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## GOVERNMENT NOTICE

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### DEPARTMENT OF LABOUR

No. R. 639

30 June 2006

#### SKILLS DEVELOPMENT ACT, 1998 (ACT NO. 97 OF 1998)

#### **PROPOSED AMENDMENTS TO SECTOR EDUCATION AND TRAINING AUTHORITIES (SETAs) GRANT REGULATIONS REGARDING MONIES RECEIVED BY A SETA AND RELATED MATTERS**

I, Membathisi Mphumzi Shepherd Mdladlana, Minister of Labour, in terms of section 36 of the Skills Development Act, 1998 (Act No. 97 of 1998), and after consultation with the National Skills Authority, hereby publish for public comment proposed amendments to the Sector Education and Training Authorities (SETAs) Grant Regulations regarding monies received by a SETA and related matters published in Government Notice No.R.713 of 18 July 2005.

Interested parties are invited to submit written comments on the proposed regulations within 30 days after the publication notice by:-

- (a) Posting comments to: The Executive Officer  
National Skills Authority  
Mr S Morotoba  
Department of Labour  
Private Bag X117  
Pretoria  
0001
- (b) Fax comments to: The Executive Officer  
National Skills Authority  
(012) 309 4237
- (c) Deliver comments to: Room 371  
Third Floor  
Labour House Building  
215 Schoeman Street  
Pretoria
- (d) E-mail to: malesela.mokoele@labour.gov.za

## SCHEDULE

### Definitions

1. In these regulations “the Regulations” means the regulations published by Government Notice No.R.713 dated 18 July 2005.

### Amendment of Regulation 1

2. Regulation 1 of the Regulations is hereby amended by the insertion after the definition of “mandatory grants” of the following definition-

“project costs” means costs payable through a discretionary fund and includes all costs inclusive of administration costs that *can* be directly attributed to a specific discretionary grant;

### Amendment of Regulation 3

3. (1) Subregulation 3(2) is hereby amended by the insertion after the word “government” of the following underlined words-

In addition to subregulation (1), a SETA may use the contributions received from public service employers in the national or provincial spheres of government and relevant national and provincial public entities as contemplated in Sections 30 and 30A of the Act for its administration costs.

- (2) Subregulation 3(4) of the Regulations is hereby amended by the deletion of all the words and commas in bold brackets and the insertion of the underlined words **as** follows-

For the purposes of subregulation (1) and (2), and subject to section 14(3B) of the Act, the administration costs include [ **but not limited to,** ] the following-

rent, heat, light, power, insurances, bank charges, audit fees and accounting fees, [ **general administration,** ] postage, printing and stationery, documentation and books, advertising, reports, wages and salaries, travel expenses, staff training, purchase of computers and information systems, maintenance of computers and systems, general maintenance, hire costs of photocopier, telephone and fax, meetings [ **and seminars** ], land, non-residential buildings and improvements thereon, furniture and office equipment, other machinery and equipment, transport assets, [ **research,** ] consultancy fees including institutional research, [ **depreciation,** ] promotional items, national skills development strategy conference expenses, database development [ **and stakeholder training** ].

**Amendment of Regulation 4**

4. Subregulation 4(1)(c) is hereby amended by the insertion after the word “project” of the following underlined word-

discretionary grant and project costs disbursements; and

**Amendment of Regulation 6**

5. (1) Subregulation 6(1)(a) is hereby amended by the substitution of the word and for the word [or] after the words “Workplace Skills Planning” and the insertion of the word Annual before the words “Training Report” as follows-

an employer employing 50 or more employees that has submitted **an** application for a Workplace Skills Planning [or] and Annual Training Report grant in accordance with subregulation (2) and in the form prescribed in Annexure “2” to these Regulations; or

- (2) Subregulation 6(2) is hereby amended by the deletion of the word in bold brackets and the insertion of the underlined word as follows-

6(2) **An** application for a mandatory grant in terms of subregulation (1) must be submitted [by]-

- (a) by 30 September 2005 for the 20051 **2006** financial year or in respect of unclaimed mandatory grants in respect of previous financial years;
- (b) by 30 June for all subsequent **financial** years;

**Amendment of Regulation 7**

6. (1) Subregulation 7(1) is hereby amended by the deletion of the words in bold brackets and the insertion of the underlined words as follows-

**7.** (1) A SETA may determine and allocate a discretionary grant-

- (a) to [commission] fund research in the sector in accordance with the sector skills plan **and** guidelines prepared by the Department;
- (b) to fund the development of guidelines and the training of sector specialists or [skills development facilitators] persons involved with skills development facilitation;
- (c) to **fund** a qualifying employer or an accredited organisation in respect of Adult Basic Education and Training provided to a learner [or worker];

- (d) to **fund** a training provider or employer in respect of a learner who enters a learning programme to acquire a scarce skill or critical skill identified by the SETA;
  - (e) to **fund** an employer who provides work experience opportunities to learners in sector relevant programmes;
  - (f) to **fund** an employer or training provider to train and mentor learners to acquire new venture qualification;
  - (h) to **fund** an institution that offers the new venture qualification & learners covered under subregulation 7(1)(f);
  - (k) to fund **[an employer]** a stakeholder in respect of sector skills priorities.
- (2) The following Subregulation is hereby inserted after Subregulation 7(1)(n)-
- (o) to fund project costs for any project funded by a discretionary grant under subregulation 7(1)(a) to (n) inclusive of administration expenses for the discretionary project subject to the administration expenses. not exceeding 10% of total discretionary project costs.
- (3) Subregulation 7(4) is hereby amended by the insertion of the following subregulation after subregulation 4(b)-
- (c) an employer contemplated in Section 30 and 30(A) of the Act that ~~has~~ submitted to the relevant SETA within the timeframes prescribed in regulation 6(2) of these regulations. a Workplace Skills Plan and Annual Training Report in the form prescribed by the SETA.

### Amendment of Regulation 8

7. Regulation 8 of the Regulations is hereby amended by the insertion in the heading of regulation 8 of the word discretionary after the words “approval of” as follows-

#### Approval of discretionary grants by SETA Board or Council

### Amendment of Regulation 10

8. Regulation 10 of the Regulations is hereby amended by-
- (a) the insertion in the heading of regulation 10 of the word mandatory before the word “grant” as follows-

**Mandatory grant recovery by employers**

- (b) the deletion of the word in bold brackets and insertion of the underlined words in subregulation (2) **as** follows-
- 10(2) A SETA **[may]** must not pay **[any]** a mandatory grant to **an** employer who is liable to pay the skills development levy in terms of section 3(1) of the Skills Development Levies Act unless the employer-
- (c) the insertion of the underlined words in subregulation (2)(d) **as** follows-
- (d) has submitted a Workplace Skills Plan aligned to the relevant SETA sector skills plan as contemplated in Section 10(1)(b) of the Act and within the timeframes prescribed in regulation 6(2) of these regulations; and

**Amendment of annexures**

9. (1) Annexure 2 of the regulations is hereby amended by-
- (a) the insertion of the word annual before the word "training" in paragraph 3 as follows-
- (If the workplace skills plan or annual training report is submitted on behalf of one or more establishments, please attach a list of names and addresses, including physical and postal addresses).
- (b) the insertion of the word annual before the word "training" in the heading to paragraph A(4) **as** follows-

**A(4). ANNUAL TRAINING REPORT**