



Health and Welfare Sector  
Education and Training Authority  
**HWSETA**



# ANNUAL REPORT

2024/25



Health and Welfare Sector  
Education and Training Authority

**HWSETA**



## HWSETA ANNUAL REPORT 2024/25



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



**Honourable Minister**  
Buti Manamela



**Honourable Deputy Minister**  
Ms Mimmy Gondwe



**Honourable Deputy Minister**  
Dr Nomusa Dube-Ncube

RP173/2025  
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# PART A

## General Information



# ENTITY DETAILS

Registered name of entity:	Health and Welfare Sector Education and Training Authority
Registration number:	11/HWSETA/01/04/20
Registered office address:	17 Bradford Road, Bedfordview, Johannesburg
Postal address:	Private Bag X15, Gardenview, 2047
External auditors' information:	The Auditor-General SA, Lefika House, Pretoria
Bankers information:	Standard Bank of South Africa 303 Eastgate Office Towers 43 Bradford Road, Bedfordview, 2008  Stanlib 17 Melrose Boulevard Melrose Arch, 2196  Corporation for Public Deposits (CPD) PO Box 427, Pretoria, 0001



## LIST OF ABBREVIATIONS/ACRONYMS

<b>AET</b>	Adult Education and Training	<b>NSDS</b>	National Skills Development Strategy
<b>AFS</b>	Annual Financial Statements	<b>NSDP</b>	National Skills Development Plan
<b>APP</b>	Annual Performance Plan	<b>NSF</b>	National Skills Fund
<b>AQP</b>	Assessment Quality Partner	<b>OFO</b>	Organising Framework for Occupations
<b>ATRs</b>	Annual Training Reports	<b>OHSA</b>	Occupational Health and Safety Act
<b>AUCOM</b>	Audit Committee	<b>PAIA</b>	Promotion of Access to Information Act
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration	<b>PAYE</b>	Pay As You Earn
<b>CPD</b>	Continuing Professional Development	<b>PFMA</b>	Public Finance Management Act
<b>CS</b>	Corporate Services	<b>QCTO</b>	Quality Council for Trades and Occupations
<b>DoL</b>	Department of Labour	<b>RIME</b>	Research, Information, Monitoring and Evaluation
<b>DoH</b>	Department of Health	<b>RPL</b>	Recognition of Prior Learning
<b>DHET</b>	Department of Higher Education and Training	<b>SACSSP</b>	South African Council for Social Service Professions
<b>DSD</b>	Department of Social Development	<b>SAPS</b>	South African Police Service
<b>EDP</b>	Executive Development Programme	<b>SARS</b>	South African Revenue Service
<b>EISA</b>	External Integrated Summative Assessment	<b>SDA</b>	Skills Development Act
<b>ERP</b>	Enterprise Resource Planning	<b>SAQA</b>	South African Qualifications Authority
<b>ETQA</b>	Education and Training Quality Assurance	<b>SDFs</b>	Skills Development Facilitators
<b>ETD</b>	Education, Training and Development (Practitioners)	<b>SDL</b>	Skills Development Levy
<b>EXCO</b>	Executive Committee	<b>SDP</b>	Skills Development Planning
<b>FU</b>	Finance Unit	<b>SETA</b>	Sector Education and Training Authority
<b>HASA</b>	Hospital Association of South Africa	<b>SGB</b>	Standards Generating Body
<b>HDSA</b>	Historically Disadvantaged South Africans	<b>SLA</b>	Service Level Agreement
<b>HR</b>	Human Resources	<b>SMMEs</b>	Small, Micro, Medium Enterprises
<b>HSRC</b>	Human Sciences Research Council	<b>SSP</b>	Sector Skills Plan
<b>H&amp;S</b>	Health and Safety		SWOT Strengths, Weaknesses, Opportunities and Threats
<b>ISO</b>	International Organization for Standardization	<b>TVET</b>	Technical and Vocational Education and Training
<b>IT</b>	Information Technology	<b>UIF</b>	Unemployment Insurance Fund
<b>MIS</b>	Management Information Systems	<b>WSP</b>	Workplace Skills Plan
<b>MOU</b>	Memorandum of Understanding		
<b>NQF</b>	National Qualifications Framework		
<b>NSA</b>	National Skills Authority		



## MENTORING RURAL LEARNERS

- Collaborate with Universities and have learners attend open days to assist them in making informed decisions about their careers.
- Management of mental health during exams. Psychologists from our co-operative's projects will assist learners in managing their anxiety or stress levels during exams.
- Organise educational camps for learners during school holidays.
- Collaborate with schools/tutors offering Saturday schools to help the learners in keeping their good marks in both Mathematics and Science.
- Offer tertiary funding to eligible candidates.



[www.hwseta.org.za](http://www.hwseta.org.za)





## ACTING CHIEF EXECUTIVE OFFICER'S REPORT

It is with immense pride and satisfaction that I present HWSETA's Annual Report for 2024/25, marking a historic milestone in our organisation's journey. After a decade of continuous improvement and unwavering commitment to excellence, I am delighted to announce that HWSETA has achieved a **clean audit** – a testament to our dedication to good governance, financial accountability and transparent operations. This is no mean feat that was achieved through the commitment, hard work and dedication of our staff.

This exceptional achievement, coupled with our substantial **79.4% overall performance** against our Annual Performance Plan targets, an increase of 5.2% compared to the previous financial year, demonstrates the maturity and professionalism that defines our organisation. We do recognise that there is room for improvement. These results reflect not only our operational excellence but also our strategic focus on delivering meaningful skills development outcomes for the health and welfare sectors.



Acting Chief Executive Officer  
**Zandile Mafata**

### Key performance highlights

While the overall performance against our Annual Performance Plan is slightly below our planned target, there have been remarkable achievements across multiple dimensions, demonstrating our commitment to skills development excellence and to making meaningful impact in the health and welfare sectors.

**Learner development impact:** We successfully funded **11 957 learners** across our various programmes, representing 62% of our ambitious target of 19 401 students. This achievement reflects our strategic approach to skills development, with 5 084 learners entering workplace-based learning programmes including learnerships, apprenticeships, and internships, while 5 932 learners participated in occupationally-based training programmes. Additionally, 941 learners received bursary support for their educational advancement, ensuring continued access to higher education opportunities.

**Transformation and inclusion:** HWSETA successfully met three of five national transformation targets, demonstrating our commitment to redressing historical inequalities. We achieved our race transformation target with 90% Black African participation, while our youth development initiatives reached 70% of completions of youth aged 15-34. Gender equity remained a priority with 76% of completions being women (1 945 women compared to 603 men).

**Strategic partnerships:** We exceeded our partnership targets by establishing 1 755 partnerships, representing an achievement of 104%. These included 1 446 partnerships with large, medium, and small firms, 50 partnerships with non-profit organisations, 24 partnerships with public universities, 17 partnerships with TVET and other colleges, and 204 employer organisations for workplace-based training. These collaborations have been instrumental in ensuring our programmes remain industry-relevant and responsive to sector needs.

**Skills development in critical areas:** We achieved remarkable success in priority occupations, with Early Childhood Development leading at 238% achievement with 1 188 practitioners trained. Digital Skills development reached 152% achievement with 880 persons trained, while Air-conditioning and Refrigeration achieved 167% with 25 mechanics trained. These results demonstrate our ability to respond effectively to critical skills shortages in the sector.

**Quality assurance excellence:** Our quality assurance function exceeded expectations with 265 skills development providers accredited and reaccredited, representing 408% over-achievement of our target. We issued 3 135 certificates to learners who completed their programmes and successfully developed two full occupational qualifications that were submitted to QCTO for registration, ensuring continued relevance and quality in our training offerings.

## Organisational excellence

Beyond our programmatic achievements, HWSETA demonstrated strong organisational capability:

- **93% of positions** in our organisational structure were filled;
- **Four good governance reports** were submitted to DHET as required.

These results would not have been possible without the exceptional contributions of our dedicated staff, whose expertise, innovation, and unwavering commitment continue to drive our success. Their professional excellence and collaborative spirit have been instrumental in achieving this historic milestone.

I extend my heartfelt gratitude to all our stakeholders – employers, training providers, learners, and sector partners – who have worked alongside us throughout this transformative year. Your active participation, valuable insights and collaborative partnerships have been fundamental to ensuring our programmes remain relevant, impactful, and responsive to the evolving needs of the health and welfare sectors.

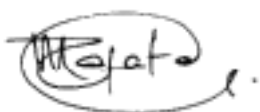
Special recognition goes to the Audit and Risk Committee and the independent co-opted finance committee member for their guidance throughout the year and immense support during the annual Auditor-General audit process. We further express gratitude to the erstwhile CEO, the former Board and the Department of Higher Education and Training (DHET) for their strategic leadership and guidance in the year under review. The strong partnership between staff, management, governance structures and stakeholders has been instrumental in our ability to deliver on our mandate and contribute meaningfully to South Africa's national skills development objectives.

## Looking forward

As we reflect on these significant achievements, we remain committed to building on this solid foundation. The year ahead presents new opportunities to deepen our impact, expand our reach, and continue our vital mission of developing a skilled, capable workforce that will drive growth and transformation in the health and welfare sectors.

Our clean audit outcome and substantial performance results demand of HWSETA to continue to improve and exceed expectations in the SETA landscape and demonstrate our readiness to tackle the challenges and opportunities that lie ahead. We are confident that with the continued support of our team, stakeholders, and partners, HWSETA will continue to excel in its crucial role of skills development and economic transformation.

I invite you to immerse yourself in the annual report to gain a deeper understanding of our work, our achievements and our prospects.



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**Ms Zandile Mafata**  
Acting Chief Executive Officer  
Health and Welfare Sector Education and Training Authority



# Veterinary and Para-Veterinary Careers Awareness Campaign



HWSETA, TARDI, University of Pretoria, Department of Education and Department of Rural Development & Land Reform joined forces to create awareness of the Veterinary & Para-Veterinary Careers available to the youth.

The campaign sought to educate learners on the different career paths as well as educational institutions one may obtain the necessary qualifications; this campaign seeks to increase the number of Veterinary's of color, more especially females in the Veterinary & Para-Veterinary space.

The Career Awareness events took place over three days across the OR Tambo, Nelson Mandela Bay, and Amathole Districts, all of which are in the Eastern Cape. The three-day campaign kick started on the 13th of May at Tsolo Agricultural and Rural Development Institute (TARDI), the campaign sought to broaden the horizon of grade 12 learners on the various careers in the Veterinary healthcare space.

A Veterinary Nurse of the University of Pretoria, Yamkelo Qenge, who is now responsible for but not limited to fluid therapy and administering medicines to animal patients, monitoring delivered a highly informative yet engaging presentation.

Daniel Matlou, an Animal Health Technician and Lecturer at Tsolo Agricultural and Rural Development Institution also delivered an ever so mind opening presentation. The campaign successfully engaged with twenty six schools, such as Solomon Mahlangu SSS, Thembalabantu High school, Zimele SSS, Zanolwazi SSS and many more.

Mr. Clayton Peters, HWSETA's Executive Manager across provinces also shared a few words with the learners, wishing them well in their final year of secondary education and shared HWSETA's excitement to have them strive and join the health and social development workforce/ industry.

The Roadshow was nothing short of energy as Dr Nandipha Ndundane, President of the South African Veterinary Council (SAVC) and Principal of TARDI; brought life and information to this life-changing campaign for the learners who attended.

Dr Nomsa Mnisi, the Chairperson of The HWSETA Board, played a key role in the roadshow, her energy really struck a fire of enthusiasm as she shared her journey and hopes for the future of South Africa in Veterinary and Para-Veterinary industry, a dream worth living for as she walked through the contributions our beautiful skills developing nation has contributed and is yet to contribute with the young minds.





## STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General South Africa;
- The annual report is complete, accurate and is free from any omissions;
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury;
- The annual financial statements (Part E) have been prepared in accordance with the required accounting (GRAP) standards applicable to the public entity;
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information;
- The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements;
- The external auditors are engaged to express an independent opinion on the annual financial statements; and
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2025.

Yours sincerely,




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**Ms Zandile Mafata**

Acting Accounting Authority

Date: 31 July 2025

## STRATEGIC OVERVIEW

 <h3>OUR VISION</h3> <p>The creation of a skilled workforce for the health and social development needs of all South Africans.</p>	 <h3>OUR MISSION</h3> <p>The Health and Welfare Sector Education and Training Authority (HWSETA) endeavours to create and implement an integrated approach to the development and provision of appropriately skilled health and social development workers, to render quality services comparable to world-class standards.</p>	 <h3>OUR VALUES</h3> <ul style="list-style-type: none"> <li>• Service excellence</li> <li>• Transformation</li> <li>• Transparency</li> <li>• Integrity</li> <li>• Respect</li> <li>• Fairness</li> <li>• Accountability</li> </ul>
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## LEGISLATIVE AND OTHER MANDATES

The HWSETA is a statutory body, a juristic person, and a schedule 3A entity, as per the Public Finance Management Act (PFMA).

### Constitutional mandates



As an entity of the Department of Higher Education and Training (until 2004, the Department of Higher Education, Science and Innovation), the HWSETA derives its mandate from the Constitution of the Republic of South Africa, specifically Section 29, read with schedule 4, which lists education at all levels, including tertiary education, as a functional area of concurrent national and provincial legislative competence.

### Legislative mandates



The HWSETA derives its mandate from:

- The Skills Development Act, as amended;
- The Skills Development Levies Act, as amended;
- The South African Qualifications Authority Act, as amended;
- The Quality Council for Trades and Occupations Act;
- The Public Finance Management Act, as amended;
- Treasury Regulations;
- All other (relevant/applicable) Human Resources and Industrial Relations Acts;
- All other Health and Welfare Acts and Regulations;
- Grant Regulations; and
- White Paper on Post-school Education and Training.

### Policy mandates



Policy mandates are dictated by the service delivery agreements entered into by ministers of:

- Department of Higher Education and Training;
- Department of Health; and
- Department of Social Development.



# ORGANISATIONAL STRUCTURE

## Executive Management Team



Acting Chief Executive Officer  
**Zandile Mafata**



Acting Chief Financial Officer  
**Nishal Singh**



Acting Executive Manager: Corporate Services (CS)  
Division  
**Bulelwa Plaatjie**



Executive Manager: Skills Development Planning (SDP)  
Division  
**Sikhumbuzo Gcabashe**



Executive Manager: Education Training Quality  
Assurance (ETQA) Division  
**Baakedi Motubatse**



Acting Executive Manager: Research Information  
Monitoring and Evaluation (RIME) Division  
**Menzi Mthethwa**



Executive Manager: Provinces  
**Clayton Peters**

# HWSETA and National Association of Child Care Workers

## launch Internship Programme for 217 Child and Youth Care Workers



In a significant step toward addressing unemployment among qualified Child and Youth Care Workers (CYCWs), the Health and Welfare Sector Education and Training Authority (HWSETA), in partnership with the National Association of Child Care Workers (NACCW), has launched an internship programme benefiting 217 unemployed graduates.

This initiative was born out of the urgent need to create employment pathways for qualified CYCWs, especially those holding diplomas and Level 4 Auxiliary CYCW qualifications. The grant agreement for the programme was signed in November 2023, with immediate implementation thereafter. The internship spans a 12-month period and is scheduled to conclude in March 2026.

### FOCUS ON RURAL DEVELOPMENT AND SKILLS ENHANCEMENT

All participants in the programme come from rural communities across KwaZulu-Natal, Free State, Gauteng, Mpumalanga, and North West provinces. The initiative brings much-needed financial support into underserved regions while contributing meaningfully to the development of the CYCW sector.

The programme has also successfully secured donor funding to supplement stipends, thereby enhancing financial support for interns and making the roles more sustainable.

### STRUCTURED LEARNING AND DIVERSE PLACEMENT OPPORTUNITIES

The internship is carefully structured to broaden the scope of professional practice and hands-on experience across the CYCW spectrum. Placement areas include:

- Child Protection – in collaboration with Childline
- Research and Academic Administration – with Durban University of Technology (DUT)
- Project Management and CYCW Administration – through NACCW
- Supervision Roles – for degreed CYCWs
- Residential Care Work – with Child Care Centres
- PEIP Programmes – focused on community and family-based interventions
- Youth Work – via NACCW Youth Forums

Zuleka Ebrahim, Projects and Reports Manager at NACCW, emphasized the value of academic placements, highlighting the collaboration with DUT's Child and Youth Care Department as a particular success of the initiative.

### HWSETA'S ONGOING COMMITMENT TO SKILLS DEVELOPMENT

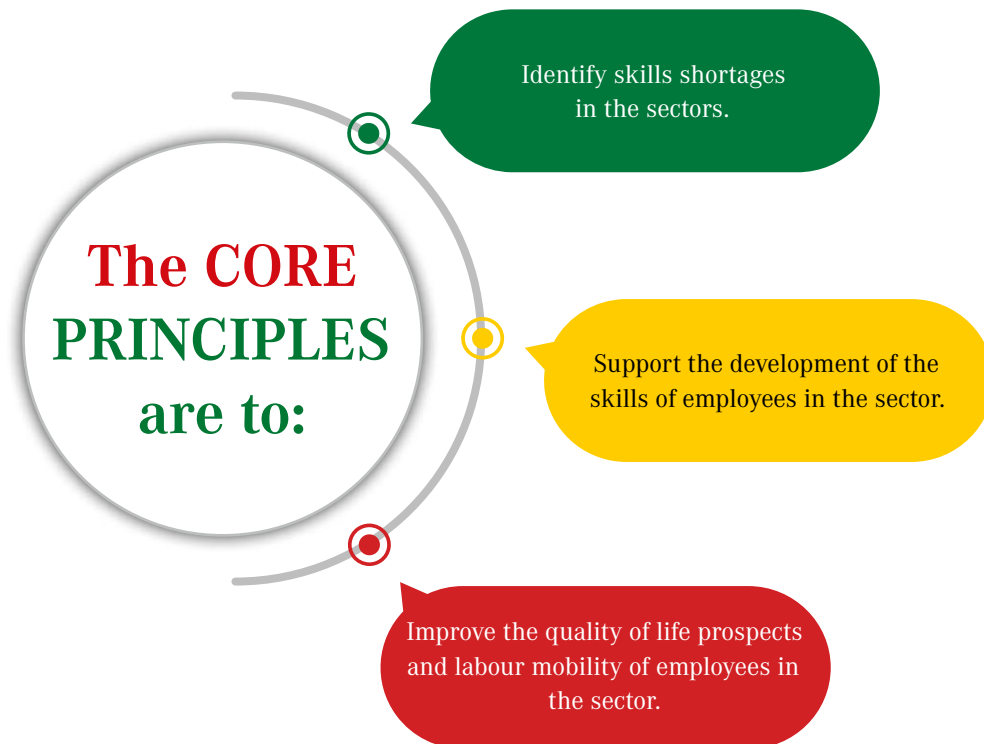
This internship programme is one of several impactful collaborations HWSETA is engaged in, underscoring its mission to advance skills development and training excellence within South Africa's health and social development sectors. Through such initiatives, HWSETA continues to empower individuals, strengthen the nation's health and social services workforce, and contribute to the overall development of South Africa's human capital.

This initiative was born out of the urgent need to create employment pathways for qualified CYCWs, especially those holding diplomas and Level 4 Auxiliary CYCW qualifications.



## OVERVIEW OF THE HWSETA

The Health and Welfare Sector Education and Training Authority's (HWSETA) mandate is to facilitate, co-ordinate and monitor the implementation of the National Skills Development Plan (NSDP) 2030 in the Health and Social Development Sectors.



Skills development is a national priority in South Africa and a critical factor to the future success of the country. Meeting South Africa's skills needs requires input from numerous public and government institutions, as well as private organisations, no matter how big or small.

South Africa's economy is divided into functional sectors that are each represented by one of the 21 Sector Education Training Authorities (SETAs). In short, the HWSETA exists to drive skills development and act as an advisory body on the education, training and skills development requirements of the health and social development sectors. Skills development is about changing people's lives, about enhancing their employability and about aligning skills to our economy. The health and social development sectors can be described as 'personal services industries' where services are both resource and time intensive. Effective delivery of these services depends on the availability of human resources with the appropriate skills.

The growing demand for health and social development services and the introduction of changes in the way these services are delivered to the public drive demand for the right type of skills. Currently, demand outstrips supply.

The HWSETA exists to achieve the following in the health, social development and veterinary sectors:

- Develop and implement the Sector Skills Plan;
- Plan skills development, programmes and initiatives;
- Monitor education and training;
- Identify workplaces for practical work experience;
- Support and facilitate the development of the National Skills Development Plan;
- Disburse levies collected through approved mandatory and discretionary grants;
- Forge links with all stakeholders and relevant bodies in the sectors;
- Account for the effective and efficient use of public monies in line with the provisions of the Public Finance Management Act and other relevant legislation;
- Promote the employment of disabled persons, youth and women.

# PART B

## Performance Information



# OVERVIEW OF THE HWSETA PERFORMANCE

## 1. SERVICE DELIVERY ENVIRONMENT

The financial year of 2024/25 was the third year of economic recovery after Covid-19 pandemic. The HWSETA experienced some successes and grappled with some challenges which were posed by its service delivery environment. In the last financial year (2024/25), the HWSETA met the following challenges from the **service delivery environment during implementation**:

1.1 Employers faced challenges with recruitment of workers into WBL programmes due to dropouts which made it difficult for the employers to find replacements. Further, the number of employers in the sector who open up their workplaces for learning has not returned to its pre-COVID (2019/20) level which was at 325. Instead, it has decreased by 46% to 204 in 2024/25 since 2019/20. Yet an 89% increase from 108 to 204 from 2023/24 to 2024/25 respectively was reported signalling improvement in employer organisation participation levels. This resulted in the HWSETA not fully achieving its targets for workers for these programmes.

- *The HWSETA will devise new strategies mitigate the risk of not achieving workers' targets emanating from dropouts and low participation levels of employer organisations.*
- a. The HWSETA experienced challenges with timely implementation of skills development programmes posing a risk of low achievement of targets and low service delivery. A benchmarking study was conducted by the RIME division to establish whether it was possible to implement projects early. The study recommended that the first discretionary grant funding window through expression of interest (EOI) be made earlier in Quarter 3 of 2024/25 for the next financial year, ie, 2025/26. This recommendation was implemented by the HWSETA for 2025/26 but did not resolve the effect of delays in implementation for the current 2024/25.
- b. The public sector, which is the biggest employer in the health and welfare sector, prioritised unemployed persons instead of workers due to the downturn in the economic climate.
- c. Many of the SME's, in particular, pharmacies that supported training of workers were bought out by big business such as Dischem and Clicks due to the downturn in the economic climate.

In 2025, the HWSETA will conduct a design evaluation with employers to assess the most feasible mode of delivery or implementation for programmes related to workers.

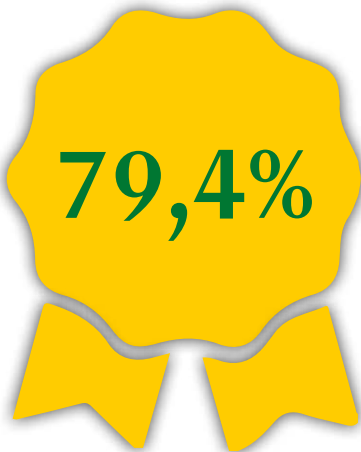
The HWSETA conducted a PESTEL (political economic social technological environmental and legal) factor analysis survey to scan its external environment in order to identify factors affecting operations of the health and social development sector, and thus affecting skills demand or supply. The aim of the PESTEL factor analysis survey was to provide a situational analysis of external environment by scanning the business environment for threats and opportunities. A sample of 111 organisations participated in the survey conducted in August 2023. The key findings yielded by this survey indicated the main factors that affected the health and social development sector in 2023 included the following:

- **Economic factors:** 75% of health and social development organisations identified electricity loadshedding as negatively affecting operations and the delivery of training (including work-based learning programmes). The health sector is hit the hardest by loadshedding as the impact is multifaceted and complex.
- **Technological factors:** 28% of Skills Development Providers (SDPs) in the health and social development sector were not prepared to implement the eLearning due to lack of an eLearning platform.

In 2024/25, the HWSETA conducted a survey to identify factors that drive change in the sector thus influencing the demand and supply of skills and impacting the nature of work. The top four identified skills change drivers were budget/funding, lack of training programmes (both qualifications and/or short courses), technological changes, and capacity to train (number of spaces allocated). As a mitigation to supply-related change drivers (lack of training programmes and capacity to train), the HWSETA adopted the study's recommendation to prioritise planned training information submitted through the WSP/ATR under the discretionary grant processes.

Performance of the HWSETA in achieving workplace-based learning, bursary, and occupationally based programmes

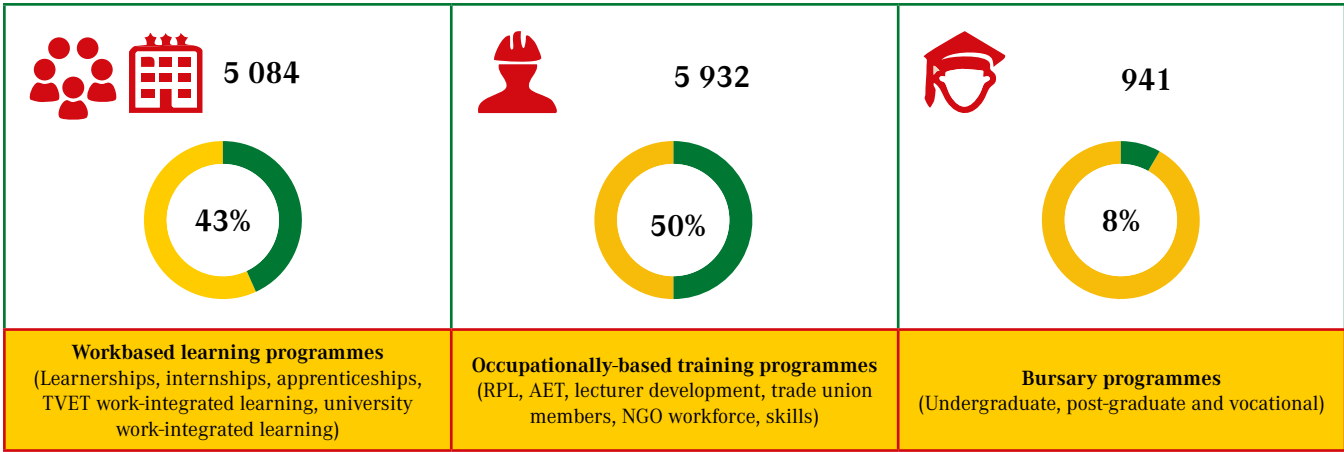
The HWSETA was able to reach a performance level of **79,4%** of its annual targets of the 2024/25 Annual Performance Plan (APP).



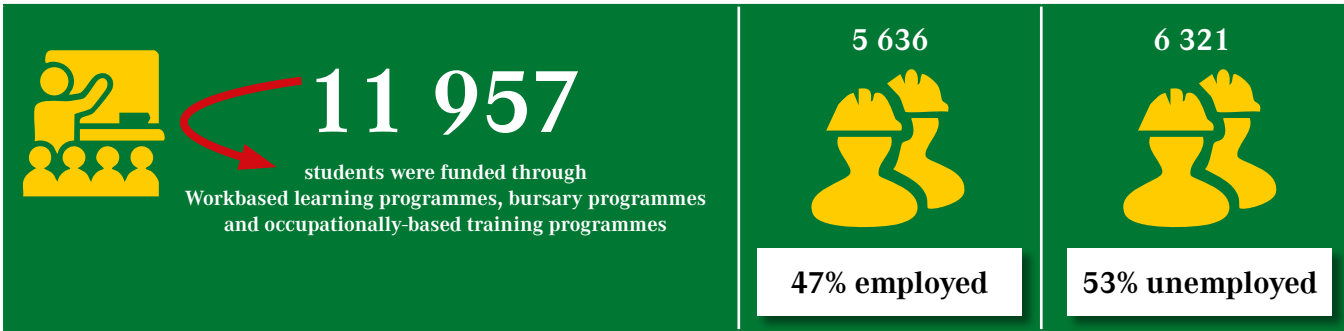
The HWSETA targeted funding of a total of **19 401** students in its APP of 2024/25 through the following programmes:

Workplace- based learning programmes	Learnerships, apprenticeships, TVET college placement, university student placement, internships for graduates
Bursary programmes	Under-graduate, post-graduate, and vocational student bursary programmes
Occupationally based programmes	AET, lecturer development, RPL, trade union member training, and NGO sector workforce and skills programmes

A total of **11 957** learners were funded. Thus, 62% of HWSETA targeted students was achieved in 2024/25 financial year. Of these learners, **5 084 (43%)** were entered into workplace-based learning programmes; **5 932 (50%)** were entered into occupationally based training programmes; and **941 (8%)** were entered into bursaries programmes.



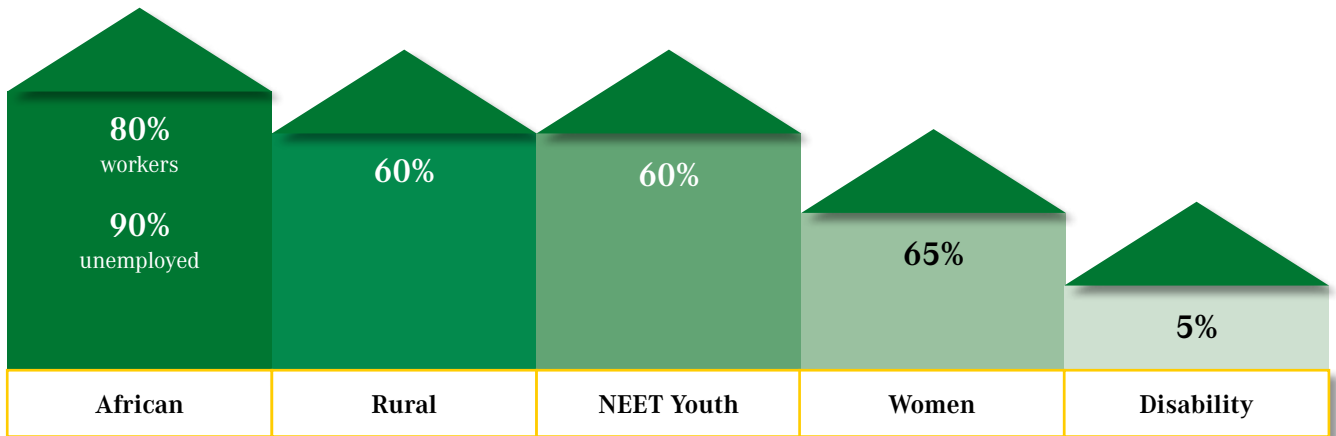
Of the **11 957** funded learners, **5 636** were employed (47%) while **6 321** (53%) were unemployed.



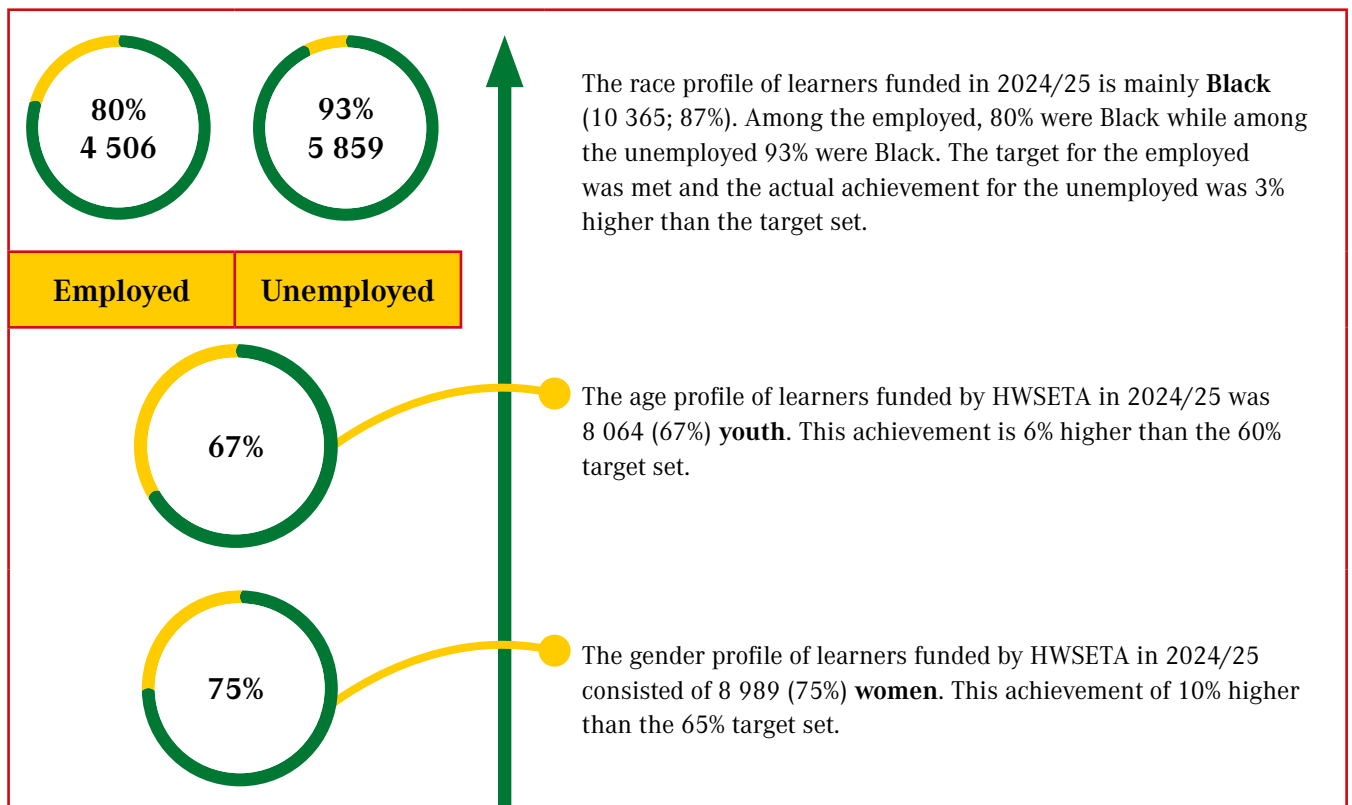


## 2. PERFORMANCE OF THE HWSETA IN SUPPORTING THE SOUTH AFRICAN NATIONAL TRANSFORMATIVE AND REDRESS PRIORITIES

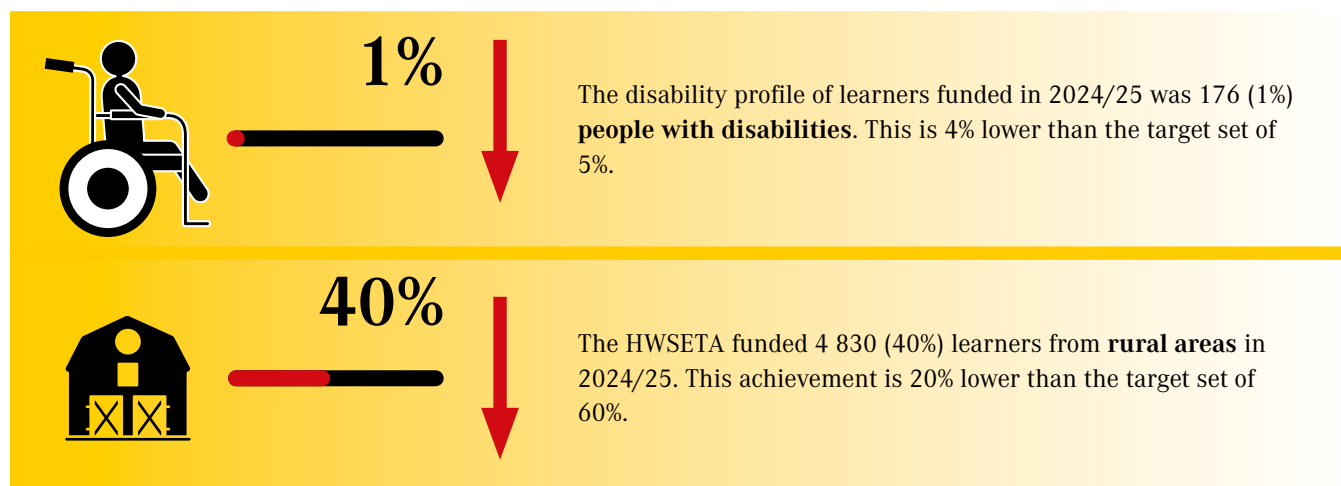
The HWSETA set the following targets in its APP for 2024/25 with the aim of supporting the South African national transformative and redress priorities for race, people from rural areas, youth, women and people with disabilities.



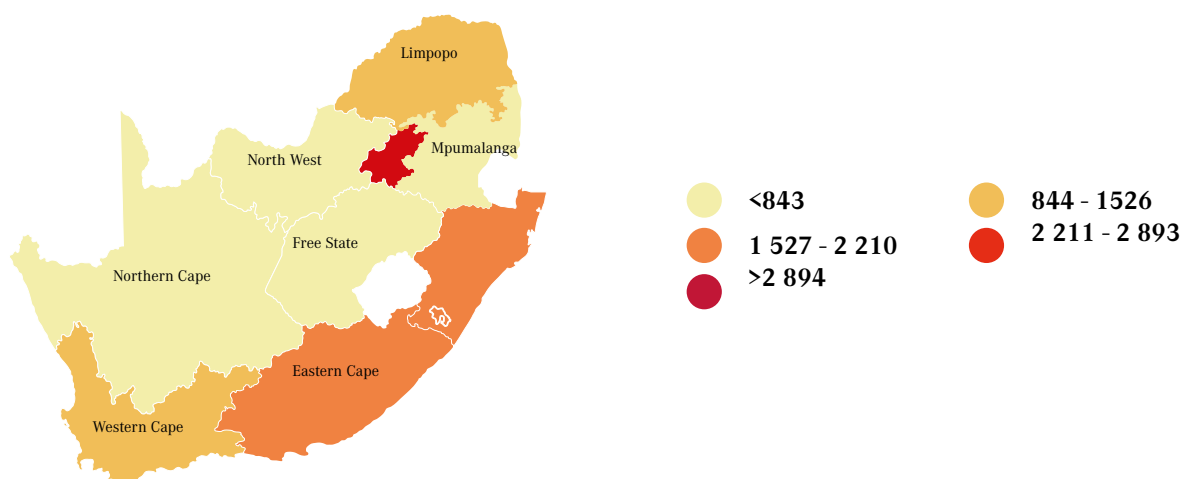
HWSETA has met three of the five transformation and redress targets, namely race, young people, and women, but fell short on rural areas and people with disabilities.



Although the HWSETA fell short on achieving targets for people with disabilities and those that live in rural areas, it has nevertheless shown progress in supporting these two groups.



The majority of learners funded came from Gauteng (3 577; 32%), followed by Eastern Cape (1 754; 16%) and KwaZulu-Natal (1 607; 15%).



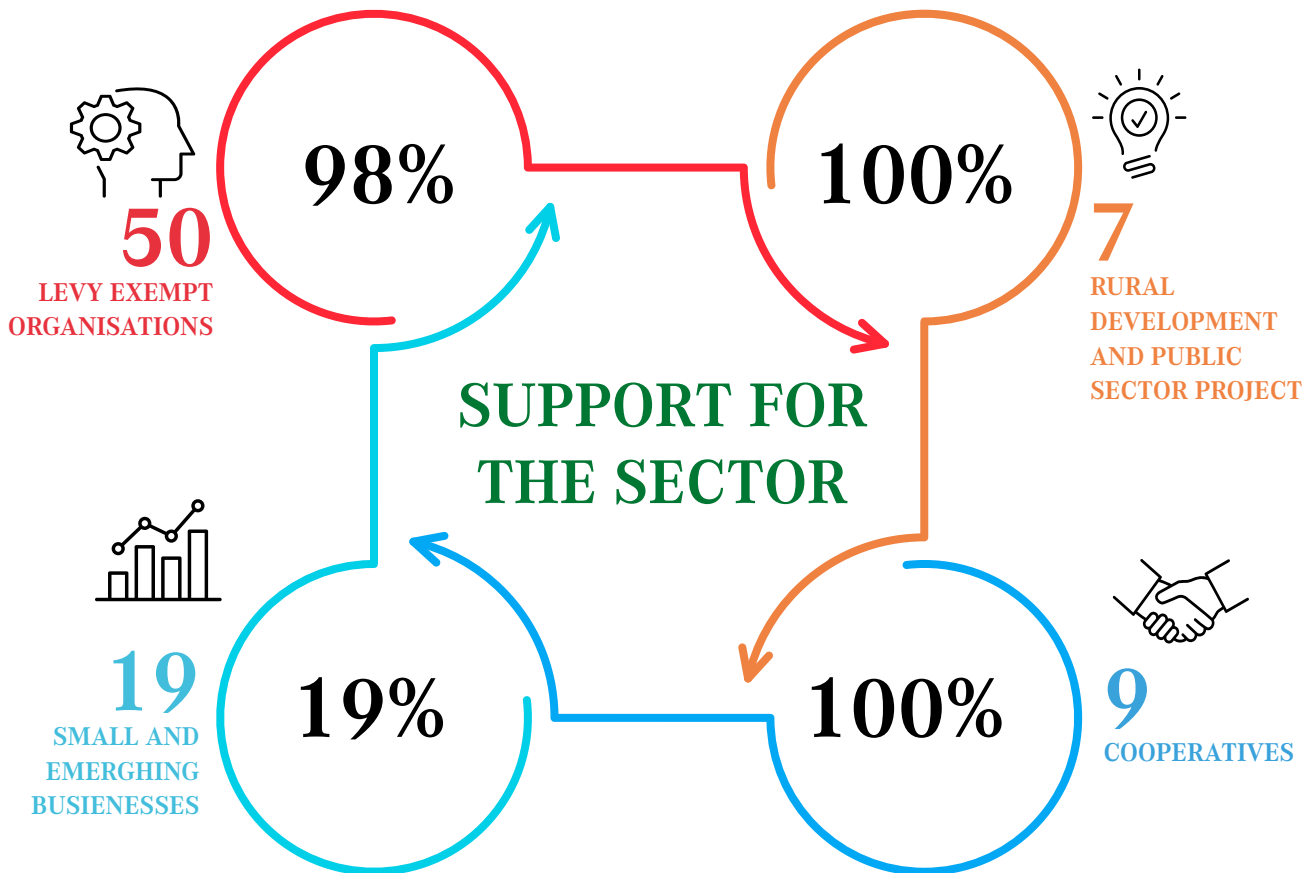
Most learners funded were from the City of Tshwane Metropolitan Municipality (1 055; 11%), followed by City of Johannesburg Metropolitan Municipality (735; 7%) and City of Ekurhuleni Metropolitan Municipality (719; 7%). Six of the top ten districts were targeted for skills development by HWSETA.

The table below represents the top ten funded districts.

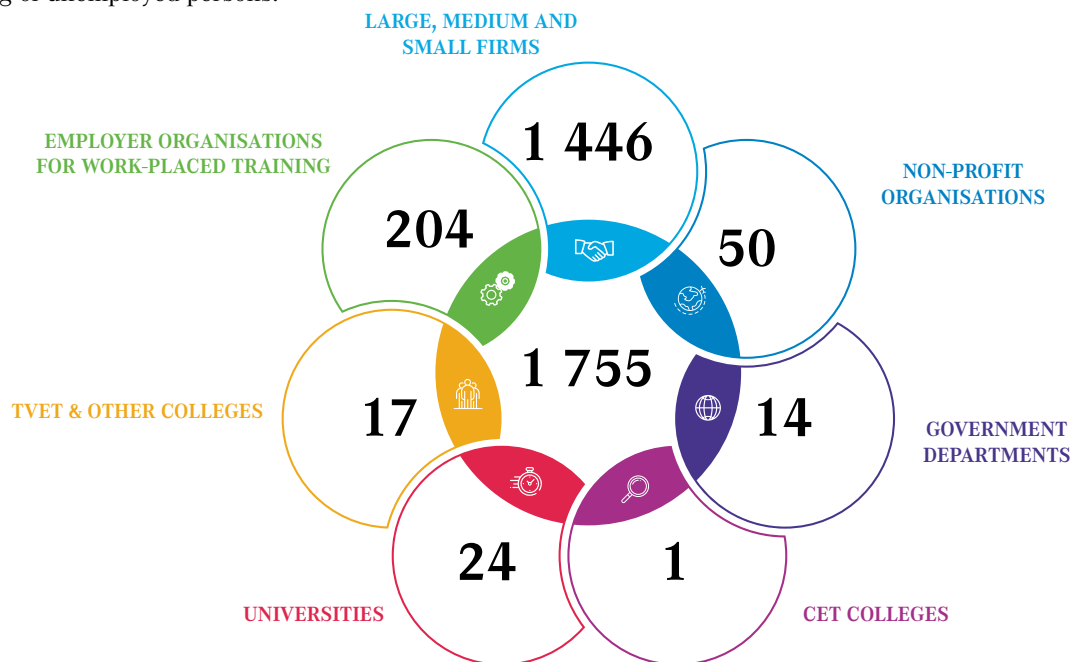
Province	Top 10 District Municipalities	Area	Frequency	Percentage
Gauteng	City of Tshwane Metropolitan Municipality	Urban	1 055	11%
Gauteng	City of Johannesburg Metropolitan Municipality	Urban	735	7%
Gauteng	City of Ekurhuleni Metropolitan Municipality	Urban	719	7%
Western Cape	City of Cape Town Metropolitan Municipality	Urban	645	6%
KwaZulu-Natal	eThekweni Metropolitan Municipality	Urban	623	6%
Eastern Cape	Alfred Nzo District Municipality	Rural	511	5%
Limpopo	Vhembe District Municipality	Rural	461	5%
Mpumalanga	Ehlanzeni District Municipality	Rural	461	5%
Eastern Cape	Buffalo City Metropolitan Municipality	Urban	458	5%
Gauteng	West Rand District Municipality	Urban	290	3%



The HWSETA funded a total of **19** small businesses for skills development; 7 rural development and public sector projects; and **9** cooperatives. Achievement levels for rural development and public sector projects and cooperatives met the 2024/25 targets. Only 19% of the small business for skills development 2024/25 target at 102 was achieved.

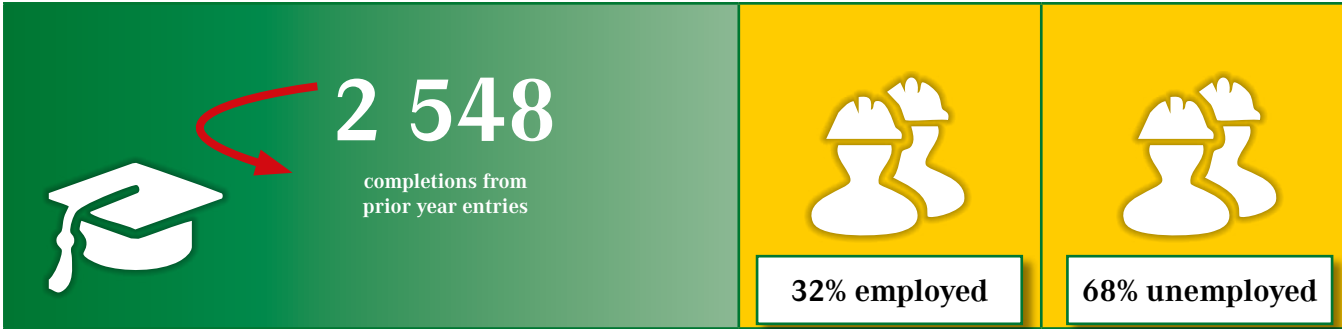


The HWSETA entered into 1 755 (104%) partnerships against a target of 1 688 in 2024/25. Of the HWSETA partnerships, 1 446 comprised large, medium, and small firms; 50 non-profit organisations; 14 national and provincial government departments; 24 public universities, 17 TVET and other colleges; and 204 employer organisations for workplace-based training of unemployed persons.

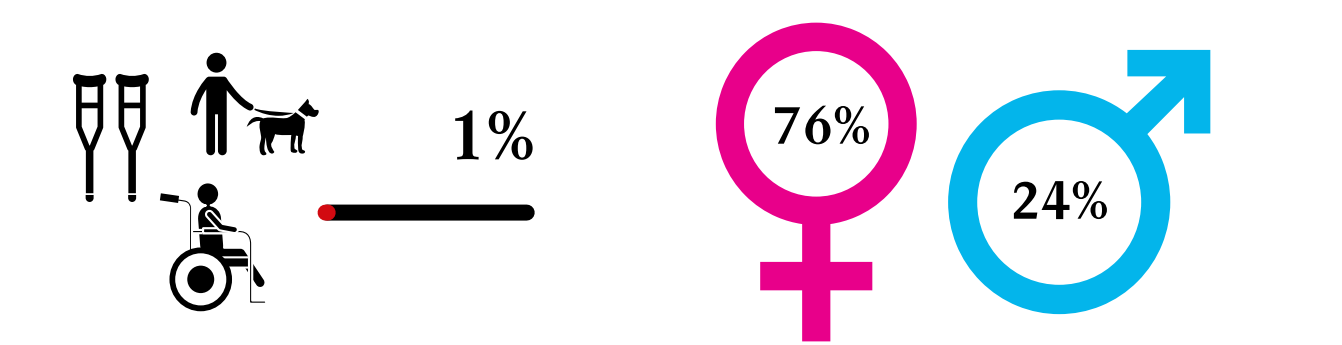
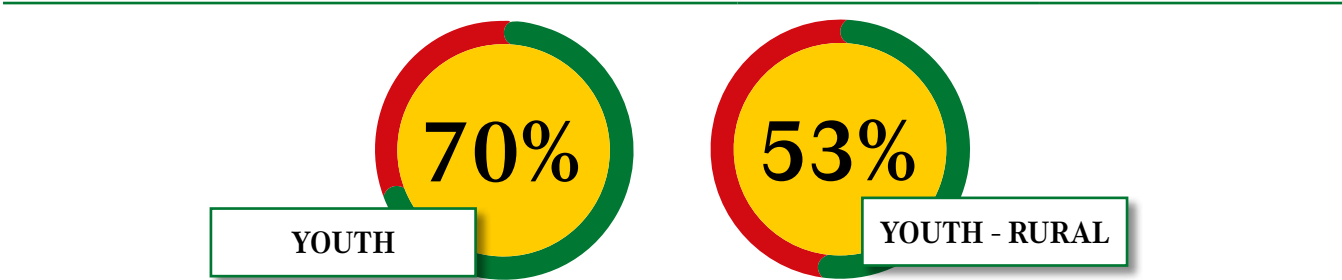


Partnerships entered into to implement skills development initiatives of the HWSETA

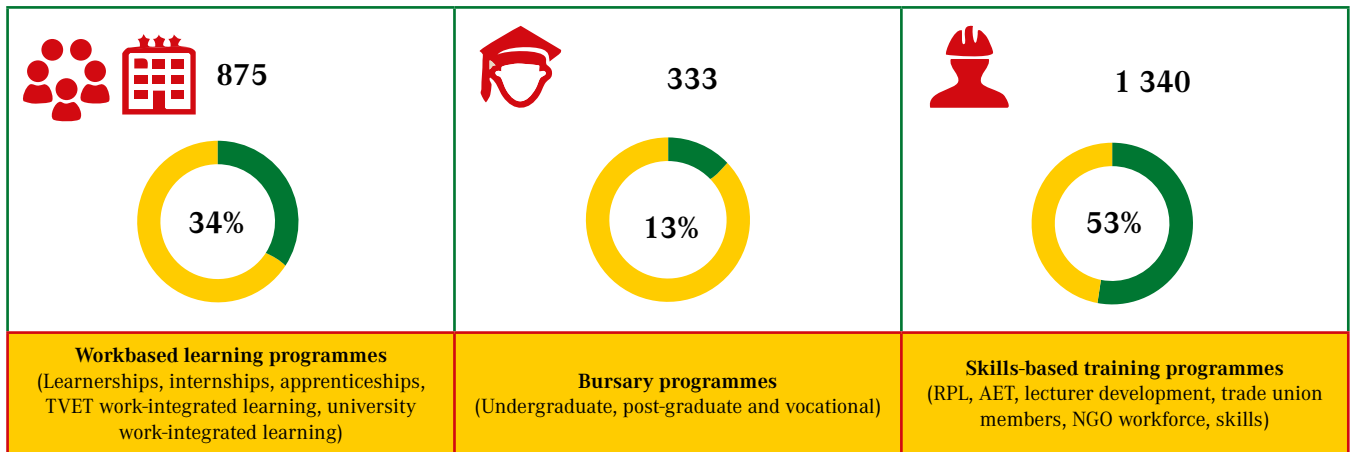
Completions from prior year entries, which were reported by employers during the year under review were **2 548 (19%)** against a target of 13 402 in 2024/25. Of the reported completions by employers during the year under review, 806 (32%) were workers and 1 748 (68%) were unemployed:



The people that were reported as completions, majority (90%) are Black African.



The completions included 1 945 women (76%), 603 men (24%), 34 persons living with disabilities (1.3%), and 1774 youth (70%), including 1 360 from rural regions (53%).



A majority of completions were from learners that have completed skills-based training programmes 1340 (53%), followed by work-based learning programmes 875 (34%) then bursary programme 333 (13%). The skills-based training programmes offer short-courses to the workers hence the increase in number of completions. On the contrary, work-based learning and bursary programmes have a longer training period.

### Employment rate derived from a track and trace study of learners who completed learning programmes in 2023 and 2024.



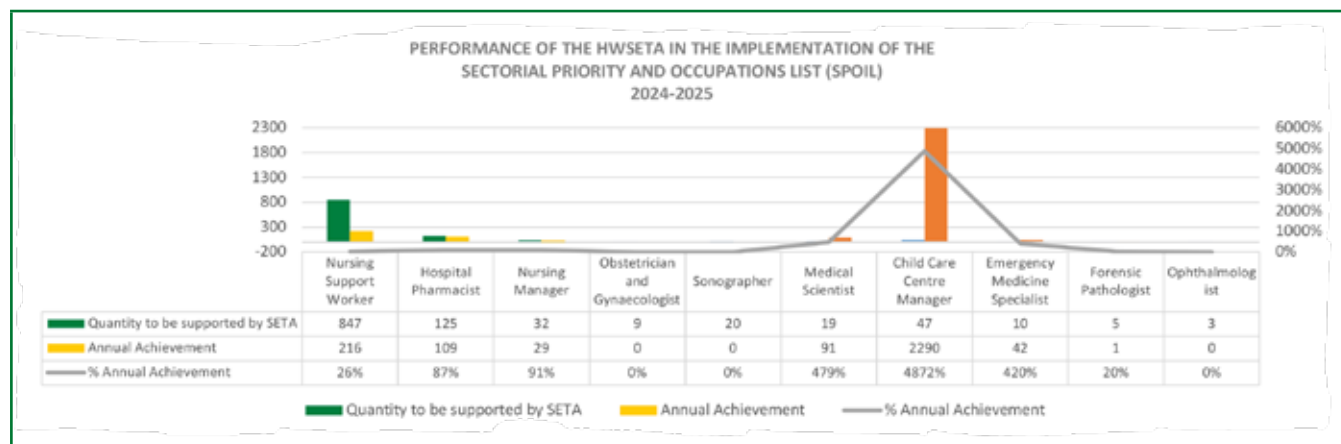
Preliminary findings from the track and trace study conducted on learners that completed HWSETA learning programmes in 2023/24 indicate an employment rate of 30%.

## CONCLUSION

The 79,4% organisational performance for 2024/25 suggests strong performance but also indicates areas for potential improvement. The minimum equity targets for priority groups were met except for targets for people with disabilities and people in rural areas. Analysis of performance information in 2024/25 indicates that HWSETA performance did not achieve completion targets given very low achievement levels (19%).

### 3. RESPONSE OF THE HWSETA STRATEGIC PRIORITIES

The SPOI list is a list of priority occupations identified by the sector through research as occupational shortages planned to be addressed through a variety of interventions in a specific financial year. Of the top ten SPOI list for the HWSETA 2024/25, only three occupational targets were 100% met, two achieved at levels above 50% but below 100%, and five achieved at levels between 0% to 50% (see below).



Nine occupations in the ambit of the health and welfare SETA were identified through the ERRP Skills Strategy to have skills shortages, together with digital skills, a crosscutting skill for several occupations. The HWSETA made a commitment to develop these skills in shortage through its funding programmes in 2024/25. As shown in the table below, overachievement in areas such as Early Childhood Development (238%) indicates strong programme alignment with sector needs. Underperformance in critical STEM fields (less than 5% as biotechnologist, microbiologist and environmental scientist) signals a need for targeted strategies to attract and support learners. Campaigns are needed to promote careers in underperforming fields, emphasising their importance to national development.

OCCUPATION	QUANTITY TO BE SUPPORTED	ACTUAL ACHIEVEMENT 2024/25	2024/25 PERCENTAGE ACHIEVEMENT
Research and Development Manager	13	8	62%
Safety, Health, Environment and Quality (SHE&Q Practitioner)	7	3	43%
Early Childhood Development Practitioner	499	1188	238%
Biotechnologist	181	1	1%
Microbiologist	250	6	2%
Environmental Scientist (Environmental Technician)	499	21	4%
Air-conditioning and Refrigeration Mechanic	15	25	167%
Social Entrepreneurship	79	21	27%
Qualification in Medical Technology	1	0	0%
Digital Skills	579	880	152%



## 4. ORGANISATIONAL ENVIRONMENT

Training of workers in the sector continued to suffer well into 2024/25 as employers still found it difficult to release workers for prolonged periods of time for training due to the effects of economic recovery, which was characterised by electricity load-shedding. The public sector is the largest employer in the health and welfare sector, and has a significant presence in rural areas. However, due to the economic climate and high unemployment rate, the public sector prioritised the unemployed over workers. Despite the challenges faced by the public sector of delayed recruitment and submission of compliant documents, the HWSETA achieved some of its unemployed indicators making good progress on achieving 91% (21/23) of these targets, achieving them at a median performance level of 51%. Further, the small businesses in the pharmacy sector that supported training of workers were bought out by large companies such as Dischem and Clicks due to the state of economy. Operations for skills development were decentralised fully to the provincial offices of the HWSETA, as a result of which performance information was generated at the provincial offices and reporting came from these offices. The head office retained the planning functions, monitoring of implementation, management of commitments, verification and consolidation of performance information from the nine provincial offices.

### Key policy developments and legislative changes

The key policy developments for the HWSETA involved:

- The Draft Skills Strategy: Support for the South African Economic Reconstruction and Recovery Plan (ERRP);
- The Sector Strategy for Employment of Social Service Professionals; and
- National Council on Gender-Based Violence and Femicide Bill.

The Draft Skills Strategy: Support for the South African Economic Reconstruction and Recovery Plan was implemented while still in draft because of the urgent response that was required from government to deal with the economic crisis faced by the country. The draft strategy set out key interventions that aimed at ensuring the effective implementation of the ERRP. It is intended to ensure that skills are not constrained to economic development and therefore proposes interventions and actions that address occupational shortage and skills gaps in the labour market. Most importantly, the strategy supports the implementation of the ERRP in ways that both maximise opportunities for new entrants to the labour market and promote the preservation of existing jobs and the creation of new jobs. The draft skills strategy was embedded in the strategic plan and APP for 2024/25.

The sector strategy for employment of social service professionals (SSP) was designed by the National Department of Social Development to leverage and strengthen the employment of social service professionals across the country. The sector strategy aims to address the current unemployment of social service professionals across the country. The strategy identifies around 9 000 social service professionals that are unemployed and seeks government departments and entities to join forces in addressing the challenge of unemployed SSPs. The HWSETA funded a number of these SSPs on its work experience programme and will continue to do so in the next financial years. Also, SSPs will be capacitated through partnerships with universities to form social enterprises and thus create jobs for other SSPs. This was implemented in 2023/24. The National Strategy on gender-based violence and femicide policy document was developed to address gender-based violence and femicide (GBVF) in South Africa. It involves a variety of sectors such as safety and security sector, justice sector, health sector, civil society sector and the private sector in a joint effort to understand the root causes or drivers of GBVF in South Africa and to address them. The aim is to provide support and protection to GBVF victims in a systematic, uniform manner across the whole country. The HWSETA has completed development of the gender-based violence responder skills programmes awaiting approval from the QCTO. Further, HWSETA in partnership with Higher Health funded unemployed persons for victim empowerment support training.

## 5. PROGRESS TOWARDS THE ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

This was the fifth year of implementing the strategic plan for 2020-2025. This plan maps out four impact statements which are broken down into eight outcome statements and these are measured through 44 outcome indicators and targets. Progress towards the achievement of the 5-year targets is measured through evaluation studies. During the financial years 2020/21 to 2024/5, 38 of the 44 (86%) outcomes indicators were measured through evaluation studies, as follows:

	2020/21	2021/22	2022/23	2023/24	2024/25
Outcomes measured annually	10	10	10	10	10
Outcomes measured once	3	9	12	12	12
Total outcomes measured	13	19	22	22	22
<b>BUDGET SPENT</b>	<b>R722 198</b>	<b>R2 163 600</b>	<b>R2 750 000</b>	<b>R2 815 011.12</b>	<b>R3 137 820.95</b>

### HWSETA makes a donation to the FPMSETA Mandela Day drive initiative



#### Invitation to Participate in Mandela Day Commemoration Exhibition – 30 July 2025

The event took place on 30 July 2025 at Phakamile Community Learning Centre in Kariëga (Uitenhage), Eastern Cape. This national initiative forms part of the ongoing effort to celebrate and uphold the legacy of President Nelson Mandela through impactful and community-focused action. It also commemorated 10 years of CET Colleges within the Post-School Education and Training (PSET) sector. All Sector Education and Training Authorities (SETAs) were invited to exhibit their work and contribute towards this important initiative. The Health and Welfare SETA (HWSETA) was proud to participate and support the cause by donating 300 sanitary pads to benefit disadvantaged members of the community. HWSETA is committed to continuing its support of initiatives that promote dignity, access, and empowerment through education and community upliftment.





## IMPACT STATEMENT 1:

The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
1	The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation system which identifies occupations in a high demand during the strategic period.	1 - 1	The extent to which external stakeholders of the HWSETA are satisfied with efficiency and effectiveness of service delivery by the end of the strategic period <sup>1</sup> .	18.1 18.2 20	80%	43% 54%	Stakeholder Satisfaction Survey	Stakeholder Satisfaction Survey was conducted in 2021/22 and results yielded an efficiency level of 43,25% and effectiveness level of 42,09%. Preliminary findings of the 2020-2025 stakeholder satisfaction survey revealed no change in efficiency and effective levels of 42% each, respectively. A third of the respondents are fence sitting. Overall, therefore the HWSETA achieved an average efficiency and effectiveness level of 43%. The HWSETA will review the findings from the survey and strengthen its stakeholder relations through monitoring of adherence to service delivery charter in order to ensure that its stakeholders are attended to timeously.

**HWSETA is committed to continuing its support of initiatives that promote dignity, access, and empowerment through education and community upliftment.**

<sup>1</sup> The 2020-2025 strategic period starts on 1 April 2020 and end on 31 March 2025. The five-year target therefore should be attained by 31 March 2025.

**IMPACT STATEMENT 1:**

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		1 - 2	The extent to which the Sector Skills Plan of the HWSETA and its annual updates are relevant to the DHET SSP framework (2019-2024) by the end of the strategic period.	12.1	85%	89% 105%	DHET SSP assessment report	The DHET peer reviews the SSP annual update to check its alignment to the research outputs stipulated in the NSDP (2030). In 2020/21 the quality of the HWSETA SSP update was rated 85% and in 2021/22 it was rated 89%. Since 2022/23 the DHET has only provided qualitative feedback and no rating. In 2024/25 feedback on HWSETA first draft, the HWSETA was provided with feedback on all six chapters of the SSP together with its annexures. Qualitatively, the DHET recommended minor adjustments and improvements while expressing satisfaction with HWSETA SSP. Therefore, the rating based on the prior years' assessment rates is maintained as there is no material regression identified in the HWSETA's SSP in terms of relevance and high-quality principles.



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OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		1 - 3	The extent to which internal stakeholders of the HWSETA implement monitoring, evaluation, ssp and research recommendations by the end of the strategic period.	5 12.1	80%	81% 101%	Evaluation findings register  Follow-up report	<p>Between 2020 and 2024, 24 recommendations from 21 evaluation studies were followed up and 19 (79%) were completed, no action has been taken yet on 4 (17%), and 1 (4%) is no longer relevant.</p> <p>Similarly, between 2020 and 2024, 1 recommendation from 27 research studies was followed up and 42 (80%) were completed, and no action taken yet on 25 (49%). This is due to the fact that most of the research recommendations are not within the direct control of HWSETA. On aggregate frequency of follow-up on the implementation for both evaluation and research study recommendations will be increased from once per year to every six months. This is believed that this will prompt implementing managers to closely monitor their progress towards addressing resolutions of findings raised through evaluation studies.</p>

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OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		1 - 4	The extent to which monitoring, evaluation, and research reports measure the strategic outcomes of the HWSETA strategic plan 2020-2025 by the end of the strategic period.	a) Strategic outcomes	5 12.1	90% 86% 95%	Mid-term progress report  End-term progress report	The HWSETA has evaluated 38/44 strategic outcomes. Six were not evaluated due to introduction of new output indicators in 2024/25 so the completions were not reported in time for evaluation. In two indicators the evaluability assessment identified issues with the design of the programme and its implementation.
				b) Response rate	5 12.1	55% 46% 86%	Synthesis report	A synthesis report of all M&E studies conducted will be compiled at the end of 2024/25 financial year.
		1-5	Percentage of discretionary grant budget spent on high, intermediate, and low-level skills by the end of the strategic period	a) High level skills	33.a	6% 14% 233%	Synthesis report	There were no baselines for the setting of these targets and therefore estimates were put in place. The achievements reported will now form baselines for target setting for 2025-2030 strategic plan
				b) Intermediate skills	33.b	18% 51% 283%	Synthesis report	
				c) Low-level skills	33.c	12% 0,34% 3%	Synthesis report	



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OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
2	The HWSETA promotes linkages between education and the workplace to increase work-place based learning opportunities in the health and welfare sector in the strategic period.	2 – 6	The extent to which employers participate in HWSETA skills development initiatives in comparison to those that submit the WSP by the end of the strategic period.	2	60%	14% 23%	Desktop review report	14% of employers partnered with the HWSETA to implement learnerships, apprenticeships, internship and TVET WIL. These employers constituted 1 200 of the 8 380 organisations that accumulatively submitted their WSPs and were approved. Employers will be encouraged to increase their participation in skills development activities. Provincial Offices of the HWSETA will organise workshops targeting employers that do not participate in the skills development programme and inform them about the benefits and incentives available for participating in workplace-based programmes of the HWSETA

**The HWSETA promotes linkages between education and the workplace** to increase work-place based learning opportunities in the health and welfare sector in the strategic period.

## IMPACT STATEMENT 1:

The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED		LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		2 – 7	Proportion of unemployed persons who find employment after successfully completing internships for graduates funded by the HWSETA by the end of the strategic period.	a) University	7.2a	610	423 69%	Tracer study report	In 2024/25, 69% of the 5-year target was reached. Of 957 unemployed persons funded for internships, 423 (44%) found jobs six months after completing their internship programmes.
				b) TVET colleges	7.2b	305	Undetermined		
		2 – 8	Number of unemployed persons who find employment after successfully completing learnerships funded by the HWSETA by the end of the strategic period	29.2		1 400	739 53%	Tracer study report	In 2024/25, 53% of the 5-year target was reached. Of 1 649 unemployed persons funded for learnerships, 739 (45%) found jobs six months after completing their qualifications.
		2 – 9	Number of unemployed apprentices who find employment after successfully completing artisan programmes funded by the HWSETA by the end of the strategic period	26.2		150	145 97%	Tracer study report	In 2024/25, 97% of the 5-year target was reached. Of the 165 unemployed persons funded for apprenticeships 145 (88%) found jobs six months after completing their qualifications.



### IMPACT STATEMENT 1:

The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		2-10	The extent to which unemployed persons find employment after successfully completing learning programmes funded by the HWSETA by the end of the strategic period	Outcome indicators 2-7 2-8 2-9	60%	40% 67%	Synthesis of tracer studies report	A tracer study on unemployed learners who completed learning programmes funded by the HWSETA through learnerships, bursaries, artisans and internships was conducted. The overall employment rate yielded by tracer study conducted in 2020/21 was 60%, in 2021/22 was 33%, in 2022/23 was 42%, in 2023/24 was 32% while in 2024/25 employment rate is at 33%. This therefore results in an average employment rate of 40% over the five years of the strategic period.
		2 - 11	Number of unemployed persons who obtain their university qualifications after successfully completing university Work Integrated Learning (WIL) programmes funded by the HWSETA by the end of the strategic period.	32.2	1211	417 34%	Tracer study report	A cumulative total of 318 learners reported to have obtained qualifications in the period 2020 to 2024. Additionally, 99 were reported in 2024/25. Progress made towards achieving the target for 2020-2025 is 417.

**IMPACT STATEMENT 1:**

The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		2 - 12	Number of unemployed persons who obtain their TVET College qualifications after successfully completing TVET College Work Integrated (WIL) Learning programmes funded by the HWSETA by the end of the strategic period.	28.2	685	386 56%	Tracer study report	The 2024/25 tracer study showed that 214 learners obtained their qualifications. The cumulative achievement is thus 386.





## IMPACT STATEMENT 2:

The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
3	The HWSETA contributes to the improvement of level of skills to 50% of the health and welfare sector workforce through various learning programmes that address critical skills in the strategic period.	3 - 13	Number of workers whose competence is improved after successful completion of the learnership programmes of the HWSETA by the end of the strategic period.	3.2	1 485 29%	108 7%	Tracer study report	The outcome for this indicator had to be revised in 2022-23 as it was evident that it was not possible to achieve the set target by the end of the strategic period. As a result, the outcome indicator was revised to "Number of workers whose competence is improved after successful completion of HWSETA learning programmes". This outcome was measured in 2023/24 and 2024/25. Indicators 3-16 and 3-18 were not measured because they were newly introduced in 2023/24 in order to respond to the sector needs. Completions were only reported in 2024/25 hence no tracer studies were conducted as yet. The low achievement of outcomes 3-19 is mainly attributed to poor response rate.
		3 - 14	Number of employed apprentices whose competence is improved after successful completion of the artisan programmes of the HWSETA by the end of the strategic period.	4.2	75	7 9%	Tracer study report	

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The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

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		3 - 15	Number of workers whose competence is improved after successful completion of the qualifications funded through the undergraduate bursary programme of the HWSETA by the end of the strategic period.	6.6a	159	6 4%	Tracer study report	
		3 - 16	Number of workers whose competence is improved after successful completion of the qualifications funded through the post-graduate diploma bursary programme of the HWSETA by the end of the strategic period.	6.6b				
		3 - 17	Number of workers whose competence is improved after successful completion of the qualifications funded through the post-graduate research bursary programme of the HWSETA by the end of the strategic period.	6.3	36	17 47%	Tracer study report	
		3 - 18	Number of workers whose competence is improved after successful completion of the short learning programmes funded through the bursary programme of the HWSETA by the end of the strategic period.	a) Short learning programmes at undergraduate level	2	3	Undetermined	



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The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED		LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
				b) Short learning programmes at post-graduate level	2	4	Undetermined		
		3 - 19	Number of workers whose competence is improved after successful completion of the skills programmes of the HWSETA by the end of the strategic period.	a) Credit bearing	8.2a	6198	43 0.7%	Tracer study report	
				b) Short learning programmes	8.2b	348	54 16%	Tracer study report	
		3 - 20	Number of workers who obtain full qualifications after successfully completing the RPL programmes funded by the HWSETA by the end of the strategic period.		25.2	342	557 163%	Tracer study report	A track and trace study for workers that had undergone the Recognition of Prior Learning Assessment during the strategic period was conducted in 2021/22 to identifying learners that obtained full qualifications through RPL. The 2023/24 RPL tracer found that 255 obtained full qualifications. Thus, the accumulative achievement is 557.
		3 - 21	Workers who obtain full qualifications after successfully completing AET programme funded by the HWSETA by the end of the strategic period.		21.2	660	Undetermined	Tracer study report	Evaluability assessment was conducted and identified issues with the design and implementation of the programme. As a result, the programme was not able to be evaluated. In the next strategic period AET will be funded for livelihood skills, and therefore theory of change will be revised.

## IMPACT STATEMENT 2:

The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED		LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
4	The HWSETA contributes to increased access by the unemployed into occupationally directed programmes in the health and welfare sector during the strategic period	4 - 22	The extent to which occupational qualifications developed by the HWSETA are found to be relevant by the sector to occupations on high demand by the end of the strategic period.	a) Full/part-qualifications	24.1	100%	<div>100%</div>	Survey report	Eight qualifications have been developed since 2020. Two track and trace study of learners trained on two qualifications (SAW and CYC) confirmed the relevance of these qualifications to occupations. Employers were also interviewed and confirmed relevance of these qualifications in 2022/23.
				b) Skills programmes	24.2	90%	Undetermined	Survey report	This is a new indicator introduced in 2023/24. No evaluation was conducted during the strategic period.
		4 - 23	Number of skills development providers who offer training on occupational qualifications and have at least 60% of those learners certificated through full and part time qualifications by the end of the strategic period.	a) Skills development providers	19.1	39	<div>49125%</div>	Desktop review Report	This is a new indicator introduced in 2023/24. However, HWSETA conducted a desktop review on 2020-2025 datasets.
				b) Qualification certificates	19.2a	1975	<div>3 490177%</div>	Desktop review Report	This is a new indicator introduced in 2023/24. However, HWSETA conducted a desktop review on 2020-2025 datasets.
				c) Statements of results	19.2b	1335	<div>1 476110%</div>	Desktop review Report	This is a new indicator introduced in 2023/24. However, HWSETA conducted a desktop review on 2020-2025 datasets



## IMPACT STATEMENT 2:

The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED		LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		4 - 24	The extent to which CET colleges, universities, TVET and other colleges, professional bodies and research institutions participate in HWSETA skills development initiatives in by the end of the strategic period.	a) CET	23a	80%	10% 17%	Desktop review report	69 of universities, TVET colleges and other colleges partnered with the HWSETA to implement vocational, under-graduate degrees, post-graduate diplomas, university WIL, and post-graduate degree bursaries. These PSET institutions constituted 69 of the 97 institutions that offer training programmes funded by the HWSETA and six professional councils that serve the health and social sectors during the strategic period. The HWSETA formed partnership with one CET college during the strategic period.
				b) Universities	23b	80%	92% 115%		
				c) TVET and other public colleges	23c	80%	68% 85%		
				d) Professional councils and research institutions	12.2	80%	55% 69%		
		4 - 25	Unemployed persons who find employment after successfully completing undergraduate qualifications funded through undergraduate bursary programmes funded by the HWSETA by the end of the strategic period.	27.6a	262	232 89%	Tracer study report	232 unemployed persons funded through bursaries for university undergraduate programmes found jobs six months after completing their qualifications.	
		4 - 26	Unemployed persons who find employment after successfully completing post-graduate Diploma qualifications funded through post-graduate diploma bursary programmes funded by the HWSETA by the end of the strategic period.	27.6b	8	Undetermined	Survey report	This is a new indicator introduced in 2023/24 in response to sector needs. Completions were reported in 2024/25 hence no evaluation was conducted as yet.	
		4 - 27	Unemployed persons who find employment after successfully completing post-graduate research qualifications funded through post-graduate research bursary programmes funded by the HWSETA by the end of the strategic period.	27.3	120	46 38%	Tracer study	43 students who completed post-graduate degrees were tracked and confirmed through self-disclosure. The cumulative achievement is thus 46.	

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The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		4 - 28	Unemployed persons who find relevance in skills programmes funded by the HWSETA by the end of the strategic period.	a) Skills programmes	60%	4 316 64 1.5%	Tracer study report	The study experienced poor responses in 2022/23. In 2023/24, 50 participants found the skills training provided to be relevant and preliminary results in 2024/25 found 14. Thus, accumulative achievement is 64.
				b) Short-learning programmes	825	40 30 75%	Tracer study report	The study experienced poor response in 2022/23. In 2023/24, 26 participants found the training provided to be relevant to their needs. Preliminary findings from 24/25 study identified 4.
5	The HWSETA supports the growth of the public and private college system so that colleges may qualify as centres of specialisation in the strategic period	5 - 29	Number of unemployed persons who obtain full qualifications after successfully completing AET programmes funded by the HWSETA by the end of the strategic period.	a) CET unemployed learners completing AET programmes	24	38 Undetermined	Tracer study report	New indicator introduced in 2023/24. Completions were reported in 2025, hence no track and tracer studies were conducted.
				b) Other unemployed persons completing AET programmes	23	232 8 6%	Tracer study report	Tracer study conducted in 2024 found that eight people have found employment.



## IMPACT STATEMENT 2:

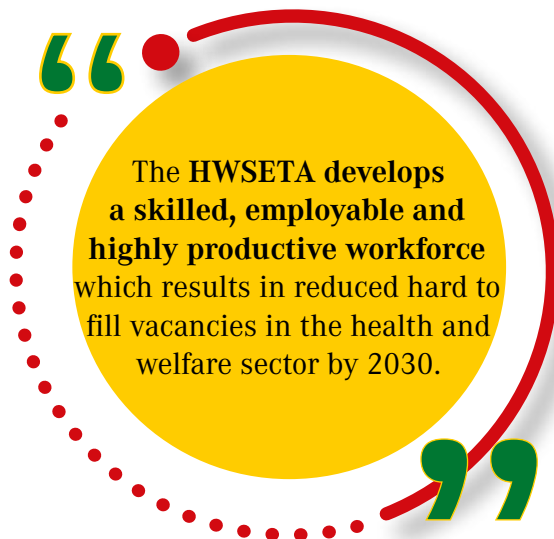
The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED		LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		5 - 30	Increased number of lecturers and managers from TVET and other colleges whose performance is improved due to skills development initiatives funded by the HWSETA by the end of the strategic period	a) Lecturers	16.2a	53	21 39%	Survey Report	A survey measuring increased skills of lecturers who were funded during the strategic period was conducted in 2021/22 and 19 lecturers were identified to have improved performance due to the skills development initiatives of the HWSETA. A follow up survey with the 2021/22 non-responses was conducted in 2022/23. An additional two lecturers self-reported that their performance has improved. The 2023/24 survey did not have any responses.
				b) Managers	16.2b	3	Undetermined	Survey Report	This is a new indicator introduced in 2023/24; completions were only reported in 2024/25. No evaluation was conducted as yet.
		5 -31	Increased number of lecturers and managers from community colleges (CET) whose performance is improved due to skills development initiatives funded by the HWSETA by the end of the strategic period	a) Lecturers	16.4a	2	Undetermined	Survey Report	This is a new indicator introduced in 2023/24; completions were only reported in 2024/25. No evaluation was conducted as yet.
				b) Managers	16.4b	2	Undetermined	Survey Report	This is a new indicator introduced in 2023/24; completions were only reported in 2024/25. No evaluation was conducted as yet.

## IMPACT STATEMENT 2:

The HWSETA develops a skilled, employable and highly productive workforce which results in reduced hard to fill vacancies in the health and welfare sector by 2030

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		5 - 32	Number of lecturers from TVET whose performance in teaching improves due to skills development initiatives funded by the HWSETA through vocational and occupational bursaries funded by the HWSETA by the end of the strategic period	17.2b	3	Undetermined	Survey Report	This is a new indicator introduced in 2023/24; completions were only reported in 2024/25. No evaluation was conducted as yet.
		5 - 33	Number of students from TVET and other public colleges who find employment after successfully completing vocational qualifications funded by the HWSETA through vocational and occupational bursaries by the end of the strategic period	17.2a	835	27 3.2%	Tracer study report	27 unemployed persons funded for vocational bursaries found jobs six months after completing vocational qualifications. Another track and trace study will be conducted in 2022/23 will be followed. This will be the second year of conducting this evaluation.





### IMPACT STATEMENT 3:

The HWSETA contributes to increased capacity of large, medium, and small firms, as well as small and emerging businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030.

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
6	The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative, as well as the establishment of new enterprises in the strategic period.	6 - 34	Number of cooperatives who find relevance in skills development initiatives funded by the HWSETA by the end of the strategic period	9	36	13 36%	Evaluation study report	Outcomes evaluation study was conducted in 2021/22 and it confirmed that cooperatives supported by the HWSETA do achieve the desired outcomes. Due to the misalignment of implementation with the theory of change no further evaluations were conducted.
		6 - 35	Number of small and emerging business who find relevance in skills development initiatives funded by the HWSETA by the end of the strategic period.	10.1	348	56 16%	Survey report	A rapid assessment of the outcomes of the SME project of the HWSETA was conducted in 2022/23.
		6 - 36	Number of enterprises established with the support of the HWSETA by the end of the strategic period.	10.2	200	30 15%	Survey report	This outcome is new as it supports the new strategy of the HWSETA to capacitate unemployed social service graduates to open up social enterprises. All 30 graduates that were funded in 2023/24 have established new enterprises. In the new strategic period HWSETA will conduct an evaluation on established enterprises.
		6 - 37	Increase in the percentage of health and welfare sector large, medium, and small firms that actually send employees for training as per ATR to the health and social development sector in the strategic period	13	60%	51% 85%	Database analysis report	Database analysis was conducted to compare the number of levy paying and non-levy paying employers that implement their WSPs submitted to the HWSETA in order to show the level of participation of employers in skills development.

#### IMPACT STATEMENT 4:

The HWSETA contributes to increased capacity of the State, NGO and NPO sector, Trade unions to meet social and rural development needs of the South African citizens by 2030.

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
7	The HWSETA provides increased support to the state, trade unions, NGOs, and NPOs in order to strengthen governance and service delivery and thus advance social, rural, and community development in the strategic period.	7 - 38	Number of projects who find relevance in skills development initiatives funded by the HWSETA by the end of the strategic period	1	6	3 50%	Survey report	The survey experienced a low response rate, with only 23 employers reached responding. Of these, four were intermediary employers implementing rural projects and one was a government department. Three of the employers indicated that the projects for which they were funded are aligned and relevant to their needs.
		7 - 39	Increased participation of the public sector in workplace based education and training as a result of public sector projects funded by the HWSETA through discretionary grants by the end of the strategic period.	14	20%	72% 360%	Survey report	A total 98 departments were funded for skills development training in 2020-2025. Of these, 71 (72%) participated in workplace based education and training.
		7 - 40	The number of trade union officials who gained relevant skills through skills development programmes funded by the HWSETA by the end of the strategic period.	11.2a 11.2b	253	249 98%	Survey report	A survey was conducted in 2022/23 to determine the relevance of skills development training to which union officials are exposed and assess whether the skills needs of these officials are met. 57 confirmed the relevance of training to their skills development needs.



#### IMPACT STATEMENT 4:

The HWSETA contributes to increased capacity of the State, NGO and NPO sector, Trade unions to meet social and rural development needs of the South African citizens by 2030.

OUTCOME NO	OUTCOME STATEMENT	INDICATOR NO	INDICATORS TO BE MEASURED	LINK TO OUTPUT INDICATORS	2024/25 TARGETS	ACTUAL ACHIEVEMENT 2024/25	DATA SOURCE	COMMENT ON ACHIEVEMENT
		7 - 41	Number of officials from NGOs and NPOs who find relevance in skills development initiatives funded by the HWSETA by the end of the strategic period.	22	49	64 130%	Survey report	Preliminary findings of the 2024/25 tracer study show high rates in rating relevance of HWSETA skills programmes to NGO/ NPO officials. 64 out of 69 self-reported that the skills training they received were relevant to their needs.
		7 - 42	Number of levy-exempt organisations who find relevance in skills development initiatives funded by the HWSETA by the end of the strategic period.	11.1	400	273 68%	Database analysis report	A rapid assessment of the outcomes of the levy-exempt project of the HWSETA was conducted in 2022/23.
8	The HWSETA makes career development services related to the health and welfare sector accessible to rural and targeted youth in the strategic period.	8 - 43	Percentage of learners exposed to career awareness services who enter into HWSETA funded learning programmes by the end of the strategic period	a) Rural schools 15.1 15% (361/2403)	b) Urban schools 15.2 15% (361/2403)	1% 7%	Bursary	A total of 146 learners that were exposed to career awareness in 2020-2025 were absorbed into the HWSETA learning programmes. Of these, 83 were from rural areas and 63 were from urban areas. Progress towards achieving the 2020-2025 targets is 7%.
		8 - 44	Number of career guidance lecturers funded by the HWSETA who offer their services to rural schools by the end of the strategic period	16.2c	36	Undetermined	Survey report	Evaluability assessment conducted in 2023/24 found that the career guidance practitioners funded by the HWSETA were from sector colleges and had not provided services to rural schools. The theory of change for this programme will be revised in the next strategic period.

## INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### a) Description of each programme

Programme 1: Administration	
<b>Purpose:</b>	This programme is responsible for the overall strategic management of and support for the HWSETA's operations divisions. The goal of this programme is to ensure that the HWSETA is well-positioned and capacitated to deliver on its targets. This programme cuts across a number of divisions and functional areas including Finance, which incorporates procurement and grants management, Corporate Services, which incorporates Human Resource Management, Information Technology and Marketing.
<b>Institutional outcomes</b>	<p>The HWSETA delivers its mandate efficiently and effectively through its well capacitated organisational structure and business processes that are automated and integrated in the strategic period.</p> <p>The HWSETA supports career development services related to the health and welfare sector and makes them accessible to rural and targeted youths in the strategic period.</p>
Programme 2: Skills planning and impact assessment	
<b>Purpose:</b>	The HWSETA has configured this programme to include two sub-divisions, namely Research and Information and Monitoring and Evaluation. Each sub-division is headed by its own manager. The HWSETA utilises this programme to implement skills planning related projects that include development and update of the Sector Skills Plan, research leading to a better understanding of the dynamics surrounding the sectoral labour market, production of new knowledge in the sector and development of new researchers in the sector. This programme also implements the vital and timeous evaluation and impact assessments of projects and programmes implemented by the HWSETA. These are vital for lessons learned and ensuring that projects contribute positively to the sector and desired impacts are achieved.
<b>Institutional outcomes</b>	Research, monitoring, evaluation, and impact system of the HWSETA provide a credible skills planning and evaluation system that ensures that its funding initiatives yield good impact in the strategic period.
Programme 3: Skills development programmes and projects	
<b>Purpose:</b>	The purpose of this programme is to provide skills for learners in the workplace in scarce and critical areas within the health and welfare sectors. To this end, this programme is responsible for the implementation of learning programmes, approval of grants and implementation of projects. It also provides policy and advice to employers wishing to access grants from the HWSETA.
Sub-programme 3.1: Learning programmes	
<b>Purpose:</b>	The purpose of this sub-programme is to implement learning programmes. It also provides policy and advice to employers wishing to access grants from the HWSETA.
<b>Institutional outcomes</b>	<p>The HWSETA supports the growth of the public college system so that public colleges may qualify as a centres of specialisation in the strategic period.</p> <p>The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.</p> <p>The HWSETA supports the growth of the public college system so that public colleges may qualify as a centres of specialisation in the strategic period.</p> <p>The HWSETA contributes to increased access, by the unemployed, into occupationally directed programmes of the health and welfare sector in the strategic period.</p>
Sub-programme 3.2: Workplace skills plan and projects	
<b>Purpose:</b>	The purpose of this sub-programme is to approve grants and implement projects. It also provides policy and advice to employers wishing to access grants from the HWSETA.
<b>Institutional outcomes</b>	<p>The HWSETA supports officials from NGOs, NPOs, and trade unions in order to strengthen governance and service delivery, and thus advance social, rural, and community development, as well as provisions for persons with disabilities in the strategic period</p> <p>The HWSETA promotes linkages between education and the workplace to increase work-based learning opportunities in the health and welfare sector in the strategic period.</p> <p>The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.</p> <p>The HWSETA supports skills development for entrepreneurial and cooperative activities, as well as the establishment of new enterprises and cooperatives in the strategic period.</p>



#### Programme 4: Quality assurance and qualification development

<b>Purpose:</b>	This programme consists of three subdivisions, namely Qualification Development, Skills Development Provider accreditation and Learner achievement. The purpose of the programme is to develop fit-for-purpose qualifications and ensure quality training is offered in the health and welfare sector. This programme, therefore, is responsible for the coordination, development and registration of new qualifications, accreditation and quality assurance of training providers and quality assurance of learner achievement, which culminates in certification. Developments and circulars by the Quality Council for Trade and Occupations (QCTO) on the continued delegation of the functions incorporated in this programme make this programme unclear going forward and these developments will be monitored closely.
<b>Institutional outcomes</b>	The HWSETA supports career development services related to the health and welfare sector and makes them accessible to rural and targeted youths in the strategic period
	The HWSETA provides quality assurance services for the health and welfare sector to ensure quality in occupational education and training in the strategic period
	The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.

#### b) Outcomes, outputs, output indicators, targets, and actual achievements

(The APP for 2024/25 was not revised)

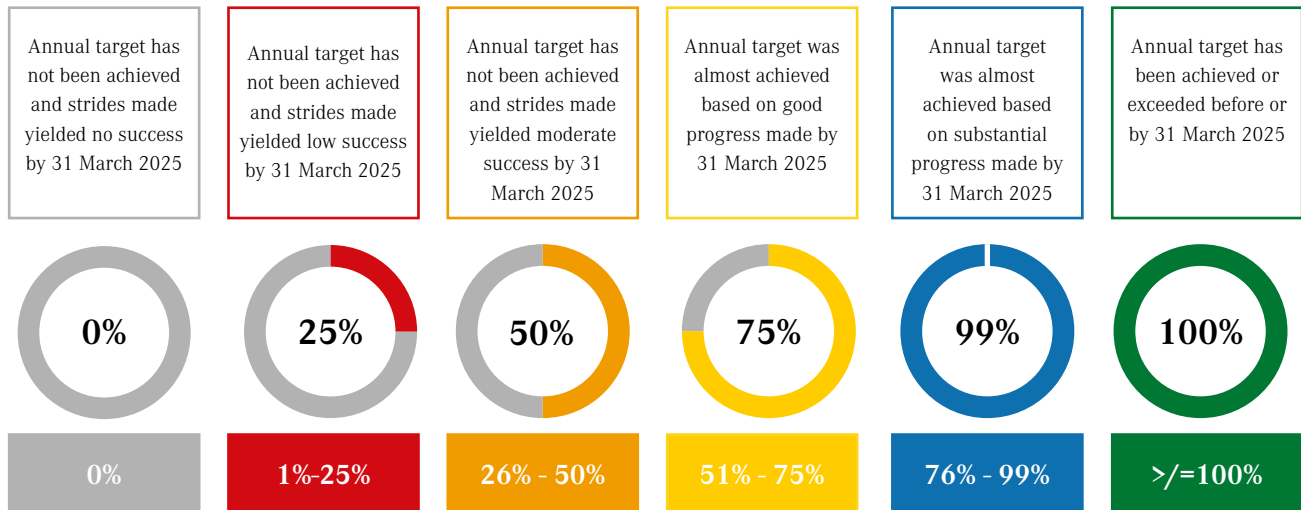




## 2024 – 2025 ANNUAL PERFORMANCE INFORMATION REPORT

of the Annual Report Guide for Schedule 3A and 3C Public Entities (2024)

### CLASSIFICATION OF PERFORMANCE





## PROGRAMME 1: ADMINISTRATION

PROGRAMME 1: OUTPUT NO 15									
Impact statement No 1: The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030									
Outcome statement No 8: The HWSETA supports career development services related to the health and social development sector makes career development services related to the health and welfare sector accessible to rural and targeted youth in the strategic period.									
OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA makes career development services accessible to school <sup>1</sup> and post-school youths in the reporting period	15	Number of school and post-school youth <sup>2</sup> from urban and rural areas reached through career development awareness programmes in the reporting period	a) Rural Areas	11 684 <div>97%</div>	5 983 (21 events) <div>141%</div>	4 250 (5 events)	4 405 (24 events) <div>104%</div>	155 (19 events)	The over-achievement is due to a new strategy that was implemented for career guidance programmes rolled out in rural area. This strategy introduced a collaboration with rural career guidance providers and a concentration on events around the Siyakhulisa Mentorship Programme. This strategy has yielded positive results for reaching schools in rural areas.
			b) Urban Areas	0**	8 817 (21 events) <div>207%</div>	4 250 (5 events)	6 190 (21 events) <div>146%</div>	1 940 (16 events)	Urban areas generally present more accessible opportunities for events and access to learners due to the increased resources in these areas. The technological solutions worked well in the urban settings due to increased access to internet. The DHET also organised events that contributed to the overachievement of the target.

<sup>1</sup> School youths are comprised of pupils still in school, from grades 9 to 12. Post-school youth comprise 15-year-olds to 34-year-olds who are outside the schooling system either due to dropping out of school or from completing matric. These youths are grouped by location, either by being from urban or rural areas. The location of school youths is identified through the school in which this youth attended career development awareness events as a proxy indicator. The location of post-school youth is identified through the addresses these youth provide on the career portal of the HWSETA.

<sup>2</sup> Post-school youth refers to unemployed youth as defined in the Green Paper on post school education. Post-school youth refers to youth not in employment, education, and training (NEET), and priority is given to those from rural and urban nodes, youth living with disabilities, female youth and Black youth based on the transformational targets contained in the 2023/24 APP.

## PROGRAMME 1: OUTPUT NO 18

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030

**Outcome statement No 1:** The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation system which identifies and increases production of occupations in high demand during the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA is capacitated to deliver on its mandate and achieve its targets in the reporting period	18.1	Percentage of filled positions in the HWSETA organisational structure <sup>3</sup> to facilitates the delivery of its mandate and achievement of its targets in the reporting period	98% (146/ 152) <div>103%</div>	95% (145/ 152) <div>100%</div>	95%	93% (141/ 152) <div>98%</div>	-2%	Resignations that occurred in March 2025 could not be filled prior to the end of the financial year, thus the 3% shortfall in meeting the annual target.
	18.2	Number of HWSETA good governance reports submitted to the Department of Higher Education and Training in the reporting period	0**	4 <div>100%</div>	4	4 <div>100%</div>	0	No deviation
The HWSETA business processes are automated and usefulness for effective and efficient delivery of services is confirmed by stakeholders in the reporting period	20	Percentage of business processes automated and confirmed by stakeholders as useful for efficient service delivery <sup>4</sup> in the reporting period	90% <div>100%</div>	93% <div>103%</div>	90%	93% <div>103%</div>	3%	All core business functions, that is, Finance, SDP, and ETQA have been completed. Phase 2, which involves development of modules for SCM, Marketing and Business Intelligence is underway. Requirements gathering and planning for Phase 2 in progress.

<sup>3</sup> This refers to the organogram that was approved by the Board in 2023/24 and since it was not updated by 31 March 2024 it remained in use for implementation and reporting during the 2024/25 financial year.

<sup>4</sup> This indicator identifies business processes planned to be automated per annum. Automation involves the development of an integrated ERP system for each of the functions of the HWSETA based on business processes. Usefulness of the ERP system is integral to the completion of each module of the system, that is, of each business function automation. Therefore, user divisions need to confirm usefulness of each module for efficient service delivery in the reporting period.



## PROGRAMME 2: SKILLS PLANNING AND IMPACT ASSESSMENT

### PROGRAMME 2: OUTPUT NO 12

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030

**Outcome statement No 1:** The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation system which identifies and increases production of occupations in high demand during the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The SSP updates <sup>5</sup> and research reports produced by the HWSETA are noted <sup>6</sup> and disseminated to internal <sup>7</sup> and external <sup>8</sup> stakeholders, as well as the general public, through various dissemination platforms in the reporting period.	12.1	Number of SSP updates and applied research reports <sup>9</sup> completed and noted by key stakeholders in the reporting period.	5 100%	6 120%	6	6 100%	0	No deviation
	12.2	Number of partnerships entered into by the HWSETA with key stakeholders to support research initiatives in the sector during the reporting period.	0**	0**	2	2 100%	0	No deviation

<sup>5</sup> The SSP update is an annual update that precedes the strategic planning and operational planning process. The SSP is an applied research report. What is peculiar particular about this report is that it is legislated and therefore regulated by the DHET. Also, it has a specific objective of informing the sector about the overall skills needs. The specific mention of the SSP in the indicator is to emphasise its inclusion as one of the research reports to be reported on. Research reports include research papers as these are it is a form of applied research.

<sup>6</sup> Noting of SSP update and research reports by stakeholders refers to the presentation of findings to one of the Board Committees.

<sup>7</sup> Internal stakeholders include HWSETA implementing managers, or executive managers and/or one of the Board Committees

<sup>8</sup> External stakeholders include employers, skills development providers, and/or beneficiaries.

<sup>9</sup> SSP updates and research reports produced by the HWSETA identify occupations in demand and skills needs in the sector, and aims to inform planning for skills development in the sector.

## PROGRAMME 2: OUTPUT NO 5

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030

**Outcome statement No 1:** The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation system which identifies and increases production of occupations in high demand during the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The monitoring, evaluation, and impact studies, including tracer studies, produced by the HWSETA are noted and disseminated to internal and/or external stakeholders through various dissemination platforms in the reporting period.	5	Number of monitoring, evaluation, and impact studies, including tracer studies, completed and noted by key stakeholders <sup>10</sup> as measuring the performance of learning programmes and projects implemented by the HWSETA in the reporting period.	7 117%	7 117%	7	9 129%	2	The target was overachieved due to the increased number of studies conducted in an effort to measure all strategic outcomes by the end of the strategic period.

The **HWSETA** contributes to the development of a **post-school system** which increases the production of occupations in high demand by 2030.

<sup>10</sup> Stakeholders include either internal or external stakeholders of the HWSETA.



## PROGRAMME 3: SKILLS DEVELOPMENT PROGRAMMES AND PROJECTS

### Sub-Programme 3.1: Learning Programmes

PROGRAMME 3: OUTPUT NO 3								
<b>Impact statement No 2:</b> The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030								
<b>Outcome statement No 3:</b> The HWSETA contributes to the improvement of level of skills for 50% of the health and welfare sector workforce through various learning programmes that address critical skills required in the strategic period								
OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Workers from the health and welfare sector with learnership agreements registered with the HWSETA as industry funded or HWSETA funded complete the learnership programmes and are reported to the HWSETA within 12 months of completion in the reporting period	3(1)	Number of workers whose learner agreements are registered with the HWSETA for learnerships as industry funded or HWSETA funded in the reporting period	1 231 58%	652 61%	1 593	1 090 68%	-503	Employers delayed in recruiting learners as they needed to find replacements for them. This has been highlighted by employers and new strategies needed to be devised. Further, government departments indicated a need to train unemployed persons instead of employed persons.
	3(2)	Number of workers reported to the HWSETA as having completed learnership programmes registered with the HWSETA as industry or HWSETA funded in the reporting period	247 25%	218 30%	913	140 15%	-773	Delays in implementation of funded programmes by partners played a role in the HWSETA not achieving the target. Not all the learners complete the programme. Also, there is a high dropout rate due to some learners resigning or absconding for better opportunities. The completions are dependent on the relevant ETQA/council processes over which the HWSETA has no control.

# PROGRAMME 3: OUTPUT NO 4

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard-to-fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 3:** The HWSETA contributes to the improvement of level of skills for 50% of the health and welfare sector workforce through various learning programmes that address critical skills required in the strategic period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Employed apprenticeships and trainee technicians entered into the HWSETA apprenticeship programme complete the programme and are reported to the HWSETA within 12 months of completion in the reporting period	4(1)	Number of employed apprentices and trainee technicians entered into the HWSETA funded apprenticeship programme in the reporting period	55 110%	37 84%	131	124 95%	-7	Employers delayed in recruiting learners as they needed to find replacements for them. This has been highlighted by employers and new strategies needed to be devised.
	4(2)	Number of employed apprentices and trainee technicians reported to the HWSETA as having completed apprenticeships funded by the HWSETA in the reporting period	50 200%	0 0%	42	0 0%	-42	Delays in implementation of funded programmes by partners played a role in the HWSETA not achieving the target. Further, these programmes have a longer duration to complete. Not all the learners complete the programme. There is a high dropout rate due to some learners resigning or absconding for better opportunities. The completions are dependent on the relevant ETQA/council processes for which the HWSETA has no control.



### PROGRAMME 3: OUTPUT NO 6

**Impact statement No 2:** The HWSETA develops a skilled workforce Linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 3:** The HWSETA contributes to the improvement of level of skills to 50% of the health and welfare sector workforce through various learning programmes that address critical skills in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Workers in the health and welfare sector given bursaries by the HWSETA complete post-graduate degree <sup>11</sup> qualifications funded by the HWSETA and are reported to the HWSETA within 12 months of completion in the reporting period	6(1)	Number of workers entered into the HWSETA post-graduate research bursaries <sup>12</sup> in the reporting period	106 117%	114 190%	60	35 58%	-25	The Research Bursaries grant programme was impacted by the change of implementation strategy during the financial year. This impacted on the timing for implementation and ultimately the number of learners entered in the financial year.
	6(2)	Number of workers re-entered into the HWSETA post-graduate research bursaries in the reporting period	24 100%	28 100%	30	7 23%	-23	The Research Bursaries grant programme was impacted by the change of implementation strategy during the financial year. This impacted on the timing for implementation and ultimately the number of learners entered in the financial year.
	6(3)	Number of workers reported to HWSETA for having completed post-graduate research qualifications funded by HWSETA in the reporting period	7 29%	28 110%	21	6 29%	-15	Reporting on completions is dependent on the number of students who complete the requirements of the degree and are awarded their qualification in the financial year. The majority of the learners targeted in this programme are studying towards qualifications that take longer than a year to complete the qualification with some extending to over a 5-year period maximum

<sup>11</sup> According to the Higher Education Qualifications Framework Higher Education Act, 1997 (Act No 101 of 1997) the National Qualifications Framework has ten levels. Higher education qualifications occupy six levels of the NQF, levels 5 to 10. Levels 5-7 are under-graduate and levels 8-10 are post-graduate. The framework comprises the following qualification types: **Under-graduate Qualifications** • Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree; **Post-graduate Qualifications** • Post-graduate Diploma • Honours Degree • Master's Degree • Doctoral Degree. The HWSETA however has to operationalise its Undergraduate and Post-graduate bursary programmes to represent the following types of qualifications: **Undergraduate bursary programme to fund:** Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma. The **Post-graduate bursary programme to fund:** Honours Degree • Master's Degree • Doctoral or PhD Degrees.

<sup>12</sup> Post-graduate bursaries therefore support: Honours Degrees • Master's Degrees • Doctoral or PhD Degrees

<sup>12</sup> Post-graduate bursaries therefore support: Honours Degrees • Master's Degrees • Doctoral or PhD Degrees

### PROGRAMME 3: OUTPUT NO 6

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 3:** The HWSETA contributes to the improvement of level of skills to 50% of the health and welfare sector workforce through various learning programmes that address critical skills in the strategic period.

Monitor through various learning programmes that address critical skills in the strategic period.									
OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Workers in the health and welfare sector given bursaries by the HWSETA complete under-graduate <sup>13</sup> and post graduate diploma qualifications funded by the HWSETA and are reported to the HWSETA within 12 months of completion in the reporting period	6(4)	Number of workers entered-into the HWSETA undergraduate qualifications and postgraduate diploma bursaries <sup>14</sup> in the reporting period	a) Bursaries for undergraduate qualifications	63 11%	199 52%	25	134 9 53%	-121	The allocations for the Bursary programme to employers in the sector took place in 2024 towards the end of quarter 3. Learners are required to have acceptance into the programmes by the respective universities as confirmation prior to being entered and reported on. Employers failed to submit compliant registration forms. Some employers withdrew from participation, which impacted on the final number of students entering the programme.
			b) Bursaries for Postgraduate Diplomas	0**	58 58%	100	99 99%	-1	The allocations for the Bursary programme to employers in the sector took place in 2024 towards the end of quarter 3. Learners are required to have acceptance into the programmes by the respective universities as confirmation prior to being entered and reported on. Employers failed to submit compliant registration forms. Some employers withdrew from participation which impacted the final number of students entering the programme

<sup>13</sup> According to the Higher Education Qualifications Framework Higher Education Act, 1997 (Act No 101 of 1997) the National Qualifications Framework has ten levels. Higher education qualifications occupy six levels of the NQF, levels 5 to 10. Levels 5-7 are under-graduate and levels 8-10 are post-graduate. The framework comprises the following qualification types: **Under-graduate Qualifications** • Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree; **Post-graduate Qualifications** • Post-graduate Diploma • Honours Degree • Master's Degree • Doctoral Degree. The HWSETA however has to operationalise its Undergraduate and Post-graduate bursary programmes to represent the following types of qualifications: **Undergraduate bursary programme to fund:** Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma. The **Post-graduate bursary programme to fund:** Honours Degree • Master's Degree • Doctoral or PhD Degrees.

<sup>14</sup> Under-graduate and post-graduate diploma bursaries therefore support Higher Certificate • Advanced Certificate • Bachelor's Degree • Post-graduate Diploma

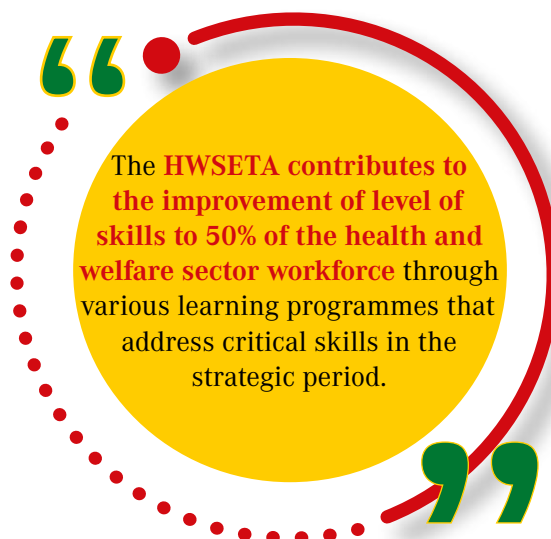


### PROGRAMME 3: OUTPUT NO 6

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

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OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
	6(5)	Number of workers re-entered-into the HWSETA undergraduate qualifications and post-graduate diploma bursaries in the reporting period	a) Bursaries for undergraduate Degrees	40 27%	40 267%	200	16 8%	-184	The continuing students depend on the number of learners that participated in bursaries in the previous financial year and are continuing with their studies into the next academic year.
			b) Bursaries for Postgraduate Diplomas <sup>15</sup>	0**	0 0%	80	5 6%	-75	The majority of Post Graduate Diplomas have a duration of one year. This therefore impacts the number of continuing students. This indicator has thus been revised in the 2025/26 APP to reflect this.



<sup>15</sup> Since this is the first year this programme has been introduced, workers entered into post-graduate programmes that covers two years, eg, those that are part-time, will be funded as re-entries into PGD programmes

### PROGRAMME 3: OUTPUT NO 6

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OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Workers in the health and welfare sector given bursaries by the HWSETA complete under-graduate and post graduate diploma qualifications funded by the HWSETA and are reported to the HWSETA within 12 months of completion in the reporting period	6(6)	Number of workers reported to the HWSETA for having completed undergraduate qualifications and postgraduate diploma qualifications funded by the HWSETA in the reporting period	a) Bursaries for undergraduate qualifications	6 6%	11 37%	76	21 28%	-55	The report on completions is dependent on the number of students who complete the requirements of the degree and are awarded their qualification in the financial year. Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024/25 financial year.
			b) Bursaries for Postgraduate Diplomas	0**	0 0%	41	15 37%	-26	The report on Completions is dependent on the number of students who complete the requirements of the degree and are awarded their qualification in the financial year. Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024-2025 financial year.



### PROGRAMME 3: OUTPUT NO 6

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the health and social development sector by 2030

**Outcome statement No 3:** The HWSETA contributes to the improvement of level of skills to 50% of the health and welfare sector workforce through various learning programmes that address critical skills in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
	6(7)	Number of workers entered-into the HWSETA bursaries programme for university short-learning programmes in the reporting period						
		a) Short-learning Programmes at undergraduate level	0**	0**	20	10 50%	-10	This target was newly introduced in the 2024/25 financial year and thus employers in the sector focused their applications on programmes that they were familia with such Undergraduate bursaries. The non achievement is because of failure to submit learner of learner agreement by approved employers.
		b) Short-learning Programmes at post-graduate level	0**	0**	25	20 80%	-5	This target was newly introduced in the 2024/25 financial year and thus employers in the sector focused their applications on programmes that they were familia with such Undergraduate bursaries. The non achievement is because of failure to submit learner of learner agreement by approved employers.

### PROGRAMME 3: OUTPUT NO 6

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the health and social development sector by 2030

**Outcome statement No 3:** The HWSETA contributes to the improvement of level of skills to 50% of the health and welfare sector workforce through various learning programmes that address critical skills in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
	6(8)	Number of workers reported to the HWSETA for having completed the HWSETA bursaries programme for university short-learning programmes in the reporting period.						
		a) Short-learning Programmes at undergraduate level	0**	0**	16	0 0%	-16	This target was newly introduced in the 2024/25 financial year and thus completions can only be reported in the next financial year.
		b) Short-learning Programmes at post-graduate level	0**	0**	20	0 0%	-20	This target was newly introduced in the 2024/25 financial year and thus completions can only be reported in the next financial year.





### PROGRAMME 3: OUTPUT NO 7

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes of the health and welfare sector during the strategic period

Private sector during the strategic period									
OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The un-employed graduates funded by the HWSETA for internships are reported to the HWSETA within 12 months of completion in the reporting period.	7(1)	Number of unemployed graduates entered-into the internship programme funded by the HWSETA in the reporting period	a) University Graduates	247 32%	406 56%	874	637 73%	-237	Challenges were encountered with the pace and processes undertaken by the public sector organisation in the recruitment and placement of learners. The public sector in the allocation strategy of the HWSETA for the financial year were amongst the large employers allocated with majority of learners because of their presence in the most remote areas of the country that can provide access to workplaces for learners. The delayed implementation therefore affected the achievements of the financial year.
			b) TVET and other Public College <sup>16</sup> Graduates	201 62%	203 62%	375	218 58%	-157	Challenges were encountered with the pace and processes undertaken by the public sector organisation in the recruitment and placement of learners. The public sector in the allocation strategy of the HWSETA for the financial year were amongst the large employers allocated with majority of learners because of their presence in the most remote areas of the country that can provide access to workplaces for learners. The delayed implementation therefore affected the achievements of the financial year.

<sup>16</sup> Other Public Colleges can be described as Health and Social Sector Colleges which comprise Colleges that are recognised by Professional Councils, such as the Nursing Council for Nursing Colleges, the HPCSA for Emergency Services Colleges; HPCSA for Psychology Colleges, Pharmacy Council for Pharmacy Colleges, Various religious councils for various religious colleges, Veterinary Council for Agricultural Colleges etc. . Also, CETs are included in this definition These colleges are a priority to the HWSETA as they are colleges in the health welfare sector.

### PROGRAMME 3: OUTPUT NO 7

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes of the health and welfare sector during the strategic period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
	7(2)	Number of unemployed graduates reported to the HWSETA as having completed the internship programme funded by the HWSETA in the reporting period	a) University Graduates	30 5%	25 4%	731	43 6%	-688	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024/25 financial year.
			b) TVET and other Public College <sup>13</sup> Graduates	33 13%	0 0%	313	96 31%	-217	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024/25 financial year.





### PROGRAMME 3: OUTPUT NO 8

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 3:** The HWSETA contributes to the improvement of level of skills to 50% of the health and welfare sector workforce through various learning programmes that address critical skills in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Workers from the health and welfare sector entered-into skills programmes and short learning programmes, complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period.	8(1)	Number of workers entered-into skills programmes and short learning programmes funded by the HWSETA in the reporting period	a) Skills Programmes	0**	0**	3 354	1 131 34%	-2 223	The non-achievement is due to employers implementing short courses on skills programmes that are directly relevant to their skills needs (e.g. CPD programmes).
			b) Short Learning Programmes	3 032 40%	683 11%	3353	1 573 47%	-1780	The non achievement is due to employers not submitting or partially submitting learner agreements timeously.
	8(2)	Number of workers reported to the HWSETA as having completed skills programmes and short learning programmes funded by the HWSETA in the reporting period	a) Skills Programmes	0**	0**	2 899	449 15%	-2 450	The skills programmes are regularized by the relevant ETQA and councils and thus completions are dependent on their processes.
			b) Short Learning Programmes	1 983 44%	229 5%	2 898	166 6%	-2 732	Reporting is dependent on the timely submission of completions by funded employers and delays have been experienced in 2024/25 that contributed to non-achievement.

PROGRAMME 3: OUTPUT NO. 2

**Impact Statement No. 1:** The HWSETA contributes to the development of the post-school system which increases the production of occupations in high demand by 2030

**Outcome Statement No 2:** The HWSETA promotes linkages between education and the workplace to increase work-based learning opportunities in the health and welfare sector in the strategic period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Employers in the sector open-up their workplaces for learning through partnerships with the HWSETA in the reporting period	2	Number of employers in the sector who open-up their workplaces for learning through partnerships with the HWSETA in the reporting period	173 58%	108 27%	147	204 139%	57	The over achievement is as a result of the number of employers participating across various programmes.





### PROGRAMME 3: OUTPUT NO 16

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

**Outcome statement No 5:** The HWSETA supports the growth of the public and private college system so that colleges may qualify as centers of specialization in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)	
The HWSETA supports public college lecturers to improve onsite practical and vocational capacity in the reporting period.	16(1)	Number of lecturers <sup>17</sup> and Managers from TVET, and other public colleges <sup>18</sup> funded by the HWSETA for skills programmes in the reporting period	a) TVET and other College Lectures	43 123%	14 93%	45	59 131%	14	The underachieved is due to non-submission and partial submission of evidence by approved organisations
			(b) Managers trained on curriculum related studies	0**	12 120%	30	14 47%	-16	The underachieved is due to non- submission and partial submission of evidence by approved organisations.
			c) Career Guidance Lecturers	22 147%	8 53%	45	9 20%	-36	The underachievement is due to non-submission and partial submission of evidence by approved organisations.
	16(2)	Number of lecturers and Managers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA in the reporting period	a) TVET and other College Lecturers	6 40%	10 71%	26	3 12%	-23	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024/25 financial year.
			b) Managers trained on curriculum related studies	0**	0 0%	12	0 0%	-12	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024/25 financial year.

<sup>17</sup> Other Public Colleges can be described as Health and Social Sector Colleges which comprise Colleges that are recognised by Professional Councils, such as the Nursing Council for Nursing Colleges, the HPCSA for Emergency Services Colleges; HPCSA for Psychology Colleges, Pharmacy Council for Pharmacy Colleges, Various religious councils for various religious colleges, Veterinary Council for Agricultural Colleges etc. . Also, CETs are included in this definition These colleges are a priority to the HWSETA as they are colleges in the health welfare sector.

<sup>18</sup>

**PROGRAMME 3: OUTPUT NO 16**

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

**Outcome statement No 5:** The HWSETA supports the growth of the public and private college system so that colleges may qualify as centers of specialization in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
		c) Career Guidance Lecturers	0 0%	6 40%	26	2 8%	-24	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024/25 financial year.
The HWSETA supports public college lecturers to improve onsite practical and vocational capacity in the reporting period.	16(3)	Number of lecturers and Managers from CET public colleges funded by the HWSETA for skills development programmes in the reporting period	a) CET Lecturer Skills Programmes	0** 0%	10	0 0%	-10	No CET colleges applied for funding during the call for expressions of interest. There have been challenges with no participation by CET colleges in the past financial years and as a result the indicator has been moved to programme 4 of the APP for further intervention.
			(b) CET Managers trained on curriculum related studies	0** 0%	10	0 0%	-10	No CET colleges applied for funding during the call for expressions of interest. There have been challenges with no participation by CET colleges in the past financial years and as a result the indicator has been moved to programme 4 of the APP for further intervention.



### PROGRAMME 3: OUTPUT NO 16

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

**Outcome statement No 5:** The HWSETA supports the growth of the public and private college system so that colleges may qualify as centers of specialization in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
	16(4)	Number of lecturers and Managers from CET public colleges reported to the HWSETA as having completed skills development programmes funded by the HWSETA in the reporting period	0**	6 75%	8	0 0%	-8	No CET colleges applied for funding during the call for expressions of interest. There have been challenges with no participation by CET colleges in the past financial years and as a result the indicator has been moved to programme 4 of the APP for further intervention.
		b) CET Managers trained on curriculum related studies	0**	0 0%	8	0 0%	-8	No CET colleges applied for funding during the call for expressions of interest. There have been challenges with no participation by CET colleges in the past financial years and as a result the indicator has been moved to programme 4 of the APP for further intervention.

### PROGRAMME 3: OUTPUT NO 17

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand.

**Outcome statement No 5:** The HWSETA supports the growth of the public and private college system so that colleges may qualify as centers of specialization in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA supports public college students and lectures through vocational and occupational training bursaries in the reporting period	17(1)	Number of students and lectures from TVET and other public colleges funded by the HWSETA through vocational and occupational training bursaries in the reporting period	a) TVET and other public College Students	506 79%	463 70%	500	257 51%	-243	The under-achievement is because of several continuing students from Tsolo that cannot be reported as new again in this financial year. Further there are also institutions that failed to submit evidence on time
			b) TVET and other public College Lecturers	0**	4 33%	10	3 30%	-7	Allocations were made to 5 institutions, however all institutions failed to submit evidence for reporting. Lecturers at TVET colleges are mostly interested in enrolling on qualifications higher than the vocational level and thus this indicator was revised.
	17(2)	Number of students and lecturers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA through vocational and occupational training bursaries in the reporting period	a) TVET and other public College Students	97 24%	42 11%	304	150 49%	-154	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024-2025 financial year.
			b) TVET and other public College Lecturers	0**	0 0%	7	0 0%	-7	The college that was approved in 2023-2024 submitted learners that did not align with the indicator and thus no entries were made in the previous financial year. The indicator was introduced for the first time in 2023-2024.



### PROGRAMME 3: OUTPUT NO 21

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 3:** The HWSETA contributes to the improvement of level of skills for 50% of the health and welfare workforce through various learning programmes that address the critical skills in the reporting period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Workers from the health and welfare sector entered- into Adult Education and Training (AET) programmes funded by the HWSETA complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period	21(1)	Number of workers from the sector entered- into AET programmes funded by the HWSETA in the reporting period	229 83%	90 55%	180	138 77%	-42	The underachievement is due to non-submission and partial submission of evidence by approved organizations
	21(2)	Number of workers reported to the HWSETA as having completed AET programmes funded by the HWSETA in the reporting period	0 0%	30 23%	137	0 0%	-137	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024-2025 financial year.

### PROGRAMME 3: OUTPUT NO 26

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes of the health and welfare sector during the strategic period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Unemployed apprentices and trainee technicians entered-into the HWSETA funded apprenticeship programme complete the programme and are reported to the HWSETA within 12 months of completion in the reporting period.	26(1)	Number of unemployed apprentices and trainee technicians entered- into the HWSETA funded apprenticeship programme in the reporting period	117 117%	102 102%	85	82 96%	-3	Non achievement is due to employers submitting non-compliant documents resulting in delays in evaluations.
	26(2)	Number of unemployed apprentices and trainee technicians reported to the HWSETA as having completed apprenticeships funded by the HWSETA in the reporting period	64 107%	53 106%	59	51 86%	-8	Non achievement results from scheduling of trade tests by NAMB and QCTO. Most trade tests where HWSETA learners were enrolled were scheduled for April 2025.



### PROGRAMME 3: OUTPUT NO 27

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes of the health and welfare sector during the strategic period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Unemployed persons awarded bursaries by the HWSETA for post-school education complete the post-graduate degree qualifications and are reported to the HWSETA within 12 months of completion in the reporting period.	27(1)	Number of unemployed persons entered-into the HWSETA post-graduate research bursaries in the reporting period	70 175%	103 258%	40	33 83%	-7	The Research Bursaries grant programme was impacted by the change of implementation strategy during the financial year. This impacted on the timing for implementation and ultimately the number of learners entered in the financial year.
	27(2)	Number of unemployed persons re-entered-into the HWSETA postgraduate research bursaries in the reporting period	15 94%	16 114%	16	29 181%	13	The HWSETA during the financial prioritized continuing students using the approved budget. The number of continuing students was higher. Continuing students are based on learners entered in the previous academic year.
	27(3)	Number of unemployed persons reported to the HWSETA as having completed postgraduate research qualifications funded by the HWSETA in the reporting period	5 31%	31 155%	14	7 50%	-7	Reporting on completions is dependent on the number of students who complete the requirements of the degree and are awarded their qualification in the financial year. Majority of the learners targeted in this programme are studying towards qualifications that take longer than a year to complete the qualification with some extending to over a 5-year period maximum

### PROGRAMME 3: OUTPUT NO 27

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes of the health and welfare sector during the strategic period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Unemployed persons awarded bursaries by the HWSETA for post-school education complete the undergraduate <sup>19</sup> and post-graduate diploma qualifications and are reported to the HWSETA within 12 months of completion in the reporting period.	27  (4)	Number of unemployed persons entered into the HWSETA undergraduate qualifications and post-graduate diploma <sup>20</sup> bursaries in the reporting period	a) Bursaries for undergraduate Qualifications	131 <div>24%</div>	274 <div>81%</div>	200	47 <div>24%</div>	-153	The allocations for the Bursary programme to employers in the sector took place in 2024 towards the end of quarter 3. Learners are required to have acceptance into the programmes by the respective Universities as confirmation prior to being entered and reported on. Employers failed to submit compliant registration forms. Some employers withdrew from participation, which impacted on the final number of students entering the programme.
			b) Bursaries for Postgraduate Diplomas	0**	7 <div>7%</div>	85	77 <div>91%</div>	-8	The allocations for the Bursary programme to employers in the sector took place in 2024 towards the end of quarter 3. Learners are required to have acceptance into the programmes by the respective Universities as confirmation prior to being entered and reported on. Employers failed to submit compliant registration forms. Some employers withdrew from participation, which impacted the final number of students entering the programme.

<sup>19</sup> According to the Higher Education Qualifications Framework Higher Education Act, 1997 (Act No 101 of 1997) the National Qualifications Framework has ten levels. Higher education qualifications occupy six levels of the NQF, levels 5 to 10. Levels 5-7 are under-graduate and levels 8-10 are post-graduate. The framework comprises the following qualification types: Under-graduate Qualifications • Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree; Post-graduate Diploma • Post-graduate Qualifications • Bachelor Honours Degree • Master's Degree • Doctoral Degree. The HWSETA however, has to operationalise its Undergraduate and Post-graduate bursary programmes to represent the following types of qualifications: Undergraduate bursary programme to fund: Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma. Post-graduate bursary programme to fund: Honours Degree • Master's Degree • Doctoral or PhD Degrees.

<sup>20</sup> Under-graduate bursaries therefore support Higher Certificate • Advanced Certificate • Diploma • Advanced Diploma • Bachelor's Degree • Post-graduate Diploma.



### PROGRAMME 3: OUTPUT NO 27

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes of the health and welfare sector during the strategic period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
	27 (5)	Number of unemployed persons re-entered into the HWSETA undergraduate qualifications and postgraduate diploma bursaries in the reporting period.	a) Bursaries for undergraduate Qualifications	415 224%	187 125%	180	314 174%	134	The HWSETA during the financial prioritised continuing students using the approved budget. The number of continuing students was higher. Continuing students are based on learners entered in the previous academic year.
			b) Bursaries for Postgraduate Diplomas	0**	0 0%	40	0 0%	-40	Continuing students depend on the number of learners who participated in bursaries in the previous financial year and are continuing with their studies into the next academic year.
	27 (6)	Number of unemployed persons reported to the HWSETA for having completed undergraduate qualifications and post-graduate diploma qualifications funded by the HWSETA in the reporting period	a) Bursaries for undergraduate Qualifications	246 70%	70 47%	26	123 473%	97	Reporting is dependent on the number of students who successfully complete their qualification in the year.
			b) Bursaries for Postgraduate Diplomas	0**	0 0%	26	2 8%	-24	Post Graduate Bursaries were introduced in 2023/24 and learners funded on the programme have not completed yet.

### PROGRAMME 3: OUTPUT NO 28

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes in the health and welfare sector during the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The TVET, other colleges, and university students funded by the HWSETA for work integrated are reported to the HWSETA as having completed the programme within 12 months of completion in the reporting period.	28(1)	Number of TVET and other college students entered-into work integrated learning programmes funded by the HWSETA in the reporting period	290 36%	639 64%	975	782 80%	-193	Challenges were encountered with the pace and processes undertaken by the public sector organization in the recruitment and placement of learners. The public sector in the allocation strategy of the HWSETA for the financial year were amongst the large employers allocated with majority of learners because of their presence in the most remote areas of the country that can provide access to workplaces for learners. The delayed implementation therefore affected the achievements of the financial year. Further some employers withdrew from participating.
	28(2)	Number of TVET and other college students reported to the HWSETA as having completed the work integrated learning programmes funded by the HWSETA in the reporting period	96 19%	401 84%	470	83 18%	-387	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024-2025 financial year.



### PROGRAMME 3: OUTPUT NO 32

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes in the health and welfare sector during the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The TVET, other colleges, and university students funded by the HWSETA for work integrated are reported to the HWSETA as having completed the programme within 12 months of completion in the reporting period.	32(1)	Number of university students entered-into work integrated learning programmes funded by the HWSETA in the reporting period	479 174%	345 138%	375	508 135%	133	The duration of WIL differs from one programme to another and has a positive impact on the budget as approvals are made at the maximum funding amount. More students could be funded within the approved Budget.
	32(2)	Number of university students reported to the HWSETA as having completed the work integrated programmes funded by the HWSETA in the reporting period	512 256%	144 90%	287	110 38%	-177	Reporting is dependent on the submission of information by the funded employers and delays in the submission of results for the previous academic year were experienced thus impacting the total achievement of the 2024-2025 financial year.

**PROGRAMME 3: OUTPUT NO 29**

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes in the health and welfare sector during the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Unemployed persons registered with the HWSETA as industry or HWSETA funded for learnership programmes are reported to the HWSETA within 12 months of completion in the reporting period.	29(1)	Number of unemployed persons whose learner agreements are registered with the HWSETA for learnerships as industry funded or HWSETA funded in the reporting period	2 019 92%	831 45%	2 220	1 640 74%	-580	Employers delayed recruitment of learners and concluding learner agreements, thus the under-achievement.
	29(2)	Number of unemployed persons reported to the HWSETA as having completed learnership registered with the HWSETA as industry or HWSETA funded in the reporting period	437 55%	574 45%	1 480	352 24%	-1 128	Delays in implementation of funded programmes by partners played a role in the HWSETA not achieving the target. Not all the learners complete the programme. Also, there is a high dropout rate due to some learners resign or abscond for better opportunities. The completions are dependent on the relevant ETQA/council processes for which the HWSETA has no control.



### PROGRAMME 3: OUTPUT NO 30

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes in the health and welfare sector during the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Unemployed persons entered-into credit and non-credit bearing skills programmes funded by the HWSETA complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period	30(1)	Number of unemployed persons entered-into skills programmes and short learning programmes funded by the HWSETA in the reporting period	a)Skills Programmes	1 660 83%	3 395 198%	2 055	1 256 61%	-799	The non-achievement is due to delays in implementation which affected the achievements of the financial year.
			b)Short Learning Programmes	0**	0**	514	250 49%	-264	This target was newly introduced in the 2024-2025 financial year and thus employers in the sector focused their applications on programmes that were familia with, such as short programmes. The non-achievement is due to delays in implementation which affected the achievements of the financial year.
	30(2)	Number of unemployed persons entered-into skills programmes and short learning programmes funded by the HWSETA in the reporting period	a)Skills Programmes	999 53%	674 45%	1766	478 27%	-1288	Reporting is dependent on the timely submission of completions by funded employers and delays have been experienced in 2024-2025 that contributed to non-achievement. Furthermore, the skills programmes are regularized by the relevant ETQA and councils and thus completions are dependent on their processes
			b)Short Learning Programmes	0**	0**	442	228 52%	-214	This target was newly introduced in the 2024-2025 financial year and thus employers did not take part in accredited skills programmes prior.

### PROGRAMME 3: OUTPUT NO 31

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 4:** The HWSETA contributes to increased access to occupationally directed programmes in the health and welfare sector during the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Unemployed persons from the health and welfare sector entered-into Adult Education and Training (AET) programmes funded by the HWSETA complete these programmes and are reported to the HWSETA within 12 months of completion in the reporting period	31(1)	Number of unemployed persons entered-into AET programmes funded by the HWSETA in the reporting period	a) Access of CET unemployed learners into AET programmes	645 201%	17 85%	100	99 99%	-1 Only one CET college participated in Adult Education and Training this financial year. Due to the revised approvals made in the month of March the college could not recruit all students by the 31 of March
			b) Other unemployed persons entering AET programmes	0** 64%	193	100	187 187%	87 The over achievement is due to learners entering programmes in the current financial year, using the budget approved in 2023-2024.
	31(2)	Number of unemployed persons reported to the HWSETA as having completed <sup>21</sup> AET programmes funded by the HWSETA in the reporting period	a) CET unemployed learners completing AET programmes	670 248%	43 53%	60	0 0%	-60 Reporting is dependent on the timely submission of completions by funded employers and delays have been experienced in 2024-2025 that contributed to non-achievement.
			b) Other unemployed persons completing AET programmes	0** 21%	49	60	7 12%	-53 Reporting is dependent on the timely submission of completions by funded employers and delays have been experienced in 2024/25 that contributed to non-achievement.

<sup>21</sup> Completions are reported to the HWSETA within 12 months of having completed the funded programme.



## PROGRAMME 3: SKILLS DEVELOPMENT PROGRAMMES AND PROJECTS

### Sub-programme 3.2: Workplace skills plan and projects

PROGRAMME 3: OUTPUT NO. 1									
<b>Impact Statement No. 4</b> The HWSETA contributes to the increased capacity of NGOs, NPOs, and Trade Unions to meet social and rural development needs South African Citizens by 2030.									
<b>Outcome statement No.7</b> The HWSETA provides increased support to the State, Trade unions, NGOs, and NPOs in order to strengthen governance and service delivery and thus advance social, rural, and community development in the strategic period.									
OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA funds rural and provincial development projects in the health and welfare sector during the reporting period	1	Number of rural and provincial skills development projects funded by the HWSETA to develop and address mid-level skills in the reporting period	a) Rural Projects	8 133%	5 100%	5	5 100%	0	No deviation
			b) Provincial Projects	0**	3 100%	3	2 100%	0	No deviation



### PROGRAMME 3: OUTPUT NO 9

**Impact statement No 3:** The HWSETA contributes to increased capacity of large, medium, and small firms, as well as small and emerging businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030.

**Outcome statement No 6:** The HWSETA provides increased support towards skills development activities for entrepreneurial and cooperative, as well as the establishment of new enterprises in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA fund skills development of cooperatives of the health and welfare sector during the reporting period	9	Number of cooperatives in the health and welfare sector whose skills needs are funded by the HWSETA per year.	21 233%	19 211%	8	9 113%	1	The over achievement is as a result of recommitments to two cooperatives.

### PROGRAMME 3: OUTPUT NO 10

**Impact statement No 3:** The HWSETA contributes to increased capacity of large, medium, and small firms, as well as small and emerging businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030

**Outcome statement No 6:** The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative, as well as the establishment of new enterprises in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA funds skills development of small and emerging businesses of the health and welfare sector during the reporting period	10(1)	Number of small and emerging businesses from the health and welfare sector whose skills needs are funded by the HWSETA per year	130 101%	76 63%	102	19 19%	-83	There was poor interest in the funding of SMMEs as they were already funded under various indicators. Different strategies were initiated, and the resulting effect is being collated and evaluated.
	10(2)	Number of people funded by the HWSETA for entrepreneurship development to support their businesses, start-up ventures <sup>20</sup> in the reporting period.	0**	30 120%	21	21 100%	0	No deviation



### PROGRAMME 3: OUTPUT NO 11

**Impact statement No 4:** The HWSETA contributes to the increased capacity of the State, NGO, and NPO sector, Trade Unions to meet social and rural development needs of South African Citizens by 2030.

**Outcome statement No 7:** The HWSETA provides increased support to the State, Trade unions, NGOs, and NPOs in order to strengthen governance and service delivery and thus advance social, rural, and community development in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA funds the skills development of officials from non-government and not-for-profit, and trade unions during the reporting period	11(1)	Number of officials from NGOs and NPOs funded by the HWSETA for skills development per year	82 166%	520 433%	70	144 206%	74	Target overachieved due to 100% attendance of learners for NPO Mentorship Programme that is implemented in partnership with the DSD.
	11(2)	Number of officials from trade unions funded by the HWSETA for skills development per year	A) Union members 53 66%	41 (5 unions) 55%	45	46 102%	1	The HWSETA strategy was based on the progression of learners funded in the previous financial year against a full qualification. More learners qualified.
			b) Trade Unions 0**	0**	3	12 400%	9	The HWSETA strategy was based on the progression of learners funded in the previous financial year against a full qualification. Learners are coming from the five main trade unions in the HWSETA sectors.

\*\*New sub-indicator 2024/25



### PROGRAMME 3: OUTPUT NO 13

**Impact statement No 3:** The HWSETA contributes to te increased capacity of large, medium, and small firms, as well as small and emerging businesses and cooperatives of the health and welfare sector to become more sustainable and expand in size by 2030.

**Outcome statement No 6:** The HWSETA provides increased support towards skills development activities for entrepreneurial, cooperative, as well as the establishment of new enterprises in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Support of interventions required to increase the level of skills of the health and welfare sector work-force by the HWSETA in the reporting period	13(1)	Number of WSPs and ATRs approved for small firms per year	1 392 116%	1 392 116%	1 183	1077 91%	-106	No achievement is due to inactivity from one of the SDFs. This has been addressed and more submissions will be done in the future. Further, the state of the economy and buyout of small businesses in the pharmacy sector by big businesses such as Dischem and Clicks contributed to the result.
	13(2)	Number of WSPs and ATRs approved for medium firms per year	177 104%	190 112%	150	205 137%	55	The target was overachieved as a result of improved compliance to the regulation by large organisations.
	13(3)	Number of WSPs and ATRs approved for large firms per year	155 129%	155 129%	132	164 124%	32	The target was overachieved as a result of improved compliance to the regulation by large organisations.



### PROGRAMME 3: OUTPUT NO 14

**Impact statement No 4:** The HWSETA contributes to increased capacity of the State, NGO, and NPO sector, Trade Unions to meet social and rural development needs of South African Citizens by 2030.

**Outcome statement No 7:** The HWSETA provides increased support to the State, Trade unions, NGOs, and NPOs in order to strengthen governance and service delivery and thus advance social, rural, and community development in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA supports skills development priorities of the Department of Social Development and Health in the reporting period	14	Number of projects funded through discretionary grants aimed at public sector education and training in the reporting period	15 250%	10 167%	5	14 280%	9	The overachievement was because of the participation by the public sector provincial offices across the Department of Health as well as the Department of Social Development on programmes that are directly related to their APP. The HWSETA allocation strategy also prioritised allocation of higher numbers to the public sector as they are the biggest employers in the sector.

### PROGRAMME 3: OUTPUT NO 22

**Impact statement No 4:** The HWSETA contributes to increased capacity of the State, NGO, and NPO sector, Trade Unions to meet social and rural development needs of South African Citizens by 2030.

**Outcome statement No 7:** The HWSETA provides increased support to the State, Trade unions, NGOs, and NPOs in order to strengthen governance and service delivery and thus advance social, rural, and community development in the strategic period.

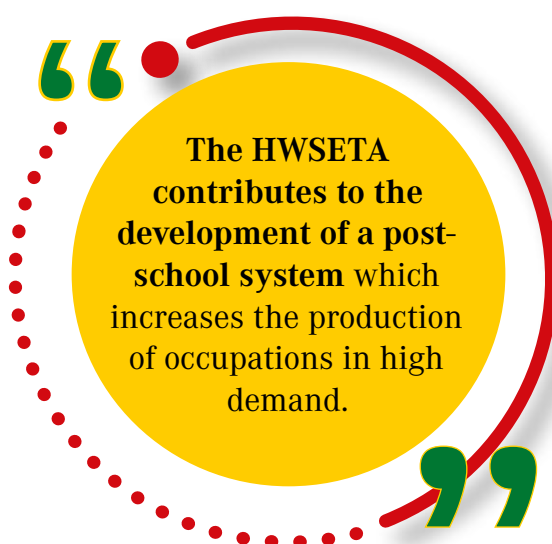
OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA funds the skills development initiatives of levy exempt organisations in the reporting period	22	Number of levy exempt organisations whose skills development needs are funded by the HWSETA in the reporting period	63 105%	39 65%	51	50 98%	-1	One employer delayed in submitting evidence.

### PROGRAMME 3: OUTPUT NO 23

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand.

**Outcome statement No 2:** The HWSETA promotes linkages between education and the workplace to increase work-based learning opportunities in the health and welfare sector in the strategic period

Opportunities in the health and welfare sector in the strategic period									
OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA supports partnerships <sup>22</sup> with post-school education institutions, in the sector in the reporting period	23	Number of partnerships entered into by the HWSETA with post-school education institutions in the reporting period	a) Partnerships with CET	46 230%	0 0%	5	1 20%	-4	The underachievement is because of the non-participation from the CET sector during the funding window.
			b) Partnerships with universities	0** 230%	23	10	24 240%	14	The over achievement is a result of multiple projects implemented with universities (WIL and bursaries)
			c) Partnerships with TVET and other public colleges	0** 100%	5	5	17 340%	12	The over achievement is as a result of the HWSETA strategy extending to public colleges in the health sector in vocational programmes.



<sup>22</sup> Partnerships are entered into through Memorandums of Agreement and/or Memorandums of Understanding



### PROGRAMME 3: OUTPUT NO 33

**Impact statement No 1:** The HWSETA contributes to the development of a post-school system which increases the production of occupations in high demand by 2030.

**Outcome statement No 1:** The HWSETA provides an efficient and effective skills planning, programme implementation and evaluation system which identifies occupations in high demand during the strategic period

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
Percentage of discretionary grant budget allocated for the development of high-level, intermediate-level, and elementary skills in the reporting period	33	Percentage of discretionary grant budget allocated for the development of high-level, intermediate, and elementary skills in the reporting period	a) High-level skills	0** 50%	10%	15% 150%	5%	The achievement is consistent with the sector profile, which is characterised by high-level skills supported by mid-level workers. The sector is highly professionalised with various statutory bodies governing education and training.
			b) Intermediate Skills	0** 200%	30%	36% 120%	6%	The achievement is consistent with the sector profile, which is characterised by high-level skills supported by mid-level workers. The sector is highly professionalised with various statutory bodies governing education and training.
			c) Elementary Skills	0** 25%	20%	0,4% 2%	-19,6%	The under achievement results from the sector profile, which is characterised by high-level skills supported by mid-level workers.

## PROGRAMME 4: QUALITY ASSURANCE AND QUALIFICATION DEVELOPMENT

### PROGRAMME 4: OUTPUT NO 19

**Impact statement No 1:** The HWSETA contributes to the development of a post school system which increases the production of occupations in high demand by 2030

**Outcome statement No 5:** The HWSETA supports the growth of the public and private college system so that colleges may qualify as centers of specialisation that offer quality vocational and occupational education for the sector in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA accredits skills development providers, registers assessors and moderators and issue certificates for learners found competent in the reporting period.	19(1)	Number of skills development providers accredited and reaccredited by the HWSETA in the reporting period		77 133%	77 128%	65	265 408%	200	The target was overachieved because HWSETA is the only SETA that accredits all first aid skills programmes, resulting in increased demand and a surge of applications. Furthermore, the deadline for historical qualifications has caused a large number of SDPs to transition to occupational qualifications.
	19(2)	Number of certificates issued by the HWSETA to learners found competent, by skills development providers <sup>23</sup> and then confirmed by HWSETA in the reporting period	a) Qualification certificates	6 940 278%	2 243 169%	1 325	1 738 131%	413	Historical qualifications are being phased out and will cease to be achieved by 30 June 2027. The teaching out period is currently underway, and SDPs are exiting the learners from the system, hence the high volumes of certificates that were processed. Thereafter, only occupational programmes (QCTO) will be certificated.
			b) Statements of results	0**	3 355 285%	1 175	1 397 119%	222	Historical qualifications are being phased out and will cease to be achieved by 30 June 2027. The teaching out period is currently underway, and SDPs are exiting the learners from the system, hence the high volumes of statements of results that were processed. Thereafter, only occupational programmes (QCTO) will be certificated.



#### PROGRAMME 4: OUTPUT NO 24

**Impact statement No 1:** The HWSETA contributes to the development of a post school system which increases the production of occupations in high demand by 2030

**Outcome statement No 5:** The HWSETA supports the growth of the public and private college system so that colleges may qualify as centers of specialisation that offer quality vocational and occupational education for the sector in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR		AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The HWSETA develops full and part occupational qualifications relevant to occupations in the sector in the reporting period.	24	Number of part and full occupational qualifications, as well as skills programmes developed by the HWSETA and accepted by the QCTO for registration in the reporting period.	a) Full or Part qualification	1 100%	1 100%	2	2 100%	0	The HWSETA has completed and submitted a full qualification to QCTO for evaluation and submission to SAQA for registration. The qualifications are:  1. Advanced Occupational Diploma for Christian Religious Professionals 2. National Occupational Certificate for Christian Religious Practitioners
			b) Skills programme	1 100%	3 150%	100	12 12%	-88	The annual target was not achieved due to the longer time it takes to develop skills programmes. More skills programmes have been submitted to the QCTO for development and will be completed in the coming financial year.

## PROGRAMME 4: OUTPUT NO 25

**Impact statement No 2:** The HWSETA develops a skilled workforce linking education and the employable and highly productive workforce which results in reduced hard to fill vacancies in the Health and Social Development Sector by 2030

**Outcome statement No 3:** The HWSETA contributes to the improvement of level of skills for 50% of the South African workforce through various learning programmes that address the critical skills required by the sector in the strategic period.

OUTPUT STATEMENT	OUTPUT INDICATOR NO	OUTPUT INDICATOR	AUDITED ACTUAL ACHIEVEMENT 2022/23	AUDITED ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	REASONS FOR DEVIATION (ROOT CAUSE)
The health and welfare sector workers entered into the HWSETA Recognition of Prior Learning (RPL) complete the programme and are reported to the HWSETA within 12 months of completion.	25 (1)	Number of workers entered- into the HWSETA Recognition of Prior Learning programme in the reporting period	281 94%	255 85%	1 000	1 116 112%	116	The target was over-achieved due to over subscription of learners into the programme.
	25 (2)	Number of workers reported at the HWSETA as having completed the Recognition of Prior Learning programme funded by the HWSETA in the reporting period	264 117%	0 0%	240	0 0%	-240	Due to delays in procuring a service provider the project started late and therefore no completions will be reported in this financial year.

## STRATEGY TO OVERCOME AREAS OF UNDER-ACHIEVEMENT

**Programme 3:** Full qualifications will be offered in parts to workers so as to make it possible for employers to release their workers for training as employers could not afford to release workers for prolonged periods of time in order to attend training. Also, all completions will be collected and reported timeously. A pipeline approach will be used for bursary students to ensure that students are funded for the duration of the entire qualification as these span multiple years.

**Programme 4:** Learners will be entered earlier on in the financial year into the RPL programme to allow for the assessments to be conducted and completed before the end of the financial year. This will make it possible to have completed and thus reported assessments against the indicator that measures completions for the RPL programme.



## REVENUE COLLECTION: R1 062 million

Skills Development Revenue						
Estimate	Actual collection	(Over)/under	Commentary	Estimate	Actual collection	(Over)/under
2024/25	2024/25	collection		2023/24	2023/24	collection
R 744	R 767	(R 23)	Levy income is higher than budget for skills development levy. Skills development levy current year receipts exceeded prior year receipts by 6%. Although government levies are 8% lower than budget, they are 4% higher compared to prior year actual.	R 676	R 713	(R 37)
Investment income and other income						
Estimate	Actual collection	(Over)/under	Commentary	Estimate	Actual collection	(Over)/under
2024/25	2024/25	collection		2023/24	2023/24	collection
R 34	R 53	(R19)	Interest: Actual interest received is higher than budget due to the higher interest rates. Furthermore, there were no withdrawals from the CPD Account. The interest earned accumulates in the account thus there are benefits of compounded interest for the HWSETA. At R49 million, the interest at the end of March 2025 is 47% above budget of R34 million. This is largely due to most of the entity's funds invested with the SA Reserve Bank in the Corporation for Public Deposits (CPD) account. The average interest rate increased from 4.9% to 7.50%.  Other income is not budgeted for and mainly arises from creditor write off.	R 22	R 36	(R 14)
Government levies						
Estimate	Actual collection	(Over)/under	Commentary	Estimate	Actual collection	(Over)/under
2024/25	2024/25	collection		2023/24	2023/24	collection
R 264	R 242	22	The inconsistencies of the levies of departments relating to payment of levy invoices resulted in a more conservative approach being adopted for the revenue stream.	R 188	R 233	(R45)

# PART C

## Governance



## GOVERNANCE STRUCTURE

The Board's role is to provide leadership, direction, and stewardship of the organisation's assets and interests in relation to the public funds it administers to promote public interest in skills development in the Health and Social Development (welfare) sectors.

The Board is constituted of 15 Board members representing the following constituencies and stakeholders in the sectors served by the HWSETA:

- Ministerial appointed independent Chairperson
- Organised labour
- Organised employers, including small businesses and relevant government departments
- Levy exempt sector
- Any interested professional body or bargaining council with jurisdiction in the sector that the DHET Minister considers appropriate for the sector.

The Board meets every quarter, or as required, to enable it to assert its governance responsibility as the Accounting Authority.

### Fiduciary responsibility of Board members

All Board members are aware of their fiduciary responsibilities and the need for fair, transparent, and accountable decisions and actions. Board members are both individually and collectively liable for all decisions and actions of omission and commission by the Board during their term of office.

### Statutory meetings

Attendance of Board members at all statutory meetings is recorded in attendance registers which are audited annually by the internal auditors and the Auditor-General of South Africa. All meetings are formally noted, with an agenda and supporting meeting packs. Meeting protocol is formal, and all minutes and documents are formally tabled, considered, addressed, filed and stored.

### Meeting attendance fees for Board members

Board members are not staff members of the HWSETA, and they do not receive any salaries or benefits. Board members are employers of the HWSETA staff, and as such serve the HWSETA in their capacity as the Accounting Authority with executive oversight, accountability and responsibility. A meeting fee is paid to Board members for their attendance at and contributions to statutory meetings.

A record is kept of all allowances paid to members, and such record is audited through internal and external audits conducted by the internal auditor and the Auditor-General South Africa.

Board changes during the year under review:

The 6<sup>th</sup> Board was appointed on 1 April 2020 for a 5-year period up to 31 March 2025.

Board members in place during the year under review:

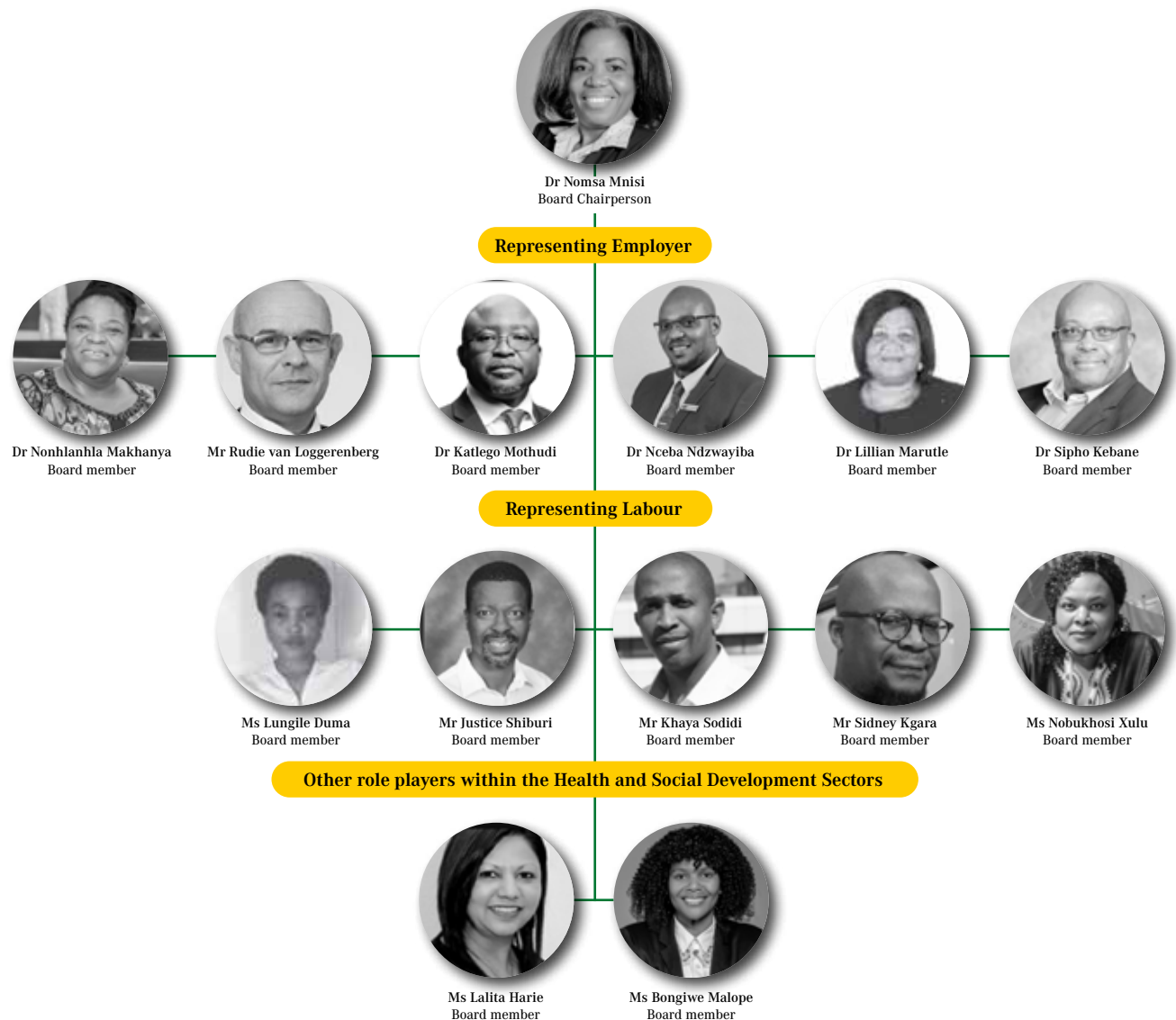
Board member	Representing	Appointment Date:
Dr Nomfundo Mnisi	Independent Chairperson	1 April 2020
<b>Employer representatives</b>		
Mr Rudie van Loggerenberg	Department of Social Development	1 April 2020
Dr Nonhlanhla Makhanya	Department of Health	31 March 2023
Dr Nceba Ndzwayiba	Hospital Association of South Africa	1 April 2020
Dr Katlego Mothudi	Board of Healthcare Funders	1 April 2020

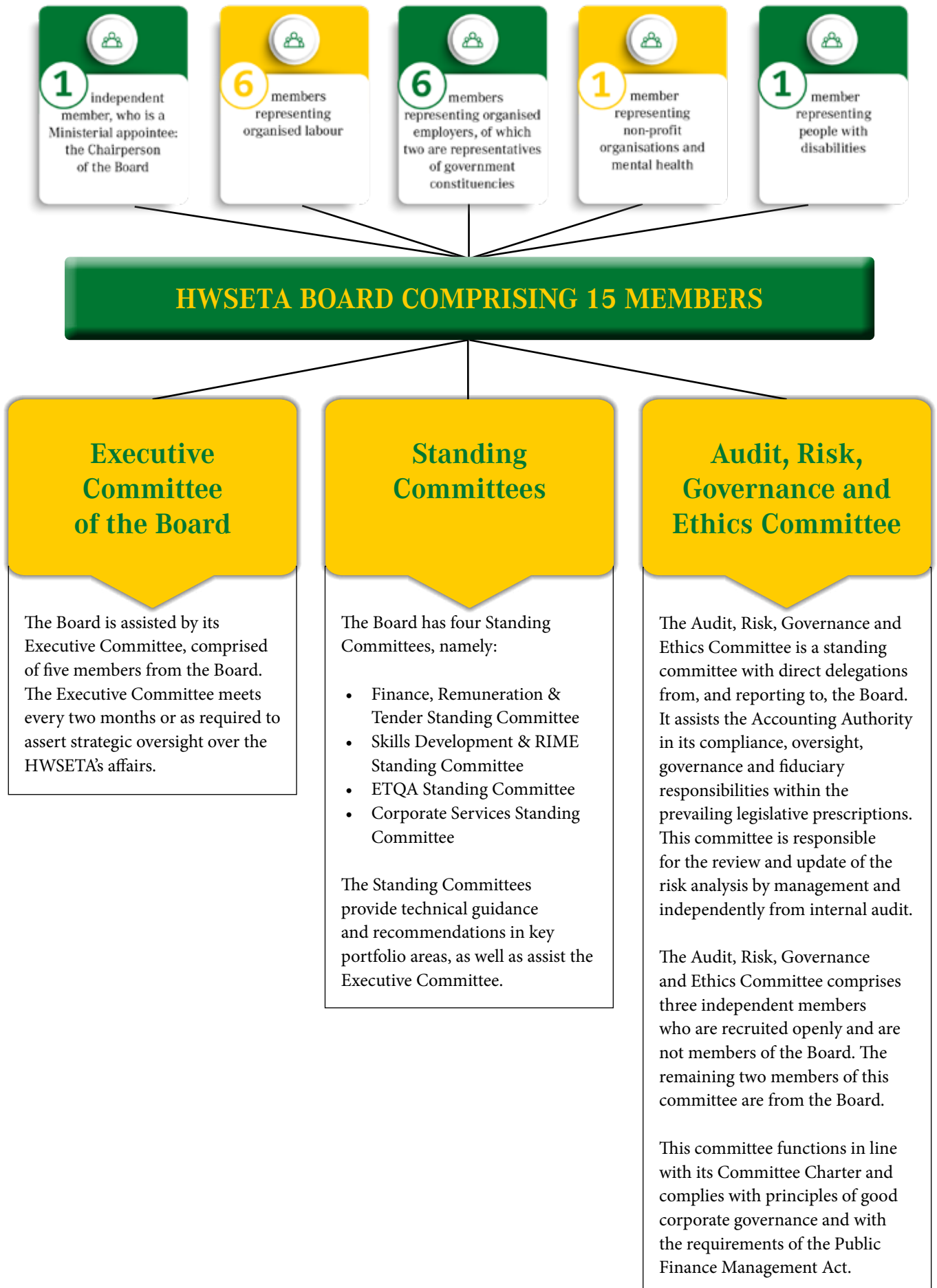
Board member	Representing	Appointment Date:
Awaiting appointment	Council for Medical Schemes	
Dr Lillian Marutle	Organised employers	1 April 2020
<b>Labour representatives</b>		
Mr Khaya Sodidi	DENOSA	12 December 2022
Awaiting appointment	HOSPERSA	
Mr Sidney Kgara	NEHAWU	1 April 2020
Ms Nobukhosi Xulu	NEHAWU	1 April 2020
Ms Lungile Duma	NPSWU	1 April 2020
Mr Justice Shiburi	PSA	29 January 2024
<b>Non-profit organisations / Mental health</b>		
Ms Lalita Harie		1 April 2020
<b>People with disabilities</b>		
Ms Bongiwe Malope		1 April 2020

Board terminations during the year under review:

Board member	Representing	Appointed	Termination
Dr Sipho Kabane	The Council for Medical Schemes	4 June 2021	31 July 2024 as no longer employed by The Council for Medical Schemes
Dr Nceba Ndzwayiba	Hospital Association of South Africa	1 April 2020	Resigned from the Board on 19 March 2025

## The HWSETA Board





## HWSETA Accounting Authority members meeting attendance 1 April 2024 to 31 March 2025

	Total meetings	N Mnisi	K Mothudi	N Ndzwayiba	R van Loggerenberg	L Marutle	S Kgara	N Xulu	J Shiburi	L Duma	L Harie	B Malope	S Kabane	K Sodidi	N Makhanya	G Higgins	I Mathatho	W Carrim	Y Pamla
Quarterly Board meetings including Continuation																			
Quarterly Board meetings	8	8	6	5	2	8	6	6	6	8	6	8	3	8	4				
Special Board meetings	4	4	4	2	2	4	3	4	4	4	2	4	2	4	2				
Other Board meetings	10	10	8	5	4	5	4	6	8	10	7	10	10	10	4				
Board In Committee meetings	5	5	4	2	3	4	4	4	5	5	3	4	1	5	5				
EXCO including continuation																			
Exco meetings	5	5	4			5		5		5									
Special Exco meetings	3	3	3			3		2		3									
SD/RIME Standing Committee	7			4				7	4	6	6								
ETQA Standing Committee	4			3		2		4	2		3	3		3					
Corporate Services Standing Committee	4			3		4			1	4	4	4	1						
Finance and Remuneration Standing Committee	6		6			6	4					1	6						5
Special Finance and Remuneration Standing Committee	3		2			2	2						1	2					3
Audit and Risk Committee	2		2			1										2	2	2	
Aucom and Finance Committee	4		3			3	4						4	3		4	4	4	3
Special Audit and Risk Committee	1		1				1									1	1	1	



## AUDIT, RISK, GOVERNANCE AND ETHICS COMMITTEE (AUCOM) REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Audit, Risk, Governance and Ethics Committee (Audit Committee) herewith presents its report for the financial year ended 31 March 2025, as required by section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999) (PFMA) read with Treasury Regulation 27.1.10.

### PART 1: AUDIT COMMITTEE REFLECTIONS FOR THE YEAR 2024/25

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has an appropriate charter, which is reviewed annually and regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Audit Committee understands and has internalised the requirements of the Global Internal Audit Standards™ in its work. The Audit Committee confirms that it has functioned without hindrance or limitations throughout the reporting period.

The Audit Committee has proactively advised management on key objectives of the Health and Welfare SETA, the most important of which was to resolve the issues that gave rise to the matters raised in the Auditor-General of South Africa (AGSA's) emanating from the prior period report.

We also assessed the financial performance and performance against pre-determined objectives in our quarterly meetings to contribute to the HWSETA achieving its key mandate by addressing areas where the targets are not being achieved.

The Audit Committee also notes that the tenure of the Board under the leadership of Dr Nomsa Mnisi ended on 31 March 2025. The Chief Executive Officer, Ms Elaine Brass, left the organisation on 31 May 2025. We are appreciative of all the contributions made by the respective parties with respect to achievement of the mandate of the HWSETA.

### PART 2: AUDIT COMMITTEE COMPOSITION AND ATTENDANCE

The Audit Committee consists of five members, three independent members and two Board representatives. The Committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The Committee convened seven times during the period, three being ordinary Aucom meetings, three being combined Aucom and Finance Standing Committee meetings and one a special Aucom meeting.

The table below shows the attendance of these meetings including combined Aucom and Finance Standing Committee meetings and a special meeting:

Name	Position	Tenure	Qualifications	No. of scheduled meetings including special meetings	No. of meetings attended
Mr G Higgins	Aucom Chairperson	1 Sept 2018 to 31 January 2021 10 March 2021 to 31 July 2023 1 August 2023 to 31 July 2025	CA(SA)	7	7
Mr W Carrim	Aucom member	10 March 2021 to 31 July 2023 1 August 2023 to 31 July 2025	CA(SA), MBA, MCom Taxation	7	7
Ms I Mathatho	Aucom member	10 March 2021 to 31 July 2023 1 August 2023 to 31 July 2025	BCom Hons, MBA, HDip Tax law	7	7
Dr K Mothudi	Board/Aucom member	1 April 2020 to 31 March 2025	Board member	7	6
Mr S Kgara	Board/Aucom member	1 February 2019 to 31 March 2025	Board member	7	6

The Audit Committee held meetings with the senior management of the HWSETA, internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the HWSETA, throughout the reporting period. The Chairperson was also in attendance at the Board meetings to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the HWSETA.

The Audit Committee notes that the period of appointment of the two representatives of the Board, namely Mr Sidney Kgara and Dr Katlego Mothudi came to an end with the period of the Board as at 31 March 2025. We are appreciative of the contribution that they made on the effective functioning of the Audit Committee during their tenure.

## PART 3: AUDIT COMMITTEE FOCUS AREAS

### The effectiveness of internal control

The Audit Committee recognises management's strides in fortifying internal controls within the department. The Audit Committee recognises that the controls related to year-end processing and reconciliation were improved to address the financial reporting weaknesses; however certain minor matters still require improvement. Overall, management has complied with the established procedures. The Audit Committee will maintain vigilant oversight over these critical areas.

Due to the strategic importance of, and investment in, the modernisation of information and communication technology (ICT) in the HWSETA, the Audit Committee has monitored the risk register and progress reports on the respective action plans during the year under review. The Audit Committee remains concerned that not all ICT risks are being addressed or mitigated, in implementing the new ERP system.

### Risk management

The Audit Committee is responsible for the oversight of the risk management function. The risk management committee reports to the Audit Committee on the HWSETA's management of risk. The Risk Management Committee reports at each quarterly meeting on the progress with regards to management of strategic and operational risks in the organisation.

### Internal audit

The Audit Committee is satisfied that the Internal Audit (IA) function adheres to the International Standards for the Professional Practice of Internal Auditing and employs a risk-based approach. The Internal Audit function is fully outsourced with the engagement director as the appointed Chief Audit Executive of the HWSETA. The Audit Committee is satisfied that the Internal Audit function has executed on the audit plan.

### In-year management and monthly/quarterly reports

The Audit Committee is pleased with the content and quality of the management and quarterly reports prepared and issued throughout the year, in full compliance with the statutory framework. The Committee has actively engaged with management to address and rectify any deficiencies, particularly concerning reports on performance against predetermined objectives.

### Performance management

As part of its responsibilities, the Audit Committee has undertaken a thorough review of performance management within the department. The Committee's functions included:

- Evaluating compliance with statutory requirements and performance management best practices and standards.
- Assessing the alignment of the annual performance plan, budget, strategic plan, and performance agreements.
- Ensuring that performance indicators are relevant, measurable, and aligned with the services provided by the department.
- Reviewing instances of non-compliance with legislation.
- Monitoring adherence to in-year reporting requirements.
- Reviewing the quarterly performance reports submitted by the Internal Audit function.
- Evaluating the department's performance management system and providing recommendations for its enhancement.



The Audit Committee is satisfied that the performance report has been prepared in accordance with the Public Finance Management Act (PFMA), Treasury Regulations, and other relevant regulatory requirements. The Audit Committee notes the areas of non-achievement of targets and has emphasised to management the importance of achieving the critical mandate that the HWSETA has.

### Evaluation of financial statements

The Audit Committee has reviewed the annual financial statements. The focus was on the following:

- Significant financial reporting judgements and estimates contained in the annual financial statements;
- Clarity and completeness of disclosures and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in, accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Calculation and levels of general and specific provisions; and
- The basis for the going concern assumption, including any financial sustainability risks and issues.

The Audit Committee is satisfied that the Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice and the PFMA.

### Evaluation of the finance function

The Audit Committee is satisfied with the performance of the finance function for the year under review.

### Compliance with laws and regulations

The Audit Committee evaluated managements controls for compliance with all material laws and regulations which impact on the financial statements and performance report. No material non-compliance was identified during the year under review.

### Combined assurance

The HWSETA has adopted a Combined Assurance Framework as detailed in the King IV report on Corporate Governance. The Audit Committee will continue to monitor its implementation as well as ensuring the effectiveness of the Combined Assurance Framework.

### Auditor-General's report

The Audit Committee concurs with the opinion of the AGSA regarding the annual financial statements. The committee is satisfied with the conclusions drawn in the performance report and the committee is satisfied with the conclusion regarding compliance with laws and regulations. The committee is of the view that the audited financial statements and annual performance report be accepted and read together with the report of the AGSA. The Audit Committee confirms that it has provided adequate oversight throughout the audit process.

We would like to congratulate management and all other stakeholders for returning the HWSETA to clean audit status.

**George Higgins**  
**Chairperson of the Audit Committee**  
**Health and Welfare Skills, Education and Training Authority**  
**Date: 31 July 2025**

## Executive Authority DHET

The HWSETA reports to the DHET on the following basis:

- Quarterly reporting of both financial and non-financial information;
- The annual Sector Skills Plan;
- The annual budget and strategic plan;
- The Annual Performance Plan for the following financial year; and
- Any other reporting request by the department.

## Internal control unit

The HWSETA's internal audit function is outsourced to an independent firm. The internal audit function operates on an approved three-year rolling strategic internal audit plan. The internal audit plan is formulated on the HWSETA's current operations and the strategic plan, with a focus on the key risks of the HWSETA as identified by an annual risk assessment. The internal auditors report in accordance with an approved Charter, which is in line with the Audit Committee Charter. The internal audit function has continuously added value by strengthening the control environment through improvements in internal controls.

In the current year, 19 internal audits were performed, which allowed the HWSETA to strengthen internal controls.

## Internal Audit and Audit, Risk, Governance and Ethics Committee - the effectiveness of internal controls

The system of internal controls applied by the HWSETA over financial and risk management is effective, efficient and transparent.

In line with the PFMA and Treasury Regulations, internal audit provides the Audit, Risk, Governance and Ethics Committee and management with assurance that internal controls are appropriate and effective. 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. From the various reports of the internal auditors, we noted that no matters were reported that indicate any material deficiencies in the system of internal controls or any deviations therefrom.

Management is committed to addressing issues raised by the internal auditors and external auditors, and this follow-up report is reviewed by the committee during its meetings. Accordingly, the system of internal controls over financial reporting for the period under review was efficient and effective.

## Internal audit

We are satisfied that the internal audit function has operated effectively and that it addressed the risks pertinent to the HWSETA in its audits. We believe that internal audit contributed to the improvement of internal controls in the HWSETA.

## Audit, Risk, Governance and Ethics Committee responsibility

The Audit, Risk, Governance and Ethics Committee has adopted appropriate formal terms of reference in its Charter, in line with the requirements of Section 51(1)(a) of the Public Finance Management Act, No. 1 of 1999, and Treasury Regulation 27. The Audit, Risk, Governance and Ethics Committee has conducted its affairs in compliance with this Charter.



## Key activities and objectives of the Audit, Risk, Governance and Ethics Committee

The Audit, Risk, Governance and Ethics Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General of South Africa and the Accounting Authority;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit if applicable.

The Audit, Risk, Governance and Ethics Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General of South Africa.

The following audits were conducted and completed by the internal auditors for the 2024/25 financial year:

- Health and safety
- Follow-up review Q2
- IT general controls review
- Review of 2025-2030 Strategic Plan Update and 2025/26 Annual Performance Plan.
- Learning programmes
- Audit of predetermined objectives (Q1&2)
- Audit of programme performance information (Provincial Q1/Q2)
- IT Review – data migration (G-Live projects module)
- Projects, contracts and commitments
- Enterprise risk management
- Asset management review
- Follow-up review Q4
- Procurement and contract management
- Mandatory grants
- Audit of predetermined objectives (Q3 and Q4)
- Finance review
- Review of the financial year 2204/25 AFS
- Review of the annual performance report
- Ad hoc requests (projects, contracts, commitments – additional scope request – Jan – Mar 25)

The Audit, Risk, Governance and Ethics Committee is established and comprises three independent members and two Board members. The committee is advisory in nature and reports directly to the Board.

The committee's charter and terms of reference are aligned to the HWSETA's Constitution, the PFMA and Treasury Regulations. This committee also takes on the responsibility of IT and governance oversight.

The objectives of the Audit, Risk, Governance and Ethics Committee are to review:

- The effectiveness of internal control systems;
- The effectiveness of internal audit;
- The risk areas of the entity's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- Any 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, coordination with external auditors, reports of significant investigations and responses of management to specific recommendations; and
- Where relevant, the independence and objectivity of external auditors.

## Compliance with laws and regulations

The HWSETA has established internal mechanisms to ensure compliance with laws and regulations, including checklists and internal reporting. The following are significant changes to laws and regulations that have influenced the period under review.

### Application of King IV principles

Strong corporate governance directly influences HWSETA's operational effectiveness and value creation for stakeholders. There is a clear correlation between poor governance and underperformance, while effective governance practices enhance organisational success. HWSETA embraces King IV's evolution from King III, adopting its outcomes-based, holistic governance approach with the aim of cultivating an ethical culture, achieving performance excellence, maintaining effective control and ensuring legitimacy.

To ensure compliance with King IV principles, HWSETA has established three key committees:

1. Executive Committee (EXCO)
2. Audit, Risk, Governance and Ethics Committee
3. Finance, Remuneration and Tender Committee

Ethical matters are addressed by the Audit, Risk, Governance and Ethics Committee, with significant issues reported to both EXCO and the Board.

The organisation maintains systems to track and respond to legislative changes, with updates provided to the Board quarterly or as needed. HWSETA has successfully implemented all King IV principles relevant to state-owned entities, with quarterly progress reports presented to the Audit, Risk, Governance and Ethics Committee, EXCO and the Board.

HWSETA has achieved full compliance with the 16 King IV principles applicable to state-owned entities.

### Risk management

The Accounting Authority is responsible for the HWSETA risk management process. The Audit Risk, Governance and Ethics Committee assists the Accounting Authority in carrying out its risk management responsibilities.

The HWSETA continuously strives to improve its risk management processes and ensure that risk assessments are carried out on regular basis to determine the effectiveness of its risk management strategy and to identify new and emerging risks.

### Fraud and corruption

The HWSETA has implemented a fraud prevention plan. As one mechanism, the HWSETA has an anonymous tip off hot line, which is widely advertised and has been uploaded on our website. Without exception, the HWSETA investigates all tip offs received. Tip offs from the hot line are sent directly to the internal auditors, who then report to the appropriate authority for investigation.

### Allegations of misconduct

All open tip offs are lodged against the HWSETA registered employers, small, medium and micro enterprise, levy exempt organisations and any other form of misconduct including fraud and corruption against any person (internal and external). The tip offs mainly come through HWSETA's dedicated, anonymous toll-free tip line, whereas others come through emails or telephone calls.

Most tip offs relate to breaches of memorandum of agreements where the employers fail to process learners' stipends and/or misdirect the funds received from HWSETA to unintended purposes. Another category of tip offs relate to unscrupulous providers who fall short of an accreditation but mislead the public and offer HWSETA accredited qualifications. Fraud and corruption tip offs relate to reporting of suspicion of kickbacks and awarding of funds to employers that did not meet the funding requirements.



As of March 2025, 31 open tip offs were under investigation. Of these, HWSETA conceded liability on 27 matters, denied liability on one matter and is still to determine liability on three matters once evidence has been gathered.

HWSETA conducts a thorough investigation before establishing its liability and making a determination on the matters.

### Minimising conflict of interest

The HWSETA abides by the HWSETA Related Party policy. Declarations of interest are made and recorded at each Board and subcommittee meeting of the HWSETA, and in the Tender Committee meetings for specification and adjudication of tenders.

All employees, including senior management, declare their interests annually. These are co-ordinated and monitored by the Corporate Services Division. In an effort to discourage conflicts of interest, the HWSETA's policy is that all employees must refrain from acceptance of gifts from employers, suppliers and other outside parties.

If any conflict arises, the affected employee/s will immediately refrain from participation in any supply chain management processes or decision-making processes. This has occurred on a few occasions, and the affected individuals have refrained from participation in decision making in the affected area/issue.

### Code of Conduct

The Code of Conduct provides direction to employees with regard to their relationship with other employees and the public and indicates the spirit in which employees should perform their duties, what should be done to avoid conflicts of interest, and what is expected of them in terms of their personal conduct in public and private life. All employees and Board members are required to attend and participate in ethics awareness training. The primary purpose of the Ethics Guideline is to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct and shall be dealt with in accordance with the relevant HWSETA policies, if she/he contravenes any provision of the Code or fails to comply with any provision thereof.

### Health, safety and environmental issues

The health and safety of all employees is of paramount importance for the HWSETA. With the onset of the COVID-19 pandemic, the HWSETA OHS Committee devised a plan to ensure the safety of staff.

Regular meetings of the HWSETA OHS Committee are held to discuss safety issues, identify potential safety risks and address these accordingly.

Members of the committee are trained in OHSA and conduct regular inspections. A safe working environment contributes to heightened staff morale and productivity.

### Remuneration philosophy

The HWSETA is committed to good practice and governance, fairness and equity in remuneration for its employees in line with relevant legislation. The HWSETA embraces a cost to company (CTC) as part of the overall employee value proposition, considering the following: Remuneration at the HWSETA is based on a CTC with a flexible guaranteed package structure, encompassing cash and benefits, travelling allowances and provident fund. Insurance, medical aid allowance and risk benefits fall outside the CTC and are paid by the employer. The HWSETA uses the Paterson method of job evaluation, a systematic approach to determine the worth of one job relative to the other within the organisation as objectively as possible. The HWSETA pays employees at the median range (ie 50% percentile), and pay scales for all levels have been developed in accordance with sound reward practices, including job hierarchy, overlap by pay level, pay range (minimum to maximum) and slope (percentage increase between the median of one level relative to the next).

## Ethics

The HWSETA Board is the ultimate custodian of the HWSETA's values and ethics and strives to lead by example. It follows that the Board aims to integrate these values and ethics into the HWSETA's strategy. The HWSETA has established a Social and Ethics Committee as a formal structure which can facilitate appropriate attention to the soft, but very important, dimensions of how the HWSETA goes about its business, specifically its value system with regard to ethical standards.

In terms of the Companies Regulation 43, a Social and Ethics Committee has to monitor the HWSETA's activities with regard to matters relating to the social and economic development, including the HWSETA's standing.

The HWSETA adopts the following framework elements to facilitate the effective management of ethics performance:

- Clear ethical standards are set. The values of the HWSETA including those relating to ethics, are articulated and approved by the Board.
- The HWSETA has an approved Code of Conduct and Ethics Guideline.
- The respective roles of the Board, Executive Management, employees and stakeholders are clearly described.
- The Board, Executive Management and HWSETA employees support the meeting of ethical standards. The Audit, Risk, Governance and Ethics Committee monitors the ethical dimension of the business and is chaired by an independent non-executive member.
- Specific ethics risks and opportunities in relation to the HWSETA's operating context have been formally and rigorously identified, documented and mitigated.
- The adequacy of resources to properly perform the responsibilities allocated are being considered.
- The HWSETA has an anonymous and effective hotline.
- The HWSETA maintains and builds awareness through communication, training and disclosure of information.
- The HWSETA Audit, Risk, Governance and Ethics Committee obtains acceptable assurance on ethical performance by adopting a combined assurance approach to ethics performance which reduces the risk of incorrect information and an inappropriate ethical culture to an acceptable minimum.
- The HWSETA seeks to establish and maintain the trust of stakeholders by furnishing appropriate external and independent assurance and establishes and maintains the trust of stakeholders by furnishing appropriate external and independent assurance.
- The HWSETA promotes good corporate citizenship including the HWSETA's promotion of equality, prevention of unfair discrimination and other measures to address corruption. All gifts and sponsorships, donations and charitable giving are recorded and disclosed. Transgressions are dealt with swiftly and effectively.

The Social and Ethics Committee assumes the responsibility of ensuring that the Board sets the appropriate tone, and that the behaviour and messages of the Board and the Directors support and contribute to the HWSETA's ethical corporate culture.

## Social responsibility

The HWSETA invested over R500 000 in the period under review in various initiatives, such as the donations and assistance at orphanages and feeding schemes and the donation of dignity packs to survivors of gender-based violence.



# PART D

## Human Resource Management



# HUMAN RESOURCES

## Recruitment and selection

HWSETA human resources (HR) is responsible for attracting, recruiting, and selecting qualified individuals to fill vacant positions. This involves advertising job vacancies, conducting interviews, and making hiring decisions based on merit and equal opportunity principles. The HWSETA attracts skill and talent through its offering of market-related remuneration at the median level of the Patterson scale. The HWSETA offers employees additional benefits such as a medical aid allowance, special leave for illness and study, advances for educational purposes and payment of all risk benefits.

## Performance management

HR oversees performance management processes at the HWSETA. This includes setting of policy, guiding the setting of performance standards, coordinating, and performance appraisal process, including feedback to staff, and identifying development needs for employees. Employees are rewarded for good performance and there is an additional incentive for good performance of the organisation.

## Training and development

HR is responsible for identifying training needs through the performance management process, assisting in organising training interventions, and facilitating the development of employees' skills and competencies. This includes collating assessment of training needs, coordinating workshops and promoting continuous learning in the organisation. The latter includes providing bursaries, based on set criteria and budget, to employees.

## Employee relations

HR manages employee relations matters, which involves establishing and maintaining positive relationships between management and employees. This includes handling grievances, conflicts and disciplinary matters in a fair and consistent manner.

## Compensation and benefits

HR ensures that employees in the public entity receive fair and competitive compensation by managing salary structures, administering benefits packages and ensuring compliance with relevant labour laws and regulations.

## Policies and procedures

HR is responsible for developing and implementing HR policies and procedures to guide employees and ensure consistency in the workplace. Policies cover leave, attendance, code of conduct and other employment-related matters. Policies are also considered to ensure best practice and compliance with the law.

## Compliance and legal requirements

HR ensures compliance with labour laws, regulations, and government policies. Practices are updated as changes in labour legislation are made to ensure they align with legal requirements.

## Health and safety

HR plays a crucial role in managing health and safety policies and practices in the HWSETA. This includes conducting risk assessments, implementing safety protocols and ensuring a safe working environment for employees.

## HR administration

HR manages various administrative tasks such as maintaining employee records, managing leave balances, and providing HR-related information and reports to management and relevant stakeholders.

## Strategic planning

HR contributes to the strategic planning process in the HWSETA by aligning HR goals and initiatives with the organisation's objectives. HR sets priorities for the year and considers the impact of these.

## Conclusion

In the past year the HWSETA has filled 93% of its approved positions, and has processes and plans in place to ensure 100% positions are filled. The HWSETA embarked on a job grading and salary benchmarking exercise to ensure that its salaries are market-related, thereby making the organisation able to attract and retain the best talent. The organogram has been reviewed in line with capacity, service delivery and future requirements of the organisation. The proposed amendments were approved by the Board in 2024/25 with an addition of sixteen positions to the structure.

The HWSETA HR plays a vital role in managing the organisation's human capital, ensuring compliance with labour laws, and fostering a positive and productive work environment.

Challenges faced by the HWSETA in the last year relate mainly to resignations for better opportunities. Some staff have resigned or were dismissed over the discovery of fraud within the SMME funding portfolio. The building of an ethical culture in the organisation remains key to ensure sustainability. Service delivery matters have been a priority. Further improvements will be carried out in the next financial year.

## Employment and vacancies

Programme/activity/objective	2024/25			% of vacancies
	Number of employees	Approved posts	vacancies	
Top management	1	1	0	0%
Senior management	6	6	0	0%
Professional qualified	23	25	2	8%
Skilled	107	113	6	5%
Semi-skilled	7	7	0	0%
Unskilled	0	0	0	0%
<b>TOTAL</b>	<b>144</b>	<b>152</b>	<b>8</b>	<b>5%</b>

## Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	0	0	1
Senior management	6	0	0	6
Professional qualified	25	0	2	23
Skilled	103	15	11	107
Semi-skilled	7	2	2	7
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>142</b>	<b>17</b>	<b>15</b>	<b>144</b>



## Reasons for staff leaving

Reason	Number	% of total number of staff leaving
Death	0	0%
Resignation	13	8.5%
Dismissal	2	1%
Retirement	2	1%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
<b>TOTAL</b>	<b>17</b>	<b>10.5%</b>

## Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	1
Written warning	0
Final written warning	4
Dismissal	2
Suspension	1
<b>TOTAL</b>	<b>8</b>

## Equity target and employment equity status

LEVELS	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	0	0
Senior management	1	1	0	1	2	0	0	0
Professional qualified	6	1	1	1	1	2	1	0
Skilled	25	39	2	1	1	0	2	1
Semi-skilled	1	1	0	2	0	3	0	1
Unskilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>33</b>	<b>42</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>2</b>

LEVELS	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	1	0
Senior management	3	0	0	0	0	0	0	2
Professional qualified	10	3	1	0	2	0	0	0
Skilled	62	34	13	2	5	3	1	3
Semi-skilled	5	0	1	0	0	2	0	0
Unskilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>80</b>	<b>37</b>	<b>15</b>	<b>2</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>5</b>

LEVELS	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	1	0	0
Skilled	1	0	2	1
Semi-skilled	0	2	0	2
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>

#### Personnel cost by programme/activity/objective

Programme/ activity/ objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a percentage of total exp.	Number of employees	Average personnel cost per employee (R'000)
Admin	150 726	76 643	51%	82	935
SDP*	47 365	39 262	83%	51	770
ETQA	24 166	12 670	52%	15	844

\* Employee numbers includes terminations and appointments

#### Personnel cost by salary band

Level	Personnel expenditure (R'000)	Percentage of personnel exp. to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Top management	3 006	2.34%	1	3 006
Senior management	14 242	11.08%	6	2 374
Professional qualified	21 888	17.02%	24	912
Skilled	84 520	65.74%	110	768
Semi-skilled	2 400	1.87%	7	342
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>128 575</b>		<b>148</b>	<b>869</b>

\* Employee numbers includes terminations and appointments

#### Performance Rewards

Programme/ activity/objective	Performance rewards and long service	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost
Top Management	409	3 006	13.61%
Senior Management	1759	14 242	12.35%
Professional qualified	2 569	21 888	11.73%
Skilled	6 181	84 520	7.31%
Semi-skilled	190	2 400	7.92%
Unskilled	0	0	0,00%
<b>TOTAL</b>	<b>11 108</b>	<b>128 575</b>	<b>8,6%</b>

\* Performance bonus rewards disclosed in note 7.1 of the annual financial statements include the bonus provision



## Training costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a percentage of personnel cost	Number of employees trained	Avg training cost per employee (R'000)
Administration (Finance; CS; RIME & OCEO	76 643	982	1,28%	288	3.41
SDP*	39 262	0	0,00%	0	
ETQA	12 670	0	0,00%	0	
<b>TOTAL</b>	<b>128 575</b>	<b>982</b>	<b>0,00%</b>	<b>288</b>	<b>3.41</b>

\*These figures provided for Skills Development Planning include personnel costs for the Provincial Office

## Meet Babalwa Faith Nkunjana - a Dental Surgeon funded by the HWSETA

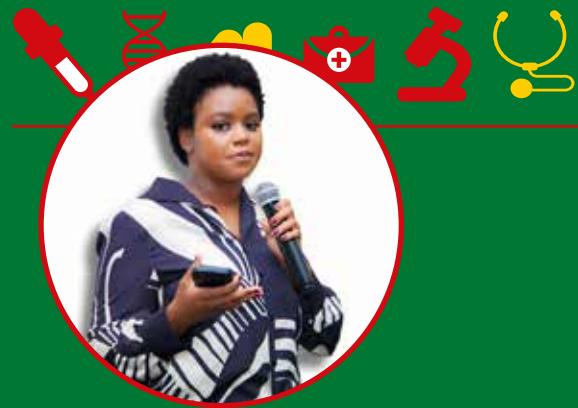
**Babalwa Nkunjana** is one of the HWSETA's beneficiaries who was funded to study through HWSETA bursaries. Born and bred in KwaZulu-Natal, she says being a dentist has not always been her dream, but her personal experiences led her to it.

Babalwa obtained her Bachelor of Dental Therapy from University of KZN in 2014. During her time as a dental therapist, she quickly realized that there were limitations to the job and wanted to do more and that is when she decided to further her studies.

Although she was reluctant at first, 10 years later she obtained her Bachelor of Dental Surgery from University of Pretoria and is now a Dental Surgeon. During her time studying towards her second degree, she learned about the HWSETA bursary through a classmate. She and other 27 classmates applied, got the funding and never looked back!

Her career highlights include winning an award for her clinical skills last year, she says being named the "best" at something boosted her confidence and reassured her she is on the right path and field.

She says what most people don't know about being a dentist is that sometimes when they are hungry, dentists will hear the stomach growling because they work right within patient's personal spaces! Another thing that will surprise you is the difficulty of the job - the mouth is really small, each tooth is even smaller, so they encounter several challenges to ensure patients get the best treatment - painlessly. Their backs and necks bend a lot to adjust for patients.



In her spare time Babalwa loves cooking, trying new restaurants and reading. She also has an artistic side to herself, which involves painting and writing and lately she enjoys trying different types of teas, "I'm definitely ageing", she says as she laughs.

"I love the bible and recapping Old Testament stories - those keep me going when my world is turbulent", she adds.

To HWSETA: I know it was God who divinely placed me in the list of those who needed funding. I am forever thankful for the opportunity which saw me start and finish the programme of my dreams. Honestly, many people, including my family, doubted that I would make it, but I have today because you believed in me and allowed me to achieve my goals. Unfortunately, without resources, some dreams die and aren't realised. Thanks very much to Ms Luyanda Lokwe, to Wandile Manzini and the others who make HWSETA the success that it is. Continue creating magic for others!

# PART E

## Fruitless and Wasteful Expenditure



## FRUITLESS, WASTEFUL AND IRREGULAR EXPENDITURE

**Non-compliance with legislation resulted in fruitless and wasteful expenditure of R145 679 as disclosed in note 28 in the unaudited Annual Financial Statements. The fruitless and wasteful expenditure incurred constitutes non-compliance with Section 51(1)(b)(ii) of the PFMA.**

Reconciliation of fruitless and wasteful expenditure	2024/25	2023/24
Description	R'000	R'000
Opening balance	2 622	1 380
Add: Incurred during the year	146	1 722
Less: Recovered	97	272
Less: Written off	1	208
<b>Closing balance</b>	<b>2 670</b>	<b>2 622</b>

*The opening balance of R2 622 000 is made up of the following amounts:*

- Stipends not paid to learners	R'000
- Salary paid into a fraudulent account	2 524
	98
	<b>2 622</b>

Reconciling annual financial statement disclosure	2024/25	2023/24
Description	R'000	R'000
Fruitless and wasteful expenditure for the current year	146	1 722
<b>Total</b>	<b>146</b>	<b>1 722</b>

*Current year fruitless and wasteful expenditure is made up of:*

- Salary erroneously paid to ex-fixed term employee after resignation	R'000
- Trip to France cancelled after costs for accommodation and flights had been paid	15
	131
<b>Total</b>	<b>146</b>

Details of current year and previous year fruitless and wasteful expenditure (under assessment, determination and investigation)	2024/25	2023/24
Description	R'000	R'000
Fruitless and wasteful expenditure under determination and investigation	704	2 622
<b>Total</b>	<b>704</b>	<b>2 622</b>

During the process of compiling a system generated fixed asset register it was discovered that the existence of some laptops as well desktops could not be verified. Some of the laptops and desktops still had a carrying value. Therefore, the carrying value of all the untraceable equipment is considered as possible fruitless and wasteful expenditure which will be confirmed once the investigation has been concluded.

Details of current year and previous year fruitless and wasteful expenditure recovered	2024/25	2023/24
Description	R'000	R'000
- Accommodation paid for absent learners	-	272
- Salary paid into a fraudulent account	97	-
<b>Total</b>	<b>97</b>	<b>272</b>

**In respect of 2024/25** - An amount of R98 347 relating to an employee's salary was paid into a fraudulent bank account. Of this amount, R97 537 was recovered through a refund from the bank following interaction between the HWSETA Legal Officer, the South African Police Services and the banks. The bank refund of R97.5K was R810 less than the original amount of R98.3K that had been transferred into the fraudulent bank account. The shortfall of R810 has been written off.

**In respect of 2023/24** - A stakeholder had claimed for and was paid for accommodation for absent learners. A total amount of R272 000 that was wrongfully claimed was recovered from the stakeholder.

## IRREGULAR EXPENDITURE

Non-compliance with legislation resulted in irregular expenditure of R558 562 as disclosed in note 28 in the unaudited Annual Financial Statements. The irregular expenditure incurred constitute non-compliance with Section 51(1)(b)(ii) of the PFMA.

Reconciliation of irregular expenditure	2024/25	2023/24
Description	R'000	R'000
Opening balance	2 895	3 301
Add: irregular expenditure confirmed	559	2 895
Less: irregular expenditure condoned	-694	-
Less: irregular expenditure approved by Accounting Authority for removal	-	-3 301
Less: irregular expenditure recovered	-	-
<b>Closing balance</b>	<b>2 760</b>	<b>2 895</b>

The opening balance of R2.895 million is made up of the following amounts:

- 2023/24 irregular expenditure due to non-compliance with SCM processes	694
- -023/24 irregular expenditure due to payments outside provisions of MoAs	2 201
	<b>2 895</b>

Reconciling annual financial statement disclosure	2024/25	2023/24
Description	R'000	R'000
Irregular expenditure for the current year	559	2 895
<b>Total</b>	<b>559</b>	<b>2 895</b>

Current year irregular expenditure is made up of:

- Non-compliance with SCM processes	559	694
- MoA signed with and payment made to an entity not registered with CIPC	-	160
- Payments made to various stakeholders outside the provisions of the MoAs and not CIPC or DSD registered.	-	2 041
	<b>559</b>	<b>2 895</b>

Details of current year and previous year irregular expenditure (under assessment, determination and investigation)	2024/25	2023/24
Description	R'000	R'000
Irregular expenditure investigated and closed	559	2 895
<b>Total</b>	<b>559</b>	<b>2 895</b>

SCM processes not duly followed in the appointment of service providers for the marking and moderation for Health Promotions Officers (HPO) - no financial loss incurred.

Details of current year and previous year irregular expenditure removed (not condoned)	2024/25	2023/24
Description	R'000	R'000
Non-compliance with supply chain processes	-	3 301
<b>Total</b>	<b>-</b>	<b>3 301</b>

Request for condonation of irregular expenditure is submitted first to the National Treasury. Should the National Treasury not grant the request then the Accounting Authority may approve removal of the irregular expenditure from the AFS subject to the conditions of the PFMA Compliance and Reporting Framework being met.

For the 2024-25 financial year there was no irregular expenditure that was referred to the Accounting Authority for removal from the AFS. Irregular expenditure of R2.2million submitted to the National Treasury in November 2024 was not condoned by the National Treasury as the HWSETA is in the process of recovery of the losses suffered. Any amounts not recovered will be written off in line with the HWSETA write off policy.



## PFMA Compliance: Supply Chain Management

The Supply Chain Management (SCM) Unit is responsible for ensuring the effectiveness and efficiency of the development, maintenance and implementation of a procurement system that enables a provisioning system that is aligned to the Supply Chain Management principles endorsed in the constitution as a basic part of financial management. The function ensures that goods, work, or services are delivered to the right place, in the right quantity, with the right quality, at the right cost and at the right time.

REPORTING OF PROCUREMENT BY OTHER MEANS								
No	Project Description	Name of Supplier	Contract Number	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
1	Car hire upgrade from Group B to group D, SUV 4x4 vehicle	Atlantis	9 978	The Chairperson was invited to attend the launch of the Umkhuze Skills Development Centre. The Mashiyinduku Skills Centre is in a deep rural part of KwaZulu-Natal with very poor quality gravel roads. A 4x4 or 4x2 SUV vehicle was the best way to travel into this area to access the event	R4 996	9/04/2024	12/04/2024	13/04/2024
2	Attendance of South African Veterinary Association congress	South African Veterinary Association	6 262	The SAVA held its 39th world Veterinary Association congress that took place in Cape Town from 16 to 19 April 2024. This is an annual unique Congress which takes place in a different country each year. It was impractical and impossible to obtain three quotations	R18 924.25	09/04/2024	16/04/2024	19/04/2024
3	Appointment of Kinetix as the supplier for urgent procurement of FortiGate-200 Firewall	Kinetix	6 271	FortGate-200F firewall lacks the necessary license to ensure its full functionality and effectiveness in protecting HWSETA's network. Without the appropriate license, the HWSETA is vulnerable to potential security breach and data loss. Kinetix has been appointed as the supplier for the SD Wan project, which is currently underway. It is imperative to have a service provider capable of facilitating a smooth integration with this initiative and Kinetix is an excellent choice because of its participation in HWSETA's current SD-WAN project.	R55 821.00	16/04/2024	17/04/2024	17/04/2024
4	Shorten the RFQ period from fourteen (14) working days to five (5) days for the procurement of a service provider to scan documents related to discretionary grants paid in previous period	Senteb	6 300	The Auditor General will be starting with the audit of commitments for the 2023/24 audit. The AG's procedures will include, amongst others, auditing the adjustments made to the 2022/23 closing balance, being the 2023/24 opening balance. It will be advantageous for the HWSETA if the commitments balance is audited extensively before 31 May 2024 as this will ensure that the findings identified by the AG are addressed before the submission of the annual financial statements on 31 May 2024.	R930 005.00	14/05/2024	21/05/2024	21/05/2024

**REPORTING OF PROCUREMENT BY OTHER MEANS**

No	Project Description	Name of Supplier	Contract Number	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
5	To obtain approval from the CEO for deviation from the SCM policy. This expense related to visa's, uniforms and gifts for attendees from the HWSETA, National expert and the competitor who will be attending the health and social care	Letaba TVET College	6 375	The HWSETA participated in the Health and Social Care Skills competition that was held in France. The delegation from South Africa had to use preferred central point service providers for booking of accommodation, VISA services, scrubs and uniforms and promotional items. The preferred providers were: Letaba TVET College for accommodation, Smart VIP Services for all VISAs, TANC for all Scrubs and Active Brand for uniforms and promotional items.	R131 021.04	25/07/2024	10/09/2024	16/09/2024
6	Deviation from sourcing three quotations	Fluidrock governance	6 363	This training is unique and specific as it will enable Board members a unique opportunity to engage in thought-provoking discussions.	R3 357.50	12/07/2024	16/07/2024	16/07/2024
7	Deviation from sourcing three quotations	Fluidrock governance	6 364	This training is unique and specific as it will enable Board members a unique opportunity to engage in thought-provoking discussions.	R3 357.50	12/07/2024	16/07/2024	16/07/2024
8	Deviation from sourcing three quotations	Fluidrock governance	6 365	This training is unique and specific as it will enable Board members a unique opportunity to engage in thought-provoking discussions.	R3 357.50	07/08/2024	16/07/2024	16/07/2024
9	Deviation from sourcing three quotations	Fluidrock governance	6 366	This training is unique and specific as it will enable Board members a unique opportunity to engage in thought-provoking discussions.	R3 357.50	12/07/2024	16/07/2024	16/07/2024
10	Deviation from supply chain policy to enable the chair-person to attend SASVEPM congress	Vetlink	6 369	This is an annual unique Congress which takes place in a different Province each year and therefore no other quotes are obtainable or available	R7 300	01/08/2024	21/08/2024	23/08/2024
11	Deviation from supply chain policy relating to obtaining three quotations for renewal of the 3CX licence and purchase of new handsets for switchboard and reception	Kinetix	6 384	Kinetix is the appointed supplier for our telephony maintenance and SLA support, ensuring a seamless continuation of services without the need for additional onboarding or adjustments	R65 619.93	06/08/2024	21/08/2024	21/08/2024



REPORTING OF PROCUREMENT BY OTHER MEANS								
No	Project Description	Name of Supplier	Contract Number	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
12	Deviation from the supply chain policy relating to obtaining three quotations for procurement for a participation at career guidance events, exhibitions and conference	South African Pharmacy Council	6 414	This is mainly a 'sole supplier' situation that prevents the securing of three quotes.	R20 000	16/08/2024	01/09/2024	04/09/2024
13	To request the CEO to approve the deviation of procuring an email and online software from service providers that are not registered on the National Treasury Central Supplier Database.	Survey monkey	N/A	None of the service providers that provide the requested services are South African based, registration on the National Treasury Central Supplier Database is not possible. The recommended one offers the lowest price among the four from whom quotes were requested	R5 760	16/10/2024	24/10/2024	24/10/2024
14	To request the CEO to approve a deviation from the HWSETA supply chain management and preferential procurement policy, for procurement of risk compliance and governance	Wits University	6 462	Wits University offers the course content that will see Legal Officer achieving his intended purpose	R20 500	17/10/2024	21/10/2024	25/10/2024
15	Deviation from procurement policy for car hire	Atlantis	11 481	The Eastern Cape staff will be traveling to Osborn to conduct evaluation. There are 4 staff members that will travel a five day trip with their luggage. Mount Frere is in the rural areas and therefore requires a bigger vehicle therefore an upgrade is required from group B to N.	R8 034	21/10/2024	27/10/2024	01/11/2024
16	Deviation from procurement policy for car hire	Atlantis	13 820	The Executive Manager will be driving to Nelspruit and therefore needed a big flexible car to travel in, which will be efficient in reaching various sites in Nelspruit, which is a rural area in the Mpumalanga Province.	R8 065	05/11/2024	11/11/2024	13/11/2024
17	For the CEO to approve the deviation from the normal bidding process for air-conditioning repair services required at the Gauteng provincial office.	Field Space Property Group	N/A	Due to the nature of the emergency a deviation from the normal bidding process is being requested. Field Space Property Group is part of rental contract	R7 934	18/11/2024	18/11/2024	18/11/2024

REPORTING OF PROCUREMENT BY OTHER MEANS								
No	Project Description	Name of Supplier	Contract Number	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
18	To obtain approval from the CEO for deviation from the SCM policy regarding the sourcing of three quotations for the appointment of a sole provider to place HWSETA Board nomination advertisement in the Sunday Times.	Ayanda Mbanga	6468	The HWSETA was notified on 18 November 2024 about the nomination advertisement for the appointment of the HWSETA Board for 2025-2030 should be placed with urgency as the nominations close on 25 November 2024. The HWSETA has chosen to advertise on the HWSETA website. However, convention is also to advertise in a national newspaper. The Sunday Times is the most suitable publication for this purpose. Due to the time constraints the advertisement needs to be placed in the 23 November edition of the Sunday Times.	R60 444	19/11/2024	25/11/2024	25/11/2024
19	To deviate from the procurement policy and shorten the RFQ period for the required services relating to the NSA conference taking place on 27-28 November	Vhaleya Enterprise	6489	In procurement the RFQ period for the procurement of goods and services with an estimated cost of R30 000.00 is 14 days. The NSA submitted a proposal to HWSETA requesting support for EMS and sign language services. The HWSETA is committed to support the NSA conference for the acquisition of EMS and sign language. Given the time constraints it will not be possible to go for the full RFQ period.	R52 904	19/11/2024	27/11/2024	28/11/2024
20	To obtain approval from the CEO for deviation from the SCM policy of obtaining three quotes for procurement for appointment of an events management service provider for laboratory animal technologist graduation.	Potent Trading and Projects	6500	Potent Trading and Projects is the event company that has already been approved to organise the CPD for sector specific stakeholders who will be invited to the graduation ceremony. Using the same company will facilitate smooth organisation of the event and include the valuable stakeholders attending the CPD.	R75 000	27/11/2024	04/12/2024	05/12/2024
21	To obtain approval from the CEO for deviation from the SCM policy regarding the sourcing three quotes for the appointment of sole service provider to place HWSETA board nomination advertisement in the Sunday Times.	Siyafika Communications	6509	HWSETA was notified on the 2 November 2024 that the extension advertisement for the nomination for the appointment of the HWSETA Board for 2025 - 2030 should be re-advertised as matter of urgency as nominations now close on 15 December 2024.	R42 662.70	03/12/2024	07/12/2024	07/12/2024



REPORTING OF PROCUREMENT BY OTHER MEANS								
No	Project Description	Name of Supplier	Contract Number	Reason for the procurement by other means	Value of contract	Award Date	Contract start date	Contract expiry
22	Deviation from procurement policy for car hire	Atlantis	13861	The Executive Manager will be driving to Mafikeng and Rustenburg and therefore needed a big flexible car to travel in, which will be efficient in reaching various sites in Mafikeng and Rustenburg, which is a rural area in the Northwest Province.	R7 223.00	23/01/2025	26/01/2025	28/01/2025
23	Deviation from procurement process for the annual renewal fee and training for the Caseware	Caseware	6549	Caseware streamlines the preparation of annual financial statements and updates compliance and reporting capabilities.	R243 578.33	04/02/2025	01/03/2025	01/03/2026
24	To deviate from the procurement policy and shorten the RFQ period for the required services relating to the appointment of an interpreter for the event taking place on 21 February 2025	Ave Unomhlobo	6555	In procurement the RFQ period for the procurement of goods and services with an estimated cost of less than R30 000.00 is 7 days. The reason for deviation was that the confirmation of attendance from the two deaf employees was received late, thereby affecting the period required for advertising of these services to less than 7 working days.	R7 980.50	20/02/2025	21/02/2025	21/02/2025
25	Deviation from procurement process for annual renewal fee for SAGE.	SAGE	6558	SAGE is the preferred supplier that has been used by the HWSETA for management and operation of payroll for approximately 15 years	R34 641	26/02/2025	01/03/2025	01/03/2026
26	Deviation from procurement policy for car hire	Wings Naledi	12990	Marketing division regularly attends career guidance events around the country which necessitates the use of a larger vehicle	R3 656.22	11/03/2025	24/06/2025	27/06/2025
27	Deviation from procurement process for appointment of the service provider for resolving CCTV issues	CCTV Security Surveillance Gauteng	6105	Urgent supplier needed to assess and supply an on-site technician to resolve issues with the HWSETA CCTV system	R3 085.91	25/03/2025	26/03/2025	26/03/2025

# REPORTING OF EXPANSIONS AND VARIATIONS OF CONTRACTS

No	Project Description	Name of Supplier	Contract Number	Reason for the procurement by other means	Original contract value	Value of contract expansion or variation of contract	Value of previous contract expansion or variation of contract	Award Date	Contract start date	Contract expiry
1	Extension of contract for the two travel agencies contracts for the period of five months	Atlantis Corporate Travel	Tender	In the procurement process for the travel agencies that started in December 2023 and concluded in March 2024 none of the service providers passed functionality stage.	18 167 126.59	R56 036.48	R0	12/04/2024	15/04/2024	15/09/2024
2	Extension of contract for the two travel agencies contracts for the period of five months	Travel with Flair	Tender	In the procurement process for the travel agencies that started in December 2023 and concluded in March 2024 none of the service providers passed functionality stage.	7 248 830.41	R835 440	R0	12/04/2024	19/04/2024	19/09/2024
3	Variation of contract for sourcing of OHS Eisa examination paper	Morden Printers	6 328	ETOA included an additional centre where OHS Eisa examination papers are to be delivered by Modern Print, which has led to the variation	R30 689.40	R1955	R0	07/04/2024	07/04/2024	07/04/2024
4	Extension of contract for atlantis travel agency for a period of 4 months and two weeks	Atlantis Corporate Travel	Tender	A further four (4) months extension from October 2024 to January 2025 is required while the tender process is under way. The financial implications remain within the 15% variation threshold	R18 167 126.08	R45 288.75	R56 036.48	15/09/2024	16/09/2024	31/01/2025
5	To request a the CEO to approve the variation of PO 6348 due to an extension of scope in relation to the job grading exercise.	Remuneration and Business Solutions	6 348	Remuneration and Business Solutions was contracted to do an evaluation of the role profiles of all HWSETA staff. The original scope for this exercise was 67 positions to be evaluated. However additional job profiles not included in the original 67 also had to be evaluated. As this presents an increase in scope with financial implications an additional amount has been included in the final invoice from the service provider.	R123 200	R6 400	R0	30/10/2024	01/11/2024	01/11/2024



REPORTING OF EXPANSIONS AND VARIATIONS OF CONTRACTS										
No	Project Description	Name of Supplier	Contract Number	Reason for the procurement by other means	Original contract value	Value of contract expansion or variation of contract	Value of previous contract expansion or variation of contract	Award Date	Contract start date	Contract expiry
6	To request the CEO to approve the variation of the cost incurred after the approval of the original quotation and payment made against the original invoice	Skukuza Safari Lodge	6431	Additional cost was incurred due to additional RSVP attendees and including of a stage and ramp for a person who was in a wheelchair.	R492 000	R21 476	R0	06/11/2024	12/11/2024	13/11/2024
7.	To request a the CEO to approve the variation for the purchase for psychosocial support and mentoring services for the Siyakhulisa Mentorship Programme	Syked	6 319	Additional resources were needed for speakers for conference, facilitator and additional services	R499 508.25	R70 926	R0	31/01/2025	03/04/2025	06/04/2025
8	To request the CEO to approve the variation of the contract for design services, maintenance of website for the period of 1 year	Madrush	6 276	Additional compilation and design of the Board handover report for the new HWSETA Board starting on 1 April 2025	R906 663.55	R54 655.00	R0	14/03/2025	14/03/2025	14/03/2025

# PART F

## Financial Management



# REPORT OF THE AUDITOR-GENERAL ON THE HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

1. I have audited the financial statements of the Health and Welfare Sector Education and Training Authority (HWSETA) set out on pages 140 to 192, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, the statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Health and Welfare Sector Education and Training Authority as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of 1999 (PFMA) and the Skills Development Act 97 of the 1998 (SDA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Restatement of corresponding figures

7. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2025.

### Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and the SDA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 135, forms part of my auditor's report.

### REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
<b>Programme 3: Skills development programmes and projects</b>	57 -89	The purpose of this programme is to provide skills for learners in the workplace for scarce and critical areas within the health and welfare sectors.
<b>Programme 4: Quality assurance and qualification development</b>	90 - 92	The purpose of the programme is to develop fit for purpose qualifications and ensure quality training is offered in the health and welfare sector. This programme, therefore, is responsible for the coordination, development and registration of new qualifications, accreditation and quality assurance of training providers and quality assurance of learner achievement, which culminates in certification.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
  - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included.
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
  - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected programmes.

#### Other matter

18. I draw attention to the matter below.

#### Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.

20. The tables that follow provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 52 to 92.

#### Programme 3: Skills development programmes and projects

*Targets achieved: 26%*

*Budget spent: 79%*

Key indicator not achieved	Planned target	Reported achievement
Indicator 3(1) Number of workers whose learner agreements are registered with the HWSETA for learnerships as industry funded or HWSETA funded in the reporting period	1 593	1 090
Indicator 3(2) Number of workers reported to the HWSETA as having completed learnership programmes registered with the HWSETA as industry or HWSETA funded in the reporting period	913	140
Indicator 4(1) Number of employed apprentices and trainee technicians entered into the HWSETA funded apprenticeship programme in the reporting period	131	124
Indicator 4(2) Number of employed apprentices and trainee technicians reported to the HWSETA as having completed apprenticeships funded by the HWSETA in the reporting period	42	0
Indicator 6(1) Number of workers entered into the HWSETA post-graduate research bursaries in the reporting period	60	35
Indicator 6(2) Number of workers re-entered into the HWSETA post-graduate research bursaries in the reporting period	30	7
Indicator 6(3) Number of workers reported to HWSETA for having completed postgraduate research qualifications funded by HWSETA in the reporting period	21	6
Indicator 6(4)(a) Number of workers entered into the HWSETA undergraduate qualifications bursaries in the reporting period	255	134
Indicator 6(4)(b) Number of workers entered into the HWSETA postgraduate diploma bursaries in the reporting period	100	99
Indicator 6(5)(a) Number of workers re-entered into the HWSETA undergraduate qualifications bursaries in the reporting period	200	16
Indicator 6(5)(b) Number of workers re-entered into the HWSETA postgraduate diploma bursaries in the reporting period	80	5
Indicator 6(6)(a) Number of workers reported to the HWSETA for having completed undergraduate qualifications funded by the HWSETA in the reporting period	76	21
Indicator 6(6)(b) Number of workers reported to the HWSETA for having completed	41	15

Targets achieved: 26%

Budget spent: 79%

Key indicator not achieved	Planned target	Reported achievement
Postgraduate diploma qualifications funded by the HWSETA in the reporting period		
Indicator 6(7)(a) Number of workers entered- into the HWSETA bursaries programme for university short-learning programmes in the reporting period - undergraduate level	20	10
Indicator 6(7)(b) Number of workers entered- into the HWSETA bursaries programme for university short-learning programmes in the reporting period - post-graduate level	25	20
Indicator 6(8)(a) Number of workers reported to the HWSETA for having completed the HWSETA bursaries programme for university short learning programmes in the reporting period - undergraduate level	16	0
Indicator 6(8)(b) Number of workers reported to the HWSETA for having completed the HWSETA bursaries programme for university short learning programmes in the reporting period - post-graduate level	20	0
Indicator 7(1)(a) Number of unemployed graduates entered-into the internship programme funded by the HWSETA in the reporting period - University graduates	874	637
Indicator 7(1)(b) Number of unemployed graduates entered-into the internship programme funded by the HWSETA in the reporting period - TVET and other public colleges graduates	375	218
Indicator 7(2)(a) Number of unemployed graduates reported to the HWSETA as having completed the internship programme funded by the HWSETA in the reporting period - University graduates	731	43
Indicator 7(2)(b) Number of unemployed graduates reported to the HWSETA as having completed the internship programme funded by the HWSETA in the reporting period - TVET and other public colleges graduates	313	96
Indicator 8(1)(a) Number of workers entered into skills programmes funded by the HWSETA in the reporting period	3 354	1 131
Indicator 8(1)(b) Number of workers entered into short learning programmes funded by the HWSETA in the reporting period	3 353	1 573
Indicator 8(2)(a) Number of workers reported to the HWSETA as having completed skills	2 899	449

Targets achieved: 26%

Budget spent: 79%

Key indicator not achieved	Planned target	Reported achievement
Programmes funded by the HWSETA in the reporting period		
Indicator 8(2)(a) Number of workers reported to the HWSETA as having completed short learning programmes funded by the HWSETA in the reporting period	2 898	166
Indicator 16(1)(b) Number of lecturers and Managers from TVET, and other public colleges funded by the HWSETA for skills programmes in the reporting period - Managers trained on curriculum related studies	30	14
Indicator 16(1)(c) Number of lecturers and Managers from TVET, and other public colleges funded by the HWSETA for skills programmes in the reporting period - Career guidance lecturers	45	9
Indicator 16(2)(a) Number of lecturers and Managers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA in the reporting period - TVET and other college lecturers	26	3
Indicator 16(2)(b) Number of lecturers and Managers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA in the reporting period - Managers trained on curriculum related studies	12	0
Indicator 16(2)(c) Number of lecturers and Managers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA in the reporting period - Career guidance lecturers	26	2
Indicator 16(3)(a) Number of lecturers and Managers from CET public colleges funded by the HWSETA for skills development programmes in the reporting period - CET lecturer skills programmes	10	0
Indicator 16(3)(b) Number of lecturers and Managers from CET public colleges funded by the HWSETA for skills development programmes in the reporting period - CET managers trained on curriculum related studies	10	0
Indicator 16(4)(a) Number of lecturers and Managers from CET public colleges reported to the HWSETA as having completed skills development programmes funded by the	8	0

Targets achieved: 26%

Budget spent: 79%

Key indicator not achieved	Planned target	Reported achievement
HWSETA in the reporting period - CET lecturer skills programmes		
Indicator 16(4)(a) Number of lecturers and Managers from CET public colleges reported to the HWSETA as having completed skills development programmes funded by the HWSETA in the reporting period - CET managers trained on curriculum related studies	8	0
Indicator 17(1)(a) Number of students and lectures from TVET and other public colleges funded by the HWSETA through vocational and occupational training bursaries in the reporting period - TVET and other public College Students	500	257
Indicator 17(1)(b) Number of students and lectures from TVET and other public colleges funded by the HWSETA through vocational and occupational training bursaries in the reporting period - TVET and other public College Lecturers	10	3
Indicator 17(2)(a) Number of students and lecturers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA through vocational and occupational training bursaries in the reporting period - TVET and other public College Students	304	150
Indicator 17(2)(b) Number of students and lecturers from TVET and other public colleges reported to the HWSETA as having completed training funded by the HWSETA through vocational and occupational training bursaries in the reporting period - TVET and other public College Lecturers	7	0
Indicator 21(1) Number of workers from the sector entered- into AET programmes funded by the HWSETA in the reporting period	180	138
Indicator 21(2) Number of workers reported to the HWSETA as having completed AET programmes funded by the HWSETA in the reporting period	137	0
Indicator 26(1) Number of unemployed apprentices and trainee technicians entered- into the HWSETA funded apprenticeship programme in the reporting period	85	82
Indicator 26(2) Number of unemployed apprentices and trainee technicians reported to the HWSETA as having completed	59	51

Targets achieved: 26%

Budget spent: 79%

Key indicator not achieved	Planned target	Reported achievement
Apprenticeships funded by the HWSETA in the reporting period		
Indicator 26(2) Number of unemployed persons entered-into the HWSETA post-graduate research bursaries in the reporting period	40	33
Indicator 27(3) Number of unemployed persons reported to the HWSETA as having completed postgraduate research qualifications funded by the HWSETA in the reporting period	14	7
Indicator 27(4)(a) Number of unemployed persons entered-into the HWSETA undergraduate qualifications and post-graduate diploma bursaries in the reporting period - Bursaries for undergraduate Qualifications	200	47
Indicator 27(4)(b) Number of unemployed persons entered-into the HWSETA undergraduate qualifications and post-graduate diploma bursaries in the reporting period - Bursaries for Postgraduate Diplomas	85	77
Indicator 27(5)(b) Number of unemployed persons re-entered into the HWSETA undergraduate qualifications and postgraduate diploma bursaries in the reporting period - Bursaries for Postgraduate Diplomas	40	0
Indicator 27(6)(b) Number of unemployed persons reported to the HWSETA for having completed undergraduate qualifications and post-graduate diploma qualifications funded by the HWSETA in the reporting period - Bursaries for Postgraduate Diplomas	26	2
Indicator 28(1) Number of TVET and other college students entered-into work integrated learning programmes funded by the HWSETA in the reporting period	975	782
Indicator 28(2) Number of TVET and other college students reported to the HWSETA as having completed the work integrated learning programmes funded by the HWSETA in the reporting period	470	83
Indicator 32(2) Number of university students reported to the HWSETA as having completed the work integrated programmes funded by the HWSETA in the reporting period	287	110
Indicator 29(1) persons whose learner agreements are registered with the HWSETA for learnerships as industry funded or HWSETA funded in the reporting period	2 220	1 640

Targets achieved: 26%

Budget spent: 79%

Key indicator not achieved	Planned target	Reported achievement
Indicator 29(2) Number of unemployed persons reported to the HWSETA as having completed learnership registered with the HWSETA as industry or HWSETA funded in the reporting period	1 480	352
Indicator 30(1)(a) Number of unemployed persons entered into skills programmes and short learning programmes funded by the HWSETA in the reporting period - Skills programmes	2 055	1 256
Indicator 30(1)(a) Number of unemployed persons entered into skills programmes and short learning programmes funded by the HWSETA in the reporting period - Short learning programmes	514	250
Indicator 30(2)(a) Number of unemployed persons entered into skills programmes and short learning programmes funded by the HWSETA in the reporting period - Skills programmes	1 766	478
Indicator 30(2)(b) Number of unemployed persons entered into skills programmes and short learning programmes funded by the HWSETA in the reporting period - Short learning programmes	442	228
Indicator 31(1)(a) Number of unemployed persons entered into AET programmes funded by the HWSETA in the reporting period - Access of CET unemployed learners into AET programmes	100	99
Indicator 31(2)(a) Number of unemployed persons reported to the HWSETA as having completed Adult Education and Training (AET) programmes funded by the HWSETA in the reporting period - Community Education and Training (CET) unemployed learners completing AET programmes	60	0
Indicator 31(2)(b) Number of unemployed persons reported to the HWSETA as having completed AET programmes funded by the HWSETA in the reporting period - Other unemployed persons completing AET programmes	60	7
Indicator 10(1) Number of small and emerging businesses from the health and welfare sector whose skills needs are funded by the HWSETA per year	102	19

Targets achieved: 26%

Budget spent: 79%

Key indicator not achieved	Planned target	Reported achievement
Indicator 13(1) Number of WSPs and ATRs approved for small firms per year	1 183	1 077
Indicator 22 Number of levy-exempt organizations whose skills development needs are funded by the HWSETA in the reporting period	51	50
Indicator 23(a) Number of partnerships entered-into by the HWSETA with post-school education institutions in the reporting period - Partnerships with CET	5	1
Indicator 33(c) Percentage of discretionary grant budget allocated for the development of high-level, intermediate, and elementary skills in the reporting period	20%	0.4%

#### Programme 4: Quality assurance and qualification development

Targets achieved: 26%

Budget spent: 79%

Key indicator not achieved	Planned target	Reported achievement
Indicator 24(b) Number of skills programmes developed by the HWSETA and accepted by the QCTO for registration in the reporting period	100	12
Indicator 26(2) Number of workers reported at the HWSETA as having completed the Recognition of Prior Learning programme funded by the HWSETA in the reporting period	240	0

#### Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 3 - skills development programmes and projects. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

#### REPORT ON COMPLIANCE WITH LEGISLATION

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
25. I did not identify any material non-compliance with selected legislative requirements.

#### OTHER INFORMATION IN THE ANNUAL REPORT

26. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein. I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

#### INTERNAL CONTROL DEFICIENCIES

30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. I did not identify any significant deficiencies in internal control.

#### MATERIAL IRREGULARITIES

32. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

#### Material irregularities in progress

32. I identified a material irregularity during the audit and notified the accounting authority of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting authority was not yet due. This material irregularity will be included in next year's auditor's report.

*Auditor-General*

Pretoria  
31 July 2025



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4) Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b) Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b) Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b) Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5 Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6 Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii) Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f) Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a) Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1 Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b) Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraphs 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of G 2021/22	Paragraphs 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2 Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraphs 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraphs 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraphs 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3 Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and combating of Corrupt Activities Act 12 of 2004	Section 34(1)



# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### GENERAL INFORMATION

Nature of business and principal activities	Statutory body responsible for ensuring the development and implementation of sector-specific skills plans, as well as promoting and facilitating skills development in the health and social development sectors.
Accounting Authority	Dr. NV Mnisi Dr. N Ndzwayiba - Resigned 19 March 2025 Mr. SR Kgara Dr. JK Mothudi Ms. N Xulu Mr K Sodidi Dr. LD Marutle Ms. BP Malope Ms. L Harie Ms. LP Duma Dr. S Kabane - Resigned 31 July 2024 Dr. N Makanya Mr. R Van Loggerenberg Mr. J Shiburi
Registered office	17 Bradford Road Bedfordview Johannesburg 2047
Postal address	Private Bag X15 Gardenview 2047
Controlling entity	Department of Higher Education and Training
Bankers	Standard Bank of South Africa Corporation for Public Deposits
Auditors	Auditor-General of South Africa
Secretary	Eleaze Woodward
Company registration number	11/HWSETA/1/04/20
Level of assurance	These audited annual financial statements have been compiled in compliance with the applicable requirements of the Public Finance Management Act and GRAP standards.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### INDEX

The statements set out below comprise the audited Annual Financial Statements presented to Parliament:

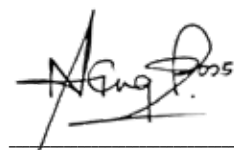
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PFMA	Public Finance Management Act
GRAP	Generally Recognised Accounting Practice
SETA	Sector Education and Training Authority
SDL	Skills Development Levy
AQP	Assessment Quality Partner
ASB	Accounting Standards Board
SARS	South African Revenue Services
DHET	Department of Higher Education Science and Innovation
QCTO	Quality Council For Trades & Occupations
SME	Small and Medium-sized Enterprises
TVET	Technical and Vocational Education, and Training
NGO	Non-Governmental Organisation

The audited annual financial statements set out on pages 140 to 192, which have been prepared on the going concern basis, were recommended for approval by the Audit, Risk, Governance and Ethics Committee to the Acting Accounting Authority on 31 July 2025 and were signed on its behalf by:



**Ms. Zandile Mafata**  
**Acting Chief Executive Officer**  
**and Acting Accounting Authority**



**Mr. Nishal Singh**  
**Acting Chief Financial Officer**

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 R'000	2024 Restated* R'000
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from non-exchange transactions	2	2 625	2 622
Accounts receivables from exchange transactions	3	71 462	58 927
Receivables from exchange transactions	4	4 302	4 423
Prepayments from exchange transactions	5	3 154	2 075
Inventories	6	1 492	885
Cash and cash equivalents	7	757 684	515 432
		<b>840 719</b>	<b>584 364</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	8 104	7 258
Intangible assets	9	5 785	5 788
		<b>13 889</b>	<b>13 046</b>
<b>Total Assets</b>		<b>854 608</b>	<b>597 410</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Grants and transfers payable (non-exchange)	10	80 972	151 321
Payables from exchange transactions	11	4 960	5 996
Short term employee benefits	12	17 528	18 383
Levy exempt provision	13	8 221	8 076
Operating lease liability	14	1 143	682
		<b>112 824</b>	<b>184 458</b>
<b>Total Liabilities</b>		<b>112 824</b>	<b>184 458</b>
<b>Net Assets</b>		<b>741 784</b>	<b>412 952</b>
<b>Reserves</b>			
Administration reserve		13 889	13 046
Discretionary reserve		727 895	399 906
<b>Total Net Assets</b>		<b>741 784</b>	<b>412 952</b>

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 R'000	2024 Restated* R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Investment income	15	49 394	31 405
Other income (exchange)	16	244	325
<b>Total revenue from exchange transactions</b>		<b>49 638</b>	<b>31 730</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Skills Development Levy - income	18	1 003 035	941 889
Skills Development Levy - penalties and interest	18	5 967	4 295
Other income (non-exchange)	19	3 016	4 659
<b>Total revenue from non-exchange transactions</b>		<b>1 012 018</b>	<b>950 843</b>
<b>Total revenue</b>		<b>1 061 656</b>	<b>982 573</b>
<b>Expenditure</b>			
Employer grants and project expenses	20	515 932	707 920
General expenses	21	56 737	42 896
Employee related costs	22	134 522	128 171
Depreciation and amortisation	23	3 349	5 301
Lease rentals on operating lease	24	18 051	14 997
Debt impairment		-	4 400
Internal audit		4 972	3 553
External audit		5 330	4 560
<b>Total expenditure</b>		<b>738 893</b>	<b>911 798</b>
<b>Surplus for the year</b>		<b>322 763</b>	<b>70 775</b>

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

	Administration reserve	Discretionary reserve	Total net assets
	R'000	R'000	R'000
<b>Balance at 1 April 2023</b>	<b>15 103</b>	<b>327 074</b>	<b>342 177</b>
Changes in net assets	64	-	64
Net income (losses) recognised directly in net assets	64	-	64
Deficit for the year	-	185 202	185 202
Total recognised income and expenses for the year	64	185 202	185 266
Total changes	64	185 202	185 266
<b>Balance at 1 April 2024</b>	<b>15 167</b>	<b>512 276</b>	<b>527 443</b>
Adjustments			
Correction of errors 38	(2 121)	(112 370)	(114 491)
<b>Balance at 1 April 2024 restated</b>	<b>13 046</b>	<b>399 906</b>	<b>412 952</b>
Changes in net assets			
Increase in Non current assets	843	4 551	5 394
Net income (losses) recognised directly in net assets	843	4 551	5 394
Surplus for the year	-	322 763	322 763
Total recognised income and expenses for the year	843	327 314	328 157
Total changes	843	327 989	328 832
<b>Balance at 31 March 2025</b>	<b>13 889</b>	<b>727 895</b>	<b>741 784</b>

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 R'000	2024 Restated* R'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Levies, interest and penalties		996 464	957 411
Other cash receipts from stakeholders		3 381	4 094
<b>Total receipts</b>		<b>999 845</b>	<b>961 505</b>
<b>Payments</b>			
Employee related costs		(135 377)	(126 395)
Payments to suppliers and other		(86 462)	(68 663)
Employer grants and project expenses		(580 588)	(611 165)
<b>Total payments</b>		<b>(802 427)</b>	<b>(806 223)</b>
<b>Cash generated from operations</b>	34	<b>197 418</b>	<b>155 282</b>
Interest received from bank accounts and investments		49 394	31 405
<b>Net cash flows from operating activities</b>		<b>246 812</b>	<b>186 687</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(5 264)	(3 069)
Proceeds from sale of property, plant and equipment	8	704	40
Purchase of other intangible assets	9	-	(213)
<b>Net cash flows from investing activities</b>		<b>(4 560)</b>	<b>(3 242)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>242 252</b>	<b>183 445</b>
Cash and cash equivalents at the beginning of the year		515 432	331 987
<b>Cash and cash equivalents at the end of the year</b>	7	<b>757 684</b>	<b>515 432</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

## Budget on Accrual Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	2024	Reference
	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Statement of Financial Performance</b>							
<b>Revenue</b>							
<b>Exchange revenue</b>							
Other income	-	-	-	244	244	325	
Investment income	23 100	10 503	33 603	49 394	15 791	31 405	37.1
<b>Total revenue from exchange transactions</b>	<b>23 100</b>	<b>10 503</b>	<b>33 603</b>	<b>49 638</b>	<b>16 035</b>	<b>31 730</b>	
<b>Non-exchange revenue</b>							
<b>Taxation revenue</b>							
SDL income	924 736	84 093	1 008 829	1 003 035	(5 794)	941 889	37.2
Penalties and interest	-	-	-	5 967	5 967	4 295	
Other income	-	-	-	3 016	3 016	4 659	
<b>Total revenue from non- exchange transactions</b>	<b>924 736</b>	<b>84 093</b>	<b>1 008 829</b>	<b>1 012 018</b>	<b>3 189</b>	<b>950 843</b>	
<b>Total revenue</b>	<b>947 836</b>	<b>94 596</b>	<b>1 042 432</b>	<b>1 061 656</b>	<b>(19 224)</b>	<b>982 573</b>	
<b>Expenditure</b>							
Personnel	(123 039)	(11 370)	(134 409)	(134 522)	(113)	(128 171)	
Depreciation and amortisation	(2 747)	(449)	(3 196)	(3 349)	(153)	(3 180)	
Discretionary and mandatory grants	(733 921)	(65 790)	(799 711)	(515 932)	283 779	(707 920)	37.3
Lease rentals	(17 701)	(1 415)	(19 116)	(18 051)	1 065	(14 997)	37.4
Debt impairment	-	-	-	1	1	(4 400)	
Internal audit fees	(3 354)	(700)	(4 054)	(4 972)	(918)	(3 553)	37.5
External audit fees	(4 192)	(596)	(4 788)	(5 330)	(542)	(4 560)	37.5
General expenses	(59 882)	(12 276)	(72 158)	(56 738)	15 420	(42 896)	37.6
<b>Total expenditure</b>	<b>(944 836)</b>	<b>(92 596)</b>	<b>(1 037 432)</b>	<b>(738 893)</b>	<b>298 539</b>	<b>911 798</b>	
<b>Surplus (deficit) for the year</b>	<b>4 000</b>	<b>1 000</b>	<b>5 000</b>	<b>322 763</b>	<b>317 763</b>	<b>70 775</b>	
Capital budget	(4 000)	(1 000)	(5 000)	(5 266)	(266)	(3 070)	
<b>Actual amount on comparable basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317 497</b>	<b>315 991</b>	<b>67 705</b>	

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1. PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

The audited Annual Financial Statements have been prepared in accordance and in compliance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These audited Annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

The budget has been prepared on an accrual basis.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited Annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These financial statements are presented in South African Rands. All amounts are rounded to the nearest one thousand, unless otherwise stated.

#### 1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months after the reporting date.

#### 1.3 New accounting pronouncements

There were no new standards that became effective in the year under review that are relevant to the HWSETA. The ASB has issued the following pronouncements on GRAP Standards and Interpretations which may have an impact on HWSETA future financial statements with effective dates as indicated:

##### *Standard/ Interpretation: GRAP 25 – Employee benefits (revised)*

**Effective date** - Years beginning on or after: To be determined

**Impact:** This standard prescribes the accounting treatment for employee benefits. The changes prescribed from the current applicable standard relate mainly to the accounting requirements of defined benefit plans and as such is not expected to significantly impact HWSETA's current accounting policies or disclosures.

##### *Standard/ Interpretation: GRAP 104 – Financial instruments (revised)*

**Effective date** – Years beginning on or after: 01 April 2025

**Impact:** This standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments and makes significant modifications to the principles in the previous standards applied in order to: (a) simplify the recognition, measurement and disclosure of financial instruments; (b) accommodate the types of financial instruments entered into in the public sector. The definitions of the various categories of financial instruments in IAS 39 have been streamlined and replaced which will require us to change our accounting policy accordingly. The following disclosures required under IAS are encouraged but not required: (a) The disclosure of fair values for financial instruments; (b) Certain disclosures about the use of the fair value using the three-tiered hierarchy; and (c) A market sensitivity analysis. It is expected that this standard will not significantly impact HWSETA's future disclosures as the HWSETA does not have complex financial instruments.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.3 New accounting pronouncements (continued)

**Standard/ Interpretation:** *IGRAP 7 - The limit on a defined benefit asset, minimum funding requirements and their interaction* (revised)

**Effective date** - To be determined

**Impact:** The revision limits the measurement of a defined benefit asset to “the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan”.

Minimum funding requirements may exist to improve the security of the post-employment benefit promise made to members of an employee benefit plan. Such requirements normally stipulate a minimum amount or level of contributions that must be made to a plan over a given period. Therefore, a minimum funding requirement may limit the ability of the entity to reduce future contributions. This standard will not have any impact on HWSETA’s reporting as the HWSETA does not have any funds held in defined benefit plans.

**Standard/ Interpretation:** *IGRAP 22 - Foreign currency transactions and advance considerations*

**Effective date** - Years beginning on or after: 01 April 2025

**Impact:** Approved June 2022. Unlikely to impact the HWSETA

**Standard/ Interpretation:** *GRAP 103 - Heritage assets*

**Effective date** - To be determined

**Impact:** Unlikely to impact the HWSETA

**Standard/ Interpretation:** *GRAP 1 (Amended) - Presentation of financial statements*

**Effective date** - To be determined

**Impact:** Amendments on going concern, approved December 2022. No material impact on the HWSETA

### 1.4 Revenue recognition

#### Exchange revenue

Revenue is measured at fair value of the consideration received or receivable. Interest income  
Interest income is recognised in surplus or deficit using the effective interest rate method. Interest is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

#### Non-exchange transactions

When the resources transferred to the HWSETA are subject to the fulfilment of specific conditions, it recognises as asset and a corresponding liability. As and when the conditions are fulfilled, the liability is reduced and the revenue is recognised. The asset and the corresponding revenue are measured on the basis of the fair value of the asset on initial recognition.

Non-exchange transactions include the receipt of levy income, penalties and interest on such income levied by the SARS, received by the HWSETA from the Department of Higher Education and Training. This income category also includes the receipt of levy income from Government Departments of Health and Social Development.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.4 Revenue recognition (continued)

#### 1.4.1 Non-exchange revenue - levy income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), registered member companies of the HWSETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS) who collects the levies on behalf of the Department of Higher Education and Training. Companies with an annual payroll cost of less than R500 000 are exempted in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005.

Eighty percent (80%) of skills development levies are paid to the HWSETA (net of the 20% contribution to the National Skills Fund) as a direct charge against the National Revenue Fund.

A net receivable / payable is recognised for SARS adjustments. An estimate as a result of retrospective adjustments by SARS due at year end is based on historical trends and actual data where these amounts are available subsequent to year end. Changes to prior year estimates are accounted for in revenue in the current period.

The HWSETA refunds amounts to employers in the form of grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the HWSETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised at the amount of such grant over-payment, net of bad debts and provision for irrecoverable amounts.

Revenue is adjusted for inter-SETA transfers due to employers changing SETA's. Such adjustments are separately disclosed as Inter-SETA transfers. The amount of the inter-SETA adjustment is calculated according to the Standard Operating Procedure issued by the Department of Higher Education and Training in June 2001.

#### Exempted employers

An employer who is liable to pay the levy is exempted, if during any month, there are reasonable grounds for believing that the total remuneration (as determined in accordance with the Act) paid or payable by that employer to all its employees during the following 12 month period will not exceed R500 000. The HWSETA recognises a payable in respect of SDL levy refunds due to Levy exempt employers. This payable is a provision based on levies received from possible levy exempt entities.

When a new employer is transferred to the HWSETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

#### Interest and penalties – non-exchange revenue

Interest and penalties on the skills development levy is recognised when it is received. This is recognised as non-exchange transactions.

#### Investment income – exchange revenue

Interest income from investments including fixed deposits and cash held in current accounts, is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.4 Revenue recognition (continued)

#### 1.4.2 Government levy income – Non-exchange revenue

In accordance with the Cabinet Circular of HRD 1 of 2023, Government Departments pay 30% of 1% of their annual payroll budget to a SETA effective 01 April 2013. The 30% received by the HWSETA is utilised as follows:

- 10% Administration costs of the SETA
- 20% Discretionary grants and projects

#### 1.4.3 Levy exempt income – Non-exchange revenue

Levy exempt income is monies received from employers who are exempt from paying SDL levies. As per the Skills Development Circular 09/2013, the HWSETA transfers all monies received from levy exempt employers to discretionary grant income after the expiry date of five years from date of receipt of the funds, if not refunded to the respective employer through the SARS system.

### 1.5 Employer grants and project expenses

A registered employer company or organisation may recover a maximum of 69.5% of its total levy payment by complying with the grant criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Act 1999 (Act No 9 of 1999). A refund of 20% would be for participation in mandatory grants, and 49.5% for participation in discretionary grants.

#### Mandatory grants

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form within the agreed upon cut-off period and the application have been approved as the payment then becomes probable. The grant is equivalent to 20% of the total levies paid by the employer during the corresponding financial period for the skills planning grant and skills implementation grant.

#### Discretionary grants and project expenditure

The HWSETA may, out of any surplus monies, determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted an application for a discretionary grant funding in the prescribed form within the agreed upon cut-off period. The discretionary grant payable and the related expenditure are recognised when the application has been approved and the conditions are met.

#### Project expenditure comprises:

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

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

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.5 Employer grants and project expenses (continued)

Discretionary grants and project costs are recognised as expenses 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 expenses not yet incurred in terms of the contract.

#### Grant payments and projects

A provision is recognised for grant payments once the specific criteria set out in the regulations to the Skills Development Act, 97 of 1998 have been complied with by member companies and it is probable that the HWSETA will approve the payment. The measurement of the obligation involves an estimate, based on the established pattern of past practice of approval for each type of grant.

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 has not been accrued for or provided for, it is disclosed as commitments in the notes to the financial statements.

### 1.6 Employee benefits

#### 1.6.1 Salaries

Salaries are recognised on an undiscounted basis as expenditure in the statement of financial performance.

#### 1.6.2 Leave

The HWSETA recognises a liability and an expense for accumulating leave as and when employees render services that entitle them to leave days. The amount of the liability and expense is determined as the additional amount payable as a result of the unused leave days owing to employees at the end of the period.

#### 1.6.3 Performance bonuses

A liability and expenses is recognised for performance bonuses when a reliable estimate can be made of the amount to be paid as performance bonuses. A reliable estimate can only be made when performance assessments have been completed in terms of the Performance Measurement Policy and the bonus value has been approved. This process starts and is completed after year end.

#### 1.6.4 Post-retirement benefits

The HWSETA provides a defined contribution plan as post-retirement benefits to its employees.

The HWSETA recognises a liability for any contributions owing to the fund at the end of the period and recognises the amount of contributions that were paid or due to the plan during the reporting period as an expense.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.7 Tax

#### Tax expenses

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962).

### 1.8 Commitments

Commitments are disclosed in the notes to the annual financial statements and are not raised as liabilities and is where the HWSETA has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses or capital expenditure, or where there is a conditional letter of approval of funds. Commitments are measured at the amount that the entity would rationally pay to settle the obligation or to transfer it to a third party at the reporting date.

### 1.9 Property, plant and equipment

Property, plant and equipment (owned and leased) are initially recognised at cost and subsequently at cost less accumulated depreciation and adjusted for any impairments.

#### Initial Recognition

The cost of an item of property, plant and equipment shall be recognised as asset if, and only if:

- It is probably that the future economic benefits or service potential associated with the item will flow to the entity, and
- The cost of the item can be measured reliably.

#### Depreciation

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 as follows:

- |                                 |                |
|---------------------------------|----------------|
| • Computer equipment            | 2 to 6 years   |
| • Motor vehicles                | 5 to 10 years  |
| • Office furniture and fittings | 10 to 20 years |
| • Office equipment              | 10 to 15 years |

The useful lives and residual values are estimated on an annual basis at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

#### Impairment

Assets are reviewed regularly to assess whether there is any indication of impairment and where the carrying amounts of assets are greater than their recoverable service amounts, the assets are written down to these recoverable service amounts. The recoverable service amount is the greater of the fair value of the asset less costs to sell or the value in use. Depreciation and impairment losses are included in the surplus or deficit.

Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable service amount, it is written down immediately to its recoverable service amount (that is impairment losses are recognised).

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.9 Property, plant and equipment (continued)

#### De-recognition of property, plant and equipment

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

### 1.10 Intangible assets

#### 1.10.1 Internally generated fixed assets

The HWSETA recognises the development of the HWSETA ERP system as Internally Generated Software. All expenses that are measurable and clearly identifiable to development of the ERP system have been capitalised to the cost of Internally generated software as and when incurred. The following costs are capitalised to the cost of the asset:

- a) Materials and services consumed in the development effort, such as third-party development fees, software purchase costs, and travel costs related to development work.
- b) The payroll costs of those employees directly associated with software development.

The HWSETA ERP system is subsequently measured using the cost model. The HWSETA has considered various factors in assessing the lifespan of the ERP system developed. Management expects continued service potential of the ERP system as long as the SETA sector is in existence. There are limited Processing and Reporting systems currently in the market that are able to meet the operational needs of SETAs. Based on the latest promulgations by the Minister of Higher Education and Training, SETAs will have an indefinite lifespan. The HWSETA system has thus been assessed to have an indefinite lifespan and as such will not be amortised.

#### 1.10.2 Other intangible assets

Intangible assets are recognised when acquired at the transaction price and classified as intangible assets when it is expected that it will provide benefit over more than one financial year.

Computer software - 2 to 6 years

Computer Software Licences - over the period of the licence

The useful lives and residual values are estimated on an annual basis at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

#### 1.10.3 De-recognition of other intangible assets An intangible asset shall be derecognised:

- a) On disposal (including disposal through a non-exchange transaction) or
- b) When no future economic benefits or service potential are expected from its use or disposal

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.10 Intangible assets (continued)

The gain or loss arising from the derecognition of an intangible asset item is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an intangible asset item is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Costs associated with developing or maintaining computer software programmes are recognised as an expense when incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the HWSETA, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Amortisation of such costs will be amortised from the time of bringing the asset into use over the estimated life of the asset.

#### 1.10.4 Impairment

Intangible assets are reviewed regularly to assess whether there is any indication of impairment and where the carrying amounts of intangible assets are greater than their recoverable service amounts, these assets are written down to these recoverable service amounts.

#### 1.10.5 Research and Development

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

### 1.11 Prepayments

Prepayments are generally recognised as assets on the balance sheet if they represent a future benefit or right to receive goods or services.

This asset is then amortised or expensed over the period the service is actually received.

### 1.12 Inventories

#### Initial recognition

The HWSETA initially measures inventory (consumables) at cost.

#### Subsequent measurement

Inventories are subsequently measured at the lower of cost and current replacement cost. Cost is determined on the first in first out (FIFO) basis. Current replacement cost is the cost that the entity would incur to acquire the asset on the reporting date. The HWSETA hold inventory for consumption to be distributed at no charge.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.13 Leases

The HWSETA as a lessee

In respect of an operating lease periodic payments are made to the lessor in return for the use of the asset. These periodic payments are recognised in equal instalments (the straight-line basis) as an expense over the period of the lease, and not based on actual cash payments.

### 1.14 Contingencies

Contingent liabilities are disclosed when the HWSETA has a possible obligation that will probably result in an outflow of economic benefits depending on occurrence or non-occurrence of a future event.

Disclosed amounts in respect of contingent liabilities are measured on the basis of the best estimate, using experience of similar transactions or reports from independent experts.

Contingent assets are possible assets that arise 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.

Contingent assets are not recognised in the statement of financial position. However, when the realisation of income is virtually certain, then the related asset is no longer considered contingent and is recognised as an asset.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it becomes probable that an inflow of economic benefits or service potential will occur, the entity discloses the contingent asset in the notes to the financial statements.

### 1.15 Impairment of cash-generating assets

Impairment is the loss in the future economic benefits or service potential of an asset over and above the systematic recognition of the loss through depreciation or amortisation. All HWSETA assets are non-cash generating.

Property, plant and equipment and intangible assets are annually assessed, by considering internal and external factors where there is an indication of impairment. If any such indication exists, the recoverable service amount of the asset is estimated at the higher of fair value less cost to sell and its value in use.

The assets value in use is determined using one of three approaches: depreciated replacement cost, restoration cost or service units. The approach selected will be determined by the availability of the data and the nature of the impairment.

An impairment loss is recognised whenever the carrying amount exceeds the recoverable service amount.

A previously recognised impairment loss is only reversed if there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised in previous years.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.16 Provisions and contingencies

#### 1.16.1 Initial recognition

Provisions are recognised when the HWSETA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits or service potential that can be estimated reliably. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

#### 1.16.2 Subsequent recognition

Provision shall be 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 shall be reversed.

### 1.17 Financial instruments

#### 1.17.1 Initial recognition

Financial assets and financial liabilities are recognised on the HWSETA statement of financial position when the HWSETA becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are initially recognised using trade date accounting.

#### 1.17.2 Initial measurement

Financial instruments are initially measured at fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs directly attributable to the acquisition or issue of the financial asset or liability.

#### 1.17.3 Financial assets

The HWSETA's principle financial assets are cash and cash equivalents and accounts receivables.

#### 1.17.4 Receivables from non-exchange and from exchange transactions

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the HWSETA will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the receivables carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The movement in the provision is recognised in the Statement of Financial Performance.

#### 1.17.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, investments and deposits held by HWSETA with the Corporation for Public Deposits (CPD) and domestic banks. Cash and cash equivalents are measured at amortised cost.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.17 Financial instruments (continued)

#### 1.17.6 Financial liabilities

The HWSETA principal financial liabilities are accounts and other payables.

All financial liabilities are measured initially at fair value and include transaction costs where appropriate. After initial recognition, all financial liabilities are measured at amortised cost using the effective interest rate method.

#### 1.17.7 Derecognition

A financial asset or a portion thereof is derecognised when the HWSETA realises the contractual rights to the benefits specified in the contract, the rights expire, and the HWSETA surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognising, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in equity is included in net surplus or deficit for the period.

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognising, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in net surplus or deficit for the period.

#### 1.17.8 Fair value considerations

The fair values at which financial instruments are carried at the balance sheet date have been determined using available market values. Where market values are not available, fair values will be calculated by discounting expected future cash flows at prevailing interest rates where material.

#### 1.17.9 Offsetting

Financial assets and financial liabilities are offset if there is any intention to realise the asset and settle the liability simultaneously and a legally enforceable right to set off exists.

### 1.18 Reserves

Net assets are sub-classified in the Statement of Financial Position between the following reserves:

#### 1.18.1 Administration reserve

This is the reserve maintained for the operational and running costs of the HWSETA.

#### 1.18.2 Employer grant reserve

This is the reserve maintained for the paying back to employers a percentage of the contributed levies after they satisfy the specific criteria set out in the Act.

**AUDITED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**1.18 Reserves (continued)****1.18.3 Discretionary grant reserve**

This is the reserve set out of surplus monies for use on special projects which the HWSETA deem suitable in fulfilling its objectives as set out in the Act.

**1.18.4 Accumulated surplus / deficit**

This is the reserve arising out of operations and is reallocated at the end of the year to the above reserves on the basis set out below.

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Regulations issued in terms of the Skills Development Act, 1998 (Act No 97 of 1998). Accrual basis of accounting is used to calculate the reserves and thus reserves are not an indication of the cash used or available at the end of the year.

Member employer company levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

	%
Administration cost of the HWSETA	10.5
Employer grant fund levy	20
Discretionary grant and projects	49.5
Received by the HWSETA	80
Contribution to the National Skills Fund	20
	<b>100</b>

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to pay for its administration costs.

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grants and projects. Other income received are utilised in accordance with the original source of the income.

The amount retained in the administration reserve equates to the net book value of property, plant and equipment and intangible assets.

The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve based on the above.

Surplus funds are moved to the discretionary fund reserve from the administration reserve on the HWSETA' S board approval (after prior written approval from National Treasury) and from the mandatory grant on fulfilment of the HWSETA' S payment obligations.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Prior period errors have been disclosed in note 38 of the annual financial statements.

### 1.20 Statutory receivables

#### 1.20.1 Initial measurement

The HWSETA initially measures statutory receivables at their transaction amount.

#### 1.20.2 Subsequent measurement

The HWSETA measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- a) Impairment losses; and
- b) Amounts derecognised.

#### 1.20.3 Accrued interest

The HWSETA does not charge interest on mandatory receivables because the collecting agent (SARS) charges interest on late payments of levies.

#### 1.20.4 Impairment losses

The HWSETA assesses at each reporting date, whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the HWSETA considers, as a minimum, the following indicators:

- a) Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- b) It is probable that the debtor will enter sequestration, liquidation or other financial reorganisation.
- c) A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- d) Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, changes in migration rates and patterns, or long outstanding receivables beyond 120 days and there has not been any recovery over a year.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the HWSETA measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.20 Statutory receivables (continued)

In estimating the future cash flows, the HWSETA considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

#### 1.20.5 Derecognition

The HWSETA derecognises a statutory receivable, or a part thereof, when:

- a) The rights to the cash flows from the receivable are settled, expire or are waived;
- b) The HWSETA transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- c) The HWSETA, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

In this case, the entity:

- i) derecognises the receivable; and
- ii) recognises separately, any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

### 1.21 Irregular and fruitless and wasteful expenditure

Irregular Expenditure and Fruitless and Wasteful Expenditure are accounted for and disclosed in line with the provisions of the PFMA Compliance Reporting Framework Instruction Note No 4 of 2022/23.

The HWSETA first assesses the identified instances of irregular expenditure and/or fruitless and wasteful expenditure to confirm if the respective definitions for irregular expenditure and fruitless and wasteful expenditure have been met.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.21 Irregular and fruitless and wasteful expenditure (continued)

A determination process is then undertaken to amongst others, identify and confirm whether any losses were incurred, allegations of fraudulent, corrupt or other criminal acts and persons responsible.

Only confirmed irregular expenditure and fruitless and wasteful expenditure is disclosed in the annual financial statements. Year on year movements in irregular expenditure and fruitless and wasteful expenditure are disclosed in the annual report.

### 1.22 Key accounting judgements

In the application of the HWSETA'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 these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future period. The key accounting judgements include:

#### 1.22.1 Non-exchange receivables

The calculation in respect of the impairment of non-exchange transactions is based on an assessment of the extent to which receivable have defaulted on payments already due, and an assessment of their ability to make payments based on their credit worthiness or other information available. This was performed across all classes of these receivables. A receivable relating to overpayments made in earlier periods is recognised at the amount of the grant overpayment, net of bad debts and allowance for irrecoverable amounts.

#### 1.22.2 Exchange receivables

The HWSETA assesses its sundry debtors for impairment at the end of each accounting period. In determining whether an impairment loss should be recorded, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

#### 1.22.3 Non-exchange payables

Payables from non-exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period of maturity of these instruments.

#### 1.22.4 Exchange payables

Payables from exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period of maturity of these instruments.

#### 1.22.5 Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates of provisions in included in note 1.16 – Provisions.

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1.22 Key accounting judgements (continued)

#### 1.22.6 Levy exempt employers

A provision for levy exempt employers is made annually based on the identification of levy exempt employers based on information available from these entities, and the amounts of contributions received from employers who have not been specifically identified as being levy exempt. The change in any estimate is also affected by prior scheme year levy reversals that occurred in the current year.

#### 1.22.7 Property, plant and equipment and intangible assets

The useful lives of assets are based on management's estimation. Management considers the impact of technology, condition of the asset, obsolescence, and service requirements to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

The following values in the Annual Financial Statements have been judgementally derived:

- a) Depreciation of property, plant and equipment, and amortisation of intangible assets.
- b) Provision for doubtful debts from non-exchange transactions.
- c) Provision for Levy Exempt employers

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>2. Receivables from non-exchange transactions</b>		
Non exchange receivables - Mandatory grants payments	211	470
Non exchange receivables - Discretionary grant over payments and unutilised	410	433
Discretionary grant receivables	-	4 400
Inter-SETA debtors	2 004	2 001
SARS levy reversals - Employer grant overpaid	5 051	1 548
Provision for doubtful debts	(5 051)	(6 230)
	<b>2 625</b>	<b>2 622</b>
<b>Reconciliation of provision for impairment of receivables from non-exchange transactions</b>		
Opening balance	6 230	2 031
Movement in provision	(1 179)	4 199
	<b>5 051</b>	<b>6 230</b>
<b>Employer Overpaid</b>		
<b>Included in Skills Development Levy debtors is:</b>		
<b>SARS receivables / (payable)</b>		
Opening carrying amount	1 548	2 052
Net effect of SARS Adjustments on levies for the current year	3 503	(504)
<b>Closing carrying amount</b>	<b>5 051</b>	<b>1 548</b>
<b>3. Statutory receivables</b>		
Statutory receivable - Government levies	71 462	58 927
In accordance with the Cabinet Circular of HRD 1 of 2013, Government Departments of Health and Social Development pay 30% of 1% of their annual payroll budget to the HWSETA, effective 01 April 2013. At year- end government levies that are due but not yet received are recognised as receivables in the Annual Financial Statements		
Total statutory receivables	71 462	58 927
<b>4. Receivables from exchange transactions</b>		
Trade debtors	587	743
Office rental deposits	1 854	1 820
Staff receivables - salary advances	115	57
Staff study assistance/bursaries	1 746	1 803
<b>Total receivables</b>	<b>4 302</b>	<b>4 423</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>5. Prepayments from exchange transactions</b>		
Prepayments include amounts paid in advance for insurance, subscriptions and other supplier deposits. Deposits paid on lease rentals are included as prepayments.		
Insurance	431	288
Office rental in advance	1 558	1 323
Subscriptions and other supplier deposits	1 165	464
<b>Closing balance</b>	<b>3 154</b>	<b>2 075</b>
<b>6. Inventories</b>		
Consumables: Opening balance	885	810
Purchases	2 228	2 877
Utilised	(1 621)	(2 802)
<b>Closing balance</b>	<b>1 492</b>	<b>885</b>
<b>7. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	37	24
Cash - Bank deposits	60 180	61 319
Cash - Corporation for Public Deposits	697 467	454 089
<b>Cash and cash equivalents at end of year</b>	<b>757 684</b>	<b>515 432</b>

As required in Treasury Regulation 31.2, National Treasury approved the banks where the bank accounts are held.

Cash includes cash on hand and cash with banks. Cash equivalents are short term, highly liquid investments that are held with registered banking institutions with maturities of three months or less and that are subject to an insignificant risk of change.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in Corporation for Public Deposits.

No restrictions on the use of cash and cash equivalents exist. Surplus cash is invested in the Corporation for Public Deposits account held in the South African Reserve Bank.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 8. Property, plant and equipment

	2025			2024		
	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Computer equipment	15 587	(11 637)	3 950	14 130	(11 990)	2 140
Motor vehicles	1 121	(789)	332	1 121	(718)	403
Office equipment	8 155	(7 194)	961	7 779	(6 620)	1 159
Office furniture and fittings	8 401	(5 540)	2 861	8 507	(4 951)	3 556
<b>Total</b>	<b>33 264</b>	<b>(25 160)</b>	<b>8 104</b>	<b>31 537</b>	<b>(24 279)</b>	<b>7 258</b>

#### Reconciliation of property, plant and equipment - 2025

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Total R'000
Computer equipment	2 140	4 559	(704)	-	(2 045)	3 950
Motor vehicles	403	-	-	-	(71)	332
Office equipment	1 159	442	-	-	(640)	961
Office furniture and fittings	3 557	265	-	(371)	(590)	2 861
<b>Total</b>	<b>7 259</b>	<b>5 266</b>	<b>(704)</b>	<b>(371)</b>	<b>(3 346)</b>	<b>8 104</b>

Disposals: Computer equipment with a cost of R11 545 838 and a zero carrying amount has been identified for disposal in the 2025/26 financial year. In addition, Office equipment with a cost of R4 034 502 and a zero carrying value and furniture and fittings with a cost of R1 506 535 and a zero carrying amount have also been identified for disposal.

During the preparation of the annual financial statements, computer equipment with a carrying value of R703 704 could not be located for verification. The matter is under investigation and will be followed through in the 2025/26 financial year.

Repairs and maintenance to an amount of R58 703 was incurred during the year. Refer to note 21. No restrictions on the use of property, plant and equipment exist.

#### Reconciliation of property, plant and equipment - 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Office furniture and fittings	3 467	1 357	-	(1 268)	3 556
Computer equipment	2 393	1 095	-	(1 348)	2 140
Office equipment	2 813	165	-	(1 820)	1 158
Motor vehicles	50	453	(40)	(60)	403
<b>Total</b>	<b>8 723</b>	<b>3 070</b>	<b>(40)</b>	<b>(4 496)</b>	<b>7 257</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 9. Intangible assets

	2025			2024		
	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Other intangible assets	885	(818)	67	885	(818)	67
Internally generated software	5 805	(87)	5 718	5 805	(84)	5 721
<b>Total</b>	<b>6 690</b>	<b>(905)</b>	<b>5 785</b>	<b>6 690</b>	<b>(902)</b>	<b>5 788</b>

#### Reconciliation of intangible assets - 2025

	Opening balance R'000	Amortisation R'000	Total R'000
Other intangible assets	67	(3)	64
Internally generated software	5 721	-	5 721
<b>Total</b>	<b>5 788</b>	<b>(3)</b>	<b>5 785</b>

#### Reconciliation of intangible assets - 2024

	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Other intangible assets	659	214	(806)	67
Internally generated software	5 721	-	-	5 721
<b>Total</b>	<b>6 380</b>	<b>214</b>	<b>(806)</b>	<b>5 788</b>

Management expects continued service potential of the ERP system as long as the SETA sector is in existence. There are limited Processing and Reporting systems currently in the market that can meet the operational needs of SETAs. The current licence for the SETAs is set to expire in 2030 when its renewal will be considered.

The ERP system is still under development and as such will not be amortised.

### 10. Grants and transfer payables - Non exchange transactions

	2025 R'000	2024 R'000
Discretionary grants payable (Financial instrument)	16 111	818
Inter - SETA payables	1 316	1 239
Mandatory grants payable	33 395	38 418
Discretionary grants accrual (Financial Instrument)	35 200	112 370
SARS levy reversals - Employer mandatory grants underpaid	(5 050)	(1 548)
Unallocated receipts	-	24
<b>Total</b>	<b>80 972</b>	<b>151 321</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>11. Payables from exchange transactions</b>		
Accrued expenses	2 543	3 684
Payroll creditors	1 522	2 427
Trade creditors	895	(115)
	<b>4 960</b>	<b>5 996</b>

### 12. Short term employee benefits

#### Reconciliation of short term employee benefits - 2025

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Bonuses	13 351	11 464	(11 108)	(2 243)	11 464
Leave pay	5 032	6 064	(155)	(4 877)	6 064
	<b>18 383</b>	<b>17 528</b>	<b>(11 263)</b>	<b>(7 120)</b>	<b>17 528</b>

#### Reconciliation of short term employee benefits - 2024

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Total R'000
Bonuses	11 179	13 351	(9 123)	(2 056)	13 351
Leave pay	5 428	5 032	(602)	(4 826)	5 032
	<b>16 607</b>	<b>18 383</b>	<b>(9 725)</b>	<b>(6 882)</b>	<b>18 383</b>

The provision for leave pay is calculated by apportioning the annual salary to a daily cost which is then multiplied by the number of leave days accumulated at year end by an employee.

### 13. Levy exempt provision

	2025 R'000	2024 R'000
Opening balance	8 076	7 445
Transfer to discretionary income	(1 942)	(1 370)
Additional provision created	2 087	2 001
<b>Closing balance</b>	<b>8 221</b>	<b>8 076</b>

This balance relates to levy-Exempt employers contributing levies to the HWSETA. Unclaimed funds received more than 5 years ago have been transferred to discretionary income as per the Skills Development Levies Act.

### 14. Operating lease liability

	2025 R'000	2024 R'000
Opening balance	682	1 873
Recognition of accruals due to commencement of lease contracts	461	(1 191)
<b>Closing balance</b>	<b>1 143</b>	<b>682</b>

Refer to note 27.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>15. Investment income</b>		
Interest income from banking institutions	49 394	31 405
<b>16. Other income</b>		
Mandatory grants received from Services SETA	244	221
Grant refunds and write offs	-	104
	<b>244</b>	<b>325</b>

### 17. Allocation of net surplus for the year to reserves 31 March 2025

	Total per Statement of Financial Performance R'000	Administration Reserve R'000	Employment Grant Reserve R'000	Discretionary Grant Reserve R'000
Admin levy income (10.5%)	99 594	99 615	-	-
Grant levy income (69.5%)	661 244	-	189 721	471 502
Government levy income	242 197	130 969	-	111 228
Skills development: penalties and interest	5 967	-	-	5 967
Investment income	49 394	-	-	49 394
Other Income	3 260	244	-	3 016
	<b>1 061 656</b>	<b>230 828</b>	<b>189 721</b>	<b>641 107</b>
Administration Expenses	(222 961)	(222 961)	-	-
Employer grants and project expenses	(517 438)	-	(130 602)	(386 836)
<b>Net surplus</b>	<b>321 257</b>	<b>7 867</b>	<b>59 119</b>	<b>254 271</b>

The amounts reflected on the note do not represent actual cash flows. Instead, these amounts were prepared on an accrual basis in line with Generally Recognised Accounting Practice (GRAP).

### Allocation of surplus for the year ended 31 March 2024

	Total per Statement of Financial Performance R'000	Administration Reserve R'000	Employment Grant Reserve R'000	Discretionary Grant Reserve R'000
Admin levy income (10.5%)	92 875	92 875	-	-
Grant levy income (69.5%)	616 129	-	176 909	439 220
Government levy income	232 885	110 239	-	122 646
Skills development: penalties and interest	4 295	-	-	4 296
Investment income	31 405	-	-	31 405
Other Income	4 984	325	-	4 659
	<b>982 573</b>	<b>203 439</b>	<b>176 909</b>	<b>602 226</b>
Administration Expenses	(203 878)	(203 878)	-	-
Employer grants and project expenses	(707 920)	-	(112 023)	(595 897)
<b>Net surplus</b>	<b>70 775</b>	<b>(439)</b>	<b>64 886</b>	<b>6 329</b>

The amounts reflected on the note do not represent actual cash flows. Instead, these amounts were prepared on an accrual basis in line with Generally Recognised Accounting Practice (GRAP).

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>18. Revenue from non-exchange transactions</b>		
<b>Levy income: Administration</b>		
Levies received from SARS	99 615	92 875
Government levies received	130 969	110 239
<b>Total</b>	<b>230 584</b>	<b>203 114</b>
<b>Levy income: Employer Grants</b>		
Levies received from SARS	189 742	176 908
Inter-SETA transfer in	(21)	1
<b>Total</b>	<b>189 721</b>	<b>176 909</b>
<b>Levy income: Discretionary Grants</b>		
Levies received from SARS	470 904	437 848
Government levies received	111 228	122 646
Transfers from levy exempt	650	1 370
Interest	2 780	2 551
Penalties	3 187	1 744
Inter-SETA transfer in	(52)	2
<b>Total</b>	<b>588 697</b>	<b>566 161</b>
<b>Total Skills Development Levy Income</b>	<b>1 009 002</b>	<b>946 184</b>
<b>19. Other income (non exchange)</b>		
Grant refunds and write offs	2 545	4 659
Donation received	471	-
	<b>3 016</b>	<b>4 659</b>
<b>20. Employer grant and project expenses</b>		
Mandatory Grants	130 602	112 023
Movement in provision	6 598	(483)
Disbursed	124 004	112 506
Discretionary Grants	375 599	590 623
Discretionary Grants	375 599	590 623
Project Management Fee	9 731	5 274
	<b>515 932</b>	<b>707 920</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>21. General expenses</b>		
Advertising, marketing and promotions and communication	4 475	2 097
Audit committee fees	426	463
Bank charges	317	281
Branding	3 766	4 182
Catering and refreshments	992	521
Cleaning	1 437	1 270
Consulting and professional fees	2 547	931
Consumables	1 160	1 068
Courier and postage	257	205
Loss on disposal of assets	704	-
Forensic investigations	470	911
Groceries	280	133
Insurance	581	484
International benchmarking	-	152
Legal Fees	732	237
Management of fraud hotline	35	37
Motor vehicle expenses	43	48
Office move	-	58
Printing and stationery	373	474
Programme evaluations and AQP	857	-
Quality Council for Trade & Occupations levy	5 405	4 718
Recruitment costs	281	201
Remuneration to members of the Accounting Authority	2 675	2 481
Repairs and maintenance	59	1 688
Research and development costs	4 033	97
Security	8	9
Social responsibility	823	929
Software support	3 862	2 750
Staff Bursaries	711	458
Staff training and development	982	401
Staff welfare	486	435
Storage	20	15
Subscriptions	960	1 057
Telephone and fax	2 195	2 541
Travel, subsistence and accommodation	6 790	5 417
Water and electricity, rates and taxes	3 764	3 719
Workshops	4 231	2 428
	<b>56 737</b>	<b>42 896</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>22. Employee related costs</b>		
Basic salaries	95 796	89 445
Bonus	9 221	11 294
Temporary staff and interns	5 907	4 628
Leave expense	1 654	304
Medical aid - company contributions	5 127	4 461
Defined contribution plans	13 739	13 584
SDL	1 243	1 108
UIF	351	334
Workmens compensation	40	154
Cellphone allowances	440	432
Long-service awards	1 004	2 427
	<b>134 522</b>	<b>128 171</b>
<b>Number of employees at period end:</b>		
Permanent	148	141
Temporary	18	15
Internships	9	8
	<b>175</b>	<b>164</b>
<b>23. Depreciation and amortisation</b>		
Property, plant and equipment	3 346	4 495
Intangible assets	3	806
	<b>3 349</b>	<b>5 301</b>
<b>24. Lease rentals on operating lease</b>		
<b>Premises</b>		
Contractual amounts	18 017	14 964
<b>Equipment</b>		
Contractual amounts	34	33
	<b>18 051</b>	<b>14 997</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 25. Contingencies

#### Contingent Asset:

- 25.1 The following five (5) employers received funding from HWSETA to implement various skills programmes/projects. HWSETA made payments to the employers to inter alia pay learner stipends. Upon receipt of the funds the employers failed to pay the learner stipends as per the agreement, thus breaching the material terms of the MOA.

Consequently, the HWSETA pursued legal recourse by instituting a civil action as well as registering cases with SAPS. Letters of demand have been partially served, while others were not capable of being traced, and SAPS investigation is in progress.

One of the employers, Lithala Financial Education, signed a settlement agreement to repay the amount in instalments, however the agreement was breached. The application to make the settlement agreement an order of the court is in progress. Listed below are the five (5) employers:

Lithala Financial Education	-	R1 073 000
Afrika Connect: The bright future	-	R900 000
Ludziwo Foundation	-	R469 000
Oneness Revival Team	-	R188 500
Remmogo Victim Empowerment	-	R166 000

#### Contingent Liabilities:

- 25.2 LERONG CONSULTING (PTY) LTD

LerOng Consulting is suing the HWSETA for alleged breach of contract for a total amount of R823 267 with 15.5% interest on the amount from date of summons. The matter is pending in court awaiting a trial date, but a specific date for the trial has not yet been set. The estimated legal costs are R800 000 including fees for counsel.

- 25.3 CCMA (ERSTWHILE HWSETA EMPLOYEE)

The CCMA ruled in favour of an erstwhile HWSETA employee and ordered the HWSETA to pay an amount of R82 639.97 to the said employee. The HWSETA approached the Labour Court on an urgent basis to stay the execution. The Labour Court heard the matter and upheld the CCMA ruling. The HWSETA is appealing the Labour Court judgement. The file has been uplifted for perusal.

- 25.4 BUSA

In December 2012, the Minister repealed the 2005 Grant Regulations and promulgated the 2012 Grant Regulations. Regulation 4(4) of the 2012 Grant Regulations stipulates that 20% of the total levies paid by the employer in terms of Section 3(1) as read with Section 6 of the Skills Development Levy Act during each financial year may be paid back to the employer who submits the requisite reports and claims back the mandatory grant. This effectively reduced the refund percentage from the initial 50%, as established by the 2005 Grant Regulation, to 20%.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 25. Contingencies (continued)

Business Unity South Africa (hereinafter referred to as “BUSA”) filed a Labour Court application to review and set aside the 2012 Grant Regulations in its entirety or alternatively Regulation 4(4). In October 2019, after a long legal battle between BUSA and the Minister, the Labour Appeal Court set aside Regulation 4(4) as promulgated in Government Notice 23 of 2016. The judgement is however silent on the question of whether the mandatory grant that may be claimed back by the employers from the SETAs is set to revert back to the pre-2012 Grant Regulations position, as well as whether the judgement has a retrospective or prospective effect. This means there is uncertainty of timing and amount. Although the Minister has been in discussions with BUSA on the matter, there has been no directive from the Department of Higher Education and Training to the SETAs on how to handle this matter. The SETAs continue to pay mandatory grants at 20% to all qualifying employers. The 2012 Grant Regulations are currently under review. The new draft regulations were published per Government Gazette 47926 of 27 January 2023 for comments. On 25 January 2024 the NSA started with public consultations.

There has been no further communication from the DHET. BUSA has gone back to court and the matter has been re-enrolled.

#### 25.5 TRUE HARVEST COLLEGE

True Harvest is suing HWSETA for pure economic loss alleged to have been caused by HWSETA's failure to act. The pleading is closed, and the parties are waiting for the trial on 24 August 2026. The estimated legal costs are R550 000 including fees for counsel.

#### 25.6 RETENTION OF SURPLUS

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury. Formal approval will be sent to the DHET to apply to retain surplus funds for 2024/25. Based on passed experience it is probable that the surplus retention will be approved. At 31 March 2024 the HWSETA has commitments raised for R646 million.

Calculation in terms of Paragraph 3.2 of the National Treasury Instruction No. 12 of 2020/21

Cash and cash equivalent	757 684 000	515 432 000
Add: Receivables	81 543 000	68 047 000
Less: Payables	(112 824 000)	(184 458 000)
	<b>726 403 000</b>	<b>399 021 000</b>

Formal approval was obtained from the Minister of DHET to retain the surplus funds from the 2023/24 financial year.

Calculation in terms of Paragraph 3.2 of the National Treasury Instruction No. 12 of 2020/21

Cash and cash equivalent	515 432 000	331 987 000
Add: Receivables	68 047 000	78 435 000
Less: Payables	(184 458 000)	(84 158 000)
	<b>399 021 000</b>	<b>326 264 000</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

		2025 R'000	2024 R'000					
26. Commitments								
Discretionary reserve								
R 693 million has been approved and allocated for future projects and skills priorities as set out below:								
Projects	NSDS Objectives and indicators	Opening Commitments as previously reported 2024/25	Opening Commitments as restated 2024/25	Approved by Accounting Authority/ Adjustments 2024/25	Decommitments 2024-2025	Recommitments 2024/25	Utilised 2024/25	Closing commitments 2024/25
Learnerships 2018/19	3 (1) 29 (1)	(194)	(194)	194	-	-	-	-
Skills Programmes 2019/20	8 (1) 30 (1)	1 257	1 257	-	(1 257)	-	-	-
Artisan Programme 2020/21	26(1) 4(1)	3 997	3 997	-	(3 065)	-	(932)	-
Artisans and Technician Programme - Employed and Unemployed 2021/22	26(1) 4(1)	4 105	4 105	-	-	-	(3 163)	942
Skills Programmes Funding - Employed and Unemployed	8 (1) 30 (1)	3 309	3 309	-	(430)	-	-	2 879
Skills Programme 2022/23	8 (1) 30 (1)	18 659	18 659	-	(12 589)	-	(1 946)	4 124
Occupationally Directed Learnership Programme 2022/23	3(1) 29(1)	51 467	45 943	-	(22 865)	-	(12 820)	10 258
Artisans and Technician Programme - Unemployed 2022/23	26(1) 4(1)	6 153	4 512	-	(943)	-	(1 171)	2 398
Artisans and Technician Programme - 2023/24	26(1) 4(1)	12 074	12 074	-	-	-	(10 131)	1 943
Skills Programme 2023/24	8 (1) 30(1)	31 774	30 267	-	-	-	(16 155)	14 112
Occupational Learnerships Programmes 2023/24	3(1) 29(1)	75 133	70 986	-	-	-	(48 863)	22 123
Artisans and Technician Programme - 2024/25	26(1) 4(1)	-	-	27 820	(379)	3 921	(9 820)	21 542
Skills Programme 2024/25	8 (1) 30(1)	-	-	56 025	-	2 142	(12 903)	45 264
Occupational Learnerships Programmes 2024/25	3 (1) 29(1)	-	-	168 316	(3 905)	46 219	(50 841)	159 789
SME Funding	10	(12)	(12)	12	-	-	-	-
SMEs 2021/22	10	3 857	75	-	(16)	-	(59)	-
SME Funding 2022/23	10	2 014	2 095	-	(1 649)	-	(446)	-
Levy exempt funding 2022/23	22	1 865	-	-	-	-	-	-
Levy exempt	22	2 513	2 435	973	-	-	(1 534)	1 874
Levy exempt (NGO and NPO)	11.1	1 000	1 000	-	-	-	(992)	8
SME	10.1	2 666	2 872	-	-	-	(773)	2 099
Entrepreneurship	10.2	-	-	2 800	-	-	(816)	1 984

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025		2024					
	R'000		R'000					
Projects	NSDS Objectives and indicators	Opening Commitments as previously reported 2024/25	Opening Commitments as restated 2024/25	Approved by Accounting Authority/ Adjustments 2024/25	Decommitments 2024-2025	Recommitments 2024/25	Utilised 2024/25	Closing commitments 2024/25
NGO and NPO	11.1	-	-	600	-	-	(60)	540
SME		-	-	455	-	-	-	455
WEG for TVETS 2019/20	28 (1)	(38)	(38)	38	-	-	-	-
Internships for University Graduates 2019/20	7 (1)	(77)	(77)	77	-	-	-	-
Lecturer Development	16 (1)	208	208	-	-	-	-	208
Adult Education and Training	21 (1) 31 (1)	480	480	-	(480)	-	-	-
Development of African Pediatrics Specialist Induction Standard	23	203	203	-	(203)	-	-	-
Bootcamp	23	1 758	1 758	-	(1 758)	-	-	-
Health Handling of Waste	14	916	916	-	-	-	916	-
Bursaries Unemployed 2022/ 23 New and Progression	27 (4) 27 (5)	13 774	14 928	-	(9 303)	-	(1 340)	4 285
Learnerships for Religious Practioners	3 (1)	14	58	-	-	-	-	58
Trade Union Representative Project 2020/21	11 (2)	(1)	(1)	1	-	-	-	-
Bursaries Employed 2020/21	6.4 6.5	(6)	(6)	6	-	-	-	-
WEG for TVETS 2020/21	28 (1)	(89)	(89)	89	-	-	-	-
WEG for TVETS 2020/21	28 (1)	73	73	-	(73)	-	-	-
Funding of Internships Programmes for University Graduates	7	(1)	(1)	1	-	-	-	-
WEMS Prep programme and Care Assistant - DOHNC	23	3 682	3 682	-	-	-	-	3 682
Vocational Bursaries - additional 2020/21	17	16 690	2 577	-	(2 577)	-	-	-
Bursaries employed 2021/22	6(4) 6(5)	13 947	10 807	-	(8 459)	-	(55)	2 293
Vocational training 2021/22	17 (1)	9 218	9 218	-	(8 100)	-	(1 118)	-
WIL for University Students 2021/22	32 (1)	7 410	7 410	-	(4 760)	-	(2 650)	-
Internships for University 2021/22	7 (1)	14 271	13 178	-	(12 041)	-	(1 137)	-

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024					
		R'000	R'000					
26. Commitments (continued)								
Projects	NSDS Objectives and indicators	Opening Commitments as previously reported 2024/25	Opening Commitments as restated 2024/25	Approved by Accounting Authority/ Adjustments 2024/25	Decommitments 2024-2025	Recommitments 2024/25	Utilised 2024/25	Closing commitments 2024/25
Lecturer Development Programme	16 (1)	213	125	-	(125)	-	-	-
WEG for TVETS 2021/22	28 (1)	20 310	17 324	934	(14 546)	-	(692)	3 020
Worker leaders	11 (2)	1 807	1 807	-	(1 807)	-	-	-
Bursaries for unemployed persons	27 (4)	(3 495)	(3 495)	3 495	-	-	-	-
Co-operative development 2021/22	3	599	390	-	(390)	-	-	-
Internship for University graduates 2022/23	7(1)	6 794	6 024	-	-	-	(788)	5 236
Workplace experience for TVET College Learners 2022/23	28(1)	14 411	11 428	-	-	-	(5 182)	6 246
Vocational Bursaries 2022/23	17(1)	23 149	16 960	-	-	-	(5 929)	11 031
Lecturer Development Programme 2022/23	16(1)	160	118	-	(91)	-	(8)	19
Work Integrated Learning - University Students 2022/23	32(1)	5 477	4 649	-	-	-	-	4 649
AET Programme 2022/23 Employed and Unemployed	21 (1) 31 (1)	1 281	944	-	(936)	-	(8)	-
Bursaries Employed 2022/23 New and Continuing	6(4) 6(5)	10 355	10 166	-	-	-	(340)	9 826
TVET Work Experience	28(1)	46	1	-	-	-	(1)	-
Bursaries Unemployed 2023/24 New and Progression	27.4 27.5	54 936	28 640				(13 876)	14 764
TVET Work Experience	28.1	46 250	32 030	-	-	-	(21 935)	10 095
Internships	7(1)	57 119	40 232	-	-	-	(18 987)	21 245
Bursaries Employed 2023/24 New and Continuing	6(4) 6(5)	21 911	15 631	-	-	-	(3 250)	12 381
Vocational Bursaries 2023/24	17(1)	36 427	29 087	-	(300)	-	(13 872)	14 915
AET Programme 2023/24 Employed and Unemployed	21(1) 31(1)	1 452	1 216	-	-	-	(203)	1 013

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

							2025	2024
							R'000	R'000
26. Commitments (continued)								
Projects	NSDS Objectives and indicators	Opening Commitments as previously reported 2024/25	Opening Commitments as restated 2024/25	Approved by Accounting Authority/ Adjustments 2024/25	Decommitments 2024-2025	Recommitments 2024/25	Utilised 2024/25	Closing commitments 2024/25
Work Integrated Learning - University Students 2023/24	32(1)	8 307	1 218	-	-	-	2 073	3 291
Lecturer Development Programme 2023/24	16(1)	269	253	-	-	-	(78)	175
Adhoc Projects	23	10 680	4 510	-	(151)	-	(3 700)	659
Bursaries Employed	27.4 27.5	-	-	74 827	-	-	(47 397)	27 430
TVET Work Experience	28.1	-	-	59 046	-	3 004	(7 527)	54 523
Internships	7(1)	-	-	88 280	-	3 268	(15 259)	76 289
Bursaries employed	6(4) 6(5)	-	-	17 725	-	122	(1 065)	16 782
Vocational Bursaries Learners	17(1)	-	-	37 250	-	3 812	(4 604)	36 458
Adult Education and Training	21(1) 31(1)	-	-	2 156	-	31	(394)	1 793
Work Integrated Learning	32 (1)	-	-	25 838	-	-	(5 712)	20 126
Lecturer Development	16(1)	-	-	546	-	-	(96)	450
Adhoc Recommitments	23	-	-	9 888	-	2 795	(2 961)	9 722
Cooperatives	9	-	-	1 200	-	180	-	1 380
Post Graduate Bursaries Unemployed and Employed	6(1) (2) 27(1) (2)	3 338	3 338	-	(3 196)	-	(142)	-
Post Graduate Bursaries Unemployed and Employed	6(1) (2) 27(1) (2)	664	664	-	-	-	-	664
Post Graduate Bursaries Unemployed and Employed	6(1) (2) 27(1) (2)	354	354				(53)	301
Post Graduate Bursaries Unemployed and Employed	6(1) (2) 27(1) (2)	776	776				(16)	760
Post Graduate Bursaries Unemployed and Employed	6(1) (2) 27(1) (2)	17 922	17 922				(14 127)	3 795
Research costs 2023/24	5 12	343	343	-	-	-	(343)	-
Research costs 2024/25	5 12	-	-	350	-	53	(403)	-
RPL Capacity Building St Colonel	25.1	1 835	1 835	-	(10)	-	(1 825)	-
QED - Assessor Training	19.2	-	-	4 752	-	-	(2 987)	1 765

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 26. Commitments (continued)

Projects	NSDS Objectives and indicators	Opening Commitments as previously reported 2024/25	Opening Commitments as restated 2024/25	Approved by Accounting Authority/ Adjustments 2024/25	Decommitments 2024-2025	Recommitments 2024/25	Utilised 2024/25	Closing commitments 2024/25
RPL Sheshego	25.1	-	-	28 100	-	-	(9 835)	18 265
Qualifaction and Skills Development	24	-	-	1 142	-	-	(256)	886
ETQA Project travel	24	-	-	4 905	-	-	(4 905)	-
		647 759	513 154	617 785	(116 404)	65 547	(387 324)	692 814

Total discretionary grants committed (Contracted only)

Operating commitments (Approved and Contracted)

2025	2024
R'000	R'000
692 814	512 452
836	1 254
<b>693 650</b>	<b>513 706</b>

The HWSETA has committed 95% of reserves in 2024/25. In prior years these commitments were released over a period of 2 to 3 years, which allowed the HWSETA sufficient time to build up funds to make good on all of its commitments. In the recent years the rate of release of commitments has been much quicker thus the rate of cash outflow has been faster than it was in previous years. The Grant Regulations requires SETA's to commit at least 95% of its reserves each financial year.

### 27. Operating lease commitments

At the balance sheet date, HWSETA has outstanding commitments under non-cancellable operating lease which fall due as follows:

Not later than one year

Later than one year but not later than five years

No material restrictions or conditions exist.

Refer to note 14.

2025	2024
R'000	R'000
17 340	16 135
30 076	46 303
<b>47 416</b>	<b>62 438</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 27. Operating lease commitments (continued)

The operating lease commitments relate to the following rental contracts entered into by the HWSETA:

Office	Effective date	Termination date	Escalation Rate
Head Office - Gauteng	01 March 2022	28 February 2027	7%
Northern Cape - Kimberley	01 March 2022	28 February 2027	10%
Eastern Cape - East London	01 April 2021	31 March 2026	8%
Mpumalanga - Nelspruit	01 April 2021	31 March 2026	7%
North West - Mafikeng	01 March 2022	28 February 2027	7%
Gauteng - Midrand	01 February 2022	31 July 2025	N/A
KZN - Durban	01 March 2022	28 February 2027	8%
Western Cape - Cape Town	01 March 2022	28 February 2027	6%
Free State - Bloemfontein	01 April 2021	31 March 2026	6,50%
Limpopo - Polokwane	01 March 2023	28 February 2028	6%

### 28. Irregular and fruitless and wasteful expenditure

Irregular expenditure

Fruitless and wasteful expenditure

**Total**

2025	2024
R'000	R'000
559	2 895
146	1 722
<b>705</b>	<b>4 617</b>

### 29. Events after the reporting date

The tenure of the Accounting Authority ended on 31 March 2025. With effect from 22 May 2025 the CEO was appointed as the interim Accounting Authority by the Minister of Finance due to the new Accounting Authority members not yet appointed by the DHET Minister. The appointment is limited to a maximum of three months or until a new Accounting Authority is appointed, whichever comes first. Furthermore, the appointment is limited to the functions of an Accounting Authority in terms of the PFMA and does not include functions of the Board in terms of the Skills Development Act (1998).

### 30. Going concern

In terms of the Government Gazette No. 42589 issued 22 July 2019 the HWSETA has been established up to 31 March 2030.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 31. Risk management

In the course of the HWSETA's operations it is exposed to interest rate, credit, liquidity and market risk. The HWSETA has developed a comprehensive risk strategy in terms of TR 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below. Financial instruments have not been discounted as they will all be settled or recovered within 3 months. The effect of discounting was found and considered not to be material.

#### Interest rate risk

The HWSETA manages its interest risk by effectively investing surplus funds in term deposits and call accounts with different accredited financial institutions according to the HWSETA investment policy. Any movement in interest rates will affect interest income. Interest income is utilised for additional discretionary grants and therefore will not affect the operations of the HWSETA adversely. The HWSETA'S exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet date are as follows:

	Floating rate		Non-interest bearing	Total
	Amount R'000	Effective interest rate	Amount R'000	Amount R'000
<b>Period end - 2025</b>				
<b>Total financial assets</b>				
Cash and cash equivalents	757 684	7,50 %	-	757 684
Accounts receivables	-	-	6 927	6 927
Total financial liabilities	-	-	(55 435)	(55 435)
	<b>757 684</b>		<b>(48 508)</b>	<b>709 176</b>

	Floating rate		Non-interest bearing	Total
	Amount R'000	Effective interest rate	Amount R'000	Amount R'000
<b>Period end - 2024</b>				
<b>Total financial assets</b>				
Cash and cash equivalents	515 432	8,37 %	-	515 432
Accounts receivables	-	-	7 045	7 045
Total financial liabilities	-	-	(117 505)	(117 505)
	<b>515 432</b>		<b>(110 460)</b>	<b>404 972</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 31. Risk management (continued)

Financial instruments consist of receivables, cash and cash equivalents and payables. All financial assets are categorised as receivables at amortised cost, and all financial liabilities as financial liabilities at amortised cost. The total carrying values of the various categories of financial assets and financial liabilities at the reporting date is as follows:

	2025 R '000	2024 R '000
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	757 684	515 432
Accounts receivables from exchange transactions	4 187	4 423
Accounts receivables from non exchange transactions	410	2 622
	<b>762 281</b>	<b>522 477</b>
<b>Financial liabilities at amortised cost</b>		
Payables from exchange transactions	(3 438)	(5 996)
Discretionary grants payable	(50 475)	(111 509)
	<b>(53 913)</b>	<b>(117 505)</b>

#### Credit risk

Financial assets, which potentially subject the HWSETA 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 and accounts receivable.

The HWSETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. Credit risk in respect of SARS is limited, as it is a government entity of sound reputation. Staff debts are recovered through the payroll.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The HWSETA does not have any material exposure to any individual or counter-party. The HWSETA's concentration of credit risk is limited to the industry in which it operates. No events occurred in the health and social development sector during the year that July have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for doubtful debts.

#### Credit ratings of HWSETA bankers: Financial institution

(Fitch ratings)

Standard Bank

BB-

Corporation for public deposits

N/A

#### Short term ratings:

F3 - Obligations supported by adequate capacity for timely repayment relative to other obligators in the same country. Such capacity is more susceptible to adverse changes in business, economic or financial conditions than for obligations in higher categories.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 31. Risk management (continued)

#### Long-term ratings

BB + An elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

The aging of receivables:

	2025		2024	
Not past due	Gross	Impairment	Gross	Impairment
0-30 days	2 362	-	2 348	-
31-120 days	2 150	-	2 098	-
120-365 days	-	-	-	-
Over a year	2 415	-	2 599	-
<b>Carrying amount</b>	<b>6 927</b>	<b>-</b>	<b>7 045</b>	<b>-</b>

#### Liquidity risk

The HWSETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs. forecasted cash flows. Adequate reserves and liquid resources are also maintained.

	2025		2024	
Not past due	Gross	Impairment	Gross	Impairment
0-30 days	18 117	-	5 236	-
31-120 days	32 615	-	111 588	-
Over a year	3 181	-	681	-
<b>Carrying amount</b>	<b>53 913</b>	<b>-</b>	<b>117 505</b>	<b>-</b>

#### Fair values

The HWSETA's financial instruments consist mainly of cash and cash equivalents, account and other receivables, and account and other payables. No financial instruments were carried at an amount in excess of its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

#### Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

#### 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.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
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### 32. Levy Contributing Departments

Since 1 April 2013, the National Department of Health and National Department of Social Development including the respective Provincial Departments have contributed levies to the HWSETA. This is in line with the Grant Regulations and related Cabinet Circular which became effective from 01 April 2013. In terms of the Grant Regulations and Cabinet Circular the departments must contribute a levy to the relevant SETA. The levy is 30% of 1% of their training budget (being 1% of their approved payroll budget). At the beginning of each financial year the HWSETA invoices the departments based on the payroll figures submitted by the departments to the HWSETA. Some departments settle their invoices in full while others make partial payments or simply default. A third of the receipts is allocated towards the administration/ operations of the HWSETA, with the remaining two thirds being allocated to discretionary grant funding. The HWSETA also funds some of the Health and Social Development projects through discretionary funding to fulfil some of its mandate.

Below are transactions with the National Department Health and National Department of Social Development including the respective Provincial Departments. These transactions relate mainly to levies invoiced and received as well as payments for discretionary funded projects.

	2025 R '000		2024 R '000		2024 R '000	2025 R '000
	Total contributions received	Total contributions expected	Total contributions received	Total contributions expected	Discretionary Grants Paid	Discretionary Grants Paid
<b>National</b>						
Health	2 074	2 082	2 055	2 055	-	-
Social Development	1 609	1 609	1 541	1 541	-	-
<b>Provincial Western Cape</b>						
Health	7 418	7 418	7 240	7 240	152	18
Social Development	3 435	3 435	3 191	3 191	-	53
<b>Eastern Cape</b>						
Health	14 401	14 404	14 721	14 921	7	-
Social Development	4 010	4 010	3 946	3 946	1 659	569
<b>Gauteng</b>						
Health	26 955	26 955	26 955	26 955	4 989	-
Social Development	6 345	6 345	5 832	5 832	-	-
<b>Free State</b>						
Health	-	28 549	-	25 775	332	3 218
Social Development	2 586	2 586	2 279	2 279	3 663	749
<b>Northern Cape</b>						
Health	-	11 222	-	10 712	2 204	167
Social Development	1 517	1 517	1 424	1 424	-	-
<b>Mpumalanga</b>						
Health	30 485	30 485	29 145	29 145	2 936	6 167
Social Development	-	2 860	-	2 576	-	-

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 32. Levy Contributing Departments (continued)

	2025 R '000		2024 R '000		2024 R '000	2025 R '000
	Total contributions received	Total contributions expected	Total contributions received	Total contributions expected	Discretionary Grants Paid	Discretionary Grants Paid
<b>Limpopo</b>						
Health	19 700	29 914	19 554	29 220	3 017	-
Social Development	4 260	4 260	3 966	3 966	5 673	234
<b>Kwa-Zulu Natal</b>						
Health	26 581	26 581	25 436	25 436	6 462	2 742
Social Development	4 500	4 500	4 730	4 730	5 922	1 342
<b>North West</b>						
Health	29 962	29 962	29 047	29 047	2 788	123
Social Development	3 506	3 506	3 030	3 030	83	164
	<b>189 344</b>	<b>242 200</b>	<b>184 092</b>	<b>233 021</b>	<b>39 887</b>	<b>15 546</b>

### 33. Related parties

#### Relationships

Controlling entity: Department of Higher Education and Training.

The Executive Authority of the HWSETA is the Department of Higher Education and Training. There were no transactions with the Department of Higher Education and Training.

#### Related persons

Transactions with other SETAs, who are entities under common control. The HWSETA is a National Public Entity controlled by the DHET, it is considered to be related to other SETAs, the QCTO, Higher Health, NSF, TVETs, CETs and Universities. The transactions are consistent with normal operating relationships between entities and are undertaken on terms and conditions that are normal for such transactions.

All other balances and transactions below are at arms length and in the normal course of business.

#### Remuneration of Management.

The disclosure of remuneration made in terms of Board Members, Audit Committee Members and Senior Management have been disclosed under note 36 of the Annual Financial Statements.

#### Related Party transactions

The HWSETA is exempt from all the disclosure requirements in paragraph .27 in relation to related party transactions as transactions with these related parties occurs within normal supplier relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the HWSETA to have adopted if dealing with that individual entity or person in the same circumstances; and terms and conditions within the normal operating parameters established by that reporting entity's legal mandate.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 33. Related parties (continued)

#### Related party balances and commitments

##### SETAs

Interest transactions and balances arise due to the movement of employers from one SETA to another. No other transactions occurred during the year with other SETAs.

The balances at year-end included in the receivables and payables are:

Related Party	2025 R '000		2024 R '000	
	Transfers in/ (out) during the year	Amount receivable/ payable	Transfers in/ (out) during the year	Amount receivable/ payable
<b>Receivables</b>	<b>3</b>	<b>2 004</b>	<b>3</b>	<b>2 001</b>
W&R Seta	-	124	1	124
MICT Seta	-	25	-	25
Inseta Seta	-	455	1	455
Services Seta	-	3	-	3
LG Seta	-	214	-	214
ETDP	3	1 168	-	1 165
CHIETA	-	9	-	9
FASSET	-	6	1	6
<b>Payables</b>	<b>(77)</b>	<b>(1 316)</b>	<b>-</b>	<b>(1 239)</b>
ETDP	(1)	(1)	-	-
MICT Seta	-	(11)	-	(11)
Teta Seta	-	(422)	-	(422)
Services Seta	-	(261)	-	(261)
Food Beverage Seta	-	(4)	-	(4)
SASSETA	(36)	(36)	-	-
Agri Seta	-	(5)	-	(5)
MQA Seta	(36)	(128)	-	(92)
Inseta	-	(3)	-	(3)
EWSETA	(4)	(4)	-	-
CHIETA	-	(326)	-	(326)
W&R Seta	-	(45)	-	(45)
CETA	-	(70)	-	(70)
<b>Total</b>	<b>(74)</b>	<b>688</b>	<b>3</b>	<b>762</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 33. Related parties (continued)

#### Discretionary projects

ETDP Seta	-	4 400
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#### Universities, TVETs, CETs and Higher Health

Financial year 2025	Universities	TVETs	CETs	Higher Health	Total
Total receivables	-	-	-	-	-
Total commitments balance	125 994	31 714	400	-	158 108
Accounts payable	-	-	-	-	-

#### Universities, TVETs, CETs and Higher Health

Financial year 2024	Universities	TVETs	CETs	Higher Health	Total
Total receivables	-	-	-	-	-
Total commitments balance	88 883	4 726	68	-	93 677
Accounts payable	-	-	-	-	-

### 34. Reconciliation of net cash flow from operating activities to net surplus/ (deficit)

	2025 R '000	2024 R '000
Surplus	322 763	72 454
<b>Adjustments for:</b>		
Depreciation and amortisation	3 349	5 301
Movement in bad debts provision	1 179	-
Debt impairment and bad debts written off	4 400	(4 400)
Movements in operating lease assets and accruals	461	(1 191)
Movements in provisions	(855)	1 776
Interest income	(49 394)	(31 405)
Levy exempt provision - Current year	2 086	2 001
Levy exempt reversals	(1 942)	(1 370)
Other non-cash items	1 123	2 619
<b>Changes in working capital:</b>		
Inventories	(607)	(75)
Receivables from exchange transactions	(121)	890
Other receivables from non-exchange transactions	3	11 364
Statutory receivables	(12 535)	(137)
Prepayments from exchange transactions	(1 079)	51
Payables from exchange transactions	(1 035)	2 959
Grants and transfers payable (non-exchange)	(70 378)	94 445
	<b>197 418</b>	<b>155 282</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
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### 35. Segment reporting

“In terms of GRAP 18 paragraph 05. A segment is an activity of an entity:

- (a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- (b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- (c) for which separate financial information is available.”

The Accounting Authority does not review projects in terms of segments to make decisions and assessing the performance. Projects are approved individually based on the funding module. The HWSETA does not have any segments as defined by GRAP 18, Paragraph 5 (b). Therefore this has not been reported on.

### 36. Board remuneration

#### Members remuneration 2025

Names	Designation	Allowances	Travel and Subsistence Allowance		Total
		Meeting Attendance and Preparation	Reimbursement	Cell Phone	
		R '000	R '000	R '000	R '000
Dr. NV Mnisi	Chairperson	333	71	13	417
Dr. N Ndzwayiba	Board member	119	-	-	119
Mr. SR Kgara	Board member	157	-	-	157
Dr. JK Mothudi	Board member	248	3	7	258
Ms. N Xulu	Board member	229	2	-	231
Mr. J Shiburi	Board member	145	1	5	151
Dr. LD Marutle	Board member	239	1	7	247
Ms. BP Malope	Board member	181	19	-	200
Ms. L Harie	Board member	204	-	-	204
Ms. LP Duma	Board member	243	2	7	252
Dr. S Kabane	Board member	69	2	-	71
Mr KS Sodidi	Board member	219	2	-	221
		<b>2 386</b>	<b>103</b>	<b>39</b>	<b>2 528</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 36. Board remuneration (continued)

#### Members remuneration 2024

Names	Designation	Allowances	Travel and Subsistence Allowance		Total
		Meeting Attendance and Preparation	Reimbursement	Cell Phone	
		R '000	R '000	R '000	R '000
Dr. NV Mnisi	Chairperson	293	55	13	361
Dr. N Ndzwayiba	Board member	82	-	-	82
Mr. SR Kgara	Board member	145	-	-	145
Dr. JK Mothudi	Board member	177	2	7	186
Ms. N Xulu	Board member	163	5	-	168
Ms. TA Mbotshane	Board member	123	-	5	128
Dr. LD Marutle	Board member	226	-	7	233
Ms. BP Malope	Board member	168	23	-	191
Ms. L Harie	Board member	198	8	-	206
Ms. LP Duma	Board member	236	4	7	247
Dr S Kabane	Board member	191	3	-	194
Mr KS Sodidi	Board member	179	11	-	190
		2 181	111	39	2 331

#### Independent Audit Committee Member Remuneration 2025

Names	Designation	Meeting and Attendance	Travel and Subsistence Allowances	Total
		R '000	R '000	R '000
Mr. CG Higgins	Independent member/ Chairperson	136	2	138
Ms. MI Mathatho	Independent member/ Deputy Chairperson	115	2	117
Mr. W Carrim	Independent member	165	6	171
		416	10	426

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 36. Board remuneration (continued)

#### Independent Finance, remuneration and Tender Committee Member

##### Remuneration

2025

		Meeting and Attendance	Travel and Subsistence Allowances	Total
Names	Designation	R '000	R '000	R '000
Ms Y Pamla-Dhludhlu	Independent co-opted member	147	-	147

#### Independent Audit Committee Member

##### Remuneration

2024

		Meeting and Attendance	Travel and Subsistence Allowances	Total
Names	Designation	R '000	R '000	R '000
Mr. CG Higgins	Independent member/ Chairperson	185	1	186
Ms. MI Mathatho	Independent member/ Deputy Chairperson	118	2	120
Mr. W Carrim	Independent member	156	1	157
		<b>459</b>	<b>4</b>	<b>463</b>

#### Independent Finance, remuneration and Tender Committee Member

##### Remuneration

2024

		Meeting and Attendance	Travel and Subsistence Allowances	Total
Names	Designation	R '000	R '000	R '000
Ms Y Pamla-Dhludhlu	Independent co-opted member	146	1	147

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 36. Board remuneration (continued)

#### Senior Management Remuneration 2025

Names	Designation	Basic	Travel	Cell Phone	Bonus and Long Service Award	Total
		R '000	R '000	R '000	R '000	R '000
Mrs. E Brass	Chief Executive Officer	2 463	120	14	409	3 006
Ms. Z Mafata	Chief Financial Officer	2 251	-	9	297	2 557
Mr. AK Pardesi	Executive - Corporate Services	2 257	12	7	316	2 592
Mr. C Peters	Executive - Provincial Offices	1 856	144	10	263	2 273
Mr. SB Gcabashe	Executive - SDP	2 015	120	2	336	2 474
Ms. BJ Motubatse	Executive - ETQA	1 786	120	9	267	2 183
Ms. B Plaatjie	Executive - RIME	1 843	30	9	280	2 163
		<b>14 471</b>	<b>546</b>	<b>60</b>	<b>2 168</b>	<b>17 248</b>

#### Senior Management Remuneration 2024

Names	Designation	Basic	Travel	Cell Phone	Bonus and Long Service Award	Total
		R '000	R '000	R '000	R '000	R '000
Mrs. E Brass	Chief Executive Officer	2 285	120	14	164	2 583
Ms. Z Mafata	Chief Financial Officer	2 071	-	9	157	2 237
Mr. AK Pardesi	Executive - Corporate Services	2 076	12	9	198	2 295
Mr. C Peters	Executive - Provincial Offices	1 681	144	10	173	2 008
Mr. SB Gcabashe	Executive - SDP	1 845	120	2	167	2 134
Ms. BJ Motubatse	Executive - ETQA	1 634	120	4	150	1 908
Ms. B Plaatjie	Executive - RIME	1 658	66	9	164	1 897
		<b>13 250</b>	<b>582</b>	<b>57</b>	<b>1 173</b>	<b>15 062</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>37. Reconciliation between budget information</b>		
Net surplus per the statement of financial performance		
<b>Adjusted for:</b>		
<b>Net deficit per the statement of financial performance</b>		
Net surplus per the statement of financial performance	322 763	
Participation of mandatory grants	9 471	
Utilisation of reserves for discretionary grants	(293 250)	
Underspending on administration expenses	(14 760)	
	<b>24 224</b>	
Under budget collection of revenue plus transfer of reserves	(19 224)	
<b>Net surplus per approved budget before capital expenditure</b>	<b>5 000</b>	

### FACTORS RESULTING IN MAJOR VARIANCES BETWEEN ACTUAL COSTS AND BUDGETED COSTS:

As per the Statement of Comparison between Budget and Actual costs:

- Actual interest received is higher than budget due to the higher interest rates. Furthermore, there were no withdrawals from the CPD Account. The interest earned accumulates in the account thus there are benefits of compounded interest for the HWSETA.
- Levy income is higher than budget for skills development levy. Skills development levy current year receipts exceeded prior year receipts by 6%. Although government levies are 8% lower than budget, they are 4% higher compared to prior year actual.
- Discretionary grant expenditure of R 386 million is 35% lower than the prior year actual expenditure and 43% lower than budget due to misalignment between the HWSETA financial year and cohort intake by statutory bodies resulting in late implementation of projects. Furthermore, projects for the year were approved between September 2024 and March 2025, which meant only first tranche payments were made.
- Actual lease rental is lower than budget due to the smoothing of lease amounts that are accounted for in the reported figures.
- External audit fees exceeded budget due to timing differences as well as interim audit scope undertaken during the 2024/25 financial year. Internal audit fees exceeded budget due to the probity reviews on the tenders which were originally not budgeted for.
- General expenses  
Included in general expenses are the following expenditure line items with high variances:
  - Advertising, marketing, communications and promotions  
Actual expenditure is higher than budget mainly due to promotional packs procured for the Siyakhulisa project as well as advertising and re-advertising of some tenders.
  - Travel, subsistence, and accommodation  
Actual expenditure is higher than budget due to more face to face meetings taking place including the WSP workshops. Furthermore the costs of flight tickets and accommodation have continued to soar.
  - Consulting and professional fees  
Includes costs incurred for digitization of documents as well as well being checks for students for the Siyakhulisa project. .
  - Workshops  
Participation at workshops for the year under review was lower than anticipated resulting in expenditure being lower.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 37. Reconciliation between budget information (continued)

Financial Year 2024/25	2024/25 Original Approved Budget at start of year	2024/25 Final Approved Adjusted Budget at end of year	Difference	2023/24 Original Approved Budget at start of year	2023/24 Final Approved Adjusted Budget at end of year
Levy income	709 952	744 454	34 502	658 186	676 144
Government levy contributions	214 784	264 375	49 591	180 005	188 489
Investment income - interest	23 100	33 603	10 503	15 778	22 000
Retention of surplus	-	-	-	-	139 953
Total income	947 836	1 042 432	94 596	853 969	1 026 586
Administration expenditure	210 915	237 721	26 806	185 449	201 586
Mandatory grants expenditure	115 125	120 740	5 615	105 293	120 000
Discretionary grants expenditure	618 796	678 971	60 175	559 227	700 000
Total expenditure	944 836	1 037 432	92 596	849 969	1 021 586
Surplus for the period	3 000	5 000	2 000	4 000	5 000
Less: capital expenditure	3 000	5 000	2 000	4 000	5 000
<b>Surplus after capital expenditure</b>	-	-	-	-	-

The adjustments to the original approved budget of 2024/25 (approved in March 2025), were made due to information available six months into the 2024/25 financial year. Certain assumptions that were made in the original budget were then reassessed, and actual operational needs had changed in some instances relating to administrative expenditure, grant expenditure and revenue expectations. Changes to the approved budget included:

- 1) Skills development levy was revised to take into account the improved revenue trends in the 2024/25 financial year. Furthermore, results of some hospital groups whose SDL contributions complies a significant portion of the revenue stream had shown a positive trading performance characterised by revenue and earnings growth. Government levies was adjusted upwards due to the improvements experienced in the invoicing of government departments.
- 2) At R49 million, the interest at the end of March 2025 is 47% above budget of R34 million. This is largely due to most of the entity's funds invested with the SA Reserve bank in the Corporation for Public Deposits (CPD) account. The average interest rate increased from 4.9% to 7.50%.
- 3) Mandatory income follows the increase in Skills Development Levy income.
- 4) Administration budget was increased to cater for line items such as office leases, travel and accommodation, internal audit fees, legal fees and telephones. The overall administration expenditure is still within the 10,5% allowable as per Grant Regulations.

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 R'000	2024 R'000
<b>38. Prior period errors</b>		
Discretionary grants expenditure incurred in previous years were recorded as expenditure in the current year. Although the contract deliverables for the tranches were completed in the prior year, the corresponding accruals were not recognised in the financial statements for the year in which the expenditure was incurred.		
Commitments were materially misstated and not accounted for in line with GRAP 1. The disclosure had transposition errors where signs were swapped, incorrect amounts captured and missing hyperlinks.		
Property, plant and equipment had been migrated into the accounting system as opposed to the traditional manual register maintained on excel. The system had been configured and errors relating to the apportionment of depreciation and useful lives had been identified.		
The correction of the error(s) results in adjustments as follows:		
<b>Statement of financial position</b>		
Grants and transfers payables	-	112 370
Property, plant and equipment	-	(2 121)
<b>Statement of financial performance</b>		
Employer grants and project expenses	-	112 370
Depreciation	-	2 121
<b>Commitments note</b>		
Decrease in commitment	-	(25 055)
Recognition of prior year accruals	-	(112 370)
	-	<b>(137 425)</b>

# HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AUTHORITY

## AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	R'000	R'000

### 38. Prior period errors (continued)

	2024 R '000	Increase/ (decrease) R '000	Restated 2024 R '000
<b>Statement of Financial Position - extract</b>			
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	15 167	(2 121)	13 046
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Grants and Transfers Payables	38 951	112 370	151 321
<b>Net Assets and Liabilities</b>			
<b>Net Assets</b>			
Discretionary reserve	512 276	(112 370)	399 906
Administration reserve	15 167	(2 121)	13 046
	<b>527 443</b>	<b>(114 491)</b>	<b>412 952</b>
<b>Total Net Assets and Liabilities</b>	<b>566 394</b>	<b>(2 121)</b>	<b>564 273</b>
<b>Statement of Financial Performance - extract</b>			
<b>Expenditure</b>			
Employer grants and project expenses	20 595 550	112 370	707 920
Depreciation and amortisation	23 3 180	2 121	5 301
<b>Total expenditure</b>	<b>598 730</b>	<b>114 491</b>	<b>713 221</b>
<b>Surplus for the year</b>	<b>185 266</b>	<b>114 491</b>	<b>72 454</b>



## HWSETA Siyakhulisa Programme Bursary recipients

The Health and Welfare Sector Education and Training Authority (HWSETA) has launched an innovative initiative designed to transform the educational landscape for rural learners across South Africa. The Siyakhulisa programme represents a strategic investment in identifying and nurturing exceptional students who demonstrate outstanding performance in pure Mathematics and Life Sciences or Physical Sciences, with the ultimate goal of creating a pipeline of skilled professionals for the health and welfare sector.

At its core, the programme recognises that rural learners often face unique challenges in accessing quality education and career guidance, despite possessing tremendous potential. The Siyakhulisa initiative addresses these disparities by providing comprehensive support that extends far beyond traditional academic assistance. Selected learners receive dedicated mentoring from industry experts who understand the demands and opportunities within the health and welfare sector. This mentorship serves as a crucial bridge, offering students the guidance and support they need to maintain their academic excellence throughout their high school journey and successfully transition into tertiary education.

HWSETA has awarded bursaries to 15 Siyakhulisa mentees, representing a significant investment in the future of the health and welfare sector.



# NOTES

NOTES





## Annual Report 2024/25

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