



**MINISTRY
HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA**

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**STATEMENT BY MR BUTI MANAMELA, MP MINISTER OF HIGHER EDUCATION
AND TRAINING SIX-MONTH ADMINISTRATION PROGRESS BRIEFING:**

**CETA, SERVICES SETA AND LGSETA AND COLLEGE OF CAPE TOWN
GOVERNANCE INTERVENTION**

PRETORIA, 3 MARCH 2026

The Director-General, Dr Nkosinathi Sishi

Deputy Directors-General from the Department

Mr Oupa Nkoane, Administrator for the Construction SETA

Mr Zukile Mvalo, Administrator for the Local Government SETA

Mr Lehlogonolo Masoga, Administrator for the Services SETA

Dr Robert Nkuna, Administrator for the College of Cape Town

Senior Officials

Members of the Media

Introduction

On 19 August 2025, I took the bold, difficult, and at the time deeply unpopular decision to place three Sector Education and Training Authorities under administration: the Construction Education and Training Authority (CETA), the Services Sector Education and Training Authority (Services SETA), and the Local Government Sector Education and Training Authority (LGSETA). This intervention was announced less than a month after my appointment as Minister of Higher Education and Training. The decision was not taken lightly. It was a necessary and decisive step to stabilise governance, restore institutional integrity, enforce consequence management, and protect the credibility of South Africa's skills development system.

Six months later, the evidence is clear: the decision was not only justified, but essential. Today I report to the public, to levy payers, and to the learners and workers this system exists to serve on the progress made. I do so against the backdrop of President Ramaphosa's 2026 State of the Nation Address, which affirmed skills development as central to South Africa's economic renewal, and the national budget which reaffirms sustained investment in education and training pipelines.

Why Administration Was Necessary: The Evidence Base

The governance failures at each institution were systemic, documented, and serious.

CETA had accumulated four consecutive qualified audit opinions. Discretionary Grant(DG) commitments of R1.4 billion were outstanding against an annual DG income of only R500 million, an overcommitment ratio that placed public funds at severe risk. The total commitment balance stood at R2.7 billion. Internal controls had collapsed, litigation exposure was rising, and labour relations were strained.

Services SETA had received seven consecutive qualified audit opinions. a full seven-year period without consequence management. Its Audit Committee Task Team had documented systemic supply chain failures, a former CEO who failed to disclose his relationship with an awarded bidder, and a pattern of pre-payment for services before contracts commenced. Despite three major investigations, not a single official had been held accountable.

LGSETA faced findings from a National Treasury Forensic Report confirming the irregular appointment of its Chief Executive Officer and the unlawful dissolution of its Audit and Risk Committee. A criminal case was formally registered with the South African Police Service on 10 October 2025. A protracted dispute with the Auditor-General, compounded by a cyberattack that corrupted financial records and created a material discrepancy of over R1.5 billion, had paralysed the institution's governance and audit readiness.

In each case, administration was the appropriate and proportionate remedy under the Skills Development Act.

Governance Reform: What Has Changed

The Administrators were given a clear mandate: restore controls, strengthen financial and operational management, rebuild stakeholder trust, and re-anchor these institutions in their statutory responsibilities. Let me report on delivery against that mandate.

CETA: Road to Renewal

Administrator Oupa Nkoane has driven a structured four-phase recovery framework of 35 defined activities across 11 key performance areas, 23 have been fully achieved and 12 are in progress. Not one has been abandoned.

A new Chief Financial Officer commenced yesterday, 2 March 2026, ending nearly two years of acting financial leadership. All key oversight committees i.e. the Audit and Risk Committee, Clean Audit Task Team, EXCO and Extended EXCO have been reconstituted and are operational. More than 20 internal audit findings in ICT have been resolved. Salary negotiations have been concluded, restoring workforce stability.

Seven Skills Centre projects are underway across KwaZulu-Natal, North-West, Northern Cape, and Western Cape, implemented in partnership with the Development Bank of Southern Africa as implementing agent. The institution's reputational recovery is tangible: social media reach expanded from 15,000 accounts in the entire previous

calendar year to over one million accounts between January and February 2026 alone — a 6,567% increase.

Services SETA: Financial Turnaround in Progress

Administrator Lehlogonolo Masoga inherited an institution whose legacy commitments stood at R3.4 billion as at 31 March 2025. Commitments with some transactions stretching back over eight years. By January 2026, this had been reduced to R2.8 billion.

A legal and accounting team has classified 1,434 transactions, a significant portion of which have been declared prescribed and are candidates for cancellation. A nationwide campaign through national newspapers, the Government Gazette, and the sheriff of the court has served notices on affected parties totalling approximately R2.3 billion. Parties were given until 28 February 2026 to make representations. This process is expected to recoup up to R2.8 billion for reinvestment into Discretionary Grant funds that belong to levy payers and must serve learners.

The preliminary audit process agreed with the Auditor-General, running February to March 2026, is a direct investment in audit readiness. An Acting CFO with CA(SA) qualification was appointed in February 2026. No new irregular or wasteful expenditure has been identified since administration commenced.

For beneficiaries: the 20,000-internship programme providing two-year workplace exposure with host employers is operational. Furthermore, the Services SETA has entered into a 3year strategic partnership with Takealot to create 20 000 training and job opportunities for unemployed youth. A R1.3 billion bursary fund supports 10,000 TVET College students and 5,000 university students. The SETA has settled outstanding bursary payments previously owed to universities and colleges, a failure that had directly harmed students. The Hawks and Public Protector are conducting independent investigations into alleged fraud and corruption.

The planned Ga-Phasha Skills Development Centre is being converted into a Mining Academy in partnership with the Mining Qualifications Authority, with CSIR technical support, to be operated by Sekhukhune TVET College fulfilling a presidential commitment made to the Sekhukhune community in July 2023. A R100 million

partnership with the University of Cape Town will construct a five-storey facility housing Africa's first Research Initiative for Skin Health.

LGSETA: Accountability and Stability

Administrator Zukile Mvalo has prioritised the implementation of the National Treasury Forensic Report, which was the central mandate of his service level agreement with the Department. Disciplinary action has been pursued against the implicated CEO. A criminal case is before the SAPS and the Public Protector has opened a sector-wide investigation.

The protracted legal dispute with the Auditor-General, which had itself become a governance liability, has been resolved. The Administrator accepted the AGSA's findings in the interest of institutional stability and governance certainty, allowing the organisation to refocus on strengthening internal controls. The Audit and Risk Committee has been constituted and is operational.

The former CEO challenged both the administration decision and the termination of his contract in the Labour Court. The court ruled in favour of the Minister and the LGSETA in respect of his employment.

College of Cape Town: A New Intervention

I must also report on a separate but related governance intervention: the College of Cape Town.

In October 2025, following a parliamentary hearing at which the Portfolio Committee heard disturbing evidence of governance breakdown at the College, I exercised my powers as Minister, under section 46(1) of the Continuing Education and Training Act by establishing a Stabilisation and Governance Support Team (SGST). The team was chaired by Advocate JB Skhosana SC and included Professor Busani Ngcaweni and Ms MJ Nkopane. Their mandate was to investigate allegations of maladministration, mediate conflicts, and recommend measures to restore governance.

The SGST conducted extensive interviews and collected evidence over October and November 2025. I received the Final Report on 5 February 2026 and shared it immediately with both the College Council and the Parliamentary Portfolio Committee.

The report's findings were sobering. It documented a collapse of governance oversight structures, irregular appointments and nepotism, the Council's decision to extend a security contract after a court had already declared it invalid, and a deteriorating financial situation tied to procurement irregularities. The report confirmed that teaching and learning were being compromised and that students and staff were living in a climate of fear.

The College Principal, Dr Mhangarai Muswaba, was subsequently dismissed following an independent disciplinary process conducted by the General Public Service Sector Bargaining Council. The SGST's primary recommendation was that the Minister dissolve the College Council and appoint an Administrator in terms of section 46(4) of the CET Act.

I have accordingly moved to appoint Dr Robert Nkuna as Administrator of the College of Cape Town. Dr Nkuna is a respected senior public servant who has served as Director-General, most recently in the Department of Planning, Monitoring and Evaluation. He brings strategic management skill, governance expertise, and institutional integrity to a task that demands all three.

Dr Nkuna's mandate as Administrator is comprehensive: he will assume all governance and management functions of the College Council, upon appointment of an administrator, a move that deems the council to have resigned. His priorities will be to stabilise operations immediately, commission a forensic audit, implement consequence management, rebuild governance structures, and ensure that students can continue their studies without disruption. His appointment is for a period not exceeding two years, during which he will work toward reconstituting a new College Council fit to govern this important institution.

We welcome Dr Nkuna and thank Advocate Skhosana and his team for their diligent and professional service.

Regarding Legal Challenges

Our interventions have attracted litigation. I will not litigate these matters in public, that is the function of the courts, and we respect the judicial process. What I will say is this: governance reform cannot be held hostage to litigation. We are confident of the legal basis of each intervention. The courts will decide, however administration continues.

Where legal challenges have been brought against these decisions, we will defend them vigorously. Every intervention was preceded by documented evidence of governance failure, every Administrator's mandate is grounded in law, and every action taken has been proportionate to the problems identified.

What This Means for Levy Payers and Beneficiaries

Administration is not an end in itself. Its purpose is to protect and redirect public funds to the people they are meant to serve: workers, learners, young people seeking opportunity.

The SDL levy system exists to fund skills development. When institutions become captured by dysfunction, levy payers lose. When procurement irregularities go unchecked, learners lose. When audit findings go unaddressed for seven years, everyone loses.

The work done in these six months has protected, and in some cases begun to recover, the funds that industry contributes through the skills levy. The R2.8 billion process at Services SETA, if fully realised, represents a significant reinvestment into Discretionary Grants. The 20,000 internships, the R1.3 billion bursary fund, the Skills Centres being unblocked, these are the tangible returns to levy payers and beneficiaries from governance restoration.

The Next Six Months

The next six months will consolidate what has been built and prepare for an orderly transition. New Accounting Authorities will be appointed to each SETA to ensure credible governance structures are in place before administration concludes. Each Administrator will prepare a detailed exit report by August 2026 to secure institutional memory and continuity.

At the College of Cape Town, the Administrator's stabilisation plan will be developed and shared with stakeholders. The new Accounting Authorities, where constituted, will inherit institutions that are more stable, more transparent, and better positioned to deliver on their mandates than they were six months ago.

Conclusion

The decisions taken in August 2025 were never about demonstrating authority. They were about protecting systems that South Africa cannot afford to allow to fail. In a country where unemployment, poverty, and inequality remain the defining challenges of our time, skills development is not optional. It is foundational.

Six months of evidence confirms that decisive leadership, strengthened oversight, and ethical governance work. These institutions are not where we want them to be, but they are unambiguously on a different trajectory. Administration was the intervention that made that trajectory possible.

I thank the Administrators for their dedication to a difficult task and for the progress they have achieved. I thank the Department's officials for their oversight. I look forward to the further progress that the next six months will bring.

I thank you.

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