

REPORT OF THE PORTFOLIO COMMITTEE ON EDUCATION; CULTURE, SPORT AND RECREATION ON THE 3RD QUARTER PERFORMANCE REPORT OF **MPUMALANGA REGIONAL TRAINING TRUST (MRTT)** FOR THE 2018/19 FINANCIAL YEAR – MEETING HELD ON 28 FEBRUARY 2019

1. INTRODUCTION

Rule 218 sub-rule (1) (2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature requires a Member of the Executive Council to table quarterly reports of a Department to the Speaker of the Legislature, within 30 calendar days after a quarter.

The Portfolio Committee on Education; Culture, Sport and Recreation (the Committee) has a mandate in terms of Section 114 (2) (b) of the Constitution of South Africa (Act 108 of 1996) to oversee the performance of the **Mpumalanga Regional Training Trust (MRTT)** as an entity of the Department of Education.

The Committee employs various oversight tools during the course of a financial year to hold the Executive to account for the use of voted funds. One of the tools used was the consideration of the 3RD quarterly performance report of the MRTT (October - December 2018) to assess the entity's progress in relation to its planned targets and allocated budget for the 2018/19 financial year.

2. METHOD OF WORK

The MEC for Education tabled the 3rd quarterly performance report on 21 January 2019 in the Legislature. Subsequently the Speaker referred the report to the Committee for consideration and report back to the House. The Committee was briefed by the cross-functional team on 20 February 2019 and the Committee met with MRTT on 28 February 2019 to consider its quarterly performance report. Thereafter the Committee met on 13 March 2019 to consider and adopt its draft report.

Invitations to the deliberations were issued to the MEC for Education; the HOD; Department of Public Works, Roads and Transport; Office of the Auditor-General (AG); Office of the Public Service Commission (PSC); South African Local Government Association (SALGA) and the House of Traditional Leaders (HTL).

3. OVERVIEW BY THE CHAIRPERSON OF THE BOARD

The Committee welcomed the appointment of the new MRTT Board by the MEC for Education on 01 December 2018, for a five year term of office. The new Chairperson of the Board, MR TR Mokgoshi appreciated the opportunity to appear before the Committee to present the 3rd quarterly performance report of the entity for the 2018/19 financial year and to make his maiden presentation. He thanked the Committee for its valuable inputs and continuous support for the previous Board and looked forward to working closely with the Committee.

The following was noted from the overview of the Board Chair:

- The Board already had a meeting with the Hon MEC to receive an overview of the current status of the entity. Subsequently the Board also had a Special Board Meeting to constitute the Board Sub-committees and members nominated to serve on these committees.
- During the 3rd quarter the entity continued to deliver on its mandate to train and develop learners from our previously disadvantaged communities and out of school youth. The entity's focus remains on facilitating skills training linked to the Local Economic Development Plan of municipalities, the SERO report, EXCO resolutions and Industry needs and demands.
- The Board is following up on the implementation of the Corporate Strategy to ensure that a road map is developed to towards training the correct skills needed from Private and Public Sector and the demands and needs from prospective learners.
- Phase 2 of the Corporate Strategy has commenced (Skills Audit and Competency Framework and new Corporate Structure) to ensure that MRTT will have the necessary and correct skills to implement the strategy.
- The Provincial Skills and Innovation Hub is moving towards becoming a reality and a landmark in Emalahleni. The site has been transferred and MRTT will commence with the clearance of the site and erecting signage visible from the N12 to inform communities of this very important project.
- The entity was still in negotiations with National Treasury on the business registration of the Hub, whereby the entity was requested to have discussions with the management team of the Innovation Hub in Gauteng to ensure that the same irregularities would not be found in the MRTT proposed model.

- The challenge of funding due to the budget constraints on the Artisan Development Programme was still a very serious concern to the Board. The CEO had briefed the Board on the current status and presentations and submissions made to governmental structures and Departments for assistance. The Board still believes that this very important initiative from the Provincial Government will be able to continue as the current learners in the system are working very hard to complete the programme and receive Artisan status through their final Trade Test.
- The focussed programme offerings of the entity will continue to contribute to economic growth in the Province, as discussed during the EXCO Lekgotla held in February 2019 in Skukuza and as outlined in the Hon Premier's State of the Province Address.

4. GENERAL OBSERVATIONS

The Committee observed the following on the 3rd quarterly performance of the entity:

- a) The quarterly budget was adjusted upwards from R 70 822 698 to **R72 905 113** during the Budget Adjustment period.
- b) The entity managed to spend R 51 023 625 (70%) of the quarterly budget allocation. All three programmes could not spend all their allocated quarterly budget.
- c) Overall achievement of planned targets was 41 out of 52 targets (78.8%) which was an increase from 36 out 52 targets (69%) in the previous quarter. All three programmes could not achieve the set total number of targets planned for the quarter. This resulted in the overall performance of 78.8%, which needs to be improved for the entity to fulfill its mandate effectively.
- d) The entity has been underperforming on its quarterly revenue generation target of R 13 907 000 since the 1st quarter. In the 3rd quarter the entity only managed to generate R7 173 653 which was a decrease from R 8 439 421 generated in the 2nd quarter.
- e) One of the main reasons for lower revenue generation was that the Hotel and Tourism Academy (HTA) was still not operational due to ongoing repairs and renovations.
- f) The entity received R30 000 000 from Provincial Treasury during the 2018/19 Budget Adjustment process to address the budget constraints for the Artisan Development Programme at Hydra Arc.

5. ANALYSIS OF THE QUARTERLY BUDGET AND EXPENDITURE

5.1. Overall Budget expenditure

(Table 1): Overall expenditure per service delivery programme:

Programme	3rd Quarter Budget 2018/19 R'000	3rd quarter Actual Spent as at 31 Dec 2018 R'000	Quarter Spent %
1. Hotel and Tourism Academy (HTA)	6 683 178	5 243 301	78.5%
2. Technical Training Operations (TTO)	45 979 036	34 455 505	74.9%
3. Corporate Services	20 242 899	11 242 818	55.5%
TOTAL	72 905 113	51 023 625	70%

The **adjusted budget** allocation for the 3rd quarter was **R 72 905 113**, an increase of R 2 082 415 (2.9%) from the R70 822 698 main allocation. The entity only managed to spend R 51 023 625 (70%) of the quarterly allocation. All the programmes could not spend all their allocated quarterly budget.

5.2. Government Grant

(Table 2): Breakdown of the total grant allocation for the 2018/19 financial year

The table below indicates the different sources of revenue generation of the entity.

Revenue source			
Government Grant	Total annual allocation	Total budget 3rd quarter	Actual 3rd quarter
Normal Grant	32 369 000	8 092 250	8 092 250
Skills Hub	15 810 000	3 952 500	3 952 500
Artisan Development Programme	42 336 000	10 584 000	10 584 000
National Youth Service (NYS)	32 504 000	8 126 000	8 126 000
CRDP	26 981 000	6 745 250	6 745 250
Total	150 000 000	375 000 000	37 500 000

5.3. Own revenue generated

The 2018/19 annual target for own revenue generation is R55 628 000 (compared to the **R45 275 973** target for the 2017/18 financial year). The entity planned to generate R 13 907 000 revenue in the 3rd quarter but managed to generate **R7 173 653**, which decreased

from R 8 439 421 generated in the 2nd quarter. The entity has underperformed on its set revenue generation target since the 1st quarter. According to the entity, the slow generation of revenue would be alleviated by a number of projects that were secured during the 3rd quarter, for which invoices and payments would be made in the 4th quarter.

(Table 3) below shows the revenue generation for the quarter ended 31 December 2018:

Own Generated Revenue	Annual Budget	Budget 3 rd Quarter	Actual 3 rd Quarter
Academic	3 432 000	858 000	3 42 311
Rooms	2 094 000	523 500	223 472
Food Beverages	2 935 000	733 750	192 323
TTO	7 651 000	1 912 750	8 332
Technical Production	10 940 000	2 735 000	7 727 270
Mobile Training	7 170 000	1 792 500	0
Other income	5 000 000	1 250 000	679 945
MRTT House	360 000	90 000	0
HTA other projects	7 000 000	1 750 000	0
Traffic College	7 446 000	1 861 500	0
Department of Public Works	1 600 000	400 000	0
Total	55 628 000	13 907 000	7 173 653

The Hospitality and Academy (HTA) was unable to generate revenue due to ongoing repairs caused by a hailstorm that affected KaNyamazane area on 27 May 2018 and also maintenance work to the hotel.

6. ANALYSIS OF THE PROGRAMME PERFORMANCE

(Table 4): below indicates a summary of the 3rd quarter performance per programme:

ACHIEVEMENT OF QUARTERLY PLANNED TARGETS (OCTOBER – DECEMBER 2018)					
Programme	Planned Targets	Achieved	Non-achieved	% Achieved	% Spent
2. Hotel and Tourism Academy (HTA)	14	9	5	64%	78.5%
2. Technical Training Operations (TTO)	11	8	3	72.7%	74.9%
3. Corporate Services	27	24	3	88.9%	55.5%
TOTAL	52	41	11	78.8%	70%

PROGRAMME 1: HOTEL AND TOURISM ACADEMY (HTA)

The programme is responsible to provide theory and practical skills training to out-of-school youth at the Hospitality and Tourism Academy.

The three (3) sub-programmes are:

- **Academy** – theoretical and practical skills training
- **Rooms** – graded, accredited accommodation services and workplace training
- **Food & Beverage** – graded, accredited food and beverage services and workplace training

Performance on targets

The programme achieved 9 out of 14 planned targets (64%), an improvement from the 5 out of 14 planned targets in the previous quarter. Nonetheless, Programme 1 performed the worst in terms of percentage compared to the other two programmes.

Programme under spending

The programme had a budget of **R6 683 178** but only spent R5 243 301 (78.5%). The under spending trend has continued since the 1st quarter.

Spending by Economic Classification

Classification	3rd quarter budget	Actual spent as at 31 December 2018	% Spent
Compensation of Employees	3 163 893	3 176 739	100.4%
Goods and Services	2 519 285	2 158 238	85.7%
Capital Expenditure	1 000 000	15 998	1.6%
Transfers and Subsidies	0	0	0
Total	6 683 178	5 243 302	78.5%

Spending across all line items increased from the previous quarter yet the programme still did not spend all its allocated quarterly budget (21.5% underspending).

The entity explained that the slow spending on Programme 1 was due to the HTA not operating fully due to the ongoing repairs from the hailstorm damage. Thus expenses were limited to operational needs. The slow spending on Goods and Services and Capital Assets was also attributed to the HTA not operating fully.

Progress on the Hotel and Tourism Academy (HTA) repairs and renovations

It was noted that 18 out of 23 rooms were damaged during the hailstorm. However, the ground floor rooms were in operation already.

The Committee was informed by the entity that completion of the repair work and renovations was expected to be during the 1st Quarter of the 2019/20 financial year. The entity indicated that the estimated cost of repairing the hotel was R1 455 454, comprising actual expenditure of R475 153, commitments of R191 612 and orders amounting to R788 689. The insurance company AON has paid out R1 528 188 to date and an amount of R185 150 (thousand) is yet to be received for bill of quantities. The insurance loss adjustor was still in process of making a determination in respect of the loss of income resulting from the hailstorm.

The entity will be using its own students for painting, carpeting, electrical, air-conditioning and refrigeration work to be done during the renovation of the HTA.

Unspent revenue

The entity does not surrender unused revenue to Provincial Treasury but uses it as working capital for the entity.

PROGRAMME 2: TECHNICAL TRAINING OPERATIONS (TTO)

This core programme aims to develop skills in technical and other areas, provide quality training through mobile units and provide work place experiential training. It provides construction, manufacturing and engineering skills development (artisan skills development) in CRDP areas.

The programme has four (4) sub-programmes: (1) Training Centres; (2) Mobile Training; (3) Comprehensive Rural Development Programme and (4) Technical Production.

Performance on targets

The programme achieved 8 out of 11 planned targets (73%), the same as the previous quarter.

The 2nd quarter House Resolution instructed the entity to provide progress on measures implemented to improve the performance of Programme 2, specifically the recruitment and training targets. However, in the 3rd quarter the performance did not improve. The entity had committed to continue to seek funded projects to assist learners who cannot afford to pay for themselves. The increasing challenge experienced year on year is that the entity's targeted groups are not able to pay for their own training fees and need assistance with the fees and transport costs. The Free Education at TVET Colleges also has a major impact as MRTT learners does not qualify to access funding from this aid scheme.

The entity was also experiencing a challenge in securing workplace training for learners; however, the entity was seeking alternative ways of securing placement for learners through

accessing funding for stipends or self-funding. There are employers available willing to provide workplace opportunities for the learners but are unable to do so, as a result of financial challenges and as such securing workplace stipends could encourage more host employers' willingness to provide workplace training opportunities.

It was reported that the entity has presented the Integrated Incubation Model to Provincial Government to secure Construction Related projects that will assist in the Workplace challenge and will further assist in the formation of Cooperatives and our students after completion promoting to their own companies.

Programme under spending

The quarterly budget allocation increased from R 43 896 622 to **R45 979 036** of which only R34 455 505 was spent (74.9%). The underspending trend continued from the 1st quarter.

The expenditure per economic classification as follows:

Classification	3rd Quarterly budget	Actual spent as at 31 Dec 2018	% Spent
Compensation of Employees (COE)	8 672 604	9 442 349	108.9%
Goods and Services	14 802 600	13 811 693	93.3%
Capital Expenditure	527 500	33 463	6.3%
Transfers and Subsidies	21 976 333	11 168 000	50.8%
Total	45 979 036	34 455 505	74.9%

Overspending on COE

The entity explained that the 8.9% overspending on COE was due to appointment of fixed-term contract employees to accelerate the completion of renovations of school and new ablution projects by the Technical Production sub-programme.

Underspending on Goods and Services

This item spent 93.3% of its quarterly budget. According to the entity the 6.7% underspending was a result of projects that had not been fully implemented in the CRDP programme, Mobile sub-programme and National Youth Service (NYS) sub-programme.

Underspending on Capital Assets

This item only spent 6.3% of the quarterly allocation. It must be noted that in the previous quarter capital payments were incurred to the amount of 3 950% (R1 086 385.00 spent from an allocated budget of R27 500.00). The continual overspending on capital expenditure in quarters 1 and 2 resulted from the completion of the construction of Building and Civil Construction steel structure workshops, which was a compulsory requirement by the

Construction SETA for the Emalahleni Training Center during the re-accreditation evaluation process. The expenses included machinery and equipment for existing workshops as part of compliance. The construction project commenced in the previous financial year, but was completed during the 2nd quarter and most of the bulk-payment was during the same period.

Transfers and Subsidies

The beneficiaries of transfers are the out of school youth registered on the artisan development programme at Hydra Arc. The entity apologized for the incorrect reflection of budget on this item. The correct budget was R10 584 000 and not R21 976 333 as reflected in the 3rd quarter report. The R10 584 000 was reflected as the quarterly budget for the Artisan Development Programme on the income and expenditure report on page 2 of the 3rd quarter report.

The entity has indicated in previous quarters that Programme 2 was not sufficiently budgeted, accompanied by low enrolment at the training centres, which negatively affects revenue generation. The out-of-school artisan development programme also put a strain on the budget.

Additional budget for the Hydra Arc Artisan Development Programme.

The Committee was pleased that the MEC's intervention into the budget challenges experienced by the entity in relation to Hydra Arc, resulted in Provincial Treasury assisting the entity with additional R30 000 000.00 for this programme during the 2018/19 Budget Adjustment. Thus the entity would be able to support the 1 131 current enrolled learners in the programme up to March 2020 to complete their studies and get their qualification.

It was noted that the National Development Plan (NDP) dictates the total number of artisans which must be produced by 2030 to unearth skills and fight unemployment. In line with the NDP, the MRTT has been implementing the Artisan Development Programme for out-of-school youth in the province in collaboration with Hydra Arc. The contract for this programme was awarded to the service provider Hydra Arc through a tendering process for a period of five years from 2015/16 to 2019/20 financial year.

Despite the ending of this contract, it was noted that the artisan programme will continue with other similar programmes (TVET colleges, SETA's Jobs Fund, Department of Labour and Private Providers). The entity further assured the Committee that the Province will achieve the provincial contribution of 5000 artisans towards the national target.

The entity reported that a number of candidates have completed the programme at Hydra Arc and have qualified as artisans in boiler-making and welding. The number will increase as and when candidates are trade tested and declared competent.

Sub- programme Technical Training Operations

The sub-programme is struggling to achieve its planned targets for learner recruitment and placement for workplace integrated learning. The Committee observed that the entity did not have a credible recruitment and admission strategy, which could be implemented and monitored accordingly.

The entity reported that recruitment and admission of new learners for the Artisan Development Programme was withdrawn due to reported budget constraints. This led to the achievement of only 60 learners recruited against the planned target of 275 learners.

The sub-programme failed to place 225 learners for workplace integrated learning; this reflects a serious underperformance.

Income generation from learners was slow; however the entity indicated that more projects will be implemented in the 4th quarter, where rigorous learner recruitment will be done.

Yes4Youth and Harambee (external funding)

The 2nd quarter House Resolution required progress on the engagements with Yes4Youth and Harambee. It was noted in the progress report that the entity has made presentation to Yes4Youth Programme and Harambee to secure funding for stipends to be paid to learners on the Integrated Learning as many host employers could not fund learners placed with them for the period. When a project SLA has been signed towards a specific project, qualifying host employers will receive full payment of the learner stipends from Yes4Youth.

Mpumalanga Regional Training Trust eMalahleni Technical Training Centre

The 2nd quarter House Resolution was that this Training Centre must be accredited and fully functional. The progress report stated that the centre was re-accredited/renewed accreditation with Construction Education and Training Authority (CETA) on 08 May 2018 and the accreditation was valid until 31 March 2020.

Revenue generated from secured maintenance projects

However, the sub-programme must be commended for over-achieving on the PPI that deals with generation of revenue from projects and workplace training due to the Department of Education awarding more projects to MRTT; hence the revenue generated was **R 5 727 270** instead of the planned **R 1 625 000** in the quarter.

The Committee asked the entity what estimated revenue was required in order to continue training artisans as required by the NDP. It was noted from the response that the estimated

revenue required for the financial year 2018/19 was R114 628 058 and the amount needed for current learners in the programme for the 2019/20 financial year was R50 668 397.

Progress report on Sekwai Secondary School (sanitation project)

The Committee noted that construction of enviro-loo ablution facilities at this school had commenced and was currently at foundation stage and casting of concrete will soon be done.

Registration of skills programmes

The 2nd quarter House Resolution instructed the entity to fast track the registration of the Bricklaying Skills Programme NQF level 3 and the Plastering and Tiling Skills Programmes NQF level 3 with the Construction SETA and to put measures in place to counteract the slow internal processes of the SETA, which ultimately have an impact on the entity's performance. The progress report stated that the entity had held the last Monthly Joint Project Management Team (JPMT) meetings with CETA staff from the Provincial Office in White River (Disaster Management Building) on 09 January 2019 to discuss the project related matters for Discretionary Grant funding awarded by CETA and also discussed the mechanisms of addressing the outstanding Skills programmes (Bricklaying and Plastering & Tiling).

CETA internal challenges led to the delay with the registration; thus MRTT staff was advised to re-submit the previous request for re-registration of the outstanding skills programmes. According to CETA the registration process was to be finalized in the 2nd week of February 2019. MRTT was advised by CETA to also inform the Provincial Office when registering the Skills programmes in future.

PROGRAMME 3: CORPORATE SERVICES

The programme is responsible for marketing the institution to increase the intake of learners. The six sub-programmes in this programme are: (1) Finance (2) Marketing (3) Administration (4) Human Resource Management (5) Corporate Secretariat; (7) Performance Information.

Performance on planned targets

The programme achieved 24 out of 27 planned targets for the quarter (88.9%). The programme has maintained an above 80% performance on targets since the 1st quarter.

Programme under spending

However, from the quarterly budget allocation of **R20 242 898**, only R11 242 818 was spent (55.5%). This programme spending was the lowest of the three programmes.

Expenditure breakdown per economic classification was as follows:

Classification	3rd quarter budget	Actual spent as at 31 December 2018	% Spent
Compensation of Employees	6 749 923	6 032 322	89.3%
Goods and Services	9 365 476	5 230 052	55.8%
Capital Expenditure	4 127 500	62 444	1.5%
Total	20 242 899	11 324 818	55.9%

MRTT database of graduates

The 2nd quarter House resolution instructed the Department to provide a detailed database and keep track of all the skilled and trained learners who have passed through MRTT and entered the work place as qualified contributors to the provincial economy. In the progress report the entity reported that it does have an updated database of all its trained and qualified learners in various trades who were still seeking workplace opportunities.

The Committee emphasized the importance of using this database to provide workplace opportunities for these learners at government departments, private sector and other organizations. The entity indicated institutions/companies such as Eskom; Easy Electrical; Multinet Systems; Phola Coaches; Mvelaphanda; and Government Departments, which were currently involved. An Integrated Incubation Model comprising a Service Level Agreement to utilize MRTT learners was presented to provincial government departments for perusal.

Provincial Skills and Innovation Hub

The Committee noted the progress on this project, as outlined in the Board Chairperson's overview. The 2nd quarter House Resolution instructed the entity to ensure that the approval letter from National Treasury on the business registration of the Skills Hub was received. The Committee urged the entity to adhere to timeframes for the completion of this project so that it could be used to develop artisan skills in the Province. It was noted that the underspending in Programme 3 was due to slow spending on the Skills Hub while awaiting the business registration. The spending will be accelerated after the finalisation of the registration process.

Plans to improve programme performance

The 2nd quarter House resolution instructed the entity to put mechanisms in place to improve programme performance. The progress report stated that a request was made as per the recommendation of the Internal Auditors, to procure a new server that would enable MRTT to perform its own (internal) disaster recovery testing.

Interviews for the Records Management Officer were conducted on 01 November 2018; a suitable candidate was appointed effective from 01 February 2019.

Interviews for the Planning and Performance Officer were conducted on 26 September 2018; a suitable candidate was appointed effective from 01 February 2019.

7. FINDINGS

The Committee considered the 3rd quarterly report of MRTT and made the following findings:

- 7.1. The MEC appointed a new Board of Directors for MRTT on 01 December 2018, for the five year period 2019-2023.
- 7.2. Overall achievement of planned targets for the quarter was 41 out of 52 targets (78.8%). All three programmes could not achieve the number of targets planned.
- 7.3. The entity spent 70% of its quarterly budget, signaling an ongoing trend of underspending since the 2nd quarter.
- 7.4. Slow revenue generation continued into the 3rd quarter, mainly due to incomplete repairs to storm damages at the Hotel and Tourism Academy (HTA). Estimated completion of the repair works was scheduled for 30 April 2019.
- 7.5. It was reported that the entity received R30 000 000 during the 2018/19 Budget Adjustment towards addressing urgent budget constraints on the Hydra Arc Artisan Development programme. However, going forward, the entity remains under-funded on artisan development.
- 7.6. Despite the end of the 5 year contract with Hydra Arc, artisan development will continue through TVET colleges, SETA's, Jobs Fund, Department of Labour and other Private Providers, to achieve the 5 000 trained artisans for the Province towards the NDP target.
- 7.7. The sub-programme Technical Training has been struggling to achieve its planned targets for learner recruitment and placement for workplace integrated learning.
- 7.8. The entity and the MEC acknowledged the delays and other challenges encountered in the past in relation to graduates receiving their certificates from the relevant SETA, indicating that in the 2019 academic year 700 graduates would receive their certificates.

- 7.9. The entity benefitted from more projects implemented for the Department of Education. Furthermore, the Integrated Incubation Model was presented to Provincial Government to secure construction related projects that will assist in the workplace placement challenge and also enable the entity to assist graduates in forming cooperatives.
- 7.10. Operationalization of the Provincial Skills and Innovation Hub in Emalahleni was on progress. It was noted that the site was transferred to MRTT; site clearance had begun and signage was being installed. Negotiations with National Treasury on the business registration of the Hub were also underway.
- 7.11. The Board is monitoring the Corporate Strategy, which will develop a road map towards providing the correct skills needed for the Province. It was noted that Phase 2 of the strategy has commenced (Skills Audit and Competency Framework and new Corporate Structure) to ensure the correct skills to implement the strategy.

8. RECOMMENDATIONS

Based on the findings above, the MRTT must implement the following recommendations of the Committee and **provide a progress report by 30 April 2019:**

- 8.1. Provide the Committee with a list of the new Board Members, containing all relevant details.
- 8.2. Implement the planned quarterly targets as per the approved 2018/19 Annual Performance Plan. Going forward the entity must improve on planning of targets, taking into account all the past challenges overcome.
- 8.3. Provide a progress report on the plans put in place to avoid underspending of the budget in the next quarter.
- 8.4. The HTA must become fully operational again and there must be an increase in the revenue generated. Provide a progress report on the repair works to date, in line with the projected completion timeframe of the 1st quarter of the 2019/20 financial year
- 8.5. Provide progress on the Hydra Arc Artisan Development Programme after the R30 000 000 additional budget received and indicate the plans going forward for this programme noting the expiry of the 5 year contract.

- 8.6. Going forward, the entity must have a clear plan to continue with the Artisan Development Programme through other service providers besides Hydra Arc. Provide updated progress on the NDP goal to train 5 000 artisans for the Province.
- 8.7. Implement an action plan to address the unachieved targets in relation to recruitment and admission of learners in the Technical Training sub-programme and thereby improve the entity's performance.
- 8.8. Ensure that the anticipated 700 graduates receive their correct certificates on time from the relevant SETA's in the 2019 academic year as planned. Provide a progress report.
- 8.9. Provide a progress report on the buy-in by government to use MRTT trained learners for maintenance projects, in terms of the Integrated Incubation Model which was presented. The report must include a *costed* list of all projects implemented for Education to date and the planned projects, if any, for the 2019/20 financial year.
- 8.10. The progress on the Provincial Skills and Innovation Hub in Emalahleni was noted; however, it must be operationalized soon so that it can be instrumental in meeting the urgent demand in terms of the provincial skills development targets and the needs of the youth. Provide an updated progress report on the milestones achieved to date.
- 8.11. The Board must ensure that Phase 2 of the Corporate Strategy (Skills Audit and Competency Framework and new Corporate Structure) is implemented according to the set timeframes. Provide a progress report on the implementation of Phase 2.

9. CONCLUSION

The Chairperson expressed her sincere appreciation to the Honourable Members of the Committee for their constructive input in consideration of the 3rd **quarterly performance report** of the Mpumalanga Regional Training Trust for the 2018/19 financial year.

The Committee acknowledged the political leadership of the MEC for Education, Hon SI Malaza as well as the governance provided by the MRTT Board of Directors in steering the entity to achieve its mandate of skilling the out-of-school unemployed youth.

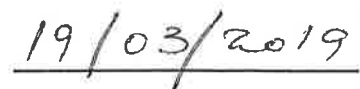
The Department of Education was also commended for its ongoing support to MRTT. The CEO of MRTT and his management team were also thanked for their commitment and efforts to implement the objectives of the entity.

The Chairperson of the Committee requests the House to adopt this Committee report with its findings and recommendations. The Department must implement the House Resolutions in this report and submit a progress report to the Legislature by **30 April 2019**.



HON. TS KHOZA, MPL

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
EDUCATION; CULTURE, SPORT AND RECREATION**



DATE