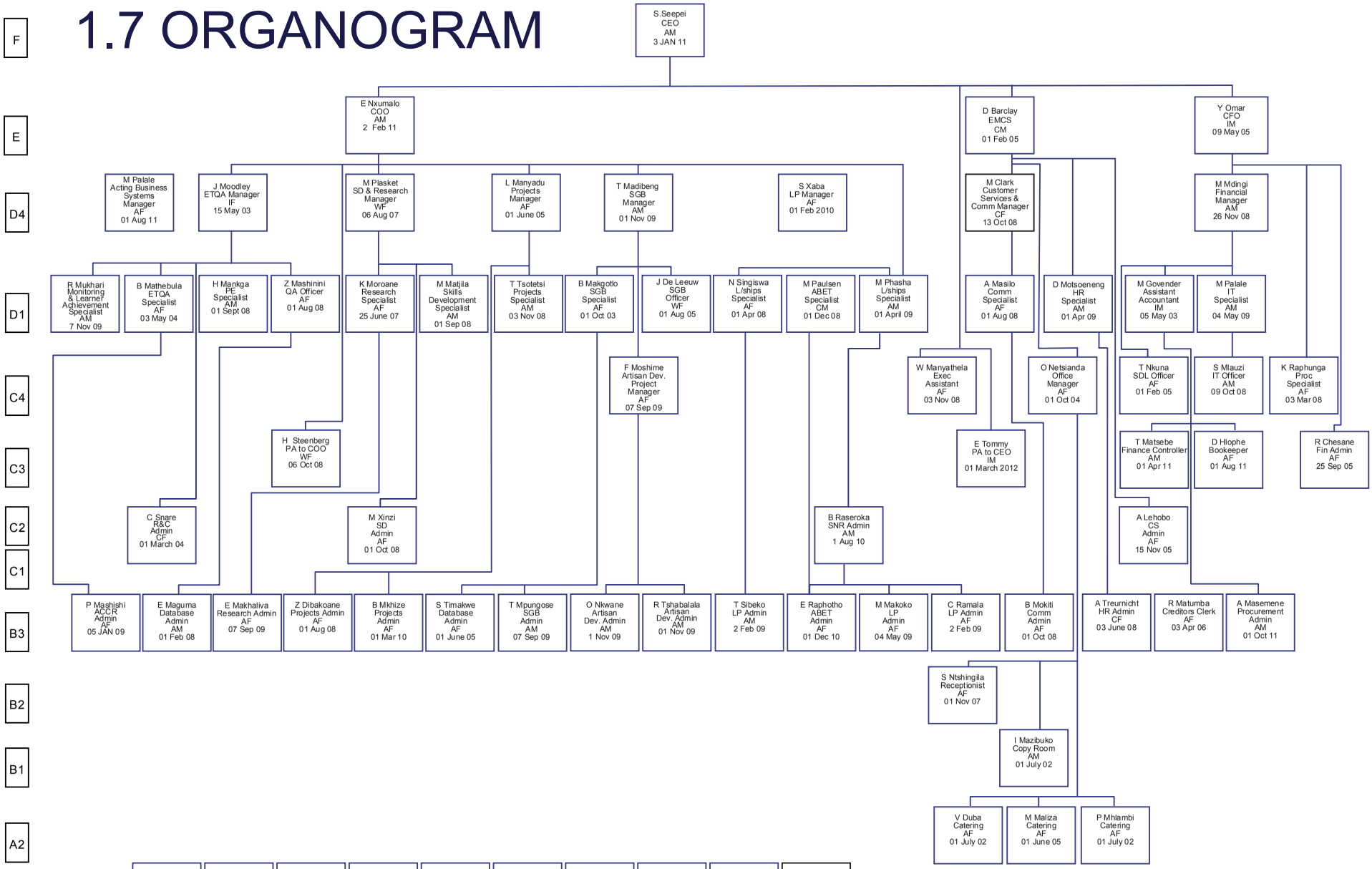


Olive Netsianda
Office Management and Facilities

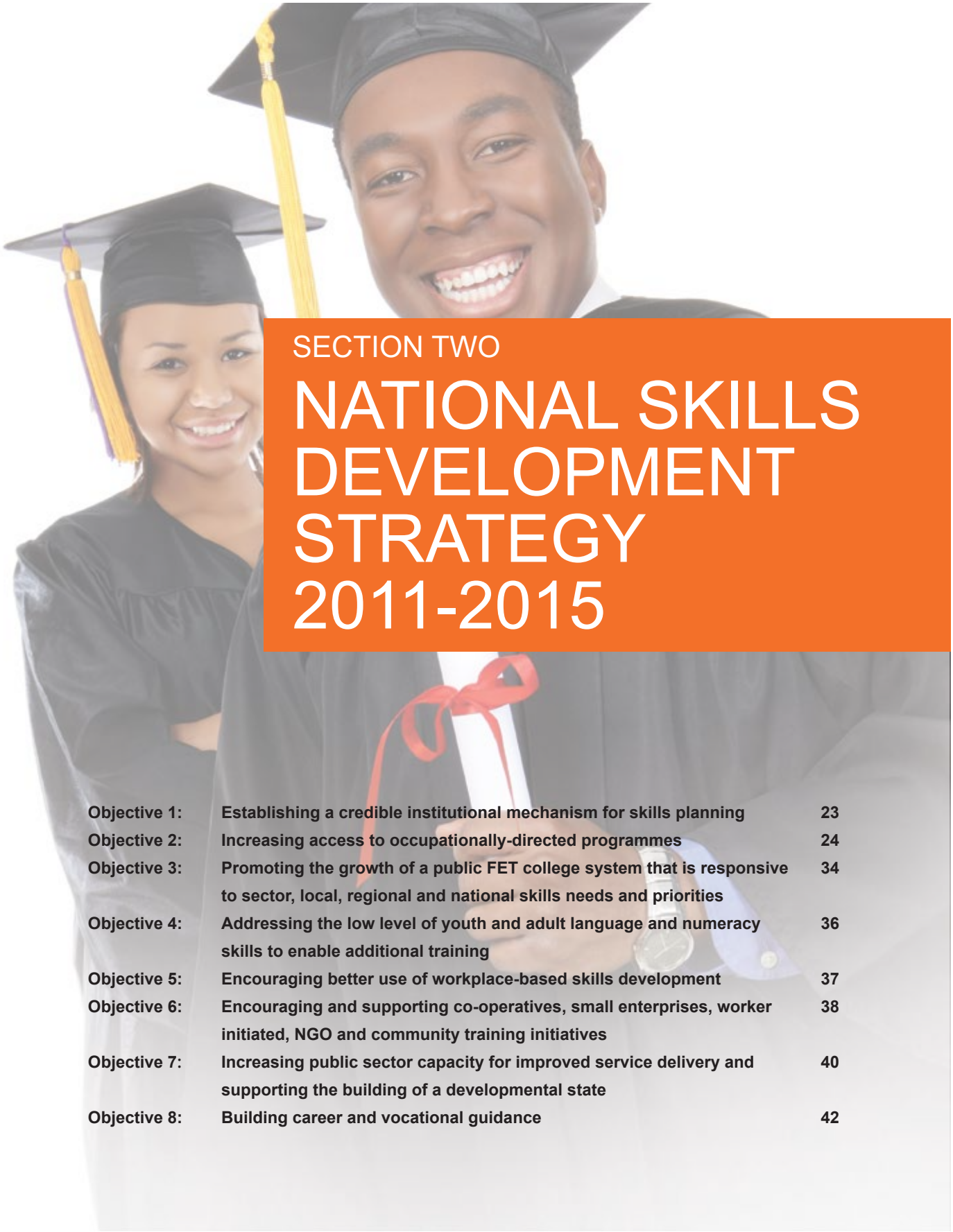


Winnie Manyathela
Legal and Contracts

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 TWO

NATIONAL SKILLS DEVELOPMENT STRATEGY 2011-2015

Objective 1:	Establishing a credible institutional mechanism for skills planning	23
Objective 2:	Increasing access to occupationally-directed programmes	24
Objective 3:	Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities	34
Objective 4:	Addressing the low level of youth and adult language and numeracy skills to enable additional training	36
Objective 5:	Encouraging better use of workplace-based skills development	37
Objective 6:	Encouraging and supporting co-operatives, small enterprises, worker initiated, NGO and community training initiatives	38
Objective 7:	Increasing public sector capacity for improved service delivery and supporting the building of a developmental state	40
Objective 8:	Building career and vocational guidance	42

NATIONAL SKILLS DEVELOPMENT STRATEGY 2011-2015
THE MQA ANNUAL PERFORMANCE REPORT
FOR THE PERIOD 1 APRIL 2011 TO 31 MARCH 2012

OBJECTIVES	OBJECTIVE 1 Establishing a credible institutional mechanism for skills planning			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 1.1 National need in relation to skills development is researched, documented and communicated to enable effective planning across all economic sectors.	**Output 1.1.1** Capacity is established within the Department of Higher Education and Training to coordinate research and skills planning.	The MQA will participate fully in forums and processes aimed at coordinating skills planning and research as and when required.	This is on-going and the MQA has been attending DHET sessions and workshops on skills planning.	Target met.
	Output 1.1.2 Sector skills plans are professionally researched and they provide a sound analysis of the sector and articulate an agreed sector strategy to address skills needs.	**SSP Update 2012-2017 to include:** • Sector Profile; • Economic performance of the sector; • Demand for labour; • Supply of skills; • Strategic objectives; • Progress on skills development priorities. The SSP Task Team consisting of the 3 MQA stakeholders aim to guide the SSP Update process and provide maximum input.	SSP Update 2012-2017 was well researched with input by MQA stake holders, approved by Board and submitted to DHET by the set deadline. The MQA identified scarce skills in the MMS and submitted the list to DHET by the deadline.	Target met.
	Output 1.1.3 Sector and nationally commissioned research and data is analysed, validated and captured in an integrated database that is accessible to stakeholders.	Research agenda 2011-2012 as agreed by SRP Committee. **Budget:** **R 7 000 000**	The following research was undertaken: • Research for the SSP; • WSP-ATR Analysis Year 11; • Trends Analysis Report; • Skills Audit. After analysis of data and stakeholder input, the MQA produced an occupational profile dictionary and submitted sector proposals to improve the OFO. The MQA's research database was maintained. Other research projects will be carried over into the next financial year. Actual expenditure (for all research work including SSP Update). **Actual Expenditure:** **R 3 979 442**	Target met.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.1 Middle level skills needs are identified and addressed in all sectors.	**Output 2.1.1** SETAs research and identify middle level skills needs in their sectors and put in place strategies to address them, particularly through the use of the public FET colleges and universities of technology working in partnership with employers providing workplace-based training.	Skills needs (including middle level) to be identified as part of the SSP process. The MQA Qualifications Framework is to be updated.	Skills needs (including middle level) were identified and included in the SSP. The MQA Qualifications Framework was updated.	Target met.
		FET Support Standard Settings Grant - FET. **Budget:** **R 2 400 000**	**FET Support** Trades qualifications (Diesel Mechanic, Rigger, Goldsmith, Boilermaker, Millwright, Welder, Electricians and Fitter) are being developed to strengthen FET College provisioning of N-Courses. Top-up technical training and occupational training for jewellery implemented to train FET Jewellery lecturers to qualify as Goldsmiths. One (1) FET College Lecturer has completed top-up technical training. **Actual Expenditure:** **R2 241 347**	Target met. The MQA hosts quarterly Artisan Development Forums with the public FET Colleges: Northern Cape Rural FET College, Nkangala FET College, Capricorn FET College, Gert Sibanda FET College, Goldfields FET College, Motheo FET College, Orbit FET College, Vehember FET College, Vuselela FET College, Westcol FET, and Lephalale FET College.
		HET Support Standard Settings - HET. **Budget:** **R 2 448 250**	**HET Support** HET Survey Qualifications (Higher, Advanced Certificates, and Diploma) have been developed for use by UoT. A survey on the poor results for GCCs has been initiated to address skills shortages in the sector. CTH Legislative Framework for GCCs study review is underway. The Classification of mines study has been conducted during the period. **Actual Expenditure:** **R1 344 476**	In progress, further Roll-out planned for 2012-2013.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.1 Middle level skills needs are identified and addressed in all sectors.		**CLAS Support** 80 Facilitators to be developed. CLAS Support. **Budget:** **R1 000 000**	An MoU signed between the MQA and Aggregate and Sand Producers Association of Southern Africa (ASPASA). The qualifications framework for the CLAS sub-sector has been developed and the sub-sector is participating in the development of the QCTO surface mining related qualifications. **Actual Expenditure:** **R 999 269**	The MoU was implemented and implementation will continue in 2012-2013 to support the CLAS subsector.
		Learning Materials Learning Materials. **Budget:** **R 7 628 000**	**Learning Materials** A total of 186 learning packs have been developed and approved. A total since inception is 1 505 learning packs. HET Rock Engineering learning materials have been developed for use by Universities. Learning packs supporting learners with special needs have been customised and are used by the National Institute for the Deaf to train deaf learners in Jewellery Manufacturing and Design Learnerships, Level 2. The MQA has been approved as a Development Quality Partner for 32 occupations, and qualifications are being developed. **Actual Expenditure:** **R 7 570 740**	Target met. The occupational curricula for the QCTO qualifications have been completed. A milestone of 1505 quality learning packs has been achieved. HET Rock Engineering learning Materials supporting Rock Technician Certificate of Competency has been completed. Customised learning materials for Jewellery Manufacturing and Design Learnerships, Level 2 has been completed and is used for deaf learners registered on such learnerships.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.1 Middle level skills needs are identified and addressed in all sectors.		**Artisan Learnerships** **Employed** 1 000 employed artisans registered. **Unemployed** 440 unemployed artisan registered. **Budget:** **R 22 500 000**	**Artisan Learnerships** **Employed** 796 employed artisans entered. **Unemployed** 1 273 unemployed artisans registered. **Actual Expenditure:** **R 3 300 000**	Target not met.
		UIF Artisan Project 1 000 UIF 1 Artisan Learners assisted with Learnerships. **Budget:** **R 15 000 000**	**UIF Artisan Project** 212 UIF 1 Artisan Learners registered. **Actual Expenditure:** **R 960 000**	Target not met.
		National Skills Fund 1 000 unemployed learners registered on the NSF 2 Learnerships Artisans Development. **Budget:** **R 8 000 000**	**National Skills Fund** A total of 1 000 registered artisan learners have been supported through the NSF. **Actual Expenditure:** **R 4 896 479**	
		Non Artisan Learnerships **Employed** 600 employed learners registered. 420 employed learners completed. **Unemployed** 600 unemployed learners assisted. 420 learners completed. **Budget:** **R 30 540 000**	**Non Artisan Learnerships** **Employed** 1 911 learnerships entered. 1 244 learners completed. **Unemployed** 1 156 entered learnerships. 1 243 learners completed. **Actual Expenditure:** **R23 757 000**	Target exceeded.
		Disability 50 learners with disability registered on learning programmes. **Budget:** **R 2 000 000**	**Disability** 29 learners with disability entered into non-artisan learnerships with two terminations reported. **Actual Expenditure:** **R 718 000**	Target not met.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.1 Middle level skills needs are identified and addressed in all sectors.		**Skills Programmes** **Employed** 19 340 employed workers entered. 14 900 employed workers certified. **Unemployed** 2 000 unemployed workers entered. 2 000 unemployed workers certified. *Skills programmes are not funded by the MQA but directly by employers.*	**Skills Programmes** **Employed** 22 268 employed workers entered. 24 964 employed workers completed. **Unemployed** 4 156 unemployed workers entered. 10 570 unemployed workers completed. *Skills programmes are not funded by the MQA but directly by employers.*	Target exceeded.
		ABET Entry A total of 8 800 learners to enter ABET programmes. Target of learners to enter ABET levels. Level 1 - 3 000 Level 2 - 3 000 Level 3 - 2 000 Level 4 - 800 **Budget:** **R 12 905 000**	**ABET Entry** A total of 7 656 learners entered ABET programmes. Numbers of learners that entered ABET levels. Level 1 - 2 386 Level 2 - 1 943 Level 3 - 1 682 Level 4 - 1 645 **Actual Expenditure:** **R 3 113 820**	Target not met.
		ABET Completions A total of 4 400 learners to achieve ABET programmes. Target of learners to achieve ABET levels. Level 1 - 1 500 Level 2 - 1 500 Level 3 - 1 000 Level 4 - 400 **Budget:** Refer to ABET entry above	**ABET Completions** A total of 2 342 learners completed ABET programmes. Numbers of learners that achieved ABET levels. Level 1 - 773 Level 2 - 553 Level 3 - 611 Level 4 - 405 **Actual Expenditure:** Refer to ABET entry above	Target not met.
		ABET Practitioner Career Progression 40 learners assisted with ABET Practitioner Career Progression. **Budget:** **R 600 000**	**ABET Practitioner Career Progression** ABET Career Progression was not implemented. **Actual Expenditure:** **Nil**	Target not met.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.1 Middle level skills needs are identified and addressed in all sectors.		**Literacy Promotion** Host Literacy promotion event. **Budget:** **R 582 686**	A successful event was held in Welkom with over 1 000 delegates attending. **Actual Expenditure:** **R 576 623**	Target met.
		OHS Representatives 10 000 OHS Representatives Development. **Budget:** **R 18 750 000**	**OHS Representatives** 3 542 OHS representatives were trained. **Actual Expenditure:** **R 23 000 000**	Target not met.
		Lecture Support 19 lecturers supported. **Budget:** **R 8 926 000**	**Lecture Support** 19 lecturers supported. **Actual Expenditure:** **R 6 099 228**	Target met.
		Bursaries 500 learners assisted with bursaries. **Budget:** **R 27 000 000**	**Bursaries** 907 learners assisted with bursaries. 81 bursars completed. **Actual Expenditure:** **R 27 000 000**	Target exceeded.
		Maths and Science 500 learners assisted with extra curricular maths and science support. **Budget:** **R 6 000 000**	**Maths and Science** 705 learners completed the project. **Actual Expenditure:** **R 5 000 000**	Target exceeded.
		Work Experience 300 learners assisted with work experience. **Budget:** **R 44 212 000**	**Work Experience** 537 learners assisted with work experience. 167 unemployed graduates assisted with placement. **Actual Expenditure:** **R 40 000 800**	Target exceeded.
		Internships 150 unemployed graduates assisted with internships. **Budget:** **R 25 031 000**	**Internships** 27 unemployed Internships completed. **Actual Expenditure:** **R 20 087 725**	Target not met.
		Small Scale Mining 200 small scale miners skills development support. **Budget:** **R4 000 000**	**Small Scale Mining** 200 learners received small scale mining training. This figure includes 70 NGO, Co-ops. **Actual Expenditure:** **R 2 190 764**	Target met.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.1 Middle level skills needs are identified and addressed in all sectors.		**Retrenchee Training** 50 retrenched employees trained. **Budget:** **R 500 000**	**Retrenchee Training** 50 retrenched employees supported/ completed. **Actual Expenditure:** **Nil** *(The learners were registered in 2011-2012 but the payment was processed in 2012-2013)*	Target met.
		HIV/AIDS Project 100 learners on the HIV/AIDS Prevention Programme supported. **Budget:** **R 500 000**	**HIV/AIDS Project** 132 learners completed training on the HIV/AIDS Prevention Programme supported. **Actual Expenditure:** **R 137 000**	Target exceeded.
		Historically Disadvantaged South Africans (HDSA) Support 50 HDSA learners placed on the programme. **Budget:** **R 4 000 000**	**Historically Disadvantaged South Africans (HDSA) Support** 130 HDSA learners completed Supervisory training. **Actual Expenditure:** **R 2 983 500**	Target exceeded.
		Mine Inspector Training 100 DMR inspectors assisted with mine inspector training. **Budget:** **R 5 106 000**	**Mine Inspector Training** 100 DMR mine inspectors received the training. **Actual Expenditure:** **R 4 591 350**	Target met.
		FLC Grant 500 learners to be supported with FLC Grant Incentive. **Budget:** **R 180 000**	**FLC Grant** FLC was never implemented. **Actual Expenditure:** **Nil**	Target not met.
		Workplace Coach 50 learners assisted on the Workplace Coach Development Programme. **Budget:** **R 3 500 000**	**Workplace Coach** 50 learners placed on the Workplace Coach Development Programme. **Actual Expenditure:** **Nil** *(The learners were registered in 2011-2012 but the payment was processed in 2012-2013)*	Target met.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.1 Middle level skills needs are identified and addressed in all sectors.		**Minerals Beneficiation** A total of 24 learners completed Goldsmith and Jewellery Setter Trade Test and qualified as artisans. A total of 8 learners with disabilities are registered on Jewellery Manufacturing and Design Learnerships, Level 2 to 4 to qualify as Goldsmiths. **Budget:** **R 10 000 000**	The curriculum profile outline and learning process design for Goldsmith, Diamond, Gemstone Setter and Jewellery Design have been completed. MQA/JCSA Beneficiation MoU has registered a total of 120 learners on Diamond Processing programmes, Level 3 & 4. **Actual Expenditure:** **R 6 777 897**	In progress, further roll-out planned for 2012-2013.
		Mine Health and Safety Mine Health and Safety. **Budget:** **R500 000**	**Mine Health and Safety** Implementation has not taken place on Mine Health and Safety. **Actual Expenditure:** **Nil**	Target not met.
		Mine Community Capacity Building Mine Community Capacity Building. **Budget :** **R 3 500 000**	The programme design and development is underway. The planned roll-out will be in the 2012-2013 financial year. **Actual Expenditure:** **Nil**	Roll-out planned for 2012-2013.
	Output 2.1.2 Projects are established to address middle level skills in each sector.	Based on the skills needs identified interventions will be put in place. **Learning Materials** *Refer to Output 2.1.1.*	Based on the middle level skills needs identified interventions have been put in place. **Learning Materials** *Refer to Output 2.1.1.*	Target met.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.2 10 000 artisans per year qualify with relevant skills and find employment.	**Output 2.2.1** SETAs establish projects and partnerships to enable the relevant number of artisans for their sector to be trained, to qualify and become work-ready.	**Artisan Learnerships** 1 000 learners assisted with Artisan Learnerships. **UIF Artisan Project** 1 000 learners MQA/UIF learners assisted. **Budget :** *Refer to Output 2.1.1.*	**Artisan Learnerships,** A total of 2 281 artisan learners are registered and a total of 1 500 artisan learners have completed the training. **Actual Expenditure:** *Refer to Output 2.1.1.*	Target exceeded. The target for registration of unemployed artisan learners has been exceeded. The target for the certification of unemployed artisan learners has been exceeded. The target for employed registered and certificated artisan learners has not been met. Based on the fact that the MQA had recorded, unit standards based artisan learnerships as non-artisan programmes during the year. The majority of learners registered on these programmes are employed. A total of 24 learners have qualified as Goldsmiths and Jewellery Setters in this financial year.
	Output 2.2.2 The National Artisan Development Project developed by JIPSA and now located in the DHET and M&E framework, is planned, managed and reported on, with interventions made where blockages occur.	**Artisan Development** The MQA will participate fully in forums and processes aimed at artisan development.	**Artisan Development** The MQA participates in the various national artisan development processes and forums and reports monthly on artisan development, the MQA hosts a well established Quarterly Artisan Development Forum with its Accredited Engineering Training Centres, Trade Test Centres and MQA-Linked Public FET Colleges. The MQA is also a member of the SETA Artisan Development Subcommittee reporting to the Artisan & Technician Artisan Development Task Team of the Human Resource Development Council (HRDC). All the MQA Trades are now aligned and linked to the OFO. Status reporting for registered and certificated artisan learners is by OFO Code.	Target met.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.3 High level national scarce skills needs are being addressed by work-ready graduates from higher education institutions.	**Output 2.3.1** Sector skills plans identify the supply challenges in relation to high-level scarce skills gaps and set out strategies for addressing them.	**Scarce Skills Needs** The SSP to identify high-level scarce skills, challenges & strategies to address them. *Incorporated in Output 2.1.1*	**Scarce Skills Needs** The SSP identified high level scarce skills, challenges & strategies to address them where this was possible. For example, some of the challenges, such as scarcity of certain skills due to unattractiveness of the location of the mine as opposed to a skills shortage fall beyond the mandate of the MQA. The challenge of the high failure rate in relation to DMR and Chamber of Mines Certificates will be addressed in the next financial year. *Incorporated in Output 2.1.1.*	Target met.
	Output 2.3.2 Agreements are entered into between SETAs, university faculties and other stakeholders on appropriate interventions to support improved entry to priority programmes, increased work experience and experiential learning for students and access to post-graduate work.	**Partnerships** *Incorporated in Output 2.1.1.* The following projects were planned for implementation: **1.Workplace Experience** (VAC Work, P1 & P2) **2.Internships Projects** **3.Lecturer Support** The MQA also has agreements with the following seven universities: Wits, UJ, Unisa, Pretoria, Rhodes, Venda and Fort Hare	**Partnerships** *Incorporated in Output 2.1.1.* Internship and Workplace Experience projects were implemented. An MoU was signed with 7 universities for Lecturer support. The Jewellery Internship review has been conducted and completed to strengthen the provisioning of HET Jewellery Manufacturing and Design Programmes. HET Rock Engineering learning materials have been completed to be used for Rock Engineering programmes at Level 7. The Higher Certificate, Advanced Certificate and Diploma in Survey has been developed and completed. Certificated Engineer/Manager programmes are planned for development supporting the registered National Certificate in Certificated Engineering,	Target met. The Jewellery Internship review has been completed aligning the content and requirements for National Diploma: Jewellery Manufacturing and Design, Jewellery Manufacturing and Design Learnerships and the Goldsmith apprenticeship. Through this, FET College Jewellery programmes are linked to the Goldsmith Curriculum. HET Rock Engineering learning materials supported by SANIRE and industry have been completed and universities would get authorised access in 2012-2013 financial year. Private providers would have to be accredited first for level 7 programmes before access can be granted to Rock Engineering Learning Materials. Certificated Engineer/ Manager Programmes could not be developed in 2011-2012 financial year.

OBJECTIVES	OBJECTIVE 2 Increasing access to occupationally-directed programmes			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 2.3 High-level national scarce skills needs are being addressed by work-ready graduates from higher education institutions.			Level 7. An equivalency analysis between the current BTech Survey and the GCC Survey is planned for registration of holders of GCC: Surveying to register with the professional body.	Survey on the report results for the Government Certificate of Competency could not be finalised in 2011-2012 financial year. Cheadle Thompson & Haysom report on the legislative framework governing GCC could not be finalised in 2011-2012 financial year. All these activities are planned for 2012-2013 financial year. The Classification of Mines study has been completed and findings need to confirm with industry before the report is finalised and tabled with the MQA Board, DMR and MHSC. SGB for recommendation to the Board for approval.
OUTCOME 2.4 Relevant research, development and innovation capacity is developed and innovative research projects established.	**Output 2.4.1** The Sector Skills Plans (SSPs) identify the focal areas for research, innovation and development.	**Research** Focal areas for research, innovation and development were identified in the SSP. *Budget included in Output 1.1.3.*	**Research** This aspect will be strengthened in the SSP Update. The research agenda was developed and approved for implementation. *Expenditure included in Output 1.1.3.*	Target met.
	Output 2.4.2 Agreements are entered into between SETAs, university faculties and other stakeholders on flagship research projects linked to sector development in a knowledge economy.	The MQA is already involved in programmes that build the academic profession. Further engagement will focus on the development of research capabilities in HE institutions. *Incorporated in Output 2.1.1.*	The MQA's programme to build the academic profession has continued. Engagement with higher education institutes is underway. *Incorporated in Output 2.1.1.*	Roll-out on NSDS 3 is on track and will continue in 2012-2013.
	Output 2.4.3 Programmes are put in place that focus on the skills needed to produce research that will be relevant and have an impact on the achievement of economic and skills development goals.	The MQA is already involved in programmes that build the academic profession in the mining disciplines. The MQA to be involved in relevant programmes that will have an impact on economic and skills development.	The MQA's programme to build the academic profession has continued in the mining disciplines. The MQA is already involved in programmes that build the academic profession in mining disciplines.	Roll-out on NSDS 3 is on track and will continue in 2012-2013.

OBJECTIVES	OBJECTIVE 3 Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 3.1 The National Certificate (Vocational) and N-Courses are recognised by employers as important base qualifications through which young people are obtaining additional vocational skills and work experience, entering the labour market with marketable skills and obtaining employment.	**Output 3.1.1** The NCV is reviewed with inputs from stakeholders and the curriculum is revised to ensure that it provides a sound foundational basis for building labour market relevant skills.	**National Certificate (Vocational)** The MQA will continue and possibly expand its relationship with FET colleges and assist with the revision of programmes relevant to the sector.	**National Certificate (Vocational)** The NCV review was undertaken by the DHET and the MQA participated in the workshops for the review and made inputs. The MQA started discussions with NBI on assistance to be provided to NCV graduates.	The finalisation of this process is still awaited from DHET.
	Output 3.1.2 The programmes offered to meet industry needs, including those supporting apprenticeships and N-Courses, are reviewed, updated and made available to, and accessed by employers.	Re-design engineering qualifications.	The MQA has been approved as a DQP for Motor Mechanic and Rigger engineering occupations. These programmes are re-designed into QCTO qualifications. Knowledge component content will inform the review and recirculation of N-Courses for engineering. Other programmes being developed in collaboration with other DQPs are Boilermaker/ Welder, Electrician, Millwright as well as Fitter and Turner. MQA N2 Knowledge Matrix and N2 Equivalency Matrix is implemented and used by public FET Colleges. A total of 316 learners are registered on N2 programme at Nkangala FET College. A total of 54 learners completed N2 programmes at Northern Cape Rural FET College in 2010-2011 and are undergoing apprenticeship training with host employers. A total of 16 learners completed N2 programmes at Orbit FET College in 2010-2011 and are undergoing apprenticeship training with host employer.	The QCTO Occupational profile and curriculum for trades' occupations: Motor Mechanic (Diesel Mechanic); Millwright, Electrician, Welder, Boilermaker, Fitter and the Goldsmith trades has been completed. The knowledge content of these occupations has been populated and captured. Once finalised the content would be submitted by QCTO to UMALUSI to inform review and recirculation of N-Courses for engineering. The MQA N2 engineering learners are undergoing the mining apprenticeship training with host employers. New N2 learners resumed training at Nkangala FET and would require support of the host employers for their workplace training in 2012-2013 financial year.

OBJECTIVES	OBJECTIVE 3 Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 3.2 Partnerships between DHET, SETAs, employers, private providers and public FET colleges are resulting in increased capacity to meet industry needs throughout the country.	**Output 3.2.1** The capacity of FET colleges to provide quality vocational training is reviewed. Each college has a strategic plan in place to build capacity and engage in skills development programmes, including programmes offered in partnership with employers.	Not Applicable This is an FET College specific target.	Not Applicable The MQA did not set targets on this as it did not fall under its legislative jurisdiction.	No action required from the MQA.
	Output 3.2.2 SETAs identify FET colleges with relevant programmes and put in place partnerships to offer vocational courses and work experience for college learners.	The MQA will continue and possibly expand its relationship with FET colleges and assist with the revision of programmes relevant to the sector.	NCV Level 4 Engineering Internship Programme is planned for 2012-2013 financial year. The MQA signed a MoU with Nkangala FET College for Artisan Development for the unemployed. This project will also involve MQA accredited colleges i.e. MMTI and CTC for off the job modules.	The MQA has not implemented National Certificate Vocational (NCV) Internship Project in 2011-2012 financial year. The MQA Board has approved this project for implementation in 2012-2013 financial year and has a target of 50 NCV Level 4 Engineering learners to be registered by the MQA. 3 FET Colleges Nkangala, MMTI and CTC were part of the cconceptualisation for MQA/DoL/Mpumalanga Artisan Development.
OUTCOME 3.3 The academic staff at colleges are able to offer relevant education and training of the required quality.	**Output 3.3.1** The capacity of college educators to deliver programmes is reviewed. Skills development programmes, including work placement opportunities, are devised to meet the needs of the college educators.	**Lecture Support** Support lecturer development and engage on partnership agreements with employers.	**Lecture Support** Approximately 10 FLC Facilitators have been developed on the FLC facilitator programme thus far. A further 20 will be planned for the next financial year.The budget planned for this project (inclusive of support for facilitators from the private sector) - R1m, Expended - R1m MQA initiated discussions with AngloGold Ashanti to assist FET college lecturers with workplace knowledge.	FET College Lecturer support will be provided in 2012-2013.

OBJECTIVES	OBJECTIVE 4 Addressing the low level of youth and adult language and numeracy skills to enable additional training			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 4.1 A national strategy is in place to provide all young people leaving school with an opportunity to engage in training or work experience and improve their employability.	**Output 4.1.1** A DHET-led process, including stakeholders, develops a strategy supported by all stakeholders.	The MQA will participate in a DHET-led process to develop strategy and track learners in the sector.	The MQA is awaiting the DHET-led process for the development of the strategy.	Roll-out on NSDS 3 is on track and will continue in 2011-2013.
	Output 4.1.2 A national database tracks training and work opportunities, and reports on implementation of the strategy.	The MQA will participate when the national database is in place.	National Artisan Database process has been initiated by NAMB. Gazette for listing of occupations as trades by OFO Code has been released for public comment.	The MQA specification for the new artisan development database is initiated and would be completed in 2012-2013 financial year. The MQA has aligned its designated and soon to be listed trades to the OFO Code Version 12.
	Output 4.1.3 The DHET partners with stakeholders in the youth sector to put in place training and work experience projects for young people.	The MQA will participate in processes and discussions.	This is a DHET-led process; however the MQA has implemented a youth specific project in support of this specific project in support of the NSDS Objectives and associated outputs. The workplace and internship projects are in place.	Roll-out on NSDS 3 is on track and will continue in 2011-2013.

OBJECTIVES	OBJECTIVE 5 Encouraging better use of workplace-based skills development			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 5.1 Training of employed workers addresses critical skills, enabling improved productivity, economic growth and the ability of the work force to adapt to change in the labour market.	**Output 5.5.1** SETA stakeholders agree on the provision of substantial quality programmes for employed workers and report on the impact of the training.	Impact indicator to be built in and reported for each project/programme.	Programmes are supported to address scarce and critical skills in the sector. Employed workers training was provided by MQA accredited training providers to ensure provision of quality training. The implementation of the rock breaker (miner) qualifications in the sector was improved upon by improving on the quality assurances processes as well as providing the Learnerships Agreement Supplements to the sector.	Roll-out on NSDS 3 is on track and will continue in 2011-2013.
	Output 5.1.2 Sector projects are put in place to address specific sector skills gaps.	Programmes are based on skills needs of the sector. *Refer to Output 2.1.1 for projects.*	Skills needs were identified and included in the SSP. The MQA Qualifications Framework was updated. *Refer to Output 2.1.1 for projects.*	Target met.
	Output 5.1.3 Cross-sectoral projects are established to address skills needs along local supply chains aimed at supporting local economic development.	Cross sectoral projects will be identified and supported. *Refer to Mineral Beneficiation in Output 2.1.1.*	A total of 120 learners have been registered and completed the diamond processing programmes. A total of 24 learners have completed Jewellery and Setter Trade Test. The National Beneficiation Sub-committee has been established to advise on the implementation of programmes supporting beneficiation strategy. The MQA participated in the DMR National Beneficiation project.	A total of 120 learners have achieved Diamond Polishing course at NQF Level 3. The first co-hort of Level 4 Diamond Polishing Course/ Learnerships in total 60 learners has completed training in 2012-2014. A total of 40 of these learners have been used as pilot learners for the establishment of the Kimberley Diamond and Jewellery Academy (KIDJO). A National Beneficiation Sub-committee for Diamond and Jewellery Manufacturing has been established and is comprised of key beneficiation role-players. The MQA will actively participate in DMR beneficiation initiatives in 2012-2013.

OBJECTIVES	OBJECTIVE 6 Encouraging and supporting cooperatives, small enterprises, worker initiated NGO and community training initiatives			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 6.1 Cooperatives supported with skills training and development expand and contribute to sector economic and employment growth.	**Output 6.1.1** SETAs identify in their skills planning research, established and emergent cooperatives and their skills needs.	The MQA has previously conducted research into small organisations including cooperatives in the MMS.	The MQA did not specifically identify co-operatives in the period under review. However, SMME support initiatives were in place and 700 small organisations were supported.	Generic support was provided as part of the MQA capacity building initiatives. Specific and emerging co-operatives will be identified in 2011-2013 and supported.
	Output 6.1.2 Sector projects are established by sector stakeholders, supported by the NSF.	Small scale mining projects including cooperatives.	Small scale mining projects included cooperatives were funded by the MQA, not the NSF. A total of 1 000 registered artisan learners have been supported through the NSF.	The MQA partnership with NSF 2 has supported the unemployed registered artisan learners with grants in the 2011-2012 financial year.
	Output 6.1.3 A national database of cooperatives supported with skills development is established and the impact of training reported on.	The MQA supported cooperatives will be reported in the MQA MIS. The MQA will participate in initiatives to establish a national database.	The MQA supported co-operatives are reported in the MIS as part of the Small Scale Mining.	Target met. The MQA will engage Small Enterprise Development Agency (SEDA) for co-operatives in the MMS to be supported and others will be identified through industry engagement.
OUTCOME 6.2 Partnership projects to provide training and development support to small businesses are established in all sectors and their impact reported on.	**Output 6.2.1** SETAs, through their skills planning research, identify the skills needs of small and emerging businesses in their sector, and promote relevant programmes.	**Skills development facilitator support** The MQA has completed research into skills needs of small organisations, small mines, and other sub-sectors. WSP-ATR submissions from small organisations will be analysed. Needs will be incorporated into the SSP. 200 Small Scale Miners Development Supported Mineral Beneficiation. **Budget:** **R 4 500 000**	**Skills development facilitator support** Programmes for small organisations are based on skills needs. 200 small scale miners supported. **Actual Expenditure:** **R 2 388 700**	Target met. Target met.

OBJECTIVES	OBJECTIVE 6 Encouraging and supporting cooperatives, small enterprises, worker initiated NGO and community training initiatives			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 6.2 Partnership projects to provide training and development support to small businesses are established in all sectors and their impact reported on.	**Output 6.2.2** Sector projects are developed that are piloted by SETAs and expanded through partnership funding.	Small organisations will be encouraged to participate in various MQA programmes. UIF 1 Learnerships Artisan, NSF 2 Learnerships Artisan Development.	Small organisations are included in all core skills development projects and programmes. The UIF-MQA Artisan Development Partnership has a target of 1 000 unemployed/ retrenched artisan learners. The MQA has registered 293 learners. NSF2 Artisan Development partnership has supported a total of 1 000 registered artisan learners. The MQA/ Mpumalanga Artisan Development project has registered a total of 316 learners on N2 engineering programmes.	A total of 293 learners selected from the Provincial DoL database using the UIF selection criteria of 70% (UIF Contributors) and 30% (UIF non contributors) are registered on MQA apprenticeship programmes. The target of 1 000 UIF artisan learners was not achieved as per UIF learner selection criteria. The MQA has registered a total of 1 294 unemployed learners under the MQA-UIF Artisan development project, however such learners are UIF non-contributors and therefore host employers could not be supported with UIF artisan grants. The MQA Board has approved artisan grant support for 500 of these registered learners to participating host employers.
	Output 6.2.3 A national database of small businesses supported with skills development is established and the impact of training reported on.	Small business information to be included in the MIS.	Small business information is included in the MIS.	This will be an on-going process of support provision for small businesses.

OBJECTIVES	OBJECTIVE 6 Encouraging and supporting cooperatives, small enterprises, worker initiated NGO and community training initiatives			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 6.3 Worker, NGO and community-based education programmes are supported and their impact measured and reported on.	**Output 6.3.1** SETAs engage with trade unions, NGOs and community-based organisations in their sector and identify skills needs and strategies to address needs.	The MQA will continue to support organised labour via funding a Labour Coordinator and various capacity building workshops. Research into the skills needs of NGOs and CBOs in the sector was conducted in the NSDS II period. The mine community development programme was identified as a skills need.	Support to organised labour is continuing. The MQA partnered with the National Union of Mine Workers to pilot RPL with 5 mining companies. Artisan aide's project is being supported at the request of NUM. The mine community development programme is under development and learners will be placed in the 2012-2013 financial year.	Support to organised labour is on-going. Negotiations are underway to determine support to be provided to FEDUSA in collaboration with the NSF.
	Output 6.3.2 SETAs establish quality pilot projects.	Design and develop the Mine Community Capacity Building Project.	The programme design and development is underway and planned and roll-out will be in 2012-2013 financial year.	
	Output 6.3.3 Stakeholders expand successful projects with support from the NSF.	Support 1 000 artisan learners on NSF 2.	A total of 1 000 registered artisan learners have been supported through NSF 2.	The MQA/NSF2 artisan development partnership has supported a total of 1 000 artisan learners with grants in the 2011-2012 financial year. These learners are registered in the artisan scarce skills within the mining industry.
OBJECTIVES	**OBJECTIVE 7** **Increasing public sector capacity for improved service delivery and supporting the building of a developmental state**			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 7.1 A thorough analysis and reflection is conducted on provision of education and training within the public sector and the contribution of the various role players.	**Output 7.1.1** SETAs with responsibility for public sector training conduct analysis and reflection on achievements and challenges.	DMR priority skills need to be considered as part of SSP Update process and strategic plan revision.	The MQA continues to support DMR priority skills needs. 60 bursaries were allocated to DMR and MoU concluded with the Department to support their skills development initiative. The MQA supports the training of DMR Inspectors.	Engagements will continue with DMR to determine skills development support to be provided.

OBJECTIVES	OBJECTIVE 7 Increasing public sector capacity for improved service delivery and supporting the building of a developmental state			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 7.1 A thorough analysis and reflection is conducted on provision of education and training within the public sector and the contribution of the various role players.	**Output 7.1.2** DHET leads a discussion on factors impacting on provision and publishes proposals on improving the institutional framework for public sector education and training.	The MQA will participate fully as and when required.	The MQA is awaiting DHET to come up with initiatives for an Institutional Framework for Public Sector Education and Training.	In progress.
OUTCOME 7.2 Education and training plans for the public sector are revised and programmes are implemented to build capacity.	**Output 7.2.1** Sector Skills Plans (SSPs) set out the capacity needs of relevant departments and entities.	The SSP incorporates skills needs of the DMR.	The SSP incorporated skills needs of the DMR through their submission of the WSP-ATR to the MQA and engagements on their skills requirements and priorities.	Target met. Further implementation of the project is underway.
	Output 7.2.2 Plans and funding arrangements are agreed between the relevant departments/entities and the SETAs, and are reported on.	As per SSP skills needs identified, programmes supporting DMR will continue to be supported.	Programmes to support DMR are in place including bursaries and the Inspector Training Programme.	Target met.
OBJECTIVES	**OBJECTIVE 8** **Building career and vocational guidance**			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 8.1 Career paths are mapped to qualifications in all sectors and sub-sectors, and communicated effectively, contributing to improved relevance of training and greater mobility and progression.	**Output 8.1.1** Career guides are developed with labour market information from SETAs, addressing sub-sectors within their sector.	Promote careers as part of Skills Development budget which is included in the MQA Administration budget.	The MQA developed a comprehensive Career Guide for the mining and mineral sector. This is widely distributed to all stakeholders in the sector at key events such as the community engagement forums and in career exhibitions held throughout the year in all nine provinces. The MQA participated in the development of a framework for co-operation in the provision of Career Development in South Africa.	Target exceeded The MQA participated in more than 50 planned and unplanned career events and stakeholder engagement forums in rural areas in all nine provinces.

OBJECTIVES	OBJECTIVE 8 Building career and vocational guidance			
Outcome	**Output**	**MQA Plan Annual Targets**	**MQA Achievements for 2011-2012**	**Scorecard**
OUTCOME 8.1 Career paths are mapped to qualifications in all sectors and sub-sectors, and communicated effectively, contributing to improved relevance of training and greater mobility and progression.	**Output 8.1.2** Sector stakeholders are engaged and programmes are adjusted to meet the skills and qualification needs to promote comprehensive career development.	The MQA qualification framework is revised on an on-going basis with active involvement of stakeholders. Standard Settings Grant/ TRG FET.	The MQA qualification framework was revised on an on-going basis with active involvement of stakeholders. A total of 8 learnerships have been registered. A total of 14 learnerships have been developed but have not been registered. A total of 6 Skills Programmes have been registered and approved. 3 Skills Programmes have been developed but have been not registered. Current qualifications are being re-designed and developed in line with QCTO requirements. The MQA has been approved as a DQP to develop and supply qualifications for 32 occupations.	The Mining and Minerals Sector Qualifications Framework aligned to OFO Version 11 has been completed. Through the TRG standards generation process, 8 new learnerships have been registered with DHET and a further 14 learnerships have been developed. A total of 9 skills programmes have been developed. All currently registered MQA qualifications are registered and are active on the NQF until 2015. The re-design of the qualifications into QCTO occupational curricula has progressed successfully. The unresolved issue is the role as well as the QCTO funding model of the Assessment Quality Partner for these QCTO occupational qualifications.



SECTION THREE

MINING CHARTER DECLARATION, COMMITMENTS AND SCORECARD

MINING CHARTER DECLARATION, COMMITMENTS AND SCORECARD

The MQA's support for the Mining Charter Declaration, Commitments and Scorecard for 2011-2012

During the 2011-2012 financial year, the MQA continued to support the provisions, commitments and scorecard as encapsulated in the Mining Charter that was signed on 30 June 2010, and extends to 2014.

The Broad-based Socio-Economic Empowerment Charter known as the Mining Charter, which is provided for in terms of Section 100(2)(a) of the Minerals and Petroleum Development Act (MPRDA), No. 28 of 2002, had identified specific transformation targets and the MQA developed projects to support such targets. It is currently being revised through MIDGETT (Mining Industry's Development, Growth and Employment Task Team), which is responsible to assess implementation progress since its inception and to expedite the achievement of objectives.

This report is based on the following commitments which are encapsulated in the 2010 Mining Charter and associated scorecard:

- A Stakeholders' Declaration on strategy for sustainable growth and the meaningful transformation of South Africa's mining industry, and
- The development of a scorecard.

The overarching objectives of the Mining Charter are to:

- Promote investment, enhance competitiveness and drive transformation objectives.
- Mitigate constraints limiting sustainable growth and meaningful transformation.
- Emphasise the mutual reinforcement of competitiveness and transformation.
- Commit to effective implementation of the strategy.

Against the backdrop of these objectives, mining stakeholders are committed to bring about transformation and ensure sustainable growth in the following areas:

- Infrastructure
- Innovation in mining
- Sustainable development
- Beneficiation
- Regulatory framework
- Human resource development
- Employment equity
- Mine community development
- Housing and living conditions
- Procurement
- Ownership and funding
- Monitoring and evaluation

Mining Charter and Stakeholder Declaration Support

The MQA's support in this regard covers the following:

- Assess the current research and development landscape in the mining industry:
  - As part of the process of updating the Sector Skills Plan, the MQA assessed the research and development landscape in the mining and mineral sector and discovered a need to accelerate research by working closely with universities.
- Resuscitate a research and development culture in the mining industry:
  - The MQA continued to contribute to the body of knowledge regarding skills development within the mining and mineral sector through the simple mentation of the annual research agenda.
- Strengthen partnerships with research institutions both locally and internationally:
  - The MQA contracted the services of a research partner and also communicated with a wide spectrum of institutions with mining faculties regarding research with a focus on skills development, health and safety.
- Implement mine health and safety tripartite action plans:
  - The MQA has been approved as a Development



Quality Partner for the development of occupational, health and safety qualifications in the mining industry.

Qualifications are being developed for the following mining safety occupations:

- Full-time Safety Representative
- Workplace Safety Representative
- Safety Coordinator
- Safety Officer/Practitioner
- Safety Professional/Advisor

The following achievements have been realised in the reporting period:

- 3 020 learners were certificated for the "Skills Programme Occupational Health and Safety" activities, particularly relating to Part-Time/Workplace Representatives and Shop Stewards in the mining and minerals sector.
- 23 learners completed the National Certificate: Occupational Health; Safety and Environment: Mining and Minerals, Level 2 qualification.
- The MQA Board has approved the OHS Representative Development project to support the OHS Representative and Shop Stewards in the sector. The objective of the project is to train 40 000 OHS Representatives over five years as required by the Mine Health & Safety Tripartite Leadership Summit Agreement, as signed on 5 September 2008.
- Support local beneficiation in order to unlock the intrinsic value of South Africa's minerals.
- The MQA Board has approved the Beneficiation Project, which is aligned to the National Beneficiation strategy and particularly, the Jewellery Fabrication value chain. This project focuses on jewellery and diamond manufacturing skills in commodities, platinum, gold and diamonds. The project includes SMME support in the form of hives or incubators.

The following achievements have been realised in the reporting period:

- Eight (8) learners were certificated for the "Manufacture Indigenous Jewellery" Skills Programme.
- Two hundred and fifty nine (259) learners were certificated for the "Skills Programme in Clean up Castings and Manufacture Basic Jewellery".
- One learner has been certificated for the "Skills Programme in Diamond Recovery".
- Sixteen (16) learners were certificated for the Further Education and Training Certificate: Diamond Processing qualification.
- Three (3) learners were certificated for the National Certificate: Jewellery Manufacturing, Level 3 qualification.
- Conduct at least two skills audits by 2014 and assess institutional and organisational absorptive capacity by no later than December 2010.
- The skills audit was part of a bigger project encompassing occupational role profiling, submission of WSP- ATR source data (which included reporting at post and occupation level) followed by the implementation of the skill audit to organisations in the MMS who applied to participate during the financial year.
- A skills audit project, guided by a stakeholder team (consisting of DMR, employers and labour) was implemented by the MQA to support MMS organisations in establishing the skills capacity of organisations and employees, focusing on mining and mineral related jobs.

The process offered to organisations was the result of combining the latest techniques in conducting surveys with MQA-related lessons learned from organisations.

- The skills audit project was open to MMS organisations that met the widely communicated criteria. Fifty-nine (59) organisations applied to participate therein, of which 52 applications were approved and 45 organisations ultimately participated.
- On completion of the project, individual organisations received detailed reports and sessions were organised to assist with report interpretation and to advise on how they could use their employee data to update internal records and their next WSP.
- The skills audit was acknowledged as being beneficial to participating organisations and the MQA has been requested to ensure that participation therein is increased. Organisations requested that MQA's support for skills audits should become a continuous process within the skills planning cycle.
- Invest a percentage of annual payroll in all skills development activities excluding the mandatory skills levy.

- Mining companies continued to contribute a percentage of annual payroll to skills development initiatives, as required by the mining charter and the skills development legislation. Some contributions exceeded this percentage enabling these companies to pursue skills development activities in support of specific HRD strategies.
- Ensure that mechanisms for directing skills levies are in place, efficient and effective.
- The MQA ensured that an effective data collection system was in place for the 2011-2012 WSP- ATR submissions. The WSP-ATR "source data" format was continued for the second consecutive year as it better supports good quality skills planning and reporting.
- The submission and approval of WSPs-ATRs (which serves as a mandatory grant application) have increased annually, possibly due to the additional support offered to organisations by the MQA.
- The MQA received 654 submissions for 2011-2012, a 5.31% increase compared to the previous financial year. A total of 648 were approved and mandatory grants were paid accordingly.
- WSP-ATR data was submitted for approximately 475 000 employees from a pool of 628 750 employees within the sector, constituting approximately 75% of coverage by number of employees.
- Demographic representation of HDSA with a minimum target of 40% by 2014 in junior, middle, senior and top management.

HDSA Project

In this financial year, the MQA implemented an HDSA project that targeted training of historically disadvantaged individuals through a Supervisory Programme, with the aim to make these individuals employable at management level.

Learnerships

A total of 1 244 Learnership workers were certifed for non-artisan programmes. 1 911 Learnership workers entered the programme.

Bursaries

A total of 907 learners were assisted with bursaries.

Artisans

A total of 2 281 learners were registered, of which 1 500 completed training.

Work experience

A total of 537 learners were assisted through work experience and 167 unemployed graduates were assisted with placement on the internship programme.

ABET

A total of 7 656 learners entered ABET programmes at Levels 1, 2, 3 and 4. A total of 2 342 learners completed ABET Programmes at Levels 1, 2, 3 and 4.

- Develop a partnership approach towards Mine Community Development and consider establishment of regional/social development funds for effective implementation of Social and Labour Plans:
- During the year, the MQA implemented a project in the North West Province through which it has assisted in re-skilling retrenched mine workers with carpentry skills.
- The MQA is developing a Mine Community Development Programme (MCDP) to facilitate and support the registration of mining communities' learners on this programme. This programme, once finalised will include Social and Labour Plan topics. A total of 100 learners from mining communities in different mining provinces will be selected for training. This will also supported through the MQA ABET programme, which has the objective to give employers and employees incentives to participate in ABET training to progressively increase levels of literacy in the sector.

The MQA SSP for the 2011-2017 period contains a multiplicity of other projects and initiatives that support the Mining Charter. These include projects that have been rolled-out and are currently being implemented within the broader framework of the NSDS 3 and have subsequently been encapsulated in the Mining Qualifications Authority's Strategic Plan.

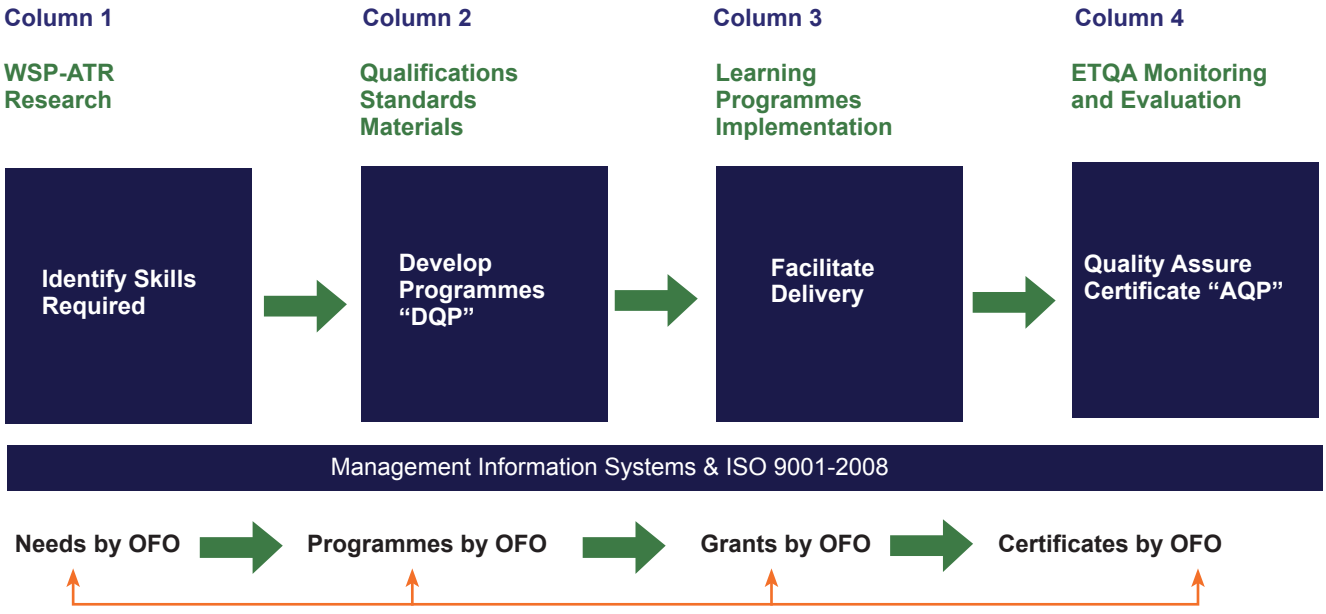


SECTION FOUR

OPERATIONS REPORT

4.1.	Skills Development and Research	49
4.2.	Standards Generation	58
4.3.	Learning Programmes	69
4.4.	Projects	74
4.5.	Education, Training and Quality Assurance (ETQA)	79
4.6.	Projects and Grants List for 2011-2012	82

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 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 inputs these 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 support Skills Development Committees (SDCs);
- Manage the occupational profiles, update the Organising Framework for Occupations (OFO) and communicate this within the sector;
- Develop the Sector Skills Plan (SSP) and identify scarce skills; and
- Manage research projects.

The progress made during 2011-2012 is summarised below:

REGISTRATION OF ORGANISATIONS WITH THE MQA

The MMS, as demarcated for the purpose of the skills development legislation, includes all mining activities covered by the Standard Industrial Classification (SIC) codes 21000 to 29000, as well as a small component of manufacturing – namely the Manufacturing of Cement, Lime and Plaster (SIC code 34240), Jewellery Manufacturing (SIC code 39210), and the Cutting and Polishing of Diamonds (SIC code 39212) and of other Precious and Semi-Precious Stones (SIC code 39219).

Although the DHET has defined the sectors to be served by the respective SETAs, organisations have some choice regarding the SETA with which they wish to register. A number of organisations, not strictly involved in mining activities but closely associated with the sector, have chosen to register with the MQA or have been allocated to the MQA by the DHET.

Accurate registration of organisations is essential in analysing the sector, including the categorisation of organisations into the following nine sub-sectors:

- 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)
- Services Incidental to Mining
- Diamond Processing
- Jewellery Manufacturing

The average number of levy-payers during the 2011-2012 financial year registered against the MQA (SETA 16) was 1 186.

The majority (52.3%) of employees in the sector are employed in very large organisations (with 5 000 or more employees) while 44% work in large organisations with 150 to 4 999 employees. Medium and small organisations employ 2.5% and 1.2% of the sector's workforce respectively (SSP 2012-2017).

WORKPLACE SKILLS PLAN AND ANNUAL TRAINING REPORT SUBMISSIONS

The MQA has, from the onset, acknowledged the importance of the WSP-ATR submissions and designed WSPs-ATRs that go beyond the minimum compliance requirements. We consider the importance of the WSP-ATR to centre around three aspects. Firstly, it serves as a mandatory grant release mechanism if the MQA criteria are met. Secondly, it encourages good skills planning and reporting within organisations. Thirdly, it provides a valuable source of data annually to the MQA for skills planning and reporting purposes.

Organisations were required to submit their WSP-ATR to the MQA by 30 June 2011. This submission served as the mandatory grant application. The Skills Development Act made provision for extensions if the request was approved by the MQA and as long as the WSP-ATR was not submitted later than 31 July 2011. A summary of submissions is provided as follows:

WSP-ATR SUBMISSIONS AND APPROVALS RECEIVED

SUBMISSIONS RECEIVED BY SDL NUMBER	2010-2011	2011-2012
WSP-ATR submissions (by SDL) by deadline	621	654
Wrong SETA	3	1
Late submissions	11	3
Submissions for information (In 2011-2012 DMR and one new organisation who is with another SETA but will be transferring to MQA)	1	2
Total submissions received by SDL number (including late and wrong SETAs)	636	660
Total approvals	604	648

Table 1: WSP-ATR submissions and approvals received.

Of the total submissions received in 2011-2012, 22 were manual submissions and 30 Inter-SETA transfers were received. For the first time, organisations could register and prepare a WSP-ATR for their sites under the SDL number. The WSPs-ATRs were then consolidated into the SDL submission - 45 sites were registered.

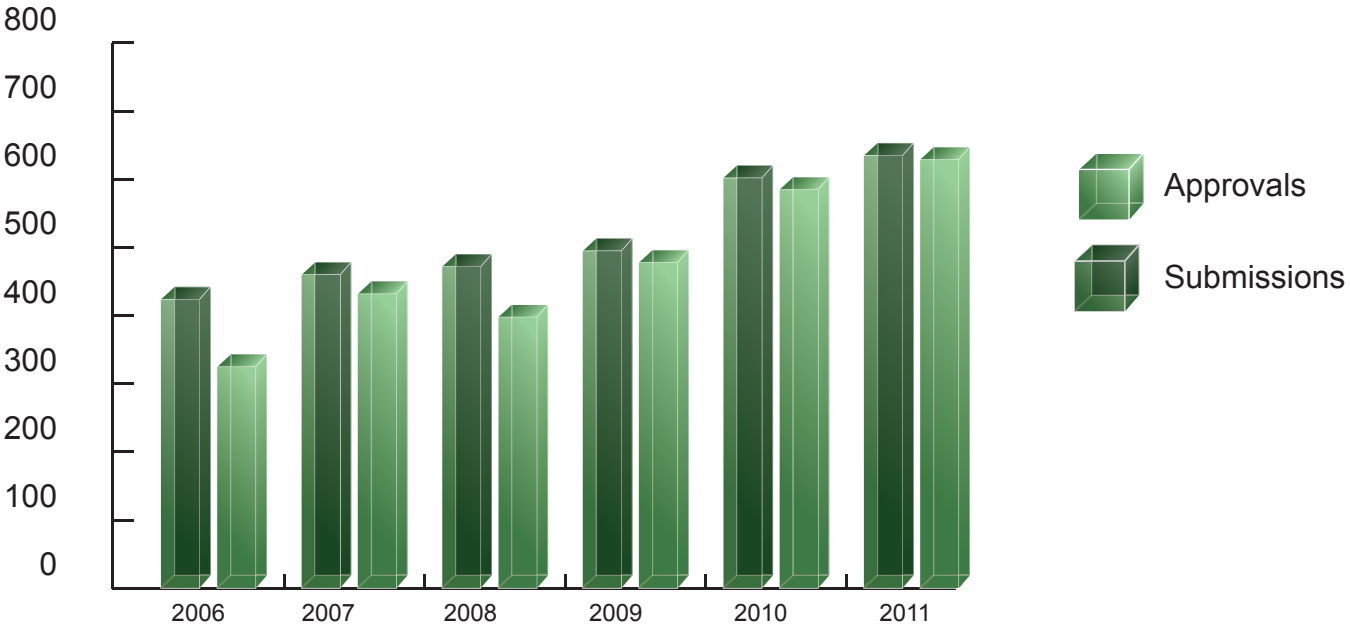
During the year, the coverage of approximately 475 000 employees constituted approximately 75% by number of employees. Of the total average number of MQA levy-payers (1 186), 654 submissions equates to 55% of these.

The source data submissions provided more detailed information on employees and actual training undertaken. This was useful in enabling better analysis of current employment within the sector, together with more accurate labour demand projections and skills needs identification (including scarce skills). Furthermore, a general improvement in the quality of data received in the submissions was evident.

Submission and approval of WSP-ATRs increased annually as shown below.

A possible reason for this increase was the additional support offered to organisations by the MQA.

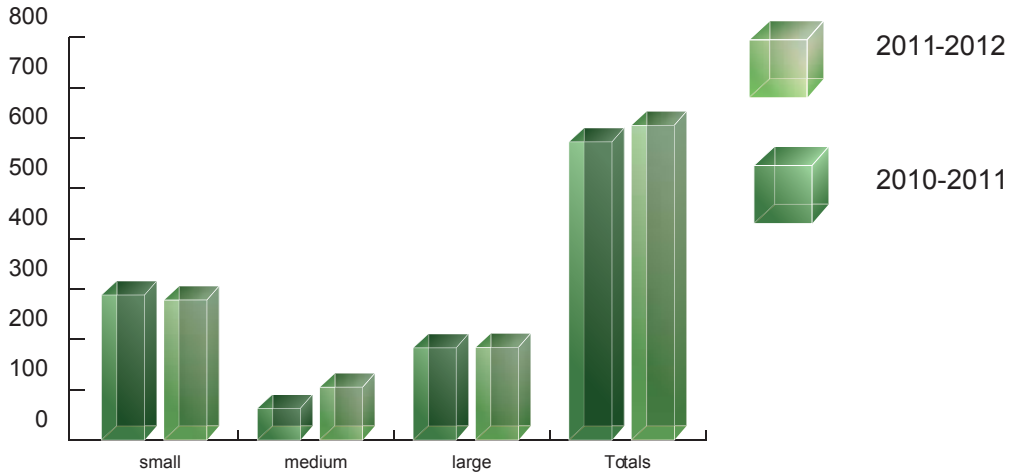
SUBMISSIONS AND APPROVALS BY ORGANISATIONS OVER A SIX-YEAR PERIOD (THE NSDS 2 PERIOD AND THE CURRENT FINANCIAL YEAR)



YEAR	2006	2007	2008	2009	2010	2011
SUBMISSIONS	443	479	491	514	621	653
APPROVALS	344	451	417	497	604	648

Graph 1: WSP-ATR submissions and approvals over a six-year period.

WSP-ATR SUBMISSIONS BY ORGANISATION SIZE



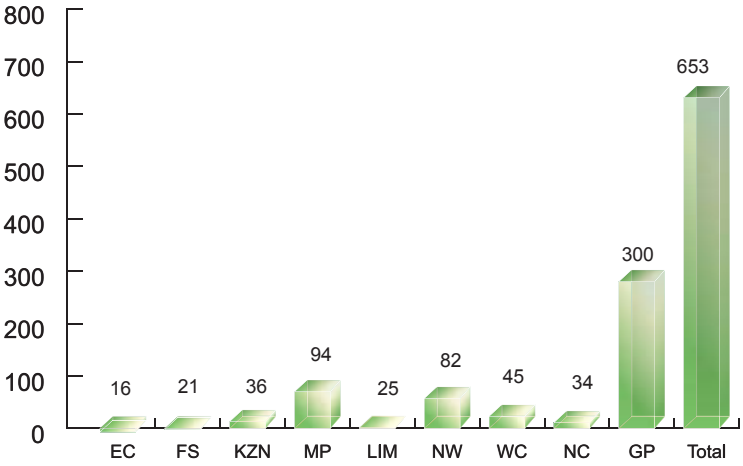
YEAR	Small	Medium	Large	Total
2011-2012	307	133	213	653
2010-2011	317	92	212	621

Graph 2: Number of WSP-ATR submissions by organisation size in 2011-2012 compared to the previous financial year.

The total WSP-ATR submissions by SDL received by the deadline increased compared to those received during the previous year. While the large submission category remained stable (213 compared to 212) and the number of small submissions decreased slightly (from 317 to 307), the number of submissions in the medium-size categories improved significantly (from 92 to 133). This improvement can be attributed to the increased support offered to organisations by the MQA and the targeted assistance offered to medium organisations by MQA-contracted Independent Skills Development Facilitators (ISDFs).

The graph below is a depiction of WSP-ATR submissions across provinces. The number of submissions received across provinces primarily depends on the number of MQA levy-payers in the province.

THE NUMBER OF WSP-ATR SUBMISSIONS BY PROVINCE



Graph 3: Number of WSP-ATR submissions by province.

A total of 246 submissions were received from MQA-contracted ISDFs by the deadline. This figure increased by 9% on the 225 submissions in 2010, which was higher than the 134 received in the year 2009.

WSP-ATR Analysis of Year 12

Core data from the WSP-ATR submissions, such as employment profile and scarce skills, have been analysed and included in the Sector Skills Plan 2012-2017 update. A full analysis of all WSP-ATR data is being undertaken, resulting in the WSP-ATR Analysis Report for Year 12.

It is clear that this year's submission process and requirements better supports the NSDS 3. In addition, the MQA's focus on improving the quality and accuracy of data (including the mapping to the OFO) is showcased in the submissions.

A thorough evaluation of the new WSP-ATR process has been undertaken and the same process, with improvements, is being followed in 2012-2013.

Skills Development Facilitators and Skills Development Committees

In addition to registering SDFs, the MQA provides support to SDFs and SDCs to play their role more effectively. This includes MQA-contracted SDFs. The following progress was achieved in 2011-2012:

SKILLS DEVELOPMENT FACILITATORS AND SKILLS DEVELOPMENT COMMITTEES

AREA OF SUPPORT	STATUS
SDF Registration	The registration process on MQA-I-Share continued. The MQA has a total of 492 approved SDFs, including primary and secondary SDFs. For purposes of submission of WSP-ATRs for the 2011-2012 financial year, SDFs were required to register themselves on the IT Aware Solution, as well as the SDL number/s for which they were submitting WSP-ATRs.
SDF National Forum	Two National SDF Forums were held. The first, held in August 2011 and attended by 285 SDFs/sector specialists, focused on launching the skills audit. The second, held in November 2011 and attended by 240 SDFs/sector specialists, focused on feedback on the skills audit and the WSP-ATR requirements for the 2012-2013 financial year.
SDF Capacity Building	In support of the WSP-ATR 2011-2012 submission process, an additional five workshops were held in April 2011. These followed the 19 workshops held in February and March 2011. For the workshops, the MQA developed a Resource Pack consisting of the MQA requirements document, the MQA Scarce Skills Guide and the MQA OFO Mapping Guide. Thereafter, weekly support workshops were held for SDFs who were in the process of compiling their WSP-ATRs. In support of the WSP-ATR 2012-2013 submission process, 16 workshops were held in February and March 2012. The completion of this series of workshop is scheduled for May 2012, which will fall within the 2012-2013 financial year. The purpose of these workshops was to brief MQA organisations on legislative and MQA requirements for the WSP-ATR Mandatory Grant submissions due on 30 June 2012 and to provide an update on the Organising Framework for Occupations (OFO) changes. Thereafter weekly support workshop sessions will be held until the end of June 2012.
SDC Support	A national workshop, attended by 62 participants was hosted in April 2011. The event was attended by labour-nominated Skills Development Committee members and focused on the OFO and WSP-ATR submissions for 2011-2012. Several SDC workshops requested by MMS organisations were conducted during the year. A more systematic approach to SDC support is envisaged for the next financial year.
MQA-contracted Skills Development Facilitators	The MQA utilised the services of 16 MQA-contracted SDFs between April and November 2012. While they played various roles, their primary focus was to provide the necessary support to small and medium organisations in their submission of the WSP-ATRs.

Table 2: Progress with Skills Development Facilitators and Skills Development Committees during 2011-2012.

SKILLS DEVELOPMENT RESEARCH AND ANALYSIS

The second strategic priority of the MQA strategic plan is to "support objective decision making for skills development through research in the sector". Furthermore NSDS 3 emphasises the importance of quality data to inform skills planning.

The Organising Framework for Occupations

The Organising Framework for Occupations (OFO), a coded classifications system of occupations is the DHET and other state institutions' key tool for identifying, reporting and monitoring 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) which already includes descriptors, tasks and alternate titles for all prevailing occupations. The successful integration of the OFO

into MMS organisational data will enhance the accuracy of identifying sectoral skill needs by occupations.

In order to ensure that the OFO represents the reality of occupations within the sector, the MQA provided input regarding proposed changes to updating OFO Version 10 (2011) to Version 2012. Furthermore, the MQA supported MMS organisations to articulate their post structure (organogram) in respect of occupations on the OFO. This was done by providing a methodology and supporting software to assist these organisations to find appropriate occupations. An OFO Guide was made available to MMS organisations.

Scarce skills within the mining and minerals sector

Scarce skills refer to those occupations in which there is a scarcity or shortage of qualified and experienced people. This scarcity can be current or anticipated in the future. It is usually due to the fact that people with these skills are either simply not available or they are available but they do not meet an organisation's employment criteria.

As part of its skills development research function, the MQA collects data from employers annually, focusing on scarce skill occupations. The information on scarce skills was obtained by analysing the results detailed in the scarce skills table of the WSPs-ATRs submitted for 2011-2012. The information therefore reflects the situation as experienced by employers at the end of June 2011.

Skills scarcities were indicated by 197 organisations in the sector. Table 3 indicates the numbers of people that employers put forward being needed per occupational group to fill existing vacancies that remained unfilled because of the skills shortage. As a result, a total of 3 444 people was reported to be necessary to address this issue, 2 143 more than in 2010. This translates to only 0.5% of total employment in the sector in 2011.



Artisans at work.

SCARCE SKILLS ACCORDING TO OCCUPATIONAL GROUP

OCCUPATIONAL GROUP	TOTAL EMPLOYMENT	VACANCIES	VACANCIES AS EMPLOYMENT %
Managers	17 643	185	1.0
Professionals	26 852	740	2.8
Technicians and Associate Professionals	70 254	442	0.6
Clerical Support Workers	27 299	40	0.1
Service and Sales Workers	7 125	7	0.1
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	34 315	947	2.8
Plant and Machine Operators and Assemblers	264 952	1 031	0.4
Elementary Occupations	172 699	52	0.0
Learners	7 611		
TOTAL	628 750	3 444	0.5

Table 3: Scarce skills according to occupational group: June 2011.

The occupational groups with the highest percentage of people required are professionals (2.8% of employment) and skilled agricultural, forestry, fishery, craft and related trades workers (2.8% of employment). This is followed by managers (1% of employment), technicians and associated professionals (0.6% of employment), plant machine operators and assemblers (0.4% of employment), clerical support workers and service and sales workers (0.1% of employment respectively).

In terms of the reason for the existence of scarce skills, employers indicated that just under half (48%) of current skills scarcity is due to their ''relative'' scarcity and the balance because of their ''absolute'' scarcity.

Occupations with 10 or more vacancies are considered noteworthy from a scarce skills perspective. In the managers category, engineering managers represented the highest percentage of people in short supply, followed by production / operations managers (mining), mineral resources managers, operations foreman and construction project managers.

In the professional category, the largest number of vacancies indicated was for geologists, followed by training and development professionals, surveyors, metallurgists, safety, health, environment and quality practitioners and mining engineers. In terms of technicians and professional associates, the largest number of vacancies was indicated for mining technicians followed by mechanical engineering technicians, draughts persons and physical science technicians. In the clerical support workers category, employers reported that vacancies exist for programme or project administrators.

In the group skilled agricultural, forestry, fishery, craft and related trades (wherein employees include artisans), the largest number of vacancies was for diesel mechanics followed by electricians, metal fabricators, riggers, automotive electricians, millwrights, fitter-welders, fitters and turners, mechatronic technicians, electronic instrument trade workers, industrial machinery mechanics, divers and stonemasons.

Finally, in the plant and machine operators and assemblers' category, the largest number of vacancies was for mobile mining equipment operators followed by fitters (general), dump truck operators (off-road), scraper operators, earthmoving plant operators (general), graders and dragline operators.

With just a few exceptions, shortages in these occupations have consistently been experienced by the sector over the past five years. Reasons for the difficulty to find candidates to fill the positions include the geographic location of the mine, the relative unattractiveness of the mining sector, and the difficulty in finding HDSAs for specific occupational groups in order to meet employment equity requirements.

The scarce skills list was submitted to the DHET by the deadline, as is required annually. The comprehensive list of scarce skills is available on the MQA website and Annexure 3 within the SSP.

MQA interventions to alleviate skills shortages

Since its inception, the MQA has deliberately intervened to alleviate skills shortages in the MMS. Table 2 provides interventions relating to occupations in which more than 20 positions require appointments.

MQA INTERVENTIONS TO ALLEVIATE SCARCE SKILLS IN 2011

OCCUPATIONAL CATEGORY	OCCUPATION	OFO CODE	LEVEL	SUPPLY-SIDE INTERVENTIONS
MANAGERS	Engineering Manager	132104	HET	Bursaries Workplace Experience Internships
	Production/Operations Manager (Mining)	132201	HET	
	Mineral Resources Manager	132202	HET	
PROFESSIONALS	Geologist	211401	HET	
	Geophysicist	211402	HET	
	Mechanical Engineer	214401	HET	
	Mining Engineer (excluding Petroleum)	214601	HET	
	Metallurgist	214605	HET	
	Electrical Engineer	215101	HET	
	Electronics Engineering Technologist	215202	HET	
	Surveyor	216502	HET	
TECHNICIANS AND ASSOCIATE PROFESSIONALS	Mining Technician	311701	HET	
SKILLED AGRICULTURAL, FORESTRY, FISHERY, CRAFT AND RELATED TRADES WORKERS	Fitter-Welder	651203	FET	Learnerships
	Rigger	651501	FET	
	Fitter and Turner	652302	FET	
	Diesel Mechanic	653102	FET	
	Electrician	671101	FET	
	Millwright	671202	FET	
	Mechatronics Technician	671203	FET	
	Electronic Instrument Trades Worker	672105	FET	
	Automotive Electrician	672106	FET	
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Electrician	721101	GET	Learnerships Workplace Experience Skills Programmes
	Fitter (General)	721101	GET	
	Mobile Mining Equipment Operator	733308	GET	
	Mobile Mining Equipment Operator	733308	GET	
	Dump Truck Operator (Off-road)	733313	GET	
	Scraper Operator	734210	GET	

Table 4: MQA interventions to alleviate scarce skills in 2011.

SECTOR SKILLS PLAN

In terms of the Skills Development Act 1998 (as amended in 2008), the MQA is required to develop a Sector Skills Plan (SSP) and submit it to the DHET, followed by the facilitation and monitoring of its implementation. Furthermore, the NSDS 3 states that the core responsibility of SETAs is to develop Sector Skills Plans. In addition, the SSP is required to guide skills development within the MMS.

The main purpose of the SSP, which covers skills development in the MMS over a five-year period is to:

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

An update of the SSP is undertaken annually by the MQA. The Board Standing Committee: Skills Research and Planning established an SSP Update Task Team to guide the development of the SSP Update and ensure stakeholder input. The main aim of the SSP Update done in the 2011-2012 financial year was to revise the content of the SSP, ensuring that it reflects the current situation in the MMS and the revised strategic plan for the five-year period 2012 to 2017.

Specific objectives of the update were to:

- Revise the statistical information presented in the SSP based on the most current research and information available.
- Adjust the SSP to provide for new government and sectoral policies and imperatives.
- Refine the current demand projection model to provide for projections at the occupational level.
- Develop a section in the SSP that reports on the progress of the MQA with regard to objectives and targets set out in the SSP.
- Prepare the scarce skills list for submission to DHET.

Following presentation of the SSP to the Board and receipt of their input, the SSP was approved and submitted to DHET by the deadline. The SSP for the MMS 2012 to 2017 is available on the MQA website.

RESEARCH PROJECTS

In addition to the research undertaken for the SSP Update, supplementary research projects undertaken in the financial year are summarised below. The MQA has commissioned a systematic annual analysis of the WSPs and ATRs every year since 2002 (available in individual reports annually). This allowed for the development of time series data on the profile of the sector and skills development initiatives in the sector. It also formed an important source of information for the development and the updating of the SSP.

WSP-ATR Analysis 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. Year 11 WSPs and Year 10 ATRs submitted by organisations in the MMS to the MQA.

The report profiles the MMS in terms of geographic location, size and composition of organisations, the workforce of the MMS in terms of population group, gender and educational levels as reflected in the mandatory grant submissions for Year 2011. It shows the scarce skills as reflected in the Year 11 WSPs as well as training priorities of organisations in the MMS as reflected in the WSPs, while describing training in the MMS as reflected in the ATRs of Year 10, and compares this data against the learner data in the MQA's MIS where possible.

Skills Development 11 year Trend Analysis

The report determines and analyses the changes that occurred in the MMS in terms of geographic location, size and composition of organisations that submitted WSPs and ATRs to the MQA over the 11-year-period. It also analyses changes in

the profile of the workforce of the MMS in terms of occupational groups, population group, gender and educational levels as well as analyses trends and changes in the training offered by organisations in the MMS over the 11-year-period.

Occupational Profiling and Skills Audit

The skills audit formed part of an extensive project encompassing occupational role profiling and submission of WSP-ATR source data, followed by the roll–out of the skills audit to participating organisations. As a result of occupational profiling done in the previous financial year, the MQA produced an occupational dictionary for the first time. The dictionary, which will be updated annually, contains MMS occupations that fall within the focus of this audit.

A stakeholder-based project team, consisting of DMR, organised labour and employers was established by the SRP Committee to guide the Skills Audit project, which was launched to organisations at the National SDF Forum on 24 August 2011. The project team met throughout the project to firstly revise the original methodology and secondly, to assist in conceptualising the MQA Skills Audit. The team was responsible to ensure that the intended benefits of the audit were achieved.

Overall, 59 organisations applied for participation in this project, with 45 organisations ultimately participating therein. Of the 45 organisations, 24 were large, seven were medium and 14 small. Seven capacity building sessions for skills audit project managers and team members in participating organisations were hosted by the MQA. Monitoring of progress and additional support was provided to participating organisations requiring it throughout the project

On completion, in addition to the feedback provided to all MMS organisations at the November 2011 SDF Forum, individual organisations received detailed reports as well as one session on how to interpret their reports and how to use their employee data to update internal records and their next WSP.

The Skills Audit was applauded as having been beneficial to participating organisations and the MQA has been requested to ensure that it receives increased participation in the future.



Employees discussing the WSP-ATR submission process

4.2 STANDARDS GENERATION

The Standards Generation Unit performs qualifications and competency standards design and development, artisan development and beneficiation functions for the jewellery fabrication value chain as per the approved beneficiation strategy.

MINING AND MINERALS SECTOR QUALIFICATIONS FRAMEWORK

The MQA has reviewed the qualifications framework for the mining and minerals sector in line with OFO Version 11. The qualifications within the framework are linked to the OFO and their associated occupations. This framework contains sector specific occupations and qualifications and guides the prioritisation of the design and development of qualifications. The MQA will further review this framework in line with OFO Version 12. A framework will be published within the next financial year.

STANDARDS GENERATION

In terms of standards generation, the current policy and legislative framework (which is in transition) is the NSB Regulations (1998), SAQA Act of 1995 and Skills Development Act of 1998, as amended in 2008. The MQA has submitted the following qualifications and unit standards to SAQA for registration on the NQF. These submissions will be registered as part of the transitional arrangements from SAQA to the QCTO:

- National Certificate: Mine Ventilation, NQF Level 2 – 5
- National Certificate: Small Scale Mining, NQF Level 3
- National Certificate: Mining Practices (Mine Overseer), NQF Level 5
- Unit Standards in Jewellery Manufacturing and Design
- Unit Standards in Shaft Sinking
- Unit Standards in Mine Rescue Services

INTRODUCTION TO THE QCTO QUALIFICATIONS DESIGN

The NQF Review was initiated in 2001 and completed in 2007. It investigated ways in which to improve the implementation of the NQF. There was a clear need for the different approaches and practices within the education, training and skills development system to be accommodated. The design of the NQF architecture followed a 'one-size-fits-all' approach and it became evident to all stakeholders that various kinds of learning in different contexts required different qualification types and quality-assurance models. The review revealed that although there was agreement on the NQF principles, not all of these were reflected in practice.

The Ministers of Education and Labour issued a joint policy statement in October 2007. This document outlined achievements to date and stressed the fact that South Africa's NQF is integrated and includes all sectors and levels of education. The NQF objectives have received widespread support, with awareness of the importance of outcomes-based education having been extensively promoted. These Ministers also responded to the challenges that had emerged by agreeing to make provision for the establishment of three Quality Councils (QCs) to manage three sub-frameworks. These were frameworks for Higher Education Qualifications, General and Further Education Qualifications and Occupational Qualifications. As a result, these sub-frameworks fall within a single National Qualifications Framework (NQF) and are managed in collaboration with the South African Qualifications Authority (SAQA).

This provides an opportunity to explore new ways of working together and to develop strong communities of trust. To formalise this, the Minister of Higher Education and Training has published the three QC qualifications sub-frameworks for public comment. The MQA has submitted its comment to the DHET on behalf of the sector.

New Legislation and QCTO Establishment

The Skills Development Act Amendment Act, 2008 established the Quality Council for Trades and Occupations (QCTO), which is mandated to coordinate learning towards occupational competence within South Africa's national learning system. The QCTO council has been legally established and is operational with two representatives from the mining industry. The Skills Development Act Amendment Act, 2008 facilitates the development of a demand-driven occupational learning system that will provide relevant occupational skills (especially in terms of workplace experience) and be less bureaucratic.

THE QCTO:

- Will ensure that learning programmes can be developed to address specific scarce and critical skills needs. The legislation also allows for different kinds of learnerships so that apprenticeships and internships can be accommodated and different learning routes selected.
- Recognises the need for all occupational learning to build on general knowledge and theory, and provides for linkages and partnerships with both public and private provider systems.
- Manages and coordinates the qualifications in the occupational qualifications framework in terms of their development, provision, assessment and impact.
- Scope will be the development and quality assurance of fit-for-purpose occupational qualifications and unit standards as required by the labour market for work and employment purposes.
- Will develop fit-for-purpose occupational qualifications that will be certified as National Occupational Qualifications or National Skills Awards. The awards will name the relevant occupation that the learner is now competent to practice. The focus of occupational qualifications will be the development of occupational competence which, in turn, contributes to increased employment rates and productivity. In order to fulfil its mandate, the QCTO is to cooperate closely with SAQA, other QCs and professional bodies.

To this end, the QCTO has published the following policies:

- QCTO Curriculum and Assessment Policy
- Policy on Delegation of Functions to Development Quality Partners (DQPs) and Assessment Quality Partners (AQPs)
- Step-by-Step User Guide towards signing a Service Level Agreement for the development of an occupational qualification.

QC to Delegation to DQPS

In terms Section 26I of the Skills Development Act (1998 as amended in 2008) and NQF Act, 2008, the QCTO has delegated the functions of qualification design and development to the MQA as a Development Quality Partner (DQP). The MQA is thereby required to supply the mining and minerals sector related occupational qualifications in accordance with QCTO requirements and by OFO Code. As mentioned previously, the OFO is a skills-based coded classification system of occupations that provides a common language when talking about occupations. The OFO informs the development of qualifications in the new Quality Council for Trades and Occupations (QCTO) and provides a useful basis for determining skills requirements.

The MQA as a DQP will supply qualifications supporting the occupations listed below:

Mining occupations supporting Government Certificates of Competency (GCCs):

- Miner: Underground Hardrock, 312102001
- Miner: Underground Coal, 312102002
- Miner: Surface Exacavations, 312102003
- Miner: Non-Blasted Operations, 312102004
- Miner: Explosives Manager, 312102005
- Mining Team Leader

Note:

Occupations for mining operators and drillers will be added in the 2012-2013 financial year.

- Shift Overseer (Shift Boss): Underground Hard Rock, 312102004
- Shift Overseer (Shift Boss): Underground Coal, 312102005
- Shift Overseer (Shift Boss): Surface Excavations, 312102006
- Mine Overseer: Underground Hard Rock, 312102001
- Mine Overseer: Underground Coal, 312102002
- Mine Overseer: Surface Excavations, 312102003

Note:

The Shift Boss occupation has not been regulated and made mandatory competency as yet by the MHSC.

Non-GCC mining occupation approved by the QCTO for development:

- Mine Rescue Service Worker, 541902

Mining technician stream including qualifications supporting the chamber of mines certificates of competency (CoC):

- Mine Surveyor and Mapper: Survey Officer: 216502001
- Mine Surveyor and Mapper: Junior Survey Officer: 216502002
- Mining Technician: Strata Control Officer: 311701001
- Mining Technician: Strata Control Officer: 311701002
- Mining Technician: Mine Ventilation Officer: 311701003
- Mining Technician: Mine Ventilation Officer: 311701004

Mining technician occupations which are non-Chamber of Mines CoC:

- Mine Planner and Designer: 312903004
- Geological Observer (pending) to be added in 2012-2013 financial year.

Mining health and safety occupations:

- Safety Professional/Advisor: 226302001
- Safety Office/ Practitioner: 226302002
- Safety Coordinator: 226302003
- Full-time Safety Representative: 226302004
- Workplace Safety Representative (Safety Steward): 226302001

Mine inspector occupation approved by QCTO for development:

- Mine Health and Safety Inspector: 311703

Engineering trades approved for development and for which an artisan qualification is required under QCTO:

- Automotive Motor Mechanic: 653101
- Diesel Mechanic: 653102
- Motorcycle and Scooter Mechanic: 653103
- Motor Mechanic-Small Engine Mechanic: 653104
- Diesel Fitter: 653304
- Earthmoving Equipment Mechanic: 653307
- Rigger: 651401

Note:

- The MQA is collaborating with other relevant DQPs for the design and development of other trades occupations relevant to the mining industry.
- The MQA is also collaborating with CHIETA with regard to the Laboratory Analyst occupation, which is relevant to the CLAS sub-sector.

Beneficiation trades occupations:

- Goldsmith: 661301
- Diamond and Gemstone Setter: 661302
- Jewellery Designer: 661301-004

Note:

- Horologist (Watchmaker) and Chainmaker occupations are pending QCTO approval.
- Diamond Cutter and Polisher will be added in the 2012-2013 financial year.

As at 31 March 2012, good progress had been achieved. The curriculum profile, outline and learning process design for the above occupations (with the exception of Rigger, Jewellery Setter, Designer, Gemstone Cutter and Polisher occupations) have been completed. The outstanding curriculum and assessment components will be finalised in the coming financial year. It is envisaged that the MQA will become the AQP for mining and safety-related occupations. Learner facilitators who have been identified are undergoing training.

The SGB Unit will submit new applications for other key occupations to be designed and developed into qualifications in the forthcoming financial year. These professions include Drillers, Operator, Crain Hoist Operator, Minerals Beneficiation Process Controller, Geological Observer, Metallurgy/Minerals Processing, Marine Mining (Production Supervisor, Minerals Process Machine Operator and Plant Hand), Instrument Mechanician, Horologist, Chainmaker as well as Diamond Cutter and Polisher.

QMS - QCTO QUALIFICATION DEVELOPMENT

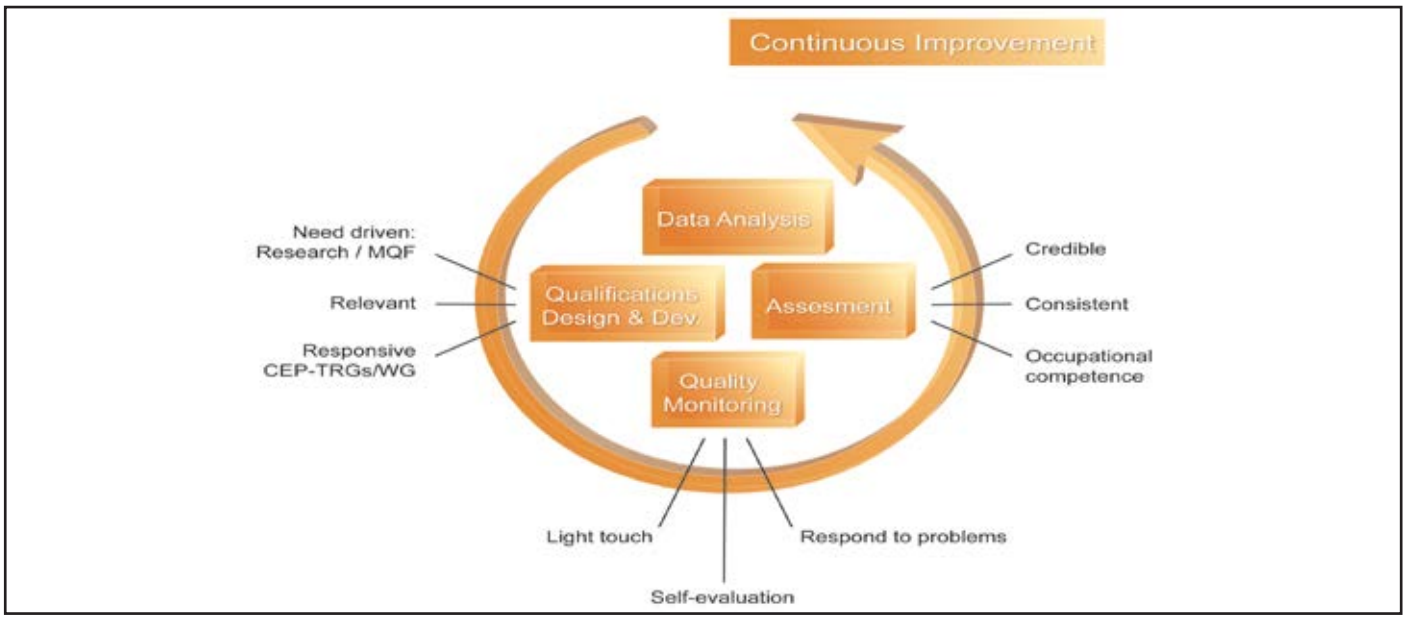


Figure 1: QMS - QCTO Qualification Development.

LEARNERSHIP DEVELOPMENT AND REGISTRATION

The SGB Unit has developed and registered the following learnerships with DHET:

LEARNERSHIP TITLE	DHET REG. NO	REG DATE	NQF Level	SAQA ID	STATUS
FETC: Mining Operations (underground Hardrock) Level 4	16Q160156311634	13/09/2011	4	74490	Registered
NC: Rock Engineering (Massive Mining) Level 3	16Q160155391363	13/09/2011	3	60369	Registered
NC: Rock Engineering (Surface Mining) Level 3	16Q160154391363	13/09/2011	3	60369	Registered
NC: Rock Engineering (Underground Coal Mining) Level 3	16Q160153391363	13/09/2011	3	60369	Registered
FETC: Surface Excavations (Blasted Route) Level 4	16Q160151261604	08/09/2011	4	74490	Registered
NC: Mineral Processing Mineral Sands (Engineering and Technology) Level 2	16Q160152291292	13/09/2011	2	59305	Registered
FETC: Strata Control Operations Level 4	16Q160148401654	18/08/2011	4	62796	Registered
FETC: Mining Operations- Surface Excavations (Non Blasted Route) Level 4	16Q160149291604	31/08/2011	4	74490	Registered

The following learnerships have been developed in the 2011-2012 financial year and will be registered in the new fiscal:

LEARNERSHIP TITLE	NQF LEVEL	SAQA ID	STATUS
NC: Lamproom Operations	3	78323	Not registered
FETC in Mining Operations: Underground Coal	3	74490	Not registered
FETC: Strata Control Rock Engineering	4	60369	Not registered
FETC: Exploration Geology	4	77963	Not registered
FETC: Mining Geology	4	77963	Not registered
NC: Mining Technical Support – Geology	3	65549	Not registered
NC: Mining Technical Support – Sampling	3	65549	Not registered
NC: Mining Technical Support - Survey	3	65549	Not registered
NC: Diamond Processing Advanced Fancy Stonemaker	5	78843	Not registered
NC: Diamond Processing Factory Supervisor	5	78843	Not registered
NC: Diamond Processing Advanced Brillianteer Original	5	78843	Not registered
NC: Diamond Processing Maintenance Supervisor	5	78843	Not registered
NC: Advanced Crossworking	5	78843	Not registered
NC: Rock Engineering (Hardrock Mining)	4	60369	Not registered

4.2.7 SKILLS PROGRAMMES DEVELOPMENT AND REGISTRATION

The SGB Committee has approved and registered the following:

NO.	NEW PROGRAMME IDENTITY		REVISED PROGRAMME TITLE
1.	MQA/SP/0133 /12	0134	Skills Programme in Lamproom Assistant
2.	MQA/SP/0134 /12	0135	Skills Programme in Lamproom Gas Bay Attendant
3.	MQA/SP/0135 /12	0136	Skills Programme in Lamproom Equipment Repairer
4.	MQA/SP/0136 /12	0137	Skills Programme in Lamproom Shift Leader
5.	MQA/SP/0137 /12	0138	Skills Programme in Gold Leaching
6.	MQA/SP/0138 /12	0139	Skills Programme in PGM Separation Process Operations

The following Skills Programmes have been developed and will be registered in the 2012-2013 financial year:

NO.	PROGRAMME TITLE
1.	Preparation of Samples and Instrumental Analysis
2.	Sample Preparation and Precious Metals Collection by means of a Robotic Process
3.	Safety Officer – SHE Management Systems

Learning Material Development

The MQA learning material initiative has been executed in collaboration with the Chamber of Mines. The initiative has focused on the development of learning packs that support registered mining and minerals sector registered standards, as well as the development of Rock Engineering learning materials that support Higher Education Institutions offering Rock Engineering programmes.

Since its inception, the MQA has developed a total of 1 505 learning packs, which have all been approved. These learning packs serve as a benchmark and minimum standard for the provisioning of the standards within the sector. A total of 186 learning packs were approved during the 2011-2012 financial year. A further 16 learning packs are on track for approval over the next year.

The MQA has supported the National Institute for the Deaf (NID) to customise and particularise jewellery manufacturing and design learning packs to suit learners with special needs. To this end, NID has customised Level 2 learning packs for deaf learners registered on the MQA Jewellery Manufacturing and Design Learnerships, Level 2.

DEVELOPMENT OF ROCK ENGINEERING LEARNING MATERIALS

The Rock Engineering Task Team oversaw the development of this set of learning materials, developed for Level 7 Rock Engineering criteria. The MQA took the decision to develop these learning materials due to the shortage of Rock Engineers in the mining industry.

The MQA will host the learning materials on its website and will make such materials available to the public and accredited providers. Ownership of the intellectual material remains with the MQA. In the event of tertiary institutions making use of training providers to conduct the training, those training providers should be accredited prior to gaining access to this learning material. The MQA will collaborate with the South African National Institute of Rock Engineering (SANIRE) with regard to the distribution and usage of Rock Engineering learner materials.

STANDARDS GENERATION SPECIAL PROJECTS

• Community Training in Mining

The MQA Board approved a Community Training in Mining Project during the financial year 2011-2012. The introduction thereof will assist mining communities to understand the new minerals regime in South Africa. Project scoping has been completed. In the new financial year, the MQA will appoint a service provider to conduct a needs analysis for the programme as well as to develop an appropriate programme linked to a relevant registered or recognised existing qualification.

• Classification of Mines

Legislation requires the appointment of a range of competent persons under the Mine Health and Safety Act 29 of 1996 as amended and Regulations. The said legislation compels employers to appoint, amongst others, a manager where required or a Certificated Engineer at operating mines. The appropriateness of the Certificates of Competency as they apply to mines other than large underground or fiery mines needs to be investigated. In an attempt to define the appropriate competency standards for different classes of mines, the MQA Standards Generating Body (SGB) for Mining and Minerals tasked the Classification of Mines' Task Team (CoMTT) to develop an appropriate Classification-of-Mines. The CoMTT concluded that the most appropriate means of classifying mines would be to adopt a "Model" based on occupational health and safety related hazards and concomitant risks.

The risk-based Classification of Mines is intended to:

- Identify appropriate competency standards for persons appointed in terms of the MHSA and Regulations.
- Advise the DMR with regard to the frequency of inspections required, in terms of the relevant information and based on the risk profile of a specific operation.

The methodology adopted by the CoMTT has been as follows:

- Identify and cluster generic occupational health and safety related hazards.
- Determine/assess the associated OHS-related risks leveraging the said OHS-related hazards and proposed risk assessment matrix.
- Evaluate the model based on responses received and propose a Classification-of-Mines.

The proposed risk-based model was tested for its validity and appropriateness for different types of mining operations with perceived different "risk profiles". The levels of risk were also compared against published occupational health and safety statistics.

Preliminary findings are yet to be confirmed by mining companies, after which the CoMTT will request endorsement from the SGB Committee and approval from the Board.

CLAS SUPPORT

The MQA has signed a MoU with ASPASA for programme development activities supporting the CLAS sub-sector. The qualifications framework for the CLAS sub-sector has been developed and the sub-sector has been participating in the development of QCTO surface mining related qualifications. New beneficiation qualifications within the CLAS sub-sector are envisaged for development in the 2012-2013 financial year.

CERTIFICATED ENGINEER/MANAGER

The MQA has planned for the development of Certificated Engineer/Manager programmes, aligned to the registered National Certificate: Certificated Engineering, NQF Level 7. The MQA has established a Steering Committee and a programme development working groups that will resume delivery in this regard in the new financial year.

ROCKBREAKER TASK TEAM

The MQA has established the Rockbreaker Task Team to execute the following specific activities and desired outcomes:

OPTION 1: Reverting back to the Blasting Certificate

Provide advice with regard to the practicability and implications associated with the option of reverting back to the Blasting Certificate.

OPTION 2: Maintaining or improving the status quo

Should conclusions based on the information obtained not consider Option 1, the task team must investigate, report and advise in this regard, covering issues as they pertain to the implementation of the:

- L2 National Certificate in Mining Operations Under ground Hardrock (Fundamentals at ABET Level 3)
- L3 National Certificate in Rockbreaking Underground Hardrock (Fundamentals at ABET Level 4)
- L3 National Certificate in Rockbreaking Underground Coal (Fundamentals at NQF Level 3)
- L3 National Certificate in Rockbreaking Surface Excavations (Fundamentals at NQF Level 3) which are registered on the NQF

Access to the L3 Rockbreaker Qualifications

(a) Explore the relationship between literacy and occupational health and safety in the South African mining and mineral sector (SAM & MS) and prepare an appropriate report.

(b) Consider the appropriateness of the access criteria for the Rockbreaker Qualifications.

(c) Consider the appropriateness of the fundamental components for all of the Rockbreaker Qualifications.

(d) Consider the implications of bringing the access requirements for the Level 3 Rockbreaker Qualifications, which is currently at ABET Level 4, in line with NQF Level 3

(NOTE: labour's perceived problems with"entry requirements" and "changing the goalposts").

(e) Consider prevailing legislation and 'design criteria' for qualifications registered on the NQF.

(f) Consider the implications of both vertical and horizontal articulation with other mining or mining-related qualifications registered on the NQF.

Training Programme Duration

(a) Consider what has changed in terms of the duration of training periods as it pertains to both the Blasting Certificate and the Rockbreaker Qualifications.

Implementation of the Rockbreaker qualifications in the SAM & MS

(a) Source the 'Rockbreaker Blitz Audit Reports for the companies that participated in the 'Pilot Audits', evaluating the outcomes of these audits, making comparisons and generating a report.

(b) Undertake visits to mines on a needs-driven basis to source information where necessary.

Possible Implications for the Envisaged QCTO.

Compliant Qualifications

(a) Consider the ramifications of the QCTO process in the design and development of miner and team leader qualifications:

  i. How will the current scenario ("status quo") affect or be affected by the QCTO requirements?

  ii. How will any findings that may require change to the current dispensation affect the QCTO requirements?

(b) Consider the implications contained in the Government Gazette No. 34883 (23 December 2011) which deals with the three proposed qualifications sub-frameworks namely:

  i. General and Further Education and Training

  ii. Higher Education

  iii. Trades and Occupations

GCC EXAMINATION ANALYSIS – A SURVEY ON POOR RESULTS FOR CERTIFICATES OF COMPETENCY

The Mine Health Safety Act, of 1996 as amended, continues to enforce a statutory requirement for all mines in South Africa to ensure that they appoint competent persons to manage health and safety risks in the workplace.

In support of this requirement, the DMR continues to control the issuing of Certificates of Competency for specific mining-related qualifications such as Engineers (Mechanical and Electrical), Mine Managers (Coal and Metaliferous), Mine Surveyors and Mine Overseers.

The mining industry also has a skills shortage in the area of Rock Engineering and Mine Environmental Control practices. These two Certificates of Competency are administered by the Chamber of Mines (CoM). The two examination processes for the DMR and CoM need to be synchronised to ensure alignment in terms of their assessment and moderation principles and approaches.

Learners entering the GCC are either developing from the rank of the occupation in industry or come from Higher Education institutions. Both these learners do not perform at the same level in the examinations for the GCC. National and International comparability for Certificates of Competency, both in terms of administration and coordination needs to be conducted in this survey. This comparability extends to other relevant occupations which has implications for Licence to Practice (LtP) or registration with relevant professional bodies.

Recent results of examinations for these GCCs have shown a marked decline in the pass rate, resulting in cause for concern since there is a legislative requirement for competent persons to be appointed at mines to ensure the maintenance of high standards of health and safety in the workplace.

The Mining Charter compels mining companies to appoint 40% of Historically Disadvantaged South Africans at both middle and senior management levels. It is thus critical that there is a sufficient number of people with the relevant Certificate of Competency for appointment in the mining and minerals sector.

A further development in February 2010 was the establishment of the Quality Council for Trades and Occupations (QCTO) that quality assures all occupationally-based learning in South Africa, inclusive of workplace learning components for the Government Certificates of Competency.

A new Certificate of Competency model aligned to the NQF Act, 2008 needs to be developed for the mining industry. The scope of the investigation will be limited to the following Certificates of Competency currently issued by the DMR and CoM in terms of the requirements of the MHSA:

- GCC: Mine Manager (Metalliferous Mines)
- GCC: Mine Manager (Coal Mines)
- GCC: Mine Engineer (Mechanical Engineering)
- GCC: Mine Engineer (Electrical Engineering)
- GCC: Mine Surveyor
- GCC: Mine Overseer
- CoM Certificate of Competency: Mine Environmental Control/Occupational Hygiene
- CoM Certificate of Competency: Rock Engineering/ Strata Control

The investigation includes the development of the new Certificate of Competency model for the mining industry.

CTH Legislative Framework Governing GCCs

The MQA has requested that CTH review the statutory framework governing the government certificates of competency under the Mine Health and Safety Act, 1996, compare local practice and jurisdiction with global practices and jurisdictions, analyse the strengths and weaknesses of the current framework and recommend improvements. It was also put forward that the CTH develop recommendations on how to improve the control and management of certificates of competency that will result in life-long learning.

The organisation intends to conclude the recommendations of this report after consideration of the proposed regulations for Identification of Engineering Work by the Council for Built Environments. The MQA is planning on hosting two workshops with key stakeholders in the new financial year to conclude the report by CTH on the Legislative Framework governing the GCCs in the Republic.

Rock Engineering Initiative

"One of the persistent challenges in the Rock Engineering field is the shortage of qualified practitioners" – Excerpt taken from article: **"Shortage of Rock Engineers a problem"** published in the Mining News, 3 May 2012. The MQA and DMR have initiated a process to resume a focus on initiatives in the Rock Engineering area and how sufficiently skills shortages are being addressed in this area.

ARTISAN DEVELOPMENT

There continues to be a need for qualified artisans to support and grow the South African economy. The national performance outcomes of government; the HRD Strategy for South Africa, NSDS 3, Industrial Policy Action Plan, the New Growth Path and the National Skills Accord for Economic Development all

make reference to the need for qualified artisans.

The National Artisan Development Programme, which includes all components of artisan development and is driven by social partners, is critical for the economy. The Artisan and Technician Development Technical Task Team is a stakeholder representative body established by the HRDC. This team has included registration, support and development of as many quality artisan learners as possible in its Workplan as a key priority. Existing challenges include the following:

Realistic target setting for new artisan learners in 2011- 2012 financial year

Across all SETAs, state-owned enterprises and government, the consolidated target for new artisan learners was 26 470 for this financial year. This target was tabled at the ADT-TT during discussions held at NEDLAC in June/July 2011. Following these discussions, the National Skills Accord was signed by business, organised labour, community and government on 13 July 2011.

The primary commitment of the National Skills Accord requires employers and SETAs to register 30 000 new artisan learners between 1 April 2011 to 31 March 2012 and 10 000 qualified artisan learners over the same period. Secondly, it aims to improve the pass rate of artisans from 46% to 60% in 2014.

The certification target of 10 000 artisan learners was exceeded as at 31 March 2012. A total of 13 168 artisan learners were certified across sectors by this date.

The target of 30 000 registered artisan learners was not achieved. As at 31 March 2012, SETAs had registered 24 378 new artisan learners, 5 622 learners short of the target.



Artisan learner at work.

MQA PERFORMANCE AGAINST THE ARTISAN TARGETS

TOTAL ARTISAN LEARNERS REGISTERED BETWEEN 1 APRIL 2011-31 MARCH 2012		
OFO CODE	**TRADE**	**NUMBER REGISTERED**
671202	Millwright	115
672105	Instrumentation Mechanician	162
651501	Rigger	78
653303	Fitting including machining	255
651202	Plater / Welder	174
651302	Plater Boilermaker	135
652302	Fitter & Turner	343
653306	Diesel Mechanics	289
671101	Electrician	713
671101	Autotronics / Auto-Electrician	16
671602	Electro Mechanics	1
	TOTAL	**2 281**

TOTAL ARTISAN LEARNERS CERTIFIED BETWEEN 1 APRIL 2011-31 MARCH 2012

TOTAL ARTISAN LEARNERS REGISTERED BETWEEN 1 APRIL 2011-31 MARCH 2012		
OFO CODE	**TRADE**	**NUMBER CERTIFIED**
671202	Millwright	199
672105	Instrumentation Mechanician	105
651501	Rigger	34
653303	Fitting including machining	300
651202	Plater / Welder	116
651302	Plater Boilermaker	67
652302	Fitter & Turner-opencast	60
653306	Diesel Mechanics	175
671101	Electrician	444
671101	Autotronics	0
671602	Electro Mechanics	0
	TOTAL	**1 500**

Six key initiatives have been proposed by the DHET to resolve the target setting and under achievement problem for registration of new learners:

1. **Establishing a SETA/Sector Mini Team:**
   For workplace capacity evaluation, target setting and monitoring.
2. **Funding for artisan learners:**
   Proposals for increasing the artisan grants from the current R30 000 to R41 200 annually per learner for three years have been put forward.
3. **A sustainable RPL model for artisan development:**
   To supplement the number of persons trained as artisans through Artisan Learnership Programmes, which includes the upskilling of artisan aides and operatives to qualify as artisans through an appropriate process.
4. **Formal publication in the Gazette:**
   Of the number of occupations described in the OFO Version 12 as trades.
5. **Establishment of a single national artisan database:**
   For the tracking of all artisan learner data.
6. **Improved regulatory environment:**
   Through new, simplified and improved regulations for artisan training, artisan learning programme and trade testing.

During this fiscal, the MQA implemented the following Artisan Development Projects:

- **MQA/UIF Artisan Development Project**
  A partnership with the Unemployment Insurance Fund to facilitate and support the registration of 1 000 artisan learners on the MQA Artisan Programmes. The project requires that 70% of the learners are UIF contributors/ retrenched and 30% are unemployed learners. As at 31 March 2012, MQA has registered a total of 190 UIF contributors within its programmes.

- **MQA/NSF2 Artisan Development Project**
  To support a total of 1 000 registered unemployed artisan learners with grants.

- **MQA-Artisan Development Project, Employed**
  To facilitate and support a total of 1 000 employed artisan learners with grants. This project included a RPL pilot project for artisan aides with five selected mining companies. A total of 796 employed learners had been registered as at 31 March 2012.

- **MQA/Mpumalanga Artisan Development Project**
  A partnership between the MQA, Department of Labour and Nkangala FET College in Mpumalanga Province to facilitate and register a total of 440 unemployed learners on N2 engineering and MQA Artisan Programmes. A total of 316 learners had been

registered on N2 Engineering Programmes as at 31 March 2012. These learners continue to require support from their employers to provide the requisite workplace training.

BENEFICIATION – JEWELLERY FABRICATION

The MQA has signed a MoU with the Jewellery Council of South Africa during this financial year. A Beneficiation Sub-committee has been established and it reports to the Learning Committee. The Subcommittee advises the Committee on beneficiation activities in line with the approved beneficiation strategy.

Members of the Beneficiation Subcommittee include the DMR, State Diamond Trader, SA Precious Metals Regulator, Jewellery Council of South Africa, Diamond Council of South Africa, Diamond Transformation Forum of South Africa, Labour for Diamond (UASA) and Jewellery Subsectors (Jewellery Union).

The MQA further participates in the National Beneficiation Committee established by the DMR to give effect to the South African beneficiation strategy approved by Cabinet. Two MQA officials have been nominated to participate in this Committee.



Learners at an Artisan Graduation Ceremony.

4.3 LEARNING PROGRAMMES

The core function of the Learning Programmes (LP) Unit at the MQA is to:

- Facilitate and support the delivery of learning.
- Marketing the placement and registration of learners on the MQA Management Information System (MIS).
- Assist the MQA levy-paying companies by providing discretionary grants, and
- Managing and conducting learner site verification for the following key learning programmes:
    - Non-artisan learnerships
    - Non-artisan disability learnerships
    - Adult Basic Education and Training (ABET)
    - ABET Practitioner Career Development Project
    - Foundational Learning Competency (FLC)
    - Occupational Health and Safety Representative Development (OHS)
    - Mining Environmental Control Management (new project for 2012-2013)

The process of implementing learning programmes within the sector commences with the MQA levy-paying companies applying for discretionary grants for the financial year. Should the MQA Learning Programmes Unit approve the application, the company will start recruiting, selecting and appointing learners who meet the minimum criteria for a particular programme. A Service Level Agreement is then signed between the company and the accredited training provider for the delivery of training. The learner will be placed in a learning programme within the MQA levy-paying company, including companies that are exempt from paying a levy.

This unit performs additional functions such as monthly disbursement of grants for the learning programmes, assisting companies and accredited providers by training them on the MQA Management Information System (MQA-I-Share) and assisting with queries related to learning programmes including cancellations, transfers and changes on a learning programmes agreement.

NON-ARTISAN LEARNERSHIPS

The objective is to enrol learners in core non-artisan learnerships within the mining and minerals sector.

Highlights

The MQA conducted engagement workshops to provide capacity to companies that were allocated grants on the new approved grant rules. The workshops also presented criteria on how to implement the programme. They were held in:

- Gauteng
- North West
- Limpopo
- Mpumalanga
- Northern Cape

Achievements

To date the MQA has registered 3 067 employed learners and 2 487 unemployed learners for non–artisans learnerships. The table below details the completion rates achieved by these learners.

NON-ARTISAN PROGRAMME FOR EMPLOYED LEARNERS

Non-Artisan Learnership Programme - Employed learners		
Registered learners	Target	Actual achievement
	600	1 911
Completed Learnerships	Target	Actual achievement
	420	1 244
Non-Artisan Learnership Programme - Unemployed learners		
Registered learners	Target	Actual achievement
	600	1 156
Completed Learnerships	Target	Actual achievement
	420	1 243

Table 1: Non-Artisan Learnership Programme-Employed learners.

Challenges

The following challenges have been experienced in terms of the implementation of these learnerships:

- Participating companies do not submit the learning programmes on time to the MQA.

Learnership Grant Recovery

The following grant recoveries remain outstanding:

- Glitterati Learnership recovery of R133 000. The matter was handed over to MQA lawyers.
- African Minerals College recovery of R644 000. A letter was reissued to the company. The matter is due to be handed over to MQA lawyers.

NON-ARTISANS DISABILITY LEARNERSHIPS

The objective of the disability project is to ensure the inclusion of people with disabilities in skills development programmes. The focus is on:

- Learners with disabilities in historically disadvantaged communities
- Learners with disabilities who reside in close proximity to mining and minerals sector operations
- People with disabilities already employed in the mining and mineral sector
- People with disabilities in various institutions including FETs and universities who aspire to pursue careers in the mining and minerals sector

Highlights

The MQA plans to conduct capacity building sessions for all companies willing to participate within its Non-Artisan Disability Learnerships. The focus will be on the processes, particularly in terms of how to implement learning programmes, as well as internal processes and plans for the period 2012-2013.

There are employers who have applied for grants and would like to train their learners in soft skills that are part of the MQA Qualification Matrix. This process will mirror that of the Non-Artisans Learnerships. The Learning Programmes team has planned to identify and visit major employers within the sector. This unit has also submitted a motivation for other SETAs learning programmes to be considered, specifically those considered to be soft in nature so that people with disabilities can be accommodated in line with the qualifications matrix. The reason behind this motivation has been to attract participation by core employers within the sector.

Achievements

Total number of learners registered	29
Total number of terminations	2
Completions	8
Total number of learners still in training	27

Table 2: Non-Artisan learners with disabilities.

Challenges

It is often difficult to achieve the disability target set, primarily due to the nature of the sector as very few individuals can be employed and those that are successful, can only be employed in administrative and clerical positions. None of these learners can be accommodated in underground operations such as Underground Hard Rock and Underground Coal Mines. To address this, people with disabilities will be trained in other SETAs' qualifications which are non mining-related, but that remain fundamentally for the benefit of disabled people within the mining sector.

Budget

An budget of R2 000 000 was allocated to learners with disabilties in 2011-2012, however only R 718 000 could be disbursed due to the slow uptake of learners. By 31 March 2012, an amount of R1 282 000 remained available for disbursement.

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 skills development initiatives. In this regard, the objective has been to present employers and employees with incentives

to participate in ABET training in order, to progressively increase inherent literacy levels in the sector.

Highlights

Based on the ABET symposium held in September 2010, the primary issue raised by stakeholders was the Quality of ABET within the mining and mineral sector. Further issues that were raised as challenges for the MQA to address were:

- Quality of the teachers
- Learning materials upgraded and formalised
- Promote the external assessments based on these raised challenges. The MQA and ABET Project Task Team worked together to put forward the following rules, together with a project (MQA -043, ABET Practitioner Career Progression) to address the issues.
- The new rules implemented require the standardisation of ABET Level 1-4 in the sector. The ABET Project Task Team recommended to the Learning Programmes Committee that all the learners in ABET Levels 1-4 within the sector must be externally assessed with the following accredited recognised South African external assessment centres:
  - Independent Examination Board (IEB)
  - Department of Education (DoE)
  - Benchmark

It is envisaged that significant benefits will be gained through external assessment/examination. These could include the following:

- The MQA and ABET Project Task team would determine the standard of ABET levels in the sector.
- Learners would be motivated to learn and achieve the ABET qualification because the external assessment is recognised nationally.

New rules and criteria were developed for the implementation of ABET Level 1-4 including the GETC NQF Level 1, as part of the funding policy for 2012-2013.The MQA plans to conduct capacity building for all the companies that will be training learners on ABET 1-4 and including the GETC NQF L1 2012-2013.

Achievements

The MQA annual target for registration of ABET learners was 8 800 (inclusive of all levels) and the annual completion target of ABET learners was 4 400 (inclusive of all levels). The following tables present a breakdown per level of the MQA registrations and qualification completions against the ABET targets for the 2010-2011 financial year.

Challenges

Two challenges were experienced during this year, both of which were administrative. Firstly, supporting documents (certified copies of ID document and certified copies of the certificate or statement of results) were often not submitted to the MQA, thus causing a delay in terms of the payment of ABET grants. Secondly, participating companies often overlooked capturing the learners on MQA-I-Share. As a result, data sets were based on incorrect statistics regarding literacy in the mining and minerals sector.



ABET learners in training.

ABET REGISTRATIONS AND COMPLETIONS

	PROGRAMME	TARGET	ACTUAL ACHIEVEMENT
ABET 1-4 Registrations	ABET 1	3 000	2 386
	ABET 2	3 000	1 943
	ABET 3	2 000	1 682
	ABET 4	800	1 645
Total ABET Learner Registrations for 2011-2012		8 800	7 656
ABET 1-4 Completions	ABET 1	1 500	773
	ABET 2	1 500	553
	ABET 3	1 000	611
	ABET 4	400	405
Total ABET Learner Completions for 2011-2012		4 400	2 342

Table 3: ABET Registrations and Completions.

ABET PRACTITIONER CAREER PROGRESSION

The objective of this skills development programme is to upskill ABET practitioners, to enable career progression and improve the quality of ABET learning. This in turn increases the levels of literacy and numeracy within the sector.

Highlights

Terms of reference for the appointed service provider were approved and as a result, training of 100 ABET practitioners is on track for 2012-2013.

Challenges

The Learning Programmes unit withdrew the implementation of the ABET Practitioner Career Development Programme for 2011-2012. The reasons for the withdrawal of the tender were cost related. The MQA had approved the budget of R600 000 for this project, however the service providers quoted in excess of this budget amount.

Foundational Learning Competency (FLC)

The objective of this Skills Development Programme was to support employers in enrolling learners on FLC training and to progressively increase sectoral literacy levels. This project will start in earnest in the forthcoming financial year.

Challenges

This project was not implemented during the financial year. Eleven companies were approved for grant allocations, however the companies that attended the meeting indicated that their learner uptake would resume only in January 2012. As a result, the first assessment would only take place in April or May. Based on this, the FLC budget required revision. The budget was revised to R180 000 to accommodate 36 learners. These learners were assessed and only nine have been found to be competent to continue with the project.

OCCUPATIONAL HEALTH SAFETY AND DEVELOPMENT REPRESENTATIVE PROJECT (OHS)

The objective of the Occupational Health and Safety (OHS) project was to train 40 000 OHS Representatives over a period of five years, in line with the Mine Health and Safety Tripartite Leadership Summit agreement signed in September 2008. The MQA Board approved a budget to support companies who would be sending their employees for training on the OHS programme.

The MQA Learning Programmes unit will support a total of 10 000 safety representatives and shop stewards on an annual basis.

Highlights

The MQA will continue to support growth of the mining and minerals sector through the training of learners on the OHS project. We remain committed to assisting with project funding for 2012-2013. The MQA Board approved that the OHS grant be should be paid directly to MQA levy paying companies as opposed to accredited training providers. The MQA Board also approved the proposed budget for 2011-2012 and reduced payment per learner from R5 000 to R2 500 to be paid on completion of the 10 days skills programme directly.

The MQA continued to partner with the mining companies to increase the uptake of learners on this project and ongoing engagements continued with the Mine Health and Safety Council to fast track the process of implementation. Moving forward, a dedicated official will be designated to manage the OHS training inclusive of the targets of the Tripartite Leadership Summit Agreement.

Achievements

The total number of learners registered and funded for completing the OHS Representative Development programme:

OHS REGISTRATIONS AND COMPLETIONS

2009-2010 TARGET WAS 10 000	Number of Learners
Registered	5 575
Completed	4 526
2010-2011 TARGET WAS 10 000	
Registered	3 847
Completed	3 832
2011-2012 TARGET WAS 10 000	
Registered	3 062
Completed	3 062
Total Registered 9 422 Total Competent 11 420	

Table 4: OHS Registrations and Completions

The MQA will be opening a second funding window to deal with the OHS shortfall resulting from the zero take up of learners by allocated companies. This will assist to stabilise the numbers, making them compatible with what is expected as per the Mine Health and Safety Tripartite Leadership Summit Agreement.

Challenges

- Moving into its fourth year of implementation in 2012-2013, the MQA has not reached the target set for this project, in line with the Mine Health and Safety Tripartite Leadership Summit Agreement, namely, that it will support 10 000 learners on an annual basis.
- Most of the companies allocated with a grant for OHS could not claim the grant from the MQA because they did not capture the information on MQA-I-Share, hence the LP unit could not spend all the funds allocated for OHS.

SKILLS PROGRAMMES

The MQA LP Unit continued to support other skills programmes, for which 22 268 learners have been registered and 24 964 learners have completed programmes for employed (18.1) and unemployed for (18.2) learners.

SKILLS PROGRAMMES REGISTRATIONS AND COMPLETIONS

SKILLS PROGRAMMES (18.1) - REGISTERED			
Target	19 340	Actual achievement	22 268

SKILLS PROGRAMMES (18.1) - COMPLETED			
Target	14 900	Actual achievement	24 964

Table 5: Skills Programmes Registrations and Completions (18.1)

The MQA LP Unit continued to support other skills programmes, for which 4 156 unemployed learners have been registered and 10 570 unemployed learners have completed programmes to date.

SKILLS PROGRAMMES - UNEMPLOYED LEARNERS (18.2)		
Skills Programmes Registered	Target	Actual achievement
	2 000	4 156
Skills Programmes Completed	Target	Actual achievement
	2 000	10 570

Table 6: Skills Programmes Registrations and Completions (18.2).

Challenges

The accredited training providers did not understand the new process of capturing the required supporting documentation and the uploading of the signed Skills Programmes Agreement on MQA-I-Share. This had a substantial impact on the figures submitted to the DHET, hence the MQA was required to introduce a new system whereby all accredited training providers upload the supporting documents and also upload a signed agreement for future verification.

INTERNATIONAL LITERACY DAY

The objective of this day is to support the annual International Literacy Week with events and activities that demonstrate the MQA's commitment to the eradication of illiteracy in South Africa. The MQA celebrated International Literacy Day on 10 September 2011 in Welkom. The event was a remarkable achievement for the MQA in that it assisted ABET learners to showcase the skills, knowledge, values and attitudes that they had acquired during their training and to indicate career progress made as a result of ABET training. The event was hosted by Harmony in the Free State and will continue to be an annual event for the MQA.

Contribution of participating companies towards the event:

MQA	:	R 600 000
Harmony	:	R 200 000
Free State DoE	:	R 30 000
Gold Fields	:	R 35 000

4.4 PROJECTS

The Projects Unit in the MQA was responsible for managing the projects detailed within this section during the 2011-2012 financial year.

LECTURER SUPPORT

This programme focused on assisting the mining and minerals departments of seven Universities to achieve employment equity and transformation targets amongst lecturing staff. For this financial year, a total of 19 lecturers were appointed to lecture in the Mining, Geology and Mine Survey departments of the participating universities, as follows:

- University of South Africa: one lecturer
- University of the Witwatersrand: six lecturers
- University of Johannesburg: four lecturers
- University of Vhenda: two lecturers
- University of Fort Hare: two lecturers
- Rhodes University: two lecturers
- University of Pretoria: two lecturers

BURSARIES

This ongoing project aims at creating a pool of qualified graduates, putting them in a position to pursue careers within the sector, in support of the Mining Charter and NSDS 3.

The Bursary Scheme, which is funded through the MQA discretionary budget, has assisted 907 bursars (target 500) from HET institutions. During this year, a total of 81 bursary students, which exceeded the target of 60, successfully completed their studies.

WORK EXPERIENCE

The MQA assisted learners to obtain university qualifications by enabling them to gain the required practical work experience. During the year, a total of 537 students (target 300) were placed with 18 mining companies to gain workplace experiential training. This number included 77 learners who were assisted with vacation work placements during December 2011 and January 2012. A total of 1 444 students received assistance with bursaries and work experience in the 2011-2012 financial year.

BURSARIES AND WORK EXPERIENCE LEARNERS

No	Critical and Scarce skills	Total 2011-2012	Studying 2011-2012	Work Experience
1	Analytical Chemistry	14	4	10
2	Chemical Engineering	131	100	31
3	Electrical Engineering	159	114	45
4	Electro-Mechanical Engineering	-	-	-
5	Extraction Metallurgy	47	47	-
6	Geology	129	109	20
7	Industrial Engineering	8	8	-
8	Jewellery Design	38	38	-
9	Mechanical Engineering	204	111	93
10	Metallurgical Engineering	161	70	91
11	Mine Survey	135	95	40
12	Mining Engineering	393	209	184
13	Instrumentation	16	-	16
14	Civil Engineering	7	-	7
15	Chemistry	1	1	-
16	Environmental Science	1	1	-
	TOTAL	**1444**	**907**	**537**

Table 1 : Bursaries and Work Experience Learners.

SMALL SCALE MINERS SKILLS DEVELOPMENT SUPPORT

This project is comprised of two parts, namely Small-Scale Mining and the SME Training Voucher scheme.

Small-Scale Mining

The focus of this project is on training and capacity building of small-scale miners (SMEs). Through this project 200 learners, including women in mining, received small-scale mining technical training across all nine South African provinces. The training providers appointed were Siyemba and Blue Nightingale. Learners were primarily trained using the Underground Hardrock Skills Programme. The learners were also assisted with mentoring and coaching to ensure that their businesses are sustainable. Of these 200 small-scale miners, 70 were CBOs, NLPEs and co-ops.

SME Training Voucher Scheme

The SME Training Voucher programme focuses on increasing the number of small BEE firms, BEE co-operatives, NGOs, CBOs, NLPEs including youth in energy to ensure that they are receiving skills development support. Progress is measured through annual surveys of BEE firms and co-operatives within the sector. This project was concluded in the 2010-2011 financial year however there were 53 learners that the MQA had already made a commitment to assist with training under the voucher. The learners were comprised of youth in energy, therefore they received training in electrical engineering and computer training, provided by Watersrand College.

RETRENCHED EMPLOYEE SKILLS DEVELOPMENT SUPPORT

The aim of the project is to facilitate and support the registration of retrenched employees through skills development initiatives. This project assisted 50 retrenched people from mining companies to register for carpentry training in the North West Province. This training, provided by LEPS Training and Consultants, assisted these retrenched employees to acquire skills that could assist them in earning a living.

MINE INSPECTOR TRAINING

This project contributed to the strengthening of mine health and safety by developing 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 the year, 100 employees from the regional offices of the DMR received training. Wits, CSMI (Centre For Sustainability in Mining Industry) was appointed by the MQA to conduct the training.

INTERNSHIPS

This annual project aims at providing structured two-year work experience to young unemployed graduates from HET institutions, to complement qualifications in the scarce and/ or critical skills required by the sector.

One hundred and sixty seven (target 150) graduates were placed at different mining companies at which they gained workplace experience. Twenty seven graduates (target 24) successfully completed the two-year Internship Programme during the financial year.

HIV/AIDS TRAINING

The aim of this project is to facilitate and support the development of an HIV/AIDS Prevention Programme (including TB) to roll-out to the mining and minerals sector. This is also in support of the Mining Charter. HIV/Aids is one of the seven Key Development and Transformational Imperatives in the National Skills Development Strategy.

A large number of employees (thousands) in the mining sector received training on HIV/AIDS prevention programme (including TB) in the year, however, grants were paid out to a few companies as they submitted the requisite documentation for grant payment and complied with the criteria set by the MQA. One hundred and thirty-two learners were linked to the MQA grant for the 2011- 2012 financial year.

HISTORICALLY DISADVANTAGED SOUTH AFRICANS (HDSA) SUPPORT

The Historically Disadvantaged South Africans (HDSA) project is aimed at developing the skills of employees in the mining sector through a Management Development Programme (MDP) to assume roles in supervisory and management roles within their companies. It had been envisaged that after undergoing the programme, the mining companies would afford the historically disadvantaged employees opportunities to demonstrate their newly acquired management skills within a two year period of completing the MDP.

Criteria for participation in the project is stringent, and requires that companies submit their succession/promotion plan and appointment of mentors for the benefit of the employees undergoing the MDP. A total of 130 employees (which are in excess of the target of 100) were successfully trained in numerous MDP programmes.

MATHS AND SCIENCE

A total of 705 Grade 12 learners were registered on the MQA Maths and Science Project in 2011. The learners were spread over eight provinces as follows:

MATHS AND SCIENCE LEARNERS PER PROVINCE

NO.	PROVINCE	TOWNSHIP/RURAL	Grade 12
1.	Eastern Cape	Dimbaza, King Williams Town	60
2.	Free State	Welkom, Thabong	90
3	KwaZulu-Natal	Esikhaweni, Richards Bay	120
4	Limpopo	Burgersfort, Driekop, Zoutpansberg, Injelele, Vhembe	90 60
5	Mpumalanga	Kwa-Guqa, Witbank	90
6	North West	Pilanesberg Area	60
7	Northern Cape	Kimberley Area, Kuruman	75
8	Gauteng	Tembisa	
		TOTAL	705

Table 2 : Number of Learners per Province.

The project targeted historically disadvantaged learners from rural mining communities and related areas. The assistance provided to learners included extra curricula classes that took place after school on Fridays and during Saturdays and Sundays. Winter and Spring Schools were also convened during the winter and spring school holidays.

WORKPLACE COACHES PROJECT

The objective of this pilot project was to provide structured on-the-job coaching in the scarce and/or critical skills areas required by learners in the sector. To this end, Western Lonmin was appointed to develop, implement and manage the piloting of the Occupational Coaches Programme based on the tender process. The pilot project is currently underway, having been successfully launched. Fifty learners in various mining disciplines and a maximum of 10 coaches will be placed through the pilot project.

Results of Class of 2011

There was an overall marked improvement in the pass rate from 86% to 89%. An increase of 3% was achieved on the 2011 Maths and Science Project. The number of mathematics and physical sciences distinctions increased significantly from 49 to 103. There was an increase in the decent pass rate (i.e. learners who passed with 50% and above) in both maths and science. An overall rate of 54% of learners obtained between 50% and 100% in 2011 as compared with the 47% in 2010. This improvement of seven percent includes several learners who missed the 80% mark by one or two percentage points.

THE COMPARATIVE RESULTS OF THE 2010 AND 2011 GRADE 12 RESULTS ARE AS FOLLOWS:

Mathematics

MATRIC RESULTS		2010		2011	
Symbols	%	Total	%	Total	%
A	80 – 100%	27	11	50	7
B	70 – 79%	28	12	88	13
C	60 – 69%	26	11	125	18
D	50 – 59%	43	18	127	18
E	40 – 49%	50	21	147	21
F	30 – 39%	45	19	93	13
Not Performed	0 – 29%	21	9	73	10
Absent from exam				2	0.3
Total		240	100	705	100
Decent Pass	50 – 100%	124		390	
Decent	%	52		55	
Pass rate	%	91		89	

Table 3 : Maths - Comparative results.

Learner Success in 2011

During 2011, the Maths and Science Project has seen an increase in Bachelor passes. This has allowed a greater number of matriculants to gain access to tertiary institution education. Learners have also been encouraged to consider artisan and learnership programmes. Some learners, however, were not as successful due to, poor attendance, as well as family and personal issues. Learners that fared well showed a good class attendance record.

Bursary Applications from Maths and Science project learners

To date, the MQA has finalised the bursary for the top learner. As at 31 March 2012, the other bursaries were being finalised by the projects unit.

Physical Science

MATRIC RESULTS		2010		2011	
Symbols	%	Total	%	Total	%
A	80 - 100%	22	9	53	8
B	70 - 79%	21	9	79	11
C	60 - 69%	20	8	107	15
D	50 - 59%	39	16	132	19
E	40 - 49%	45	19	139	20
F	30 - 39%	49	20	105	15
Not Performed	0 - 29%	44	18	88	12
Absent from exam				2	
Total		240	100 %	705	100 %
Decent Pass	50 - 100%	102		371	
Decent	%	43		53	
Pass rate	%	82		87	

Table 4 : Science - Comparative results.

Top 10 Learners

The top 10 learners were distributed throughout the provinces. The top learner nationally, Thomas Bembe, was also recognised as the top learner in Limpopo. He was recognised by the Minister of Basic Education on 4 January 2012, an announcement that was aired on national television. The top learner has been awarded a bursary from the MQA that will see him studying Mechanical Engineering at Wits University. The other learners that have obtained distinctions are finalising their bursaries with the MQA.

THE NUMBER OF DISTINCTIONS OBTAINED BY THE TOP 10 LEARNERS

NO.	SURNAME	NAME	SCHOOL	CENTRE	DISTINCTIONS IN MATHS	TOTAL DISTINCTIONS IN MATRIC YEAR		OVERALL AVERAGE IN MATRIC
1	Bembe	Thomas Harris	Phafane	Burgersfort	1	1	7	90
2	Mashabela	Orkney	Lesailane	Burgersfort	1	1	6	86
3	Motsaathebe	Tsie	Lebogang	Welkom	1	1	6	84
4	Raphunga	Pembelani	Vhulaudzi	Vhembe	1	1	6	84
5	Buthelezi	Bayanda	Tisand	Esikhaweni	1	1	5	85
6	Msimango	Nkosinathi	Tembisa	Tembisa	1	1	5	83
7	Matsheke	Terrence	Lenakeng	Welkom	1	1	5	80
8	Hlongwane	Sphesihle	Tisand	Esikhaweni	1	1	5	79
9	Matshoba	Kamohelo	Leseding	Welkom	1	1	5	79
10	Ramarou	Diteboho	Leseding	Welkom	1	1	4	85
	Total number of distinctions				**10**	**10**		

Table 5 : Distinctions -Top 10 learners.

DISABILITY

The MQA Disability Project for the year was implemented to encourage mining companies to take on learners with disabilities within learning programmes.

The intake budget for the project was R2 million for 50 learners. An incentivised learnership amount of R42 000 was allocated to encourage companies to participate. From the companies that applied for grants on the project, only 29 learners were registered by three employers that qualified to take on learners with disabilities on the discretionary project namely: Intsika Skills Beneficiation Project, Atteridgeville Jewellery Project and Zurel Bros SA.

There were two reported terminations during the year, one from Intsika Skills Beneficiation Project and the other from the Atteridgeville Jewellery Project resulting in the final total of 27 learners. Only two non-artisan learnerships were part of the project namely, the National Certificate in Jewellery Manufacturing at NQF Level 3 and the National Certificate in Diamond Processing to Polishing.

By the end of the financial year, a total of 8 learners from the Intsika Skills Beneficiation Project had completed the project.

There were completions noted from Zurel Bros SA, however, due to a pending case which has resulted in an investigation, payments were delayed. The Atteridgeville Jewellery Project had progressed well as at the end of the financial year, however, there were no completions reported. The completions from learners on the project will be finalised in the 2012-2013 financial year.

The MQA has also compiled a Disability and Reasonable Accommodation Toolkit that was distributed to companies. On 24 June 2011 a workshop was held in order to launch the toolkit and to encourage participation in the sector. A further disability workshop has been scheduled for the coming financial year. Increased efforts to encourage employer participation remains an ongoing priority.

4.5 EDUCATION AND TRAINING QUALITY ASSURANCE (ETQA)

The ETQA, the final stage of the core MQA value chain is responsible to enhance the monitoring, evaluation and review of the delivery capacity and quality of skills development in the sector. In order to achieve this, the ETQA is required to perform the following activities:

- Accredit and approve training providers for specific skills programmes and qualifications.
- Veto quality assurance relating to learner achievements endorsed by registered assessors in accordance with required standards and criteria.
- Improve quality and relevance of education and training in the sector.
- Support training provider development.
- Establish and maintain a database for the recording of learner achievements.
- Provide for the certification of learners and accredited providers.
- Register assessors and moderators for specific unit standards, skills programmes and qualifications.
- Certify learners for skills programmes or qualifications achieved.

Below is a report on the activities conducted in the financial year 2011-2012.

ACCREDITATION AND PROGRAMME APPROVAL

A total of 118 accreditation and programme approval audits were conducted. Below is a breakdown of audits conducted for the financial year:

SCOPE/SITE EXTENSIONS APPROVED

The total number of scope/site extensions approved in the period 1 April 2011 – 31 March 2012 is 30.

Providers who Retained Full Accreditation = 20

1.	Baden Training
2.	Exxaro Matla Colliery
3.	Murray & Roberts
4.	Colliery Training College (CTC)
5.	Kumba Sishen
6.	Prisma
7.	Richards Bay Minerals
8.	De Beers Lesedi Centre for Human Capital Development – Technical Training Campus
9.	Anglogold Ashanti Training and Development Services
10.	Harmony Gold Mine
11.	Xstrata Alloys
12.	Intsika Skills Beneficiation Project
13.	Diamond Education College
14.	Mintek
15.	Xstrata Coal
16.	Siyemba Mining
17.	Fundisa Zonke Training Agency
18.	De Beers Finsch Mine
19.	Mines Rescue Services
20.	A & R Engineering

Providers who received Full Accreditation = 15

1.	Prominence Mining
2.	Anglo American Platinum Limited Union Section
3.	Anglo American Platinum Limited Mechanised Training Centre
4.	Umjindi
5.	Anglo American Platinum Limited Mining Training Centre East
6.	Anglo American Platinum Limited Union Process Concentrators Development Centre
7.	MIRC t/a BRM
8.	Bafokeng Rasimone Platinum Mine
9.	Anglo American Platinum Limited People Development
10.	Anglo American Platinum Limited Precious Metals Refineries
11.	Anglo American Platinum Limited Base Metal Refineries
12.	Anglo American Platinum Limited Amandelbult Central Training Services
13.	Anglo American Platinum Limited Amandelbult Concentrators
14.	Anglo American Platinum Limited Waterval Smelter
15.	Anglo American Platinum Limited Rustenburg Concentrators WLTRP

Providers who received Provisional Accreditation = 15

1.	Legal Rock
2.	Rand Uranium
3.	Copper Coal
4.	Bio Comp Training
5.	Two Rivers Platinum
6.	Diesel Power
7.	Samancor Western Chrome
8.	Implala Platinum Refineries
9.	Akapo Jewellers
10.	Bulk Mining Explosives
11.	Fraser Alexander
12.	Anglo American Platinum Limited Mototolo Concentrators
13.	Anglo American Platinum Limited Mogalakwena Mining
14.	Anglo American Platinum Limited Mogalakwena Concentrators
15.	Safety Training Solutions
16.	Siyemba Mining
17.	Fundisa Zonke Training Agency
18.	De Beers Finsch Mine
19.	Mines Rescue Services
20.	A & R Engineering

Providers who retained Provisional Accreditation = 1

1.	Ingqokelela

Providers who received First Time Programme Approval = 5

1	Gijima Skills Training Centre
2.	Expectra 2004
3.	Mutual Construction Company
4.	G N K Module Developers
5.	MCD Training Centre

Providers who retained Programme Approval = 6

1.	Barloworld
2.	Orbit FET College
3.	National Institute for the Deaf
4.	Inkezo
5.	Growth Link
6.	Majuba FET College

Providers with Lapsed Accreditation/ Programme Approved Status = 8 Accreditation

1.	Frany Jewellers t/a Glitterati
2.	Zincor
3.	Sasol Mining

Programme Approval = 5

1.	AEL
2.	IRCA
3.	SAACOSH
4.	Vuselela FET College
5.	Hydro Training

THE MQA ETQA QUALITY ASSURANCE PROCESS OBSERVATIONS

The ETQA embarked on a process to obtain sufficient numbers of subject matter experts, as well as constituency representatives to assist with quality assurance audits. Additional experts are still required in the following specialisation areas, and another opening for applications will be made available in the coming financial year for:

- Underground Coal Mining
- Mining Technical Support
- Strata Control
- Mineral Processing
- Surface Mining
- Analytical Services

A capacitation session was held for audit team members in which roles and responsibilities were discussed. A further intervention in acquiring audit skills is planned for the next financial year.

The MQA ETQA has also been involved in developing an improved approach to the quality assurance of providers within the rock-breaker scope. A blitz audit toolkit was developed and utilised in the pilot audit of four providers. An analysis of this process is scheduled to ensure an effective way forward.

ASSESSOR AND MODERATOR REGISTRATION

Five hundred and twenty (520) assessors and one hundred and thirty five (135) moderators were registered for the various MQA qualifications, skills programmes and unit standards. During the period under review, the ETQA unit scanned all applications and supporting documentation for filing on MQA-I-Share. This has increased the efficiency of the registration process as complete applications are easily retrievable as required. In addition, continuous correspondence took place with a number of providers regarding applications which still required outstanding information. The ETQA unit also continuously capacitated providers regarding assessor and moderator registration requirements.

LEARNER CERTIFICATION

TYPES	ACHIEVED (April 2011 - March 2012)
Skills Programmes Statement of Attainments	*35 534
The MQA Level 1 Qualification	1 333
Non-Artisan Learnership Qualifications	2 487
Artisan Qualifications	1 500

LEARNER ACHIEVEMENT NUMBERS

These figures are provided in the table above:

* Skills Programme achievements have been primarily for:

- Competent Person A
- Competent Person B
- Blasting Assistant

3 366 learner certificates were also verified. Requests for 903 re-issues of learner certificates were handled. Fifty six provider accreditation certificates have been issued.

OBSERVATIONS REGARDING CAPACITY FOR SECTORAL PROVISIONING

- Qualifications for Strata Control, Mineral Surveying and Geology have had no uptake as yet. More providers, assessors and moderators are required for these specialised areas.
- Qualifications in the Mineral Processing and Metals Production field secured minimal uptake. The sector seems to be taking on learners in numbers on the associated skills programmes, however, there seems to be a sufficient number of providers, assessors and moderators.
- There is a steady increase in the numbers of providers and learner achievements within mining. Additional providers, assessors and moderators may be required for this field. Improvements in the quality of provisioning are always sought, especially in this critical area.
- For the Jewellery Manufacturing and Diamond processing fields the following seems to be the case:
- Sufficient providers, assessors and moderators, the MQA's plan to improve on and upskill assessors and facilitators for continuous improvements in this field remains relevant.
- Learners that have achieved the first qualification may be targeted for moving up the learning path.
- Learner tracer studies should be embarked on.
- Within the Occupational Health and Safety field, an increase in the number of providers, assessors and moderators must be achieved.
- To meet national imperatives within the Engineering Artisan field, increased learner achievements are required.
- Continued improvements in the Quality Assurance Process must also be focused on to ensure that the numbers of learners' achievements is aligned to quality and needs within the workplace.

PROJECTS AND GRANTS ADMINISTERED

• ISO 9001-2008 GRANTS

An amount of R 1 520 000 was spent to assist training providers to secure ISO certification.

• FLC Facilitator Pilot Project

A budget of R 1 000 000 was utilised through this pilot project, for the development of 64 FLC facilitators.

• External Assessment Tool Development

The MQA ETQA had planned for the development of external assessment tools for QCTO registered qualifications but due to a delay and amendments to the QCTO processes, the development of the external assessment tools was put on hold.

THE MQA UPLOAD OF DATA TO THE NATIONAL LEARNERS RECORD DATABASE

The MQA uploaded its data to the National Learners' Record Database in January 2012. Amendments to this upload were required and additional uploads were done. The evaluation from SAQA is still awaited with regards to the status and quality of the upload.

RPL FRAMEWORK

The MQA-developed RPL Framework has been communicated to all Accredited Providers. Communication and advocacy campaigns are planned for all MQA stakeholders in the new financial year.

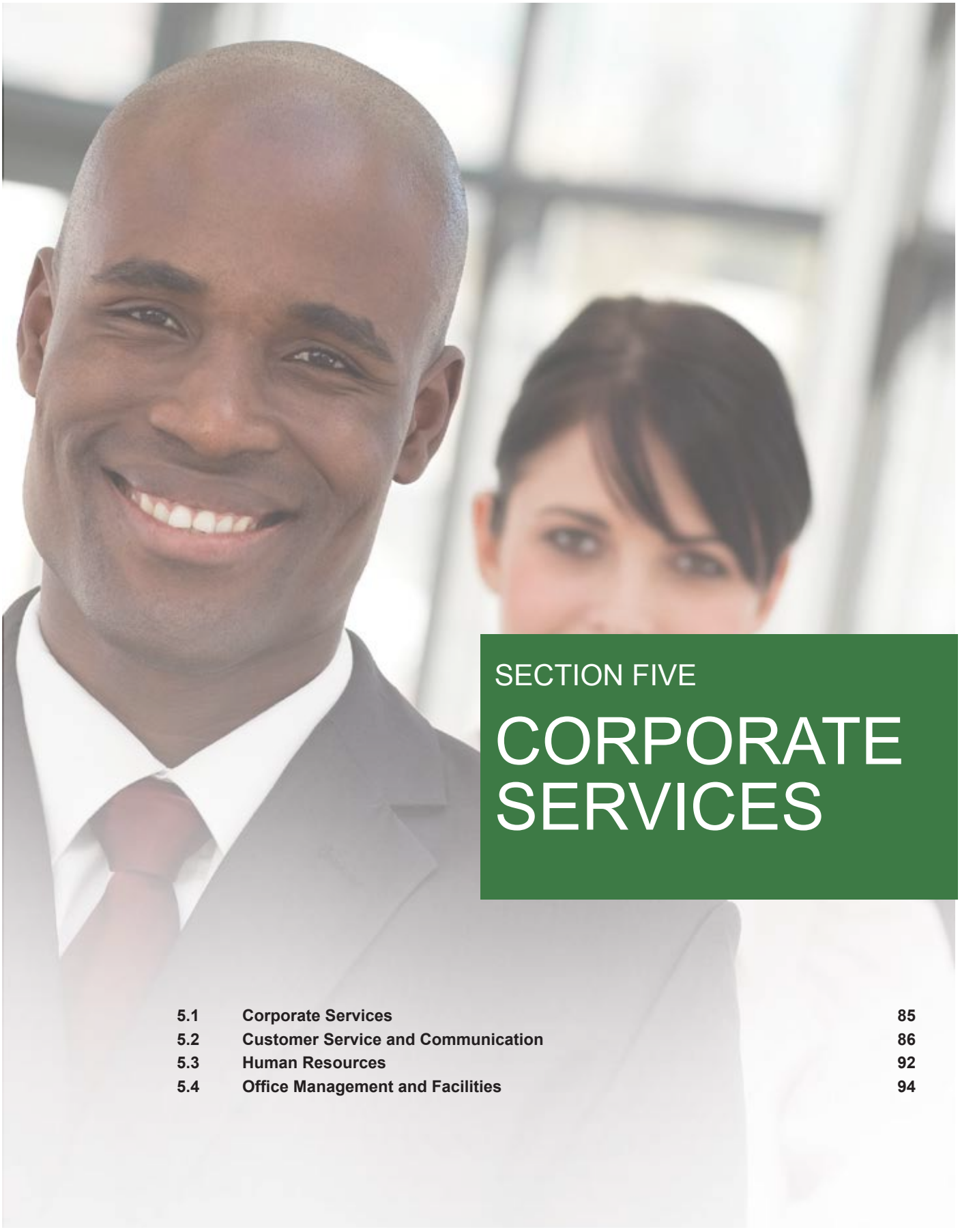
MEMORANDUM OF AGREEMENT SIGNED WITH THE QCTO

A Memorandum of Agreement was signed with the QCTO for the MQA ETQA to participate in processes for the standardisation of quality assurance processes for the future.

PROJECTS AND GRANTS LIST FOR 2011-2012

Project	Objective	Unit	Amount
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.	Projects	R 8 926 000
Bursaries	To create a pool of HET graduates to pursue careers within the sector.	Projects	R 27 000 000
Work Experience	To support HET undergraduates with relevant work experience through which they are in a position to pursue careers within the sector.	Projects	R 44 212 000
HIV/AIDS Programme	To facilitate and support the development of HIV/AIDS (including TB) prevention programme to Roll-out to the sector	Projects	R500 000
Minerals Beneficiation	The development of training capacity to support the gemstone processing and jewellery manufacturing industries with beneficiation skills development requirements in line with industry needs, government policy and legislation (including Mining Charter).	Standards Generating Body	R 9 999 999
Mine Environmental Control	To assist learners currently employed with enrolment into the Environmental Control programme.	Skills Development and Research	R500 000
Standard Settings Grant (TRGs)	To incentivise employers to contribute to the design and development of occupational qualifications and unit standards for registration on the National Qualifications Framework (NQF) as required by relevant legislation. This includes the development of: • Learnerships and skills programmes • QCTO Occupational qualifications • Curriculum and external assessment specifications.	Standards Generating Body	R2 400 480
Learning Materials Development	To develop learning materials for learning programmes required by the sector.	Standards Generating Body	R 7 628 002
Internships	To provide structured work experience to young unemployed graduates from HET institutions to complement qualifications in the scarce and / or critical skills required by the sector.	Projects	R 25 031 000
SME Skills Development Support	To focus on annually increasing the number of small BEE firms, BEE co-operatives, co-ops, NGOs, CBOs, NLPEs, ensuring that that they receive skills development support. Progress is measured through annual surveys of BEE firms and co-operatives within the sector.	Projects	R4 000 000
ABET Practitioner Career Progression	To upskill ABET practitioners to enable career progression and improve the quality of ABET learning, which in turn increases the levels of literacy and numeracy within the sector.	Learning Programmes	R600 000
Skills Development Facilitator Support	To support Skills Development Facilitators (SDFs) in the sector.	Skills Development and Research	R 4 500 000
Skills Development Research	To conduct ongoing research into skills development, including the skills audit process related issues in the sector.	Skills Development and Research	R 7 000 000
External Assessment tools Development	To develop external assessment tools for Learning Programmes required by the sector.	ETQA	R500 000
Literacy Promotion	To support the annual International Literacy week with events and activities that will demonstrate the MQAs commitment to the eradication of illiteracy in South Africa.	Learning Programmes	R 582 686
OHS Rep 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.	Learning Programmes	R 18 750 000
NSF 2 (MQA Portion) Artisan Development	To accelerate the development of scarce artisan occupational skills in the sector.	National Skills Fund Project	R 8 000 000
Facilitator Development	To develop facilitators for MQA Learning Programmes.	ETQA	R1 000 000
Maths and Science	To support Grade 12 Maths and Science learners to achieve good results in these critical subjects. Good results will allow the learners to access mining and minerals sector related qualifications at HET institutions.	Customer Service and Communication	R 6 000 000
Mine Inspector Training	To identify and implement a suitable training course for Mine Inspectors and train Inspectors on an appropriate programme.	Projects	R 5 106 000
HDSA	To support the development of HDSAs in mining and minerals to obtain management skills at various levels.	Projects	R4 000 000
Learnership Grants	To provide funding for the registration of employed and unemployed learners.	Learning Programmes	R30 540 000

Project	Objective	Unit	Amount
FLC Grant Incentive	To incentivise employers and employees to participate in FLC training to progressively increase levels of literacy in the sector.	Learning Programmes	R180 000
Learners with Disability	To ensure inclusion of people with disabilities in skills development programmes and employment, as well as to provide support for companies in the sector to meet this objective.	Customer Service and Communication	R2 000 000
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.	ETQA	R 1 520 000
ABET	To incentivise employers and employees to participate in ABET training to progressively increase levels of literacy in the sector.	Learning Programmes	R 12 905 000
Standards Setting HET	To incentivise employers to contribute to the design and development of Higher Education and Training engineering/mining qualifications and unit standards, review of competency certificates and legislated qualifications for registration on the National Qualifications Framework (NQF) as required by relevant legislation. This includes the development of HET mining/engineering programmes.	Standards Generating Body	R 2 448 250
CLAS Support	To, jointly with the Aggregate & Sand Producers Association of Southern Africa (ASPASA) develop and implement suitable Cement; Lime; Aggregate and Sands skills development initiatives.	Standards Generating Body	R1 000 000
Workplace Coaches	To jointly develop and implement, a mine specific model for Occupational Coaching in the mining industry.	Projects	R3 500 000
MQA Artisan Development - Employed	To facilitate and support the registration of 1 000 artisan learners on Mining Apprenticeships Programmes	Standards Generating Body	R22 500 000
UIF 1 Learnerships Artisans	To jointly, with the UIF facilitate and support the registration of 1 000 artisan learners on Mining Apprenticeship Programmes	Standards Generating Body	R15 000 000
Mpumalanga FET Artisan	To facilitate and support the registration of 440 unemployed learners on N-Courses engineering and MQA Apprenticeship programmes.	Standards Generating Body	R5 720 000
Mine Community Capacity Building	To facilitate and support the development of the Community Training in Mining Programme in support of the social and labour plan, for roll-out to mining communities.	Standards Generating Body	R3 500 000
Health and Safety Programme in Mining	To, jointly with the MHSC and the DMR facilitate and support the development of the Mining Health and Safety Programme to support Health and Safety in South African mines.	Standards Generating Body	R500 000



SECTION FIVE

CORPORATE SERVICES

5.1	Corporate Services	85
5.2	Customer Service and Communication	86
5.3	Human Resources	92
5.4	Office Management and Facilities	94

5.1 CORPORATE SERVICES

The Corporate Services Unit provides support to the MQA Management, staff and stakeholders in the execution of our legislative mandate. This is 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 hereunder.

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 whose values are embedded in the principles of good corporate governance. From an institutional and operational perspective, the MQA has produced an outstanding set of financial results. This could not have been achieved without the visionary leadership of the Board, which exercises strategic leadership over the MQA's legislative mandate and operational oversight of performance.

CORPORATE GOVERNANCE

Governance Structures

In the execution of its oversight function, the Board is assisted by seven standing Committees, namely the:

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

BOARD DEVELOPMENT

Strategic Planning Session

The Strategic Planning Session of the Board took place between 15 and 16 September 2011. The aim of the session was to guide management on the strategic direction for the MQA, aligned to the needs of the industry. The Strategic Planning Session also enabled the Board to deliberate on various policy initiatives aimed at streamlining operational processes.

Board and Committees Induction

The Annual Board and Committees Induction took place on 20 June 2011. It was aimed at capacitating stakeholders on the mandate, vision, mission and strategic objectives of the MQA.

Governance Courses

The Institute of Directors (IoD) conducted the roles and duties of the Board at the Induction workshop of the Board and Committees.

Accelerated Directorship Programme

In line with good Corporate Governance, the IoD conducted the Accelerated Directorship Programme between 28 November 2011 and 2 December 2011 to members of the MQA Board. This programme was designed to meet the existing and emerging needs of Directors in the ever changing environment of Corporate Governance and Compliance.

Risk Management Training

Risk Management training conducted by the IoD took place on 15 April 2011. The workshop was beneficial to Audit and Board Members to improve their Risk Management, ensure knowledge of the application of new accounting standards and Performance Management.



Unity is encouraged among all stakeholders of the MQA.

5.2 CUSTOMER SERVICE AND COMMUNICATION

The role of the Customer Service and Communication Unit is to ensure that healthy customer relations are maintained with stakeholders and that effective stakeholder communication takes place about the MQA's activities. Implementation of communication interventions is based on a long-term Communication Strategy aligned to the MQA's vision, mission and values, strategic objectives, the legislative requirements of the MQA as well as the requirements of NSDS 3 and the Mining Charter objectives. The role of the strategy is to ensure that a planned communication approach is implemented for the MQA to successfully meet and exceed its stakeholder expectations. Various tools and activities are implemented to enable the MQA to disseminate key messages to its identified target audiences.

The Customer Service and Communication Unit has built a reputation of providing credible and reliable information and has positioned the MQA favourably within the mining and minerals sector.

PROMOTION OF THE MQA

In line with the NSDS 3 requirements, the MQA continued to promote its activities by using a range of tools to disseminate information. These included printed, electronic and face-to-face media. Printed media included the MQA's company brochures, a range of targeted communiqués, the quarterly stakeholder newsletter, the annual report, the career brochure and a range of promotional material including banners. This was further supported by newspaper and magazine articles and advertisements published in the media. Radio and television was also used from time to time. Electronic media included company and career guidance DVDs, the website and electronic communication such as e-mail.

A number of face-to-face stakeholder events were hosted throughout the financial year. These included the stakeholder and community engagement forums, information sessions, exhibitions, conferences and workshops. The MQA also celebrated International Literacy Day on 10 September 2011, attended by more than 1 000 delegates in the Free State. An Annual Consultative Conference was held in Johannesburg on 28 October 2011 at which the MQA Annual Report was tabled. The Deputy Minister of Mineral Resources delivered the keynote address at this event.

The 2011-2012 Annual Report was produced timeously and submitted to the Auditor-General. It was tabled in Parliament by the Minister of Higher Education and Training, Dr Blade Nzimande in October 2011.

There continued to be a high demand for the MQA career brochure and DVD. These materials have been identified as tools that assist learners to source information on the various career options available in the sector and to further encourage learners to pursue technical careers. Over 50 scheduled and ad hoc career guidance sessions were held throughout the year to encourage learners at school and work seekers that have passed mathematics and physical science with a Bachelor pass, to pursue mining related careers. Learners in both developed and rural communities as well as community leaders are exposed to mining related opportunities.

MEDIA AND ADVERTISING

The MQA continued to adopt a less aggressive media approach. A number of articles were published and more than 50 advertisements were placed in various national newspapers and magazines. The key aim of the MQA during the year has been to inform stakeholders and the public about skills development interventions in the sector.

Advertisements, articles and newspaper supplements were placed in various newspapers and magazines such as the *Mining News, Mining Weekly, CEO Magazine, Achiever, Post Matric, Jewellers Network, SA Jewellery News, Vista Free State Sun, Express, Star Independent Newspapers, Sunday Times, Sunday Independent, Daily Sun, Sowetan and the Business Times* were used to enhance communication efforts.

EVENT MANAGEMENT

The Customer Service and Communication Unit scheduled and implemented the following events, amongst others, during the year with the objective of information sharing being fulfilled through these.

STAKEHOLDER ENGAGEMENT FORUMS

AREA	PROVINCE	VENUE	DATE
Cape Town	Western Cape	Fountain Hotel	08 February 2012
Rustenburg	North West	Orion Lodge	10 February 2012
Welkom	Free State	Tikwe Lodge, Virginia	14 February 2012
Witbank	Mpumalanga	Protea Hotel	17 February 2012
Durban (Jewellery)	KwaZulu-Natal	Durban Manor	21 February 2012
Port Elizabeth	Eastern Cape	Summerstrand Inn	24 February 2012
Johannesburg (Jewellery)	Gauteng	Parktonian	29 February 2012
Mokopane	Limpopo	Protea Hotel, The Park	02 March 2012
Kimberly	Northern Cape	Garden Court	06 March 2012
Johannesburg	Gauteng	Sunnyside Hotel	09 March 2012

COMMUNITY ENGAGEMENT FORUMS

AREA & PROVINCE	VENUE	HIGH / SECONDARY SCHOOLS IN ATTENDANCE	DATE
Phokeng, North West	Phokeng Conference Centre	• Charora • Thetha • Tshukudu • Sekete • Mmanape • Bafokeng • Lebone	13 March 2012
Galeshewe, Northern Cape	RS Elliot Community Hall	• Tshireleco • St Boniface • Tlhomelang • Emang Mmnog • Dr E.P Lekhela • Tetlayo • Thabane • Vuyolwethu	16 March 2012
Esikhaweni, KwaZulu-Natal	Hlanganani Community Hall	• Isandlwana • Majiya • Nzuza • Hlakaniphani • Emoyeni • Ndesheni • Khula • Hlamvana • Mcabango • Matamzana Dube • Mashananandana • Mthunzini • Sihubela • Zinqobele • Zimeme • Siyabonga • Dlamvuso • Qhakaza • Mbuyiseni • Zezeleni Mashamase	20 March 2012
Vhembe, Limpopo	Thohoyandou Arts and Culture Centre	• Phiphidi • Vhufuli • Sibasa • Malamulele • Vuwani • Tshakhuma	26 March 2012
Dimbaza, Eastern Cape	Phola Pak Community Hall	• Zukhanye • Gasela • Archie Velile • Richard Vara • Kuyasa • Toise	27 March 2012

AREA & PROVINCE	VENUE	HIGH / SECONDARY SCHOOLS IN ATTENDANCE	DATE
Barberton, Mpumalanga	Cathyville Hall	• Umjidi • Kamhola • Chief Funwako • Barberton	30 March 2012
Khayalitsha, Western Cape	Matthew Goniwe Memorial High School	• Matthew Goniwe • Iqhayiya • Luhlaza • Mfuleni • Joe Slovo • Manyano • Usasazo • Masiyile • Bulumko • Intlanganiso • Zola Business	3 April 2012
Senekal, Free State	Tumisang Primary School	• Boitumelo • Clocolan • EE Monese • Ficksburg • Ipokelleng • Ithabiseng • Marallaneng • Marquard • MJ Mohlahli • Moriting wa Thuto • Paul Erasmus • Taung • Tlokola • Tlotlisong • Tshepang	13 April 2012

ANNUAL EXHIBITIONS

NAME	AREA	PROVINCE	DATE
Mining Indaba	Cape Town International Convention Centre	Western Cape	8-11 February 2011
Beatrix	Beatrix Gold Fields Mine, Welkom	Free State	12 May 2011
Jewellex	Sandton Convention Centre	Gauteng	23-25 July 2011
Human Resources Development Africa (HRDA) 2011	Sandton Convention	Gauteng	4-6 October 2011
DHET National Skills Conference	Emperors Palace	Gauteng	4-5 October 2011

CAREER EXPOS AND INFORMATION SESSIONS

NAME OF EVENT	AREA	PROVINCE	DATE
Engineering Week	Newtown (Sci-Bono Discovery Centre)	Western Cape	8-11 February 2011
Mossel Bay Career Expo	Mossel Bay	Western Cape	25 March 2011
Merafong Career Expo,	Carletonville	Gauteng	13 May 2011
Secunda Youth Career Expo,	Secunda	Mpumalanga	16 June 2011
Ekurhuleni Youth Career Expo	Birchwood Conference Centre, Boksburg.	Gauteng	6-8 July 2011
DMR Learner Focus Week	Esikhaweni, Richards Bay	KwaZulu-Natal	11-13 July 2011
Eastern Free-State Career Expo	Senekal, Eastern Free State	Free State	18-20 July 2011
DHET Nelson Mandela Career Day	Ingwe FET College Lusikisiki Campus	Eastern Cape	18-21 July 2011
Labour Centre Awareness Week	Germiston	Gauteng	1-5 August 2011
Eastern Limb Limpopo	Modikwa, Premiers Office,	Limpopo	23-26 August 2011
International Literacy Day	Philip Smit Hall (Thabong Community Hall), Welkom	Free State	10 September 2011
Education & Employment Expo	Newtown	Gauteng	16 September 2011
DoL Career Expo	Bophelong Communal Hall, Vaal	Free State	20 September 2011
My Career Choice Expo	Polokwane Convention Centre	Limpopo	29-30 September 2011
Jewellery Council Expo	Durban and Port Elizabeth	KwaZulu-Natal And Eastern Cape	10-13 October 2011
Annual Consultative Conference	Premier Hotel, Johannesburg	Gauteng	28 October 2011

Annual Consultative Conference

The 10th Annual Consultative Conference of the MQA was held at the Premier Hotel, Kempton Park, Johannesburg on 28 October 2011 and was attended by over 250 delegates. The Deputy Minister of Mineral Resources, Mr. Godfrey Oliphant, and the Chief Director of the Department of Higher Education and Training, Mr. Clive Mtshiza delivered the keynote addresses. The conference theme was: "Accelerating skills development for growth and meaningful employment". This theme tied in strongly with the newly launched New Growth Path that aims to reduce unemployment from 25% to 15% by 2020 and the National Skills Accord that aims to increase South Africa's pool of artisan skills.

To mark key MQA learner successes, an artisan that was registered as a learner with the MQA, Mr. Koketso Mokgatle, spoke about his career as an electrician and his aspirations to complete a government Certificate of Competency and become a qualified electrical engineer.

WEBSITE

The MQA website is a reliable source of information for existing and potential stakeholders. It is also an interactive tool that stakeholders use to register for various events that take place within the MQA. The website, however, is due to be updated for improved interactivity and to ensure interesting, factually correct content.

WEBSITE STATISTICS

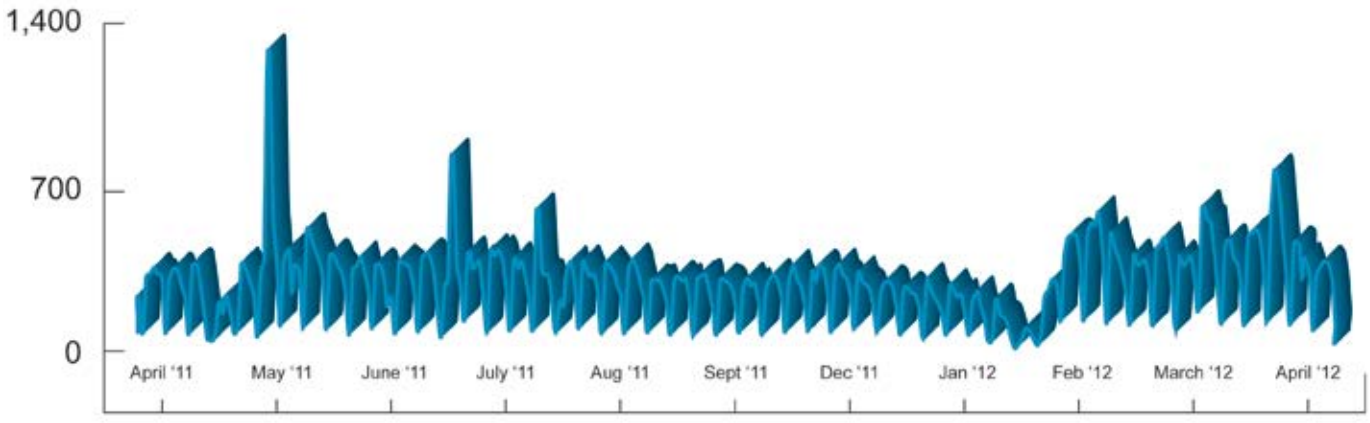


Figure 1: Website statistics for the period 1 April 2011 to 31 March 2012

International Literacy Day

International Literacy Day was held on 10 September 2011, at the Welkom Community Hall in partnership with the National Union of Mineworkers, Harmony Gold and the Free State Department of Education. It was a joint employer, labour and MQA event. Over 1 000 ABET learners, community members, invited speakers and MQA representatives attended the event.

CORPORATE IDENTITY

In an effort to promote the MQA brand, the MQA corporate identity is continuously monitored for compliance within all operational units. Templates are used to ensure consistency. The corporate fonts are also consistently applied within the organisation. All promotional items and printed materials are consistent with the elements in the corporate identity manual. Workshops are conducted throughout the year to educate staff on the application of the corporate identity.

RETURNING AND NEW VISITORS ON THE MQA WEBSITE

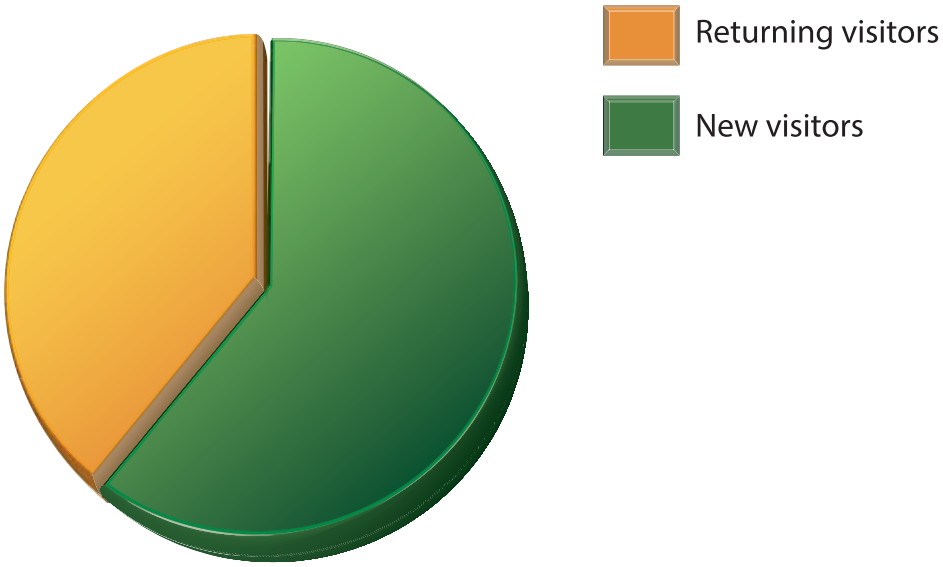


Figure 2: Returning and new visitors on the MQA website in 2011-2012.

CUSTOMER SATISFACTION SURVEY

In 2010, a Customer Satisfaction Survey was conducted by Plus 94 through which the MQA measured the impact of service delivery provided by the organisation.

Feedback from the survey indicated that stakeholders were relatively satisfied with the MQA's support however, there was a recommendation to implement an effective customer relationship management system and a call centre to support customer relationship efforts. A follow up survey will be commissioned once plans for dedicated resources for the CRM system and the Call Centre are concluded.

RATING OF MQA STAFF ON SERVICE DELIVERY

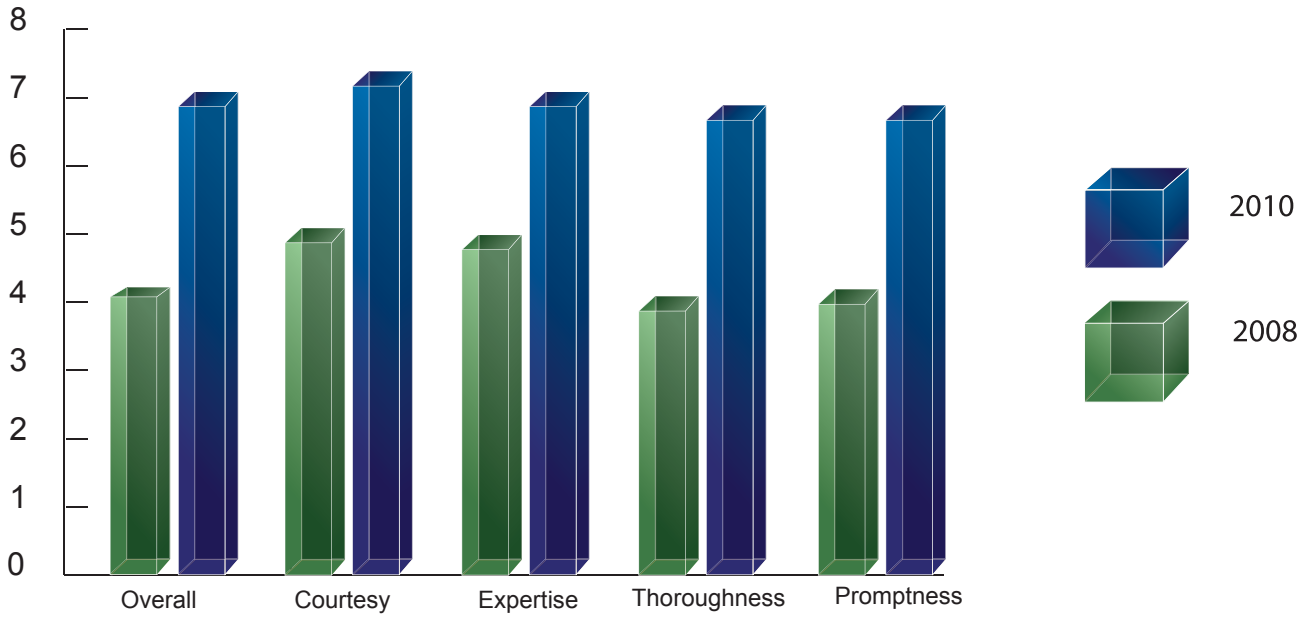


Figure 3: Rating of MQA staff on service delivery – ratings by Board and EXCO members.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

The findings from the stakeholder survey report, conducted by the MQA in 2010 revealed that stakeholder complaints were not always handled well. As a result of the latter, the report recommended that a Customer Relationship Management (CRM) system be implemented. A CRM system has been implemented. Positive feedback was received during the ISO 9001:2008 Audit in this regard. Although the MQA has not reached a stage where all customer queries can be effectively logged on a sustainable basis, most queries are now logged on the system and monthly reports are being produced. No finalisation has been reached on establishing the MQA Call Centre.

CORPORATE SOCIAL INVESTMENT

The MQA has participated in Corporate Social Investment initiatives in support of skills development projects established in disadvantaged communities and to provide career guidance in rural communities. On 18 July 2011, the MQA volunteered its services in a clean-up campaign at the Chris Hani Baragwanath Hospital to support the Mandela Day campaign. Also during the year, MQA staff contributed to a career development event arranged by the DHET in Lusikisiki for over 5 000 learners. Furthermore, the MQA established a partnership with a non-governmental organisation for abandoned children, to whom a donation of R20 000 was awarded. The MQA staff continues to donate various items that are distributed to disadvantaged communities.



Orlando Children's Home receiving a donation of R20 000 from the MQA

5.3 HUMAN RESOURCES

The Human Resources philosophy within the MQA involves the optimisation of relationships with line managers and staff.
It seeks to promote ways in which to improve staff well-being. This forms part of the enablers of service excellence and ensuring best practice when it comes to our people.

STAFF GROWTH

The MQA had a staff complement of 65 permanent employees and 10 interns at the end of the financial year. Ten employees resigned during the reporting period. The MQA identified a need to review the organisational establishment in line with the strategic plan in order to address the stakeholders' challenges. This will enable the MQA to be positioned strategically around provinces where mining houses are situated.

TALENT DEVELOPMENT

It is the mission statement of the MQA to create a competent workforce which will contribute to creating a culture of continuous learning. During the financial year, 93.7% of employees attended various training interventions. The MQA granted financial aid to seven employees during 2011, enabling them to further their studies. Five staff members have been partly registered with the Unisa Business School to enhance leadership capacity and address skills gaps. These employees will commence with classes in the next financial year as part of the retention strategy approved by the Board in 2010.
Several training interventions took place. These included Internal Lead Auditors, Monitoring and Evaluation, Skill Development Facilitator, Law of Evidence and Assessor Training. The executive team attended media training. In addition, a training need was identified for Specialists and Managers to be trained on Prosecutor Training and Performance Management. The implementation of the new Balanced Scorecard template will commence in the new financial year.
The MQA was granted constituency based funding by the ETDP SETA as part of an initiative to equip graduates with scarce skills to gain work through integrated learning in the research field. In this regard, one (1) MQA Research Intern was placed under the Skills Development & Research Unit.

EMPLOYEE WELLNESS PROGRAMME

The MQA promoted employee wellness throughout the year and encouraged employees to have regular health screens. This reduces costs related to healthcare and absenteeism levels while positively impacting on productivity. Our staff health and well-being has improved as well as the quality of life of our people since the inception of this Corporate Wellness Programme.
A wellness day took place on 20 February 2012, attended by 54 employees. The MQA partnered with Discovery Health and Virgin Active for this initiative.

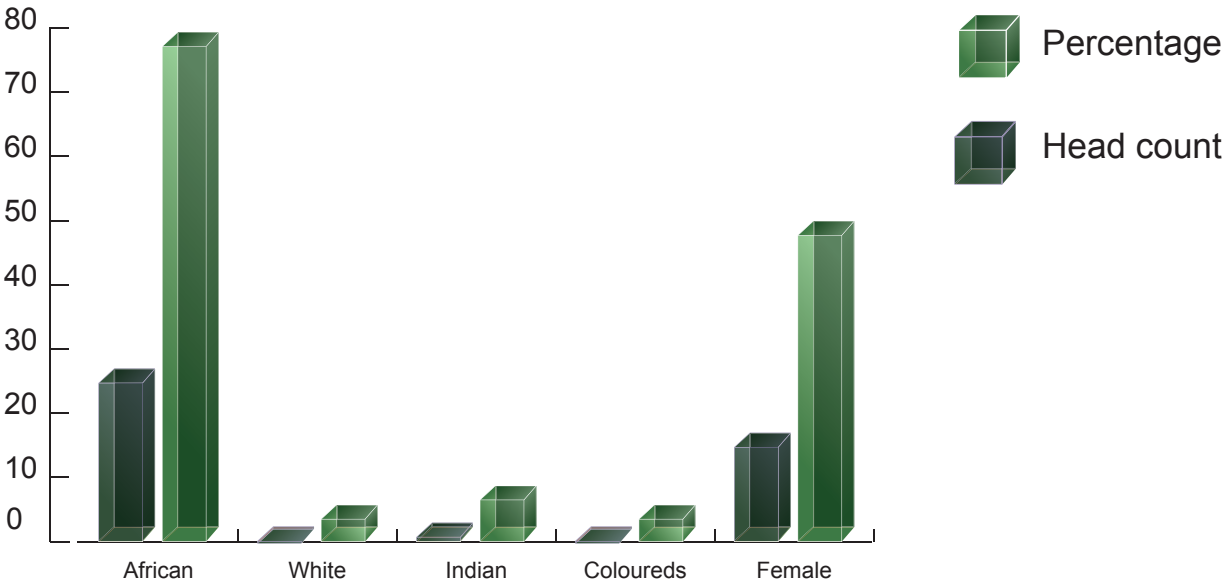
EMPLOYMENT EQUITY

The graphs below depict the current Employment Equity status and gender profiles of those in MQA management positions. The team showcases a significant achievement in terms of the appointment of women at this level, with the achievement exceeding targets stipulated within the Mining Charter.

Gender Profile



MANAGEMENT POSITIONS
(INCLUDES EXECUTIVE MANAGERS, MANAGERS AND SPECIALISTS (PATERSON D-BAND AND UPPER).



Remuneration Packages

Occupational Category	Total Cost To Company
General administration and support	R 126 347 – R 155 155
Administrators	R 177 700 – R 295 684
Specialists	R 318 464 – R 432 262
Managers	R 660 369 – R 753 463
Executive Managers	R 799 048 – R 969 277

Resignations

Occupational Category	Male				Female				
	A	C	I	W	A	C	I	W	Total
General and Support	-	-	-	-	-	-	-	-	-
Administrators	2	-	-	2	3	-	-	-	7
Specialists	1	-	-	-	-	-	-	-	1
Managers	-	-	-	-	-	-	-	1	1
Senior Managers	-	-	-	-	-	-	-	-	-
Executive Manager	-	-	-	-	-	1	-	-	1
Total	**3**	**-**	**-**	**2**	**3**	**1**	**-**	**1**	**10**

New Appointments

Occupational category	Male				Female				
	A	C	I	W	A	C	I	W	Total
General and Support	-	-	-	-	-	-	-	-	-
Administrators	5	-	-	-	4	-	1	-	10
Specialists	-	-	-	-	1	-	-	-	1
Managers	-	-	-	-	-	-	-	-	-
Senior Managers	-	-	-	-	-	-	-	-	-
Executive Manager	-	-	-	-	-	-	-	-	-
Total	**5**	**-**	**-**	**-**	**5**	**-**	**1**	**-**	**11**

5.4 OFFICE MANAGEMENT AND FACILITIES

SOURCING OF NEW PREMISES

During the year, the Office Management and Facilities team invested increasing effort into securing alternative office accommodation for the MQA. Two tender processes took place, however, a suitable office building was not secured. Currently the MQA has re-tendered with an open tender approach until such time that a suitable building is secured.

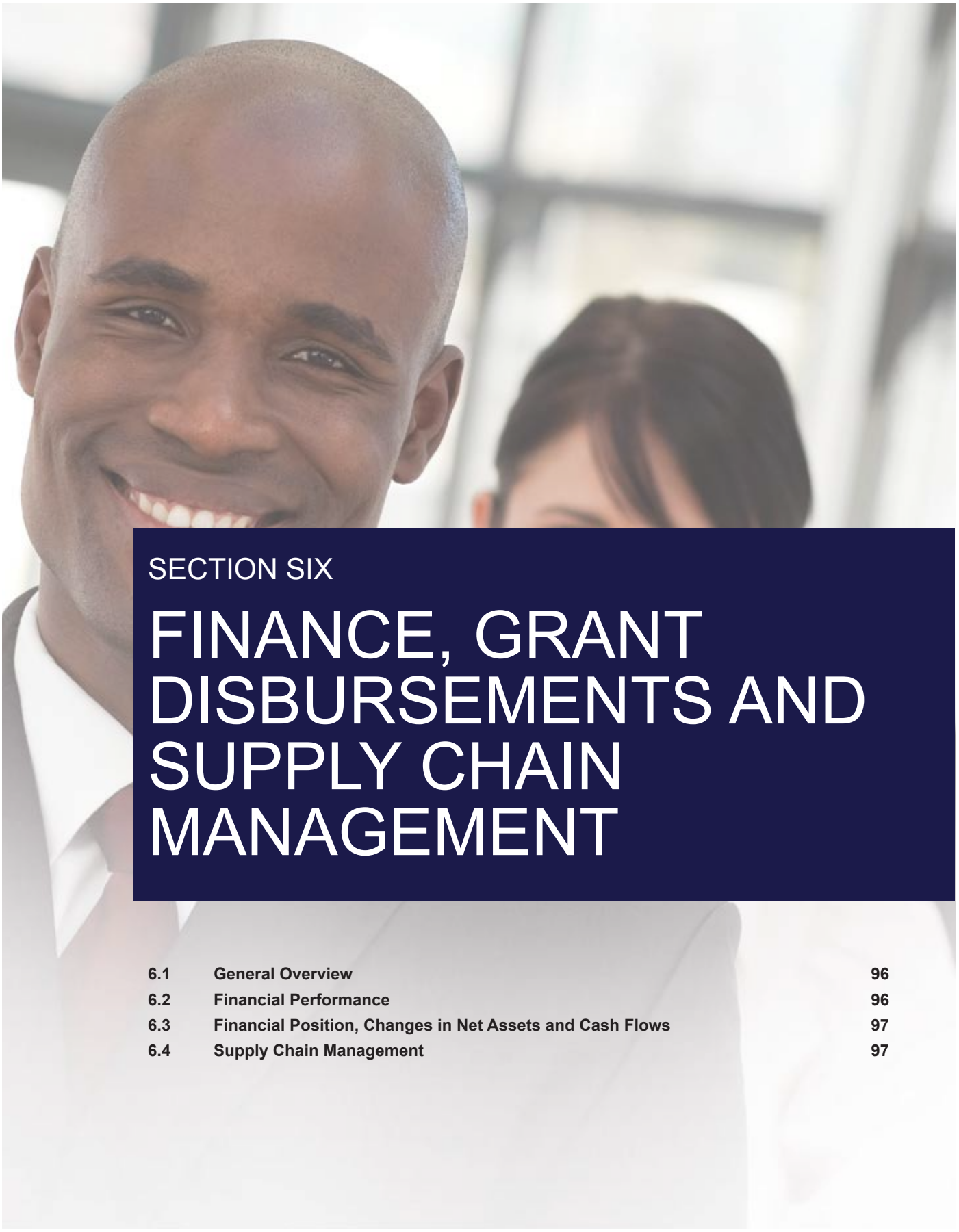
At the Board meeting held on 11 November 2011, due to the increasing cost of office space being incurred, the amount of R40 million previously secured was increased to R55 million, subject to approval from the Department of Higher Education.

OCCUPATIONAL HEALTH AND SAFETY

The MQA continues to create a safe environment for MQA staff. Safety drills are conducted. No injuries were reported for the period under review. The MQA is in the process of appointing new Occupational Health and Safety representatives, which will be followed with training of these individuals.



Approval for the MQA to relocate from current premises has been approved by the MQA Board.



SECTION SIX

FINANCE, GRANT DISBURSEMENTS AND SUPPLY CHAIN MANAGEMENT

6.1	General Overview	96
6.2	Financial Performance	96
6.3	Financial Position, Changes in Net Assets and Cash Flows	97
6.4	Supply Chain Management	97

6. FINANCIAL MANAGEMENT, SUPPLY CHAIN MANAGEMENT AND GRANT DISBURSEMENTS

6.1 GENERAL OVERVIEW

Our consistent efforts in implementing and maintaining sound financial management policies and procedures have yielded good results. We can proudly report that the financial management maturity level of the organization has been and will continue to be at a level where our systems enable us to produce financial statements that are free of material error and fairly present the financial results of the organization. We also give credit to our governance structures, specifically our Audit and Risk Committee, keeping the MQA management on their toes to achieve this level of maturity.

To this end, our in house finance team has consistently and over a period of more than 10 years received unqualified audit reports from the Auditor-General South Africa. In the previous financial year (2010-2011), we achieved an unqualified audit report without findings. Our challenge is to ensure that we continue to maintain this high standard. We are pleased that in the 2011-2012 financial year we maintained the highest standard and received an unqualified audit opinion without findings from the Auditor General South Africa.

6.2 FINANCIAL PERFORMANCE

The statement of financial performance on page 109 read together with note 2 (on page 130) to annual financial statements provides the full picture about our financial performance for the year ended 31 March 2012.

6.2.1 Revenue

6.2.1.1 Skills development revenue

Skills development levy income and levies and penalties charged by the South African Revenue Services on late filling and or payment of skills development levies increased by 18% (R104 million) from R582 to R686 million in the current year. The main drivers of skills development levies are employment and salary trends within the mining and minerals sector of our economy.

6.2.1.2 Interest on bank accounts

Interest on bank accounts and short term investments increased by 16% (R3 million) from R19 million in 2010-2011 to R22 million in 2011-2012. Although the prime lending rate did not change during the 2011-2012 financial year, the combination of the increase in skills development levies referred to above, as well as the decrease in discretionary grants expenditure referred to below, account for this increase.

6.2.2 EXPENDITURE

6.2.2.1 Mandatory grants expenditure

Mandatory grants expenditure increased by 26% (R79 million) from R301 million in 2010-2011 to R379 million in 2011-2012. Mandatory grants are regulated to be calculated as a percentage of skills development levies in respect of employers that submit their workplace skills plan (WSPs) and annual training reports (ATRs). The increase in mandatory grants expenditure is directly linked to the increase in levies explained in 6.2.1.1 above. In addition to this, page 50 of this report depicts an increase in the number of employers that submitted WSPs and ATRs in the current financial year.

In the current financial year, 89% of mandatory grants revenue was claimed back in the form of grants whereas in the 2010-2011 financial year 83% was claimed back. This indicates that there was a 6% improvement in the claiming of mandatory grants revenue.

Whereas the grant regulations prescribe that mandatory grants must be paid at least quarterly, we have established systems that enable us to pay these grants on a monthly basis.

6.2.2.2 Discretionary grants and projects expenditure

Discretionary grants and projects expenditure decreased by 13% (R27 million) from R203 million in 2010-2011 to R176 million in 2011-2012. A detailed analysis of amounts spent in respect of each project and discretionary line item is provided on page 141 note 22.2 to the annual financial statements. The decrease is mainly because of difficulties experienced in the roll-out of some projects due to lower than allocated or budgeted intake of learners into some of our training programes.

6.2.2.3 Administration expenditure

Administration expenditure is also regulated and limits are set in terms of regulations to the Skills Development Act. The MQA has, consistently with previous years kept its expenditure within the legislative limits.

Out of administration income of R86 million that we were allowed to utilised for administration purposes, the administration

expenditure incurred amounted to R59 million. This represents administration funds surpluses of R27 million (2010-2011 : R19 million).

Unutilised administration funds are, in terms of regulations, ploughed back into discretionary funds for training purposes in the next financial year. We are however earmarking to utilise funds towards the acquisition of an office building, subject to obtaining permission from the Minister of Higher Education and Training.

6.2.2.3.1 Use of consultants

	2011-2012	2010-2011	Variance	Comments
Number Used	51	33	18	More consultants used for less fees
Amount	R1.4 million	R2.6 million	R1.2 million	Fees reduced in line with budget

6.3 FINANCIAL POSITION, CHANGES IN NET ASSETS AND CASH FLOWS

The statement of financial position on page 110 should be read together with the notes thereto.

6.3.1 Assets

Total assets increased by 20% (R78 million), from R394 million in 2010-2011 to R471 million in 2011-2012. The increase in cash and cash equivalents accounts for the majority of the increase and is as a result of the decrease in discretionary grants and projects expenditure as explained in 6.2.2.2 above.

6.3.2 Liabilities

Total liabilities decreased by 12% (R15 million) from R124 million in 2010-2011 to R109 million in 2011-2012 mainly because of quicker disbursement of mandatory grants in 2011-2012. We previously reported that towards the end of 2010-2011 we experienced challenges in obtaining skills development levy contribution data from our executive authority and this resulted in delays in payment of mandatory grants in the 2010-2011 financial year. The delays resulted in record increases to our liabilities but due to the resolution of the levy data the liabilities have stabilized and are expected to remain at these levels in the near future.

6.3.3 Reserves

Total reserves increased by 35% (R93 million) from R269 million in 2010-2011 to R362 million in 2011-2012 mainly due to a surplus of R93 million in 2011-2012 (2010-2011 : R44 million). The surplus is mainly due to savings in administration funds and under utliisation of discretionary grants budget as explained in 6.2.2.2 above.

The reserves should be read with Note 22.2 to the annual financial statements that reflects commitments to signed contracts amounting to R203 million in 2011-2012 (2010-2011 : R133 million). In addition to commitments to signed contracts in 2011-2012, our accounting authority has approved the acquisition of an office building for an amount not exceeding R55 million rands, hence total commitments for the 2011-2012 financial year amount to R258 million.

6.3.4 Net Cash Flows

In 2011-2012 we had a net increase of R80 million in cash and cash equivalents compared to a net cash decrease of R2 million in 2010-2011 and this is a result of the decrease in discretionary grants disbursements as well as increases in skills development revenue as indicated in 6.2.1.1 and 6.2.2.2 above.

6.4 SUPPLY CHAIN MANAGEMENT

In terms of the PFMA and Treasury Regulations, the MQA has an established Supply Chain Management unit under the office of the Chief Financial Officer. Expenditure in the financial year was incurred in compliance with the PFMA, the PPPFA, their related regulations and guidelines.



SECTION SEVEN

REPORT OF THE AUDIT AND RISK COMMITTEE



Mr Sam Seepei
Chief Executive Officer



Mr Hlale Qangule
Independent Member



Ms Antoinette Ngwenya
Independent Member



Prof Yaswant Gordhan
Independent Member

Report of the Audit and Risk Committee 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 2012.

COMMITTEE MEMBERS AND ATTENDANCE

The Audit and Risk committee consists of the members listed hereunder and should 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	4	Oct-00	R24 141(1)
2.	A.R. Ngwenya	Independent	5	Apr-09	R29 880 (3)
3.	Prof. Y.N. Gordhan	Independent	5	Sep-04	R60 913.50 (2)
4.	V. Mabena	Board Representative	5	Apr-04	N/A
5.	J Masha	Labour	3	Apr-09	N/A
6.	J Hugo	Labour	4	Apr-09	N/A
7.	B Nemagovhani	State	3	Apr-11	N/A
8.	I Tshifura	State	1	Apr-11	N/A
9.	H Groenwald	Employer	2	Jun-10	N/A
10.	T Shogole	Employer	2	Apr-11	N/A

*Chairperson.

(1) Fees for Audit and Risk Committee R24 141

(2) Fees for Audit and Risk Committee R48 977.50 and other meetings R11 936

(3) Fees for Audit and Risk Committee R29 880

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 III 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 adequate, efficient and effective. Management are currently implementing corrective steps to address areas of weakness identified during the course of the financial year.

Internal audit

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

Evaluation of Annual Financial Statements

Following our review of the Annual Financial Statements for the year ended 31 March 2012, we are of the opinion that they comply in all material respects with the relevant provisions of the Public Finance Management Act, No 1 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.

Auditor-General South Africa

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



H Qangule

Chairperson

Date: 31 May 2012



SECTION EIGHT

REPORT OF THE AUDITOR-GENERAL

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Mining Qualifications Authority (MQA) as set out on pages 109 to 153 which comprise the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The Board of Directors, which constitutes the Accounting Authority, is responsible for the preparation and fair presentation of these financial statements in accordance with the 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. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

4. 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.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mining Qualifications Authority as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and in the manner required by the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the General notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 23 to 42 of the annual report.
9. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness

of information further relates to whether objectives and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

10. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

11. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General notice issued in terms of the PAA.

Internal control

12. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with laws and regulations I did not identify any deficiencies in internal control, which we considered sufficiently significant for inclusion in this report.

Auditor - General

Pretoria
31 July 2012

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

SECTION NINE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

9.1	Report of the Accounting Authority	105
9.2	Statement of Financial Performance	109
9.3	Statement of Financial Position	110
9.4	Statement on Changes in Net Assets	111
9.5	Cash Flow Statement	112
9.6	Notes to the Annual Financial Statements	113

9.1 REPORT OF THE ACCOUNTING AUTHORITY FOR THE YEAR ENDED 31 MARCH 2012

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 Act.

General review of the state of affairs

Total revenue for the MQA for the 2011/12 financial year including NSF income amounted to R718 million (2010/11 R609 million). The effect was an increase of R109 million. The increase was mainly due to payroll increases within the mining industry.The administration income allocated from levies received was R86 million for the financial year (2010/11 R73 million). The actual administrative expenditure for the year amounted to R59 million (2010/11 R53 million).

The MQA recorded a surplus of R93 million for the current financial year (2010/11 R44 million). The MQA reserves at year end amounts to R362 million (2010/11 R269 million). These reserves are also adequate to meet future commitments of R 203 million. During the year the MQA expensed R556 million (2010/11 R504 million) towards mandatory and discretionary grants and projects.

Reserves

Although the MQA has reserves of R362 million, R203 million has been earmarked for commitments for future years and R55 million towards the purchase of a new building. The MQA also receive R59 million more in levies and interest income than what was expected.

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

	R' millions 2011/12	R' millions 2010/11
Adult Basic Education & Training (ABET)	**4**	6
HDSA Development	**3**	-
Bursary Scheme and Work Experience	**67**	89
Learnerships & Skills Programes	**24**	8
Graduate Training Programme	**20**	15
Learning Material Development Grants	**8**	7
Unit Standard Generation Grants	**4**	3
Employment Equity Grant (University)	**6**	6
Maths and Science Project	**5**	5
SME Skills Development Support	**2**	11
Occupational Health & Safety Programme	**2**	23
Mine Inspector Training	**5**	3
Jewellery and Diamond Industry Support	**7**	6
Training Lay-off scheme	**-**	1
Artisan Development	**20**	12
Skills Development Research Analysis	**6**	11
Other various projects	**4**	4
	187	210

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

We can report that the MQA currently has a stable workforce and sufficient capacity to carry out its mandate.

Utilisation of Donor funds

The National Skills Fund (NSF) transferred R6.9 million to the MQA during the year under review. These funds are 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 projects

The following projects were discontinued for the period under review:

- New Venture Creation
- Assessor & Moderator Registration
- Institute of Sectoral / Occupational Excellence

New/Proposed projects

The following projects were introduced during the period under review:

- HDSA Development
- UIF Artisan Development Partnership
- HIV & AIDS Prevention Programme
- Mpumalanga FET Artisan Development.

The new projects introduced was due to the new NSDS 111 requirements and objectives while the projects discontinued have been completed and were no longer required for NSDS 111.

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.

Executive Management Remuneration

Name & Title	Basic Salaries	Performance Bonuses	Non-Pensionable Allowances	Medical Aid Allowances	Pension Contribution	Totals 2011 - 2012	Totals 2010 - 2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
L. Nengovhela (CEO)	0	0	0	0	0	**0**	**711**
S. Seepei (CEO)	567	110	335	25	84	**1121**	**222**
Y.A.M Omar (CFO)	707	163	125	21	105	**1121**	**1113**
F. Prinsloo (COO)	0	0	0	0	0	**0**	**716**
E. Nxumalo (COO)	594	24	220	0	88	**926**	**128**
D. Barclay (EMCS)	354	149	338	6	51	**898**	**1037**

Notes:

L. Nengovhela resigned 31-08-2010, F. Prinsloo resigned 31-10-2010, S. Seepei joined on 03-01-2011, E. Nxumalo joined 01-02-2011 & D. Barclay resigned 31-12-2011.

Events after reporting date

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

Going Concern

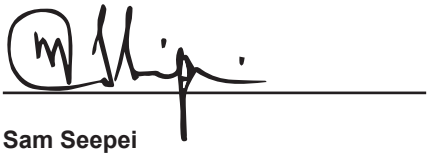
The MQA is dependent on skills development levies from the Mining and Minerals Sector. Members of the Accounting Authority are of the opinion that the MQA will be a going concern in the foreseeable future. For this reason they continue to adopt a going concern basis in preparing the annual financial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

SETA Re-establishment

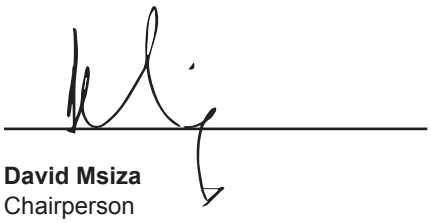
SETAs are established for a five-year period. The MQA has been given a renewal certificate for the establishment as a SETA until 31 March 2016.

Responsibility for annual financial statements

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



Sam Seepei
Chief Executive Officer
31 July 2012



David Msiza
Chairperson
31 July 2012

9.2 STATEMENT OF FINANCIAL PERFORMANCE

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Revenue from non-exchange transactions		**696 346**	589 635
Skills Development Levy: income	3.1	**682 442**	580 216
Skills Development Levy: penalties and interest	3.2	**3 737**	2 181
Government grants and donor funding income recognised	18	**10 167**	7 238
Revenue from exchange transactions		**21 990**	18 915
Investment income	4.1	**21 598**	18 625
Other income	4.2	**392**	290
Total revenue		**718 336**	608 550
EXPENDITURE			
Employer grant and project expenditure	5	**(556 345)**	(504 328)
Administration expenditure	6	**(58 561)**	(53 232)
Finance costs	7	**(58)**	(24)
Government grants and donor funding expenditure	18	**(10 167)**	(7 238)
Total expenditure		**(625 131)**	(564 822)
Gain / (loss) on disposal of property, plant and equipment		**(17)**	34
SURPLUS FOR THE YEAR	**2 & 8**	**93 188**	**43 762**

9.3 STATEMENT OF FINANCIAL POSITION

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Non-current assets		**2 527**	3 172
Property, plant and equipment	9.1	**2 388**	3 042
Intangible assets	9.2	**139**	130
Current assets		**468 958**	390 435
Inventories	11	**199**	128
Receivables from non-exchange transactions	12	**14 593**	16 033
Trade receivables from exchange transactions	10	**634**	1 117
Cash and cash equivalents	13	**453 532**	373 157
TOTAL ASSETS		**471 485**	393 607
LIABILITIES			
Non-current liabilities			
Finance lease obligations	14	**131**	300
Current liabilities		**109 047**	124 188
Grants and transfers payable	16	**82 105**	106 469
Trade and other payables from exchange transactions	17	**9 416**	9 970
Current portion of finance lease obligations	14	**168**	145
Provisions	19	**17 358**	7 604
TOTAL LIABILITIES		**109 178**	124 488
NET ASSETS		**362 307**	269 119
NET ASSETS			
Administration reserve	22	**2 527**	3 172
Employer grant reserve	21	**126**	130
Discretionary reserve	22	**359 654**	265 817
NET ASSETS		**362 307**	269 119

9.4 STATEMENT OF CHANGES IN NET ASSETS

2011/2012	Notes	Administration funds reserve R'000	Employer grant funds reserve R'000	Discretionary grant funds reserve R'000	Unapproriated surplus R'000	Total R'000
Balance at 01 April 2011		**3 172**	**130**	**265 817**	**-**	**269 119**
Surplus for the year		**-**	**-**	**-**	**93 188**	**93 188**
Allocation of unappropriated surplus	2	**27 426**	**46 386**	**19 376**	**(93 188)**	**-**
Transfer to discretionary reserves		**(28 071)**	**(46 390)**	**74 461**	**-**	**-**
Balance at 31 March 2012	21 & 22	**2 527**	**126**	**359 654**	**-**	**362 307**

2010/2011	Notes	Administration funds reserve R'000	Employer grant funds reserve R'000	Discretionary grant funds reserve R'000	Unapproriated surplus R'000	Total R'000
Balance at 31 March 2010		1 919	1 598	221 840	-	225 357
Surplus for the year		-	-	-	43 762	43 762
Allocation of unappropriated deficit	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	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		**715 518**	606 225
Levies, interest and penalties received		**686 638**	582 910
Government grants and donor funding received		**6 482**	4 850
Interest received	4.1	**21 969**	18 625
Other cash receipts from stakeholders		**430**	(160)
Cash paid to stakeholders, suppliers and employees		**(634 521)**	(607 015)
Grants and project payments		**(568 386)**	(551 761)
Special projects		**(9 783)**	(4 558)
Compensation of employees		**(31 031)**	(27 586)
Payments to suppliers and other		**(25 263)**	(23 086)
Interest paid	7	**(58)**	(24)
Net cash inflow / (outflow) from operating activities	20	**80 997**	(790)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment and intangible assets	9	**(482)**	(1 900)
Proceeds from disposal of property, plant and equipment		**6**	35
Net cash outflow from investing activities		**(476)**	(1 865)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment)/Assumption of finance lease obligations		**(146)**	349
Net cash (oufflow) / inflow from financing activities		**(146)**	349
Net increase in cash and cash equivalents		**80 375**	(2 306)
Cash and cash equivalents at beginning of year	13	**373 157**	375 463
Cash and cash equivalents at end of year	13	**453 532**	373 157

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 theDepartment 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.

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 :

	2011/12	2010/11
Administration costs of the MQA	**10%**	10%
Mandatory grants	**50%**	50%
Discretionary grants and projects	**20%**	20%
	80%	80%

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 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.

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 for special projects transferred from government grants and other donors 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 and donor funds 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 donors.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably
- Revenue from exhange transactions 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 (2011-2016) and the MQA's Sector Skills Plan 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.

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. (2010/11:50%).

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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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.

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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 cost or a value representing its fair value as at the date of acquisition.

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.

1.7.3.1 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 for the period, 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.

1.7.3.2 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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

All items of property, plant and equipment are assessed for any indications of impairment each reporting date. If 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 up are included in surplus or deficit when the compensation becomes receivable.

1.7.4 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

1.7.5 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.

1.7.6 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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Gains or losses arising 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 surplus or deficit for the period when the item is derecognised.

1.7.7 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.

1.7.8 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.

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 reviewes the residual values of property, plant and equipment used for the purpose of depreciation calculations in light of the amended definition of residual value.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 shall be 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 it is expected to generate net cash inflows or service potential.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.8.2 Initial measurement

An intangible asset is initially measured at its cost and where it 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.

1.8.3.1 Ammortisation

The depreciable amount of an intangible asset with a finite useful life shall be 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.

1.8.3.2 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 the surplus or deficit for the period, 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 for the period, unless the asset is carried at revalued amount and a reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8.4 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 using the straight line method as follows;

- Computer software 1-3 years

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.8.5 Revaluation basis

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

If an intangible assetis 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 surplus or deficit in whic case it is recognised in surplus or deficit.

If an intangible asset is revalued downwards, the decrease is recognised in 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.

1.8.6 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 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 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.

1.9.3 Recognition as an expense

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

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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

The amount of any write-down of inventories to current replacement cost and all losses of inventories are 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 as an expense in the period in which the reversal occurs.

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:

- Only through the Minister of Finance borrow money or,
- 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.

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

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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.

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. The 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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

A finance lease also gives rise to a depreciation expense for depreciable assets 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.

All incentives for the agreement of a new or renewed operating lease is 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 comprises of 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 in which the employee has rendered 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 recognise 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 comprises of proceeds from a defined contibution plan. The assets of the defined contribution plan are held third party trustee-administered funds and is funded by payments from the MQA and its employees.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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.

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 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 expenditures 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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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.

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 expenditures for which the provision was originally recognised.

1.14 Contingent Liabilities

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

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.

A contingent liability is not recognised as a liability in the statement of financial position but is disclosed in the notes to the annual financial statements.

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.

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 entity 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 fact that, and reason why, the information has not been disclosed, is disclosed.

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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.15.1 Financial assets

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

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

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 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 recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.15.1.3 Effective interest rate method

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

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

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.

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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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.

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

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.

Transactions are also disclosed as other related party transactions where InterSETA transactions arise due to the movement of employers from one SETA to another.

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

	2011/12				
	Total per Statement of financial performance	**Admin-istration funds**	**Mand-atory grants funds**	**Discret-ionary grants funds**	**Special projects funds**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
Total revenue	**718 336**	**86 062**	**426 350**	**195 757**	**10 167**
Skills development levy: income	**686 179**	**85 670**	**426 350**	**174 159**	**-**
Admin levy income (10%)	**85 670**	**85 670**	**-**	**-**	**-**
Grant levy income (70%)	**596 772**	**-**	**426 350**	**170 422**	**-**
Skills development levy: penalties and interest	**3 737**	**-**	**-**	**3 737**	**-**
Donations for special projects	**10 167**	**-**	**-**	**-**	**10 167**
Investment income	**21 598**	**-**	**-**	**21 598**	**-**
Other income	**392**	**392**	**-**	**-**	**-**
Total expenditure	**(625 131)**	**(58 619)**	**(379 964)**	**(176 381)**	**(10 167)**
Administration expenditure	**(58 561)**	**(58 561)**	**-**	**-**	**-**
Finance costs	**(58)**	**(58)**	**-**	**-**	**-**
Employer grants and project expenditure	**(566 512)**	**-**	**(379 964)**	**(176 381)**	**(10 167)**
Loss on disposal of property, plant and equipment	**(17)**	**(17)**	**-**	**-**	**-**
Surplus per statement of financial performance	**93 188**	**27 426**	**46 386**	**19 376**	**-**

	2010/11				
	Total per Statement of financial performance	Admin-istration funds	Mand-atory grants funds	Discret-ionary grants funds	Special projects funds
	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 on disposal of property, plant and equipment	34	34	-	-	-
Surplus per statement of financial performance	43 762	19 476	61 437	(37 151)	-

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. REVENUE FROM EXCHANGE TRANSACTIONS

3.1 Skills development levy income

	Note	2011/12 R'000	2010/11 R'000
Levy income: Administration		**85 670**	72 408
Levies received		**85 728**	72 472
Levies received from SARS		**85 308**	72 386
InterSETA transfers in		**420**	92
InterSETA transfers out		**-**	(6)
Movement in levies accrued		**(58)**	(64)
Levy income: Employer Grants		**426 350**	362 613
Levies received		**426 638**	362 929
Levies received from SARS		**424 537**	362 506
InterSETA transfers in		**2 101**	456
InterSETA transfers out		**-**	(33)
Movement in levies accrued		**(288)**	(316)
Levy income: Discretionary Grants		**170 422**	145 195
Levies received		**170 535**	145 326
Levies received from SARS		**169 696**	145 153
InterSETA transfers in		**839**	187
InterSETA transfers out		**-**	(14)
Movement in levies accrued		**(113)**	(131)
		682 442	580 216

3.2 Interest and penalties : skills development levy income

Levy interest	**2 402**	695
Levy penalties	**1 335**	1 486
	3 737	2 181

4.1 Investment income

	21 598	18 625
Interest received	**21 969**	18 171
Movement in levies accrued	**(371)**	454

4.2 Other income

	392	290
Reprinting of training certificates	**1**	11
Insurance recoveries	**15**	21
SDL recoveries	**132**	120
Fixed assets rights transfer	**-**	57
Other recoveries	**244**	81

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. EMPLOYER GRANT AND PROJECT EXPENDITURE

	2011/12	2010/11
	R'000	R'000
Mandatory grants expenditure	**379 964**	301 174
Disbursed	**415 584**	265 133
Movement in liabilities and accruals	**(35 620)**	36 041
Discretionary grants expenditure	**109 695**	82 942
Disbursed	**85 151**	147 817
Movement in liabilities and accruals	**24 544**	(64 875)
Project expenditure	**66 686**	120 212
Disbursed	**67 651**	137 447
Movement in provisions and accruals	**(965)**	(17 235)
Total employer grants and projects expenditure	**556 345**	504 328

5.1 Project expenditure consist of:

Direct project costs	**62 379**	115 628
Service provider costs	**4 307**	4 584
Administration costs	**-**	-
Total projects expenditure	**66 686**	120 212

6. ADMINISTRATION EXPENDITURE

Depreciation		**1 104**	638
Operating lease rentals		**2 580**	2 280
Buildings		**2 320**	2 065
Plant, machinery and equipment		**260**	215
Maintenance, repairs and running costs		**711**	613
Property and buildings		**522**	412
Machinery and equipment		**189**	201
Research and development costs		**1 882**	1 921
Advertising, marketing and promotions, communication		**3 303**	2 180
Entertainment expenses		**119**	116
Consultancy and service provider fees		**1 391**	2 692
Legal fees		**308**	68
Cost of employment	6.1	**31 357**	28 471
Travel and subsistence		**1 452**	1 381
Staff training and development		**1 043**	1 096
Provincial linkages expenditure		**134**	213
Remuneration to members of the audit committee		**260**	220
Internal auditor's remuneration		**733**	697
External auditor's remuneration		**1 359**	1 569
Other		**10 825**	9 077
Printing and Stationery		**2 311**	1 971
Conference costs		**7 295**	6 082
Insurance		**331**	292
Rates & taxes, water & lights & security		**766**	599
Donations & sponsorships		**53**	66
Sundry items		**69**	67
Total administration expenditure		**58 561**	53 232

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6.1 Cost of employment

	Note	2011/12 R'000	2010/11 R'000
Salaries and wages		**27 799**	25 080
Basic salaries		**16 974**	15 541
Performance awards		**4 051**	3 672
Other non-pensionable allowance		**4 387**	3 874
Temporary staff		**1 836**	1 375
Leave payments		**551**	618
Social contributions		**3 558**	3 391
Medical aid contributions		**797**	714
Pension contributions: defined contribution plans		**2 334**	2 233
UIF		**120**	113
Other salary related costs		**307**	331
	6	**31 357**	28 471
Average number of employees		**78**	82

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

	2011/12 R'000	2010/11 R'000
Obligations under finance leases	**58**	24
Total interest expense	**58**	24

8. COMPARISON OF BUDGET AND ACTUALS

		2011/12			
	Note	Approved Budget R'000	Final Budget R'000	Actual R'000	Variance R'000
Administration funds - income	8.2.1	**73 936**	**79 144**	**86 062**	**6 918**
Mandatory funds - income	8.2.1	**369 678**	**393 964**	**426 350**	**32 386**
Discretionary funds - income	8.2.1	**147 871**	**158 277**	**174 159**	**15 882**
Investment income	8..2.2	**18 162**	**18 123**	**21 598**	**3 475**
Total income		**609 647**	**649 508**	**708 169**	**58 661**
Administration funds - expenditure	8.2.3	**(66 026)**	**(66 486)**	**(58 636)**	**7 850**
Mandatory funds - expenditure	8.2.4	**(351 194)**	**(374 885)**	**(379 964)**	**(5 079)**
Discretionary funds - expenditure	8.2.5	**(299 104)**	**(288 049)**	**(176 381)**	**111 668**
Total expenditure		**(716 324)**	**(729 420)**	**(614 981)**	**114 439**
(Deficit)/Surplus		**(106 677)**	**(79 912)**	**93 188**	**173 100**
Capex	8.2.6	**42 248**	**58 184**	**482**	**(57 701)**

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 2011 to 31 March 2012.

The approved budget was revised in October 2011 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 increased or higher than the original budget as actual revenue received to October 2011 was consistently higher than the approved budget. Discretionary grants expenditure was reduced as it became evident that some commitments that were taken into account during the preparation of the orginal budget would not materialise as liabilities.

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 skills development revenues from SARS that were consistently higher than our approved budget and this prompted us to increase our budgeted revenue in October 2011.
Although we revised our revenue estimates upwards, during the last 3 months of the financial year we received levies that were substantially higher than the levies received in other months and the budget for those 3 months.

8.2.2 Investment income

The excess levies received referred to in 8.2.1 above, coupled with lower discretionary grants disbursed in the year resulted in actual interest received exceeding the investment income budget.

8.2.3 Administration expenditure

Major savings were in staff costs due to resignations of personnel, the reduction in the use of consultants as well as travel and accomodation expenditure.

8.2.4 Mandatory grants expenditure

Mandatory grants are calculated as a percentage of actual revenue received, the excess of actual expenditure over the budget is as a result of the excess revenue received in the last 3 months as explained in 8.2.1 above.

8.2.5 Discretionary grants expenditure

Every year in April, participating employers are allocated discretionary grants for taking learners on various skills development interventions that are on the approved MQA projects and grants. The employers have until the end of the succeeding February to recruit, train the learners and claim these grants. Some employers apply for and are granted certain number of learners but they fail to recruit the learners within the prescribed timeframes in the process forfeit such grants. The purpose of expiring the grants in February is to avoid grant allocations to be carried over to the succeeding financial years and tying up funds that may be allocated for other training interventions.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8.2.6 Capital expenditure

The variance mainly relates to an unutilised budget for the acquisition of an office building. The building could not be purchased because it became evident that the approved budget was not adequate for the acquisition of available and suitable buildings. Subsequent to this, the MQA approved the increase of the budget to R55 million subject to approval by the Minister of Higher Education and Training. At reporting date, the Minister had not approved the revised budget and no acquisition had been made.

9. NON CURRENT ASSETS

9.1 Property, Plant and Equipment

Year ended 31 March 2012 balances	**Cost (items fully depreciated)**	**Cost (all items)**	**Accumulated depreciation/ impairment**	**Closing carrying amount**
	R'000	**R'000**	**R'000**	**R'000**
Computer equipment	**1 229**	**2 618**	**(1 836)**	**782**
Office furniture and fittings	**738**	**2 439**	**(1 651)**	**788**
Office equipment	**866**	**2 045**	**(1 488)**	**557**
Motor vehicles	**-**	**471**	**(256)**	**215**
Cellphones	**31**	**147**	**(101)**	**46**
Balance at end of the year	**2 864**	**7 720**	**(5 332)**	**2 388**
Made up as follows:				
- Owned	**2 864**	**7 233**	**(5 117)**	**2 116**
- Leased - office equipment	**-**	**487**	**(215)**	**272**

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

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9.2 Non Current Assets

Movement summary 2012	**Carrying amount 2010/11**	**Additions**	**Disposals**	**Depreciation charge**	**Depreciation adjustments**	**Accumulated Depreciation on disposals**	**Carrying amount 2011/12**
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	**953**	**301**	**(345)**	**(456)**	**-**	**329**	**782**
Office furniture and fittings	**964**	**5**	**(38)**	**(178)**	**-**	**35**	**788**
Office equipment	**804**	**58**	**(3)**	**(305)**	**-**	**3**	**557**
Motor vehicles	**245**	**-**	**-**	**(30)**	**-**	**-**	**215**
Cellphones	**75**	**33**	**(21)**	**(58)**	**-**	**17**	**46**
	3 041	**397**	**(407)**	**(1 027)**	**-**	**384**	**2 388**

Movement summary 2011	Carrying amount 2009/10 (restated)	Additions	Disposals	Depreciation charge	Impairment adjustments	Accumulated Depreciation on disposals	Carrying amount 2010/11
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	365	937	-	(349)	-	-	953
Office furniture and fittings	967	86	-	(197)	108	-	964
Office equipment	410	551	-	(228)	71	-	804
Motor vehicles	-	190	(103)	(40)	96	103	246
Cellphones	38	91	(14)	(53)	-	13	75
	1 780	1 855	(117)	(867)	275	116	3 042

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 title of property, plant and equipment and no items have been pledged as security for liabilities.

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

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9.3 Intangible Assets

Year ended 31 March 2012 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**	**334**	**(195)**	**139**
Balance at end of the year	**59**	**334**	**(195)**	**139**

Year ended 31 March 2011 balances	Cost (items fully depreciated)	Cost (all items)	Accumulated depreciation/ impairment	Closing carrying amount 2010/11
	R'000	R'000	R'000	R'000
Computer software	59	249	(119)	130
Balance at end of the year	59	249	(119)	130

Movement summary 2012	**Carrying amount 2010/11**	**Additions**	**Depreciation charge**	**Carrying amount 2011/12**
	R'000	**R'000**	**R'000**	**R'000**
Computer software	**130**	**85**	**(76)**	**139**
Balance at end of the year	**130**	**85**	**(76)**	**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

10. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Note	**2011/12 R'000**	2010/11 R'000
Prepayments and Advances - Current		**634**	1 117
Prepayments		**121**	93
Free Minutes Receivable		**88**	158
Deposits		**230**	228
Staff Advances		**8**	85
Other receivable		**2**	-
Interest receivable - MQA		**175**	546
Interest receivable - NSF		**10**	7

11. INVENTORY

	199	128
Printing and other consumable stores		
Expensed during the period	**534**	810

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES FROM NON - EXCHANGE TRANSACTIONS

	Note	**2011/12 R'000**	2010/11 R'000
InterSETA receivables	27	**74**	282
Administration		**9**	35
Employer grants		**46**	177
Discretionary grants		**19**	70
Mandatory grants receivables	12,1	**9 697**	14 611
Donor funding (NSF) receivables		**4 822**	1 140
		14 593	16 033

12.1 Mandatory grants receivables

	2011/12 R'000	2010/11 R'000
Overpayment of mandatory grants to registered employers		
Overpayments to employers	**9 666**	14 748
Provision for doubtful debts	**(17)**	(201)
Net effect of SARS retrospective adjustments	**9 649**	14 547
Mandatory grants receivable from other SETAs	**47**	64
	9 696	14 611

R9.6 million (2010/11: R14,7 million) was recognised as a receivable relating to actual overpayment of mandatory grants to employers in the reporting and previous periods.

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

A provision for bad debts of R17,000 (2010/11: R201, 000) has been raised. R63,000 (2010/11 : R1,165 million) was written off as bad debts utilising the provision raised in 2010/11.

13. CASH AND CASH EQUIVALENTS

	Note	**2011/12 R'000**	2010/11 R'000
Cash at bank and in hand		**371 775**	371 476
Cash at bank		**371 769**	371 465
Cash on hand		**6**	11
Short term investments/instruments		**81 757**	1 681
Cash and cash equivalents at end of year		**453 532**	373 157

Included in cash at bank is a current account with a balance of R1,085, (2010/11: R472,000) in respect of NSF and R50,000 (2010/11: Nil) in respect of the Unemployment Insurance Fund (UIF) funds.

The funds were received from the National Skills Fund and the Unemployment Insurance Fund for the purposes of partnerning with the MQA in the development of artisan in the mining and minerals sector. 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 ratings 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

	Note	**2011/12 R'000**	2010/11 R'000
Non-current finance lease obligation (recoverable after 12 months)		**131**	300
Current finance lease obligation (recoverable within 12 months)		**168**	145
Finance lease obligation		**299**	445
Reconciliation between the total of the minimum lease payments and the present value:			
Up to 1 Year			
Future minimum lease payments		**168**	203
Finance cost		**(34)**	(58)
Present value		**134**	145
1 to 5 years			
Future minimum lease payments		**131**	342
Finance cost		**(8)**	(42)
Present value		**123**	300
Finance lease repayments for the year		**145**	41

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 of 15.21% was used as a basis for estimating the finance costs.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

15. RETIREMENT BENEFIT OBLIGATIONS

The MQA operates a defined contribution umbrella pension fund. Employees contribute 8% and the MQA 16%.

16. GRANTS AND TRANSFERS PAYABLE

	Note	**2011/12 R'000**	2010/11 R'000
Skills development grants payable - mandatory		**44 265**	84 799
Skills development grants payable - discretionary		**34 300**	18 991
NSF creditors		**3 540**	2 679
		82 105	106 469

17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2011/12 R'000	2010/11 R'000
Trade creditors	**1 374**	755
Project creditors	**5 730**	6 695
Trade creditors accruals	**565**	655
Cellphone Contracts Obligation	**120**	219
Payroll creditors and accruals	**1 626**	1 646
	9 415	9 970

18. GOVERNMENT GRANTS AND DONOR FUNDING NATIONAL SKILLS FUND AND UNEMPLOYMENT INSURANCE FUND

	Note	**2011/12 R'000**	2010/11 R'000
Opening balance		**-**	1 304
Draw downs and interest received		**5 822**	4 851
NSF funding received		**6 871**	4 757
Prior year draw downs receivable - received		**(1 140)**	-
Interest received		**91**	94
Draw downs receivable - conditions met		**4 822**	1 140
Fixed assets rights transfer		**-**	(57)
Unused funds paid back		**(477)**	-
Utilised and recognised as revenue-conditions met		**(10 167)**	(7 238)
		-	-

During the current year R6.8 million (2010/11 : R4,7 million) was received from the National Skills Fund in respect of the development of artisan in partnership with the MQA.

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. (2010/11 : Nil).

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. PROVISIONS

	Note	**2011/12 R'000**	2010/11 R'000
Administration expenditure	19.1	**2 070**	1 801
Discretionary and projects	19.2	**9 234**	-
South African Revenue Services (SARS)	19.3	**6 054**	5 803
		17 358	7 604

19.1 Provision for administration expenditure

	2011/12 R'000	2010/11 R'000
Opening balance	**1 801**	1 642
Amount utilised	**(1 850)**	(1 642)
Change in estimate	**2 119**	1 801
Closing balance	**2 070**	1 801

19.2 Provision for discretionary and projects expenditure

	2011/12 R'000	2010/11 R'000
Opening balance	**-**	-
Amount utilised	**-**	-
Change in estimate	**9 234**	-
Closing balance	**9 234**	-

19.3 Provision for SARS

	Administration provision	Mandatory grants provision	Discretionary grants provision	**Total 2011/2012**	Total 2010/2011
Open carrying amount	725	3 627	1 451	**5 803**	5079
Amounts utilised	-	-	-	**-**	-
Change in estimate	32	157	62	**251**	724
Closing carrying amount	757	3 784	1 513	**6 054**	5 803

The provision for SARS relates to levy contributions received during the year from employers that are exempted from SDL contributions as they are under the legislated threshold.

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

	Note	**2011/12 R'000**	2010/11 R'000
Surplus as per statement of financial performance		**93 188**	43 763
Adjusted for non-cash items:			
Depreciation		**1 104**	638
Fixed assets rights transfer		**-**	(57)
Loss / (gain) on disposal of property, plant and equipment		**17**	(34)
Bad debts written-off		**-**	1 165
Allowance for doubtful debts		**17**	201
Increase in provisions		**9 754**	883
Adjusted for working capital changes:			
(Increase)/decrease in inventory		**(71)**	51
Decrease/(increase) in receivables	11	**5 591**	(14 490)
Decrease in payables	10 & 12	**(25 779)**	(33 204)
(Decrease) / Increase in special projects funding	16 & 17	**(2 824)**	294
Cash generated (utilised) in operations		**80 997**	(790)

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21. CONTINGENCIES

21.1 Mandatory grant reserve

A balance of R126,000 (2010/11 : R130 000) has been set aside in terms of the accounting policy.

The amount of the outflow depends on new employer's awareness about the provisions of the grants regulations that entitle them to claim their manadatory 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 2012 to claim the mandatory grants after which they expire and will be swept to the discretionary funds in terms of the grant regulations.

22. COMMITMENTS

22.1 Administration reserve

A balance of R2,5 million (2010/11 : R3,1 million) has been set aside in terms of the accounting policy as follows.

	Note	**2011/12** **R'000**	2010/11 R'000
Net assets	9	**2 527**	3 172
Total Admin Reserve		**2 527**	3 172

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22.2 Discretionary reserve

Of the balance of R360 million (2010/11 : R266 million) available in the discretionary reserve at the end of March 2012, R203 million (2010/11 R133 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.

		2010/11			2011/12			
		Opening balance	Reallocations approved by Accounting Authority	Utilised	**Opening balance**	**Reallocations approved by Accounting Authority**	**Utilised**	**TOTAL**
		R'000	R'000	R'000	**R'000**	**R'000**	**R'000**	**R'000**
MQA-001	Lecturer / Trainer Support	16 991	(1 264)	(6 037)	**9 690**	**(3 195)**	**(6 099)**	**396**
MQA-002	Bursaries	35 332	81 300	(46 500)	**70 132**	**3 621**	**(27 000)**	**46 753**
MQA-003	Work Experience	16 595	59 120	(42 690)	**33 025**	**34 780**	**(40 001)**	**27 804**
MQA-004	New Venture Creation	180	(96)	(84)	**-**	**-**	**-**	**-**
MQA-005	Minerals Beneficiation (Diamond & Jewellery)	-	3 315	(3 315)	**-**	**10 777**	**(6 775)**	**4 002**
MQA-006	Diamond Industry Support	-	2 299	(2 299)	**-**	**3**	**(3)**	**-**
MQA-007	Standard Setting Grant (TRGs)	-	3 455	(3 455)	**-**	**2 333**	**(2 241)**	**92**
MQA-008	Unit Standards & Qualifications Registration	-	2	(2)	**-**	**-**	**-**	**-**
MQA-009	Learning Materials Development	6 323	937	(7 260)	**-**	**8 857**	**(7 571)**	**1 286**
MQA-010	Internships (GDP)	16 353	709	(15 154)	**1 908**	**43 934**	**(20 088)**	**25 754**
MQA-011	Learnerships	67 773	(43 256)	(7 964)	**16 553**	**28 627**	**(23 757)**	**21 423**
MQA-012	SME Skills Development Support	9 478	(748)	(8 333)	**397**	**2 485**	**(2 191)**	**691**
MQA-013	Assessor & Moderator Registration	-	399	(399)	**-**	**-**	**-**	**-**
MQA-014	ISO 9001-2000	-	360	(360)	**-**	**1 520**	**(1 520)**	**-**
MQA-015	PDA Standardised Assessment	-	51	(51)	**-**	**-**	**-**	**-**
MQA-017	Institute of Sectoral / Occupational Excellence	-	535	(535)	**-**	**-**	**-**	**-**
MQA-018	Skills Development Facilitator Support	-	4 653	(4 653)	**-**	**2 389**	**(2 389)**	**-**
MQA-019	ABET	19 995	(13 556)	(6 439)	**-**	**3 114**	**(3 114)**	**-**
MQA-020	Skills Development Research & Impact Analysis	-	6 882	(6 132)	**750**	**3 266**	**(3 979)**	**37**
MQA-022	MQA I-Share Development	409	(409)	-	**-**	**-**	**-**	**-**
MQA-023	Literacy Promotion	-	431	(431)	**-**	**577**	**(577)**	**-**
MQA-024	OHS Rep Development	-	23 172	(23 172)	**-**	**2 300**	**(2 300)**	**-**
MQA-025	NSF 1 - Learnerships & GDP	1 185	651	(1 836)	**-**	**-**	**-**	**-**
MQA-026	NSF 2 - Artisan Development	920	9 119	(10 039)	**-**	**33 874**	**(13 874)**	**20 000**
MQA-027	Employed Artisan Development	-	-	-	**-**	**15 960**	**(3 300)**	**12 660**
MQA-028	Promotion of Skills Development	-	339	(339)	**-**	**-**	**-**	**-**
MQA-030	Maths & Science	-	5 000	(5 000)	**-**	**5 000**	**(5 000)**	**-**
MQA-031	Mine Inspector Training	2 596	-	(2 596)	**-**	**5 106**	**(4 591)**	**515**
MQA-032	Certification Verification	230	(230)	-	**-**	**-**	**-**	**-**
MQA-033	Training Lay-Off Scheme	831	18	(849)	**-**	**-**	**-**	**-**
MQA-035	Learners with Disabilities	-	500	(400)	**100**	**1 218**	**(718)**	**600**
MQA-037	Facilitator Development	-	-	-	**-**	**1 218**	**(1 142)**	**76**
MQA-038	FLC	-	(25)	25	**-**	**-**	**-**	**-**
MQA-039	Cement Lime Aggregates and Sand Support	-	981	(981)	**-**	**999**	**(999)**	**-**
MQA-040	Standard Setting HET	-	-	-	**-**	**1 596**	**(1 344)**	**252**
MQA-041	HDSA Development	-	-	-	**-**	**2 984**	**(2 984)**	**-**
MQA-042	UIF Artisan Development Partnership	-	-	-	**-**	**16 930**	**(2 380)**	**14 550**
MQA-047	HIV & Aids Prevention Programme	-	-	-	**-**	**137**	**(137)**	**-**
MQA-050	Mpumalanga FET Artisan Development	-	-	-	**-**	**27 030**	**(474)**	**26 556**
MQA-012	Small Scale Miners Technical Support	-	3 110	(3 110)	**-**	**-**	**-**	**-**
	TOTAL	195 191	147 754	(210 390)	**132 555**	**257 440**	**(186 548)**	**203 447**

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22.3 Operating Leases

Future minimum lease payments under non-cancellable leases:

	Note	2011/12 R'000	2010/11 R'000
Not later than one year		**1 204**	487
Later than one year and not later than five years		**-**	-
		1 204	487

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

23.1 Material losses through criminal conduct

None

23.2 Material losses through fraud

None

23.3 Irregular expenditure for current year

	Note	2011/12 R'000	2010/11 R'000
Opening balance		**-**	166
Add: Irregular Expenditure – current year		**-**	-
Less: Amounts condoned		**-**	(166)
Less: Amounts recoverable (not condoned)		**-**	-
Less: Amounts not recoverable (not condoned)		**-**	-
Irregular expenditure awaiting condonation		**-**	**-**

23.4 Fruitless and wasteful expenditure

During the current financial year a booking for a workshop venue in Kimberley was made in advance to allow delegates to plan in advance to attend. To secure the venue for that date, the service provider, in line with industry practice required us to sign a contract that provided for the payment of a cancellation fee. Invitations to approximately 50 prospective delegates were sent out.

A week before the event only five delegates had confirmed their attendance, we considered this and made a conscious and economic decision to cancel the event and the venue hire and in the process incurred penalties of R15,000.00.

Had we not cancelled the venue hire we should have incurred further costs of approximately R30,000 and this excludes man hours for approximately 4 staff members that were scheduled to attend and present to the delegates.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note	2011/12 R'000	2010/11 R'000
Opening balance		-	-
Add: Fruitless and wasteful expenditure – current year		15	-
Less: Amounts condoned		(15)	-
Less: Amounts recoverable (not condoned)		-	-
Less: Amounts not recoverable (not condoned)		-	-
Fruitless and wasteful expenditure awaiting condonation		-	-

24. EVENTS AFTER REPORTING DATE

24.1 Allocation of discretionary grants

In the current financial year, employers were invited to apply for various discretionary grants contained in note 22.2. Such grants were allocated to employers subsequent to year-end.

24.2 Acquisition of office building

In May 2011, the Minister gave us an “in principle” approval to engage in activities necessary to acquire a building for R40 million. Subsequent to the request we engaged in activities to acquire the building but ascertained that suitable buildings could not be obtained for this amount and our board approved an increased amount of R55 million.

Subsequent to the reporting date we are awaiting approval of the increase from the Minister of Higher Education and Training.

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 2012	**Amount**	**Effective interest rate**	**Amount**	**Weighted average period until maturity**	
	R'000	**%**	**R'000**	**Years**	**R'000**
Assets					
Cash	**453 526**	**9.5.%**	**6**	**-**	**453 532**
Accounts receivable	**-**	**-**	**634**	**1 year**	**634**
Total financial assets	**453 526**	**-**	**640**	**-**	**454 166**
Liabilities					
Accounts payable	**-**	**-**	**(9 415)**	**0,5 years**	**(9 415)**
Total financial liabilities	**-**	**-**	**(9 415)**	**-**	**(9 415)**
	453 526		**(8 775)**		**444 751**

	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

25.2 Credit risk

Financial assets, which potentially subject the MQA 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

25.3 Ageing of trade and other receivables from non exchange transactions

	2011/12		2010/11	
	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	**14 593**	**-**	16 033	-
Past due 1 year	**-**	**-**	-	-

25.4 Cash & cash equivalents

	2011/12		2010/11	
	Gross	**Impairment**	Gross	Impairment
	R'000	**R'000**	R'000	R'000
Not past due	**453 532**	**-**	373 157	-
Past due 0 - 30 days	**-**	**-**	-	-
Past due 31 - 120 days	**-**	**-**	-	-
Past due 1 year	**-**	**-**	-	-

25.5 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.

	2011/12			
	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	**9 415**	**9 415**	**9 415**	**-**

	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	-

25.6 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 in skills development levy income in the future.

25.7 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

25.8 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 one month. The carrying amount of these assets approximates their fair value.

25.9 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.

25.10 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.

25.11 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.

25.12 Accounts payable

The carrying amount of accounts payable approximates fair value due to the relatively short-term maturity of these financial liabilities

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	October 2004	Not specified
Related Party Disclosures	GRAP 20	June 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

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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) of 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 significance 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.

GRAP 20 : Related Party Disclosures

The Standard defines related parties, prescribes the identification and the disclosure of transactions and balances between the entity and its related parties.

It is not expected that the standard will significantly impact future accounting and disclosure as the MQA currently discloses such transactions and balances in its Annual Financial Statements and the Annual Report.

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 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 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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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 post employee retirement 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.

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 impact 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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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.

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.

	2011/12		2010/11	
	Amount receivable/ (payable)	**Transfers in/(out) during the year**	Amount receivable/ (payable)	Transfers in/(out) during the year
	R'000	**R'000**	R'000	R'000
Receivables	**74**	**3 157**	281	281
CETA	**-**	**1 300**	5	5
CHIETA	**-**	**-**	69	69
EWSETA	**5**	**-**	5	5
FASSET	**-**	**-**	10	10
HWSETA	**-**	**1 770**	41	41
SERVICES SETA	**69**	**-**	70	70
TETA	**-**	**76**	74	74
W&RSETA	**-**	**11**	7	7
Payables	**-**	**-**	-	(20)
FOODBEV SETA	**-**	**-**	-	(20)

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. RELATED PARTY TRANSACTIONS

27.1.2 Other public entities

	2011/12			
	Amount received	**Amount Receivable**	**Amount paid**	**Amount Payable**
National Skills Fund	**6 871**	**4 822**	**(477)**	**-**

	2010/11			
	Amount received	Amount Receivable	Amount paid	Amount Payable
National Skills Fund	4 757	1 140	-	-

27.2 Transactions with stakeholders represented at the MQA Board

27.2.1 The companies listed below have officials serving in the MQA Board and its committees.

27.2.2. The 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.

9.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Stakeholder represented	2011/12				
	Board member	**Levies Received**	**Payments**	**Grants / Amounts Payable**	**Grants overpaid (Receivables)**
		R'000	**R'000**	**R'000**	
Colliery Training College	J Venter	**284**	**435**	**57**	**-**
Harmony Gold Mine	M Mashego	**35 363**	**32 379**	**6 095**	**10**
Gold Fields	A Tshangase	**7 998**	**8 328**	**1 918**	**54**
Chamber of Mines	V Mabena	**400**	**7 237**	**122**	**-**
Anglo Platinum	L Mogaki	**37 341**	**20 421**	**570**	**3 663**
UASA	R Samuel	**-**	**-**	**-**	**-**
National Union of Mineworkers	Z Tantsi & A Teteme	**-**	**25**	**-**	**-**
Elijah Barayi Training Centre	Z Tantsi	**-**	**248**	**104**	**-**
Virgile Mining	P Ngqeleni	**-**	**2**	**-**	**-**
Meeti	Z Tantsi	**-**	**-**	**-**	**-**
Extrata Alloys	J Kleyhaus	**9 018**	**7 673**	**1 768**	**-**
Anglo Gold Ashanti	W Naidoo	**37 513**	**37 364**	**10 356**	**-**
Great Baisin Gold	D Mostert	**1 910**	**-**	**-**	**-**
		129 827	**114 112**	**20 990**	**3 727**

Company represented	2010/11				
	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	-	-
		20 580	31 924	617	10

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