



SAEFA

SA ENGINEERS AND
FOUNDERS ASSOCIATION

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INTRODUCTION – SKILLS DEVELOPMENT UPDATE NO. 1 OF 2020

FOCUS ON MANDATORY GRANTS

Welcome to the first of a series of regular articles that will provide SAEFA members with a brief, easily-digestible summary of current developments in the sphere of skills development. The aim of the articles is to cut through the noise, complexity and clouds of acronyms that often cause confusion. The focus will be on the key topics that will assist members to understand and access the skills development interventions that support their strategic objectives and enable them to benefit from merSETA funding available to facilitate their training activities.

Some of the articles will provide an overview and cover topics of a general nature while others will focus on specific issues such as the latest artisan training developments.

We invite you to participate actively in the dialogue and submit comments, suggestions and proposals for topics to be covered in the future.

DEADLINE FOR ANNUAL MANDATORY GRANT SUBMISSIONS – IT'S NOT AS EASY AS USUAL

The deadline for levy-paying companies to submit mandatory grant applications to the merSETA for the financial year starting on 1 April 2020 is 30 April 2020.

The major challenge at present is the fact that the amount of the grant is still uncertain. Members will be aware that the value of the grant over the past few years has been set at 20 per cent of the levies paid. Business Unity South Africa (BUSAs) however lodged a court case against the Department of Higher Education and Training some years ago to challenge the reduction in the grant amount from the previous 50 per cent to the current 20 per cent. After protracted legal battles, the court has ruled that Regulation 4(4), which stated that the amount of this grant was 20 per cent of levies paid is invalid but failed to state what the amount of the grant should now be. The employer view is that it should now revert to 50%, but the SETAs still await a communication from the Minister on this matter. The issue is made more complex due to the fact that they have all signed service level agreements with the Department on the basis of the current 20 per cent mandatory grant and also have multi-year financial commitments to employers through the mechanism of discretionary grants for major training interventions such as artisan training.

As a result of this uncertainty, the merSETA has postponed all the national roadshows that are usually held at this time of year to assist employers with the mechanics of submitting their mandatory grant applications. Once the SETAs receive a directive from the Department and



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there is clarity on the mandatory grant amount, the roadshows will be rescheduled and will take place in the various provinces.

A newsflash will be sent to SAEFA members as soon as there is a final decision on the grant amount.

In any event, companies need to expedite the process of preparing their mandatory grant applications by submitting their Workplace Skills Plan (WSP) - to describe the training they plan to offer over the year ahead - as well as the Annual Training Report (ATR) – to report on the training that was actually undertaken over the past year.

BASIC COMPANY CHECKLIST FOR MANDATORY GRANT SUBMISSIONS – DEADLINE 30 APRIL 2020

- Consult your colleagues with the assistance of your skills development facilitator (SDF) to determine the key training interventions that will enhance the success and profitability of your business as preparations are made to draw up the WSP
- Call a meeting/meetings of your training committee (companies of 50 employees or more must establish a training committee) to consult with your employees on the training required, include all useful suggestions and amend the draft plan
- Ensure that you keep detailed minutes of training committee meetings
- If you have more than 50 employees, you will need the signature of the *labour appointed* skills development facilitator on the final plan
- If you have fewer than 50 employees, you will need the signature of the *employee appointed* skills development facilitator on the plan
- Submit your mandatory grant application to the merSETA prior to the deadline date of 30 April to avoid systems problems when uploading the information.

The merSETA has a staff of 36 regionally-based client liaison officers (CLOs) across the country who provide an advisory service and are available to assist you at no charge.

Companies, particularly SMMEs, that require dedicated assistance with the planning and submission of their WSP and ATR are invited to contact the Association for assistance.

Janet Lopes