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# **MQA FUNDING POLICY**

## **1 April 2016 to 31 March 2017**

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## LIST OF ABBREVIATIONS AND ACRONYMS

AET	Adult Education and Training
ATR	Annual Training Report
CEP	Community of Expert Practice
DHET	Department of Higher Education and Training
DoL	Department of Labour
FLC	Foundational Learning Competency
GET	General Education and Training
HDSA	Historically Disadvantaged South African
MIS	Management Information System
MMS	Mining and Minerals Sector
MOA	Memorandum of Agreement
MQA	Mining Qualifications Authority
NLPE	Non Levy Paying Enterprise
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSF	National Skills Fund
OFO	Organising Framework for Occupations
OHS	Occupational Health and Safety
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PSET	Post School Education and Training
QCTO	Quality Council for Trades and Occupations
QDF	Qualification Development Facilitators
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SDA	Skills Development Act
SDL	Skills Development Levy
SDL Act	Skills Development Levies Act
SDP	Skills Development Provider
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SME	Small and Micro Enterprises
SSP	Sector Skills Plan
TRG	Technical Reference Group
TVET	Technical and Vocational Education and Training
WSP	Workplace Skills Plan

## DEFINITIONS

- 'PIVOTAL' is an acronym which means professional, vocational, technical and academic learning programmes that result in qualifications or part qualifications on the National Qualifications Framework, as contemplated in regulation 3(6) and (7) as read with regulation 6(11) to (15) of the SETA Grant Regulations: Government Gazette Number 35940.
- 'Labour Representative' means a representative of the labour constituency within the workplace, appointed by the recognized trade union.
- 'Sign-off' means an in principle agreement between the employer and its recognised trade union or unions on the identified training interventions as is provided for in regulation 5(2)f.
- 'First-come-first-served-basis' refers to the following:

Employers that qualify for the grant on registration of the learners.

- For programmes where a learner is paid for upon registration, a learner is required to be registered by the MQA on the relevant learning programme for the employer to qualify for the grant. All criteria for the learner to be registered on the agreement must be fulfilled as per The Learnerships Regulations. Learners would be supported on a first-come-first-served-basis until all funds are depleted for the specific project.

The project that apply here is:

- **Non-artisan Learnerships**

Employers that qualify for the grant on completion of the programme by learners:

- For programmes where a learner is paid for upon successful completion of a programme, the learner would attract the grant when all correct required supporting documents are uploaded and/or submitted and if his/her assessment records are captured on the MQA MIS and the achievements are approved by the ETQA Unit based on the date of approval. For instance if there are 10 000 grants available for the OHS Rep Project, the first 10 000 learners approved by the ETQA Unit for certification would qualify for the grant.

The projects that apply here are:

- **AET**
  - **OHS Representative Development**
  - **FLC Learners**
  - **Artisan Aides/RPL**
- 
- 'Employers' are defined as organisations that are registered and paying their skills development levies to the MQA as well as those that are exempted from paying levies.
  - 'Accredited Training Provider' means any person or body who, having met the quality assurance criteria laid down by SAQA, has been formally recognised by SAQA through the relevant Quality Council.
  - 'Accredited skills development provider' means a provider of occupational learning accredited by the Quality Council for Trades and Occupations. (QCTO).
  - 'Consultation' means the act or process of consulting with the relevant stakeholders. Consultation means that parties must engage in a thorough and meaningful joint consensus-seeking process.
  - 'NLPE' refers to non-levy paying enterprises and includes CBO's, NGO's and Co-Ops.

## **1. INTRODUCTION**

The Skills Development Act, 97 of 1998 as amended aims to provide an institutional framework to implement national, sectorial and workplace strategies to develop and improve the skills level of the South African workforce. The Act makes provision for the establishment of SETA's as institutional vehicles to implement the Skills Development Act and other related legislation. In the mining and minerals sector (MMS) this includes the Mine Health and Safety Act of 1996 and the Mineral and Petroleum Resources Development Act of 2002.

This policy is aligned with the provisions of the Grant Regulations published under the Skills Development Act in Government Gazette No 35940 dated 03 December 2012. These regulations give the legislative framework for the management and disbursement of all funds received by a SETA. Consideration has been given to the commitment contained in the relevant national policy imperatives including National Skills Accord and National Skills Development Strategy (NSDS III).

## **2. OBJECTIVE OF MQA FUNDING POLICY**

The objective of this policy is to provide a clear framework that can be applied to all MQA funding mechanisms that will enable allocation and disbursement of funds that would best support the mining and minerals sector skills needs.

The policy is applicable to and in support of MQA levy paying organisations, non-levy paying enterprises (NLPE), accredited Skills Development Providers (SDP), Accredited Training Provider (ATP), Technical and Vocational Education and Training (TVET), service providers and other stakeholders in the mining and minerals sector who qualify to access MQA mandatory and/or discretionary grants or project funding.

The policy is in support of national and sectoral policies and initiatives without prejudice or preference to either.

### **3. PRINCIPLES OF THE MQA FUNDING POLICY**

This policy must at all times result in funding mechanisms that will support the prevailing strategic objectives of the MQA which are:

1. Support transformation of the sector through skills development
2. Support objective decision making for skills development through research in the sector
3. Enhance information management for skills development in the sector
4. Facilitate and support core sector programmes aligned to the qualifications framework
5. Enhance the monitoring, evaluation and review of the delivery capacity and quality of skills development in the sector

This policy will also strive to apply the following principles:

1. Sound financial management and disbursement of funds as per the National Policy Imperatives.
2. Delivery of the MQA Mandate through the approved Strategic Plan, Annual Performance Plan (APP), Sector Skills Plan (SSP) and Scarce and Critical Skills.
3. Alignment with key policy directives, regulations and sector needs.
4. Responsiveness to the sector needs through innovation, efficiency and delivery of skills development.
5. The allocation and disbursement of funds shall be administered in a fair, auditable, transparent matter that supports the objectives of the MQA.
6. The MQA's Mandate shall be discharged in consultation with the relevant stakeholders in the sector.
7. Supporting the progression of training beneficiaries in PIVOTAL programmes.
8. Prioritizing training interventions that yield the desired outcomes and results.

This policy will be aligned to the financial year of the MQA which commences annually on 1<sup>st</sup> April and ends on 31<sup>st</sup> March the following year.

## 4. MANDATORY GRANTS POLICY

This policy is aligned to the Skills Development Act, 97 of 1998 as amended, and the Grant Regulations Sections 4 and 5 as amended that are attached as **Annexure A**. MQA's Mandatory Grant Policy is attached as **Annexure B**.

### 4.1 CRITERIA FOR THE PAYMENT OF A MANDATORY GRANT

A mandatory grant must be paid to an employer at least quarterly in the mining and minerals sector but the MQA will strive to pay this grant monthly once the Workplace Skills Plan (WSP) and Annual Training Report (ATR) have been received and after they have been evaluated and approved by the MQA Office based on the criteria stated below:

- 4.1.1 The WSP and ATR must conform to the format prescribed by the MQA;
- 4.1.2 The WSP and ATR must be fully completed and submitted by the required date as stipulated in 4.1.4 below and a summarized WSP-ATR inclusive of all signatures should be submitted prior to approval;
- 4.1.3 In the case of large and medium sized organisations proof of consultation by an employer with employee representatives/trade unions is required, the WSP and ATR must be signed off by the labour representative appointed by the recognised trade union;
- 4.1.4 The WSP and ATR must be submitted by the 30<sup>th</sup> April except where 4.2 applies;
- 4.1.5 The employer has submitted only one application per skills development levy (SDL) number and the employer name that correlates with information received from South African Revenue Services (SARS) and the Department of Higher Education and Training (DHET); applications for all SDL numbers for a particular organisation must be submitted by the required date;
- 4.1.6 The employer must be paying levies to SARS against the MQA SETA Code 16;
- 4.1.7 The employer must not be in arrears with their SDL contributions;
- 4.1.8 The employer has submitted a WSP and ATR that includes the most recent national occupational codes as contained in the Organising Framework for Occupations (OFO) in support of the annual sector skills planning processes; and
- 4.1.9 The employer has submitted a self-evaluation report in the format prescribed by the MQA of the relevant WSP against the current ATR. If the alignment is less than 60%, the employer must submit reasons for the misalignment to the MQA.

## **4.2 EXTENSIONS GRANTED**

- 4.2.1 Applications for the request for an extension for the WSP-ATR/mandatory submission must be made before but no later than 5 working days after 30<sup>th</sup> April 2016;
- 4.2.2 The MQA may grant an extension of WSP and ATRs/mandatory grant application up to a maximum of one calendar month from the submission date of 30<sup>th</sup> April until 31<sup>st</sup> May 2016 subject to a written request by an employer to the MQA; and
- 4.2.3 The MQA may take a decision to grant extension to the organisation for the submission in terms of 4.2.1 where the employers have omitted sub-levy numbers and or have not provided proof of consultation.
- 4.2.4 The employer shall receive notification of receipt of the request for an extension no later than 7 working days after receipt thereof.

## **4.3 DELAYS, REVERSALS AND RECOVERY OF PAYMENTS**

- 4.3.1 In the case where delayed payments of levies from SARS has occurred, the MQA will affect the necessary mandatory grant payment in the year in which SARS transferred monies to the MQA to the organisation whose WSP and ATR submission was approved in a previous year;
- 4.3.2 In the case where payments are made to an organisation by the MQA and SARS subsequently reverses levies from the MQA, the MQA reserves the right to recover such payments from the employer;
- 4.3.3 The MQA reserves the right to recover mandatory grants or portions thereof from organisations should verification processes indicate that the WSP and ATR submitted are invalid or inaccurate; and
- 4.3.4 The MQA reserves the right to recover all monies due in respect of mandatory grants from discretionary grants and vice versa; and
- 4.3.5 If the employer does not claim a mandatory grant by the 30<sup>th</sup> June 2016 deadline and 30<sup>th</sup> April from 2017 onwards, the MQA must transfer the employer's unclaimed grant funds to discretionary grants by the 15<sup>th</sup> August. All grants approved in all previous financial years employer can no longer be claimed. Grants must be claimed within the same financial year.

## 5. DISCRETIONARY GRANTS AND PROJECTS POLICY

### a. PRINCIPLES FOR LEARNING PROGRAMME GRANTS

- i. Grants will support learners who enter and complete programmes. The MQA shall advertise discretionary projects openly in the national media so that stakeholders may be given the opportunity to apply for the Discretionary grants for that financial year. Should deliverables not be achieved, targeted selection will be considered.
- ii. The MQA shall at least annually prepare and distribute to stakeholders a schedule setting out specific criteria and dates for the various discretionary grants/projects in place.
- iii. The MQAs Funding Model will result in a level of 80% of the discretionary funds being utilized for PIVOTAL Programmes as listed:
  1. Bursaries
  2. Work Experience
  3. Internships – The MQA considers this as a PIVOTAL programme as it assists graduates to gain work experience opportunities and thus contributes to improved work performance
  4. Non Artisan Learnerships
  5. Artisan Learnerships
  6. AET
  7. OHS Rep Development
  8. FLC
  9. RPL/Artisan Aides
  10. NCV level 4 placements
- iv. A maximum of 20% of the available discretionary funds will be utilised for programmes that are considered non-pivotal listed below:
  1. Standards Setting
  2. Learning Material Development
  3. Maths and Science
  4. Skills Development Facilitator Support
  5. Lecturer Support (HET + TVET)
- v. The delivery modes for programmes are as specified by the QCTO occupational qualifications and will include:
  1. Theoretical curriculum component – delivered by skills development provider;
  2. Practical curriculum component – delivered by skills development provider/workplace;
  3. Workplace curriculum component – delivered by the Workplace.

- vi. The learning routes applicable to MQA programmes are:
  - 1. Learnerships
  - 2. Internships
  - 3. Skills Programmes
  - 4. Recognition of Prior Learning ( RPL)
  - 5. Work integrated learning (WIL)
- vii. The MQA will endeavour to increase the participation of public further and higher education institutions for the delivery of the programmes on a gradual basis.
- viii. The MQA may utilize up to a maximum of 7.5 % of discretionary funds for project and administrations costs. The MQA will strive to keep these costs to a minimum.
- ix. The employer has to submit a WSP and ATR as per the requirements to qualify for PIVOTAL grants.

## b. CRITERIA

The MQA will apply the following criteria when allocating discretionary funds to grants and/or projects:

- i. All discretionary funds disbursed in support of learners in the mining and minerals sector will be **Grants** and will constitute the major portion of discretionary funds disbursed in each financial year;
- ii. All discretionary funds disbursed in support of non-learner related **Projects** in the mining and minerals sector will constitute the minor portion of discretionary funds disbursed in each financial year;
- iii. Programmes that will be supported are as indicated in the MQA Strategic Plan.
- iv. All Discretionary Grants will be made available to the sector as per grant levels and rules detailed in **Annexure C** to this policy.

## 6. GENERAL

- i. The MQA reserves the right to recover discretionary grants or portions thereof from stakeholders should circumstances indicate that grants have not been utilised for purposes that they were intended. This will be done as per the MQA Finance Policy;

- ii. Discretionary grant values will be reviewed as required by the MQA Board to determine the total affordability of grants against available discretionary fund reserves and where necessary reduce or increase grant values as a result of the review; and
- iii. The MQA may fund any learnerships registered by another SETA subject to the most recent mining and minerals sector SSP and the availability of funds.
- iv. Should new projects become viable during the course of the year, the MQA needs to obtain approval for these from the Board prior to them being rolled out.

## **7. ADMINISTRATIVE REQUIREMENTS**

- i. It is the responsibility of the employer/organisation to supply the MQA with an original cancelled cheque and/ or original bank statement;
- ii. The MQA will validate requests for changes to banking details;
- iii. The MQA reserves the right to request supporting documentation to verify compliance with the conditions of each project and/ or grant rule/s prior to effecting payment; and
- iv. Discretionary grant application documents must be completed in full for the application to be considered.

## **8. CHANGES IN LEVIES RECEIVED FROM SARS**

In the event that the MQA foresees a substantial drop in income from SARS due to incorrect classification of levy paying companies or when a directive is received from a higher authority resulting in an extraordinary increase in expenditure after annual budgets for a particular financial year have been approved, the MQA shall, through its SDL/Finance Committee, review the matter and recommend to the Board appropriate measures to ensure the continuous sustainability of the MQA as a going concern.

The appropriate measures shall be inclusive but not limited to the following interventions:

- i. Immediate review of budgets, priorities, projects and grants;
- ii. Withdrawal of identified projects and grants;
- iii. Cancellation of projects and grants;

- iv. Identification of projects to be put on hold; and
- v. Informing the sector of any amendments without delay.

## **9. MONITORING AND REVIEW OF POLICY**

The impact of this policy will be monitored and evaluated through impact measures in place for the relevant grant or project. The policy may then be reviewed before the commencement of every new financial year on 1<sup>st</sup> April or as and when substantial changes to the legislative framework warrant amendment.

## **10. EFFECTIVE DATE**

The revised MQA Funding Policy will be effective from the 1<sup>st</sup> April 2016.

## **ANNEXURE A**

### **LEGISLATIVE FRAMEWORK – MANDATORY GRANTS POLICY**

Skills Development Act, 97 of 1998, SETA Grant Regulations 4 and 5 as amended and reflected below apply to Mandatory Grants:

#### **4 Allocation of mandatory grants by a SETA**

- (1) Subject to sub-regulation (5), a SETA must allocate a mandatory grant to a levy paying employer -
  - (a) employing 50 or more employees that has submitted an application grant in accordance with sub-regulation (2) and as a minimum in the format contained in Annexure 2 to these Regulations;
  - (b) employing less than 50 employees that has submitted an application for a grant in accordance with sub-regulation (2) and such employers will be given the option of submitting Annexure 2 using a simplified form provided by the SETA;
  - (c) who, notwithstanding sub-regulation (2), has registered for the first time in terms of section 5 of the Skills Development Levies Act and the employer has submitted an application for a mandatory grant within 6 months of registration.
  
- (2) An application for a mandatory grant in terms of sub-regulation (1) must be submitted by 30<sup>th</sup> June 2016.
  
- (3) With effect from 1<sup>st</sup> April 2014 an application for a mandatory grant in terms of sub-regulation (1) must be submitted by 30<sup>th</sup> April of each year.

- (4) 20% of the total levies paid by the employer in terms of section 3(1) as read with section 6 of the Skills Development Levies Act during each financial year will be paid to the employer who submits Annexure 2.
- (5) Before making payments, the SETA must approve Annexure 2 to ensure the levy paying employer meets quality standards set by the SETA.
- (6) The mandatory grant contemplated in sub-regulation (1) must be paid to the employer at least quarterly every year.
- (7) If the levy paying employer does not claim a mandatory grant within the time period specified in sub-regulation (2), the SETA must transfer the levy paying employer's unclaimed mandatory grant to the discretionary grant by 15 October of each year.
- (8) A SETA Accounting Authority may grant an extension up to a maximum period of one month from the date contemplated in sub-regulation (2) for late submission of an application for a mandatory grant subject to a written request by a levy paying employer.

## **5 Mandatory grants paid to levy paying employers**

- (1) A levy paying employer claiming a mandatory grant must meet the eligibility criteria for the payment of a mandatory grant as prescribed in sub-regulation (2).
- (2) A SETA may not pay 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 levy paying employer -
  - (a) has registered with the Commissioner in terms of section 3(1) of the Skills Development Levies Act;
  - (b) has paid the levies directly to the Commissioner in the manner and within the period determined in section 6 of the Skills Development Levies Act;
  - (c) is up to date with the levy payments to the Commissioner at the time of approval and in respect of the period for which an application is made;

- (d) has submitted Annexure 2 as contemplated in regulation 4(1) that contributes to the relevant SETA SSP within the timeframes prescribed in regulation 4(2) and 4(3);
- (e) with effect from 1 April 2013, has submitted and implemented its Work Skills Plan for the previous financial year to the extent that it satisfies the criteria for implementation that must be established and approved by the SETA Accounting Authority based on guidelines provided by the Department; and
- (f) in the case of an employer who has a recognition agreement with a trade union or unions in place, there must be evidence provided that Annexure 2 has been subject to consultation with the recognised trade unions and Annexure 2 must be signed off by the labour representative appointed by the recognised trade union unless an explanation is provided.

In support of the above, Section 10 (5) of the Mine Health and Safety Act, 1996, as amended reads:

“All mines must submit a workplace skills plan and the annual training reports to the Mining Qualifications Authority.”

## LEGISLATIVE FRAMEWORK - DISCRETIONARY GRANTS AND PROJECTS POLICY

Skills Development Act, 97 of 1998, SETA Grant Regulations 6, 7, 8 as amended and reflected below applies to Discretionary Pivotal Grants and Projects:

### 6 Allocation of discretionary grants by the SETA

- (1) A SETA may determine and allocate a discretionary grant in support of the implementation of its Sector Skills Plan.
- (2) A SETA must develop its SSP by taking account of national strategic goals as set out in the National Skills Development Strategy, National Skills Accord and other relevant national priorities.
- (3) The APP must make clear how the SETA will allocate discretionary grants in a manner that prioritises the offering of Learning Programmes to address sector needs through public education and training institutions;
- (4) A SETA must, on an annual basis, and in accordance with any guidelines issued by DHET, approve a Discretionary Grants Policy, specifying how the SETA discretionary funds will be allocated to meet sector needs as set out in the SSP;
- (5) The Discretionary Grants Policy must set out the funding framework, the different delivery modes and project types that will be deployed and the mechanism for SETA member organisations, as contemplated in sub-regulation (10), to access the discretionary grants;
- (6) The Discretionary Grants Policy must set out how PIVOTAL programmes can be delivered through public education and training institutions;
- (7) A SETA must prepare and distribute grant application and project proposal forms in a manner that enables within the sector national access and opportunities for a legal person or enterprises of different sizes (including small and micro enterprises, non-governmental organisations and cooperatives in the sector to apply for any category of grant or participate in any type of Learning Programmes as identified in the SETA Discretionary Grants Policy;

- (8) The Discretionary Grants Policy must embrace the principles of transparency, openness, access and fairness.
- (9) The Discretionary Grants Policy must:
- (i) Indicate the purpose of the various grants, funding frameworks and projects and specify what is intended to be funded from the grant, including any administrative costs that may be considered appropriate by the Accounting Authority;
  - (ii) Provide procedures and communication strategy with potential beneficiaries as contemplated in sub regulation (10) that set out timeframes for processing of applications, communication of decisions, and payment schedules;
  - (iii) Determine the proportion of discretionary grants that can be used for administration or project management purposes in the various grant and project categories provided it indicates that a maximum of 7.5% of any grant or SETA funded project may be used for administration or project management costs;
  - (iv) Ensure that value for money is achieved and generally ensure that funds are spent on skills development to meet the sector needs.
- (10) A discretionary grant may be paid to a legal person, including:
- (a) a public education and training institution;
  - (b) an employer or enterprise within the jurisdiction of a SETA, including an employer or enterprise not required to pay a skills development levy in terms of Skills Development Levies Act;
  - (c) other legal person contemplated in sub-regulation (7) that meets the criteria for the payment of such grant; or
  - (d) an employer contemplated in section 30 and 30 (A) of the Act who has submitted to its relevant line SETA or Public Service SETA within the time frames specified in regulation 4 (2) and 4 (3), a WSP and ATR as a minimum in the format contained in Annexure 2.

- (11) A key focus of SETAs must be to address scarce and critical skills through programmes that are designed to address such skills needs, and which include work integrated learning.
- (12) At least 80% of discretionary grant funding must be allocated to PIVOTAL programmes.
- (13) A SETA may allocate a maximum of 20% to funding of programmes other than PIVOTAL programmes, to develop the sector in accordance with the priorities outlined in the SSP.
- (14) In order to obtain discretionary grant funding for PIVOTAL programmes from a SETA, a legal person falling into the categories set out in sub-regulation (1) must complete and submit a PIVOTAL plan and PIVOTAL report using the template attached
- (15) Companies employing less than 50 employees will be required to complete the prescribed PIVOTAL plan and PIVOTAL report, but will be asked to provide information on participation in PIVOTAL programmes and the impact of these programmes. SETAs must develop suitable templates for the provision of information by small and micro enterprises.

## **7 Approval of grants by a SETA**

The SETA criteria for grants must be approved by the SETA Accounting Authority before funds are allocated

## **8 Grant disbursement schedule**

Each SETA must prepare and distribute a schedule setting out the criteria in terms of regulations 4 and 6 and the date by which grants may be issued as well as timeframes for disbursement of grants.

## **ANNEXURE B**

### **MQA MANDATORY GRANTS POLICY – DRAFT 31 OCTOBER 2015**

**Accounting Authority** - means the Board of MQA contemplated in section 11 of the Skills Development Act;

**ATR** - Annual Training report

**Board** - the governing body of the MQA

**Commissioner** - means the Commissioner for SARS appointed in terms of section 6 of the South African Revenue Service Act, 34 of 1997

**DHET** - Department of Higher Education and Training

**Employer** - Employer as defined in the Fourth Schedule to the Income Tax Act

**Financial year** - means a year ending on 31 March in accordance with the Public Finance Management Act (PFMA)

**Funding Priorities** – Skills Development priorities approved by the Board;

**Labour representative - means** a representative of the labour constituency within the workplace, appointed by the recognised trade union

**Large Employer** - means a levy-paying employer employing 50 or more employees

**Learnership** - a vocational based learning qualification that includes a practical work-based component. A learnership has to be aligned with a registered NQF qualification

**Levy paying employer** - means an employer who is compelled to pay skills development levies in terms of section 3(1) of the Skills Development Levies Act

**Mandatory Grant** - Grants paid out in terms of Regulation 6(1) (a) and (b) of the Skills Development Levies Act No 9 of 1999. In order to access these funds a WSP and ATR must be completed

**MQA** - Mining Qualifications Authority

**NQF** - National Qualifications Framework; NSDS National Skills Development Strategy

**NSDS** - National Skills Development Strategy

**PFMA** - Public Finance Management Act, 1999

**PIVOTAL is an acronym** - means professional, vocational, technical and academic learning programmes that result in qualifications or part qualifications on the National Qualifications Framework as contemplated in regulation 3(6) and (7) as read with regulation 6(11) to (15)

**SARS** - means the South African Revenue Service, established by Section 2 of the South African Revenue Service Act, 34 of 1997

**SDF** - means Skills Development Facilitator as described at paragraph 7.1 of this policy

**SDL** - Skills Development Levy

**SETA** - Sector Education and Training Authority

**Sign-off'** means an in principle agreement between the employer and its recognized trade union/s or employee representative/s on the identified training interventions as is provided for in regulation 5(2) (f);

**Skills Development Act (SDA)** - means the Skills Development Act, 97 of 1998

**Skills Development Levies Act (SDLA)** - means the Skills Development Levies Act, 9 of 1999

**Small Employer** - means a levy-paying employer employing less than 50 employees

**SSP** - means the Sector Skills Plan of MQA as contemplated in sections 10(1) (a) and (b) of the Skills Development Act

**Submission Date** - means the 30th of April of every year

**WSP** – Workplace Skills Plan

## **1 Introduction**

The Skills Development Act No 97 of 1998 aims to provide an institutional framework to implement national, sector and workplace strategies to develop and improve the skills level of the South African workforce. The Act makes provision for the establishment of SETA's as institutional vehicles to implement the Skills Development Act and other related legislation.

This policy framework is consistent with the provisions of the Skills Development Levies Act (Act 9 of 1999), which stipulates the processes for the management and disbursement of funds received as levy income.

## **2 Purpose of Policy**

The purpose of this policy is to provide a uniform framework that is consistent with the principles of fairness and equity and which is in line with Section 2 of the Skills Development Act. The policy is applicable to levy paying employers in the mining and minerals sector who are involved in the MQA mandatory grants process.

## **3 Eligibility for Payment of Mandatory Grants**

The MQA may not pay 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 levy paying employer

- has registered with the Commissioner in terms of section 3(1) of the Skills Development Levies Act;
- has paid the levies directly to the Commissioner in the manner and within the period determined in section 6 of the Skills Development Levies Act (SDLA);
- is up to date with the levy payments to the Commissioner at the time of approval and in respect of the period for which an application is made;
- has submitted Annexure 2 as contemplated in regulation 4(1) that contributes to the relevant SETA SSP within the timeframes prescribed in regulation 4(2) and 4(3);
- with effect from 1 April 2013, has submitted and implemented its Workplace Skills Plan for the previous financial year to the extent that it satisfies the criteria for implementation that must be established and approved by the SETA Accounting Authority based on guidelines provided by the Department; and
- in the case of an employer who has a recognition agreement with a trade union or unions in place, there must be evidence provided that a WSP-ATR report has been subject to consultation with the recognised trade unions and WSP-ATR report must be signed off by the labour representative appointed by the recognised trade union unless an explanation is provided.

#### **4 Evaluation Criteria for Mandatory Grant Application**

A mandatory grant is paid once the workplace skills plans and annual training report have been received, evaluated and approved by the Skills Development and Research Unit based upon the following criteria\*:

- The WSP -ATR must conform to the format prescribed by the MQA
- The WSP and ATR must be fully completed inclusive of all signatures by the required date
- In the case of large and medium sized organisations proof of consultation by an employer with employee representatives/trade unions is required as per the MQA guideline
- The employer has submitted a WSP and ATR that includes the most recent national occupational codes as contained in the Organising Framework for Occupations (OFO) in support of the annual sector skills planning process
- The employer has submitted a self-evaluation report in the format prescribed by the MQA of the relevant WSP against the current ATR. If the alignment is less than 60%, the employer must submit reasons for the misalignment to the MQA
- The WSP and ATR are received on or before 30<sup>th</sup> June and as of 1 April onwards, 30 April annually except where 4. 2 applies
- The employer has submitted only one application per SDL number and the employer name that correlates with information received from South African Revenue Services (SARS) and DHET; applications for all SDL numbers for a particular organisation must be submitted by the required date
- The employer must be paying levies to SARS against the MQA SETA (Code 16)
- The employer must not be in arrears with their SDL contributions to the SETA.
- \*These criteria may change from year to year if the MQA considers it necessary\*

#### **5 Inter-SETA Transfer (IST)**

A levy-paying employer that has been wrongly placed under MQA's jurisdiction will have to complete an Inter-SETA transfer form, which is available from the Levies and Grants department at MQA.

The completed form must be submitted to MQA and any relevant processes required by the Department of Higher Education and Training must be followed.

The levy-paying employer must continue submitting its mandatory grant application to MQA until the transfer has been completed.

#### **6 Extension of deadline for submission**

The submission deadline for mandatory grant applications is the 30th of April of each year.

Under exceptional circumstances, a mandatory grant applicant may make a written request to obtain an extension of the submission deadline.

The written request for an extension must be made on or before the submission deadline. The request must provide detailed reasons as to why the submission deadline cannot be met.

Upon receipt of the letter the MQA's Accounting Authority will review the request and the applicant will be notified of the outcome. The decision whether to grant the extension and the time period of the extension is fully within the discretion of the MQA's Accounting Authority.

The maximum extension that may be granted is up to 1 month from the submission deadline.

Only mandatory grant applicants that have been granted an extension will have access to the SMS system to complete their mandatory grant application.

## **7 Approved mandatory grant applications**

Successful mandatory grant applicants will be entitled to 20% of the total levies paid by them in terms of section 3(1) as read with section 6 of the Skills Development Levies Act during each financial year.

The mandatory grant will be paid to the successful mandatory grant applicant at least quarterly every year. Mandatory grants will only be paid to organisations that are not in arrears and meet the set criteria.

In line with the objective of empowering skills development within smaller organisations, MQA will prioritise payment of mandatory grants to such organisations.

MQA strives towards ensuring that information regarding payment of levies and grants is correct and meets the demands of the Auditor-General. To this end, all MQA levy-paying employers are required to complete the EMP201 page on the WSP-ATR system. This is in order to enable accurate monitoring of the transfers of levies paid from SARS to MQA and to ensure that employers are disbursed with the correct grant amount.

## **8 Non-Approved mandatory grant applications**

- Failure to meet any of the requirements set out in paragraphs 5 or 6 above, or otherwise required by law, will be a basis upon which to reject the mandatory grant application.
- Unsuccessful mandatory grant applicants will be notified in writing of the outcome of their submission. Subject to any internal appeal processes that may be provided for by MQA , the

mandatory grant allocations of unsuccessful applicants will be transferred to the discretionary grant fund.

- MQA is required to transfer unclaimed mandatory grants to the discretionary grant fund by 15 October of the year in which the application was due.

It remains the responsibility of employers to ensure that the payment of the mandatory grant is done against the correct levy number. Where mergers, acquisitions, linking or rationalizations take place, employers must inform the MQA of the changes and indicate in writing which levy numbers are affected and replaced. Failure to do so will result in the sweeping of unclaimed mandatory grants into the MQA discretionary grant reserve and employers will forfeit any possible claims against payments.

In terms of sub regulation 4, the MQA may grant an extension of a maximum of one month to allow for the late submission of an application for a mandatory grant, subject to a written request by an employer. The MQA shall establish criteria to ensure that the request for an extension is dealt with without delay. Mandatory grant submissions that do not comply with the criteria will be returned and employers will be allowed one (1) month to rectify amendments required. Failure to return the mandatory grant submission within the one (1) month period will result in the mandatory grant being forfeited.

The mandatory grant will be paid in accordance with the MQA grant approval procedure and grant payment schedule. Employers in the Mining and Minerals Sector, whose personnel costs are below the prescribed threshold of R500 000.00 per annum for the submission of WSPs and ATRs, are encouraged to submit their WSPs and ATRs for the purposes of research and recording of their details on the MQA database.

## **9 PIVOTAL Programmes Reporting and Planning**

It is required that all stakeholders submit a pivotal plan and report as per their business plan for the financial year. The following Learning Programmes are deemed pivotal:

1. Bursaries (Certificate; National Certificate; National Higher Certificate; National Diploma; National Higher Diploma; Further Diploma; Post Graduate Diploma)
2. Work Experience/Placement
3. Internships
4. Learnships (Non Artisan and Artisan)
5. AET (Level 1-4)
6. Skills Programme (OHS Rep Development)
7. Foundational Learning Competency
8. RPL/Artisan Aides
9. NCV level 4 placements

In order for MQAs levy paying organisations to be considered for discretionary grants for PIVOTAL programmes, it is compulsory for these organisations to, as part of their mandatory grant application, submit their PIVOTAL plan by 30 April of each year. Failure to do so will result in these organisations being excluded from the discretionary grant awarding process for PIVOTAL programmes.

## 10 Stakeholder Consultation

Consultation means that concerned parties must engage in a thorough and meaningful joint consensus seeking process. It is the responsibility of the employer to establish a Training/ Skills Development Committee to oversee the training committed and training done. An SDC is a forum established by the employer to consult employees (representative trade unions where they exist and/or representatives nominated by employees where they do not) on skills development matters

It is recommended that the employer should at least conduct the SDC meetings monthly and consultation should commence as early as possible in the process of preparing for the workplace skills plan or annual training report.

An employer with 50 or more employees must submit a signed off WSP, PP, ATR and PR by the labour representative appointed by the union/union or an employee representative where labour is absent on or before the submission deadline. Where difficulty is experienced with the upload function, organisations are required to submit the hard copy sign off, to the dedicated e-mail box ([skillsplanning@mqa.org.za](mailto:skillsplanning@mqa.org.za)) on or before the submission deadline.

In the case where the union does not want to sign, the employer must provide proof of consultation on or before the submission deadline.

What should be part of the proof of consultation pack?

- A signed register
- Signed minutes of the consultation meeting by the chairperson and union/employee representative/s
- Proof that WSP,ATR,PP,PR was discussed on the meeting

Should the union/employee representative fail to sign the WSP,ATR,PP,PR due to a reason/s not related to the aforementioned reports, it will be at the MQAs discretion to approve the submitted document should it meet the MQA requirements.

## **11 Conditions for Payment**

In terms of the skills development grant regulations, a mandatory grant is a grant payable to levy paying organisations upon submission of a Workplace Skills Plan (WSP) and Annual Training Report (ATR) by 30 April each year. In terms of section 6(3) the SETA shall pay 20% of the total levies paid back to the employer upon approval of the WSP and ATR. Payments for mandatory grants shall be made quarterly and any Mandatory grants not claimed in one year will be transferred to the discretionary fund reserve

## **12 Changes in Levies received from SARS**

In the event that the MQA foresee a substantial drop in income from SARS due to incorrect classification of levy paying organisations after administrative and projects budgets for a particular financial year have been approved, the MQA shall, through its SDL/Finance Committee, review the matter and recommend to the Board appropriate measures to ensure the continuous sustainability of the MQA as a going concern.

The appropriate measures shall be inclusive of but not limited to the following interventions:

- a. Immediate review of budgets, priorities, projects and grants;
- b. Withdrawal of identified projects and grants;
- c. Cancellation of projects and grants;
- d. Identification of projects to be put on hold; and
- e. Informing the sector of any amendments without delay.

### **13 Dispute Resolution**

All disputes arising from the application of this policy shall be submitted forthwith to the Chief Executive Officer of the MQA who will act as informal and non-binding mediator. If not resolved within one month after the matter has been referred to the Chief Executive Officer, either party has the option to refer the matter to the MQA.

Only after the dispute has been referred to the MQA for consideration, may the dispute be referred to arbitration in terms of the rules of the Arbitration Foundation of Southern Africa, if either party is not satisfied with the resolution of the MQA.

Either party shall not be precluded from approaching any competent court for relief or to hear the dispute or to exercise any other right that it may deem necessary in law against the other.

### **14 Review of Policy**

This policy shall be reviewed on an annual basis or as and when substantial changes to the legislative framework warrants am

## ANNEXURE C

### 1. The MQA Funding Policy: Discretionary Grant Levels and Rules

1 April 2016 to 31 March 2017

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
MQA-A001	HEI Lecturer Support	A grant which may cover up to 100% of salaries is awarded as a grant to participating public universities per lecturer per annum.	<ol style="list-style-type: none"><li>1. A detailed Service Level Agreement (SLA) must be signed with each participating public university.</li><li>2. Payments are made quarterly in advance.</li><li>3. Proof of payment of the salary for the previous quarter must be attached to the invoice together with a progress report for the next tranche.</li><li>4. Supports Mining, Survey, Metallurgy and Geology departments of participating universities with salaries and development of lecturers to achieve employment equity and transformation targets.</li><li>5. Beneficiaries are historically disadvantaged South African citizens.</li><li>6. The salaries paid by the MQA to beneficiaries include the 10% personal development funding.</li></ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
MQA-A002	Bursaries	A grant that may be awarded and will cover accommodation, books, tuition (including registration fees), field-trips if required and meal allowance.	<ol style="list-style-type: none"> <li>1. Disciplines/occupations supported will be determined by the MQA scarce skills list.</li> <li>2. The MQA shall enter into a Memorandum of Agreement (MoA) with each participating Post School Education and Training (PSET) institution.</li> <li>3. Bursars only qualify for ongoing annual grants if they pass all subjects in each year. However; <ul style="list-style-type: none"> <li>• Bursars who fail two courses/subjects shall be allowed to continue at the discretion of the MQA provided that the results of the new courses/subjects are not affected for the next level.</li> <li>• Bursars that fail more than two major courses/subjects shall automatically be removed from the bursary scheme.</li> <li>• Bursars who have been removed from the bursary scheme may re-apply for a bursary upon successfully completing the failed courses/subjects at their own expense subject to the academic institution permitting them to register for all the qualifying courses/subjects required to be completed for the succeeding year of study;</li> <li>• Bursars who have failed two courses/subjects, who are in the work experience at the time of receiving their results shall be allowed to continue with the work experience but will be expected to complete the course(s) at their own cost.</li> </ul> </li> <li>4. Bursars who had not achieved as per the requirements may be readmitted onto the scheme on obtaining satisfactory results subsequent to losing the bursary.</li> <li>5. The bursary costs change annually depending on the institutions fee structure.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
			<ol style="list-style-type: none"> <li>6. Payments are made upon approval by the MQA per semester or trimester</li> <li>7. Supports university or University of Technology or TVET College students (Certificates, Diploma, B-Tech, Bachelor's Degree).</li> <li>8. First year bursars that meet all entrance criteria as prescribed by the academic institution and the MQA bursary committee.</li> <li>9. Bursars entering their second or third year of study that meet the requirements as specified in the MQA bursary policy.</li> <li>10. Bursars should be South African citizens.</li> <li>11. Preferential consideration of awarding a bursary is given to previously disadvantaged individuals (PDIs) and financially needy bursary applicants with good academic results.</li> <li>12. Bursars can at the discretion of the MQA be requested to undergo the MQA interview process.</li> <li>13. Bursaries are offered in any of the mining related courses/subjects as identified in Annexure B: 2</li> <li>14. Allowances are paid as per the Bursary Policy.</li> </ol>
MQA-A003	Work Experience	<p>A grant of R144 000 per learner, per annum is awarded to employers.</p> <p>R 36 000 per learner, per quarter in advance is paid to the host employer over a period of a year.</p>	<ol style="list-style-type: none"> <li>1. The MQA shall enter into a Memorandum of Agreement (MoA) with each participating host employer.</li> <li>2. Placement at an employer is usually for two six month periods (P1 and P2) for Universities of Technology/TVET College learners.</li> <li>3. Placement at an employer is usually for a two month period for vacation work for University learners.</li> <li>4. Payment includes training costs, accommodation and allowances.</li> <li>5. Payment includes training costs, accommodation and learner allowances.</li> <li>6. Employer must be an MQA levy-payer or levy-exempt (with an SDL number).</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
		R 24 000 per learner for vacation work for 2 months in a year is paid to the employer.	<ol style="list-style-type: none"> <li>7. Employer must be up- to- date with levy payments.</li> <li>8. Supports primarily MQA bursars (Bonded students) and non- bonded students of universities of technology to acquire the requisite work experience to achieve qualification.</li> <li>9. Also applies to vocational development of University Bursars during the December / January vacation period.</li> <li>10. A company taking on students is confirmed eligible by the MQA to receive grants for the student in exchange for training.</li> <li>11. The tripartite contract is signed by all parties involved, i.e. Learner, employer and the MQA.</li> <li>12. Work experience opportunities are offered in any of the mining related disciplines as per the scarce skills list.</li> <li>13. Employers must have their own site to place the learners.</li> <li>14. Work Experience grants are offered in any of the mining related courses as identified in Annexure B:3.</li> </ol>
MQA-A004	Standard Setting Grant (TRGs/CEPs)	Standard grant rates as determined by the MQA periodically will be awarded for all standards setting work.	<ol style="list-style-type: none"> <li>1. Funds are available to subject matter experts who participate in standards setting activities</li> <li>2. Applications from small organisations and or/individuals who are subject matter experts as per the disciplines indicated in AnnexureB: 5 will be considered.</li> <li>3. Preference will be given to previously disadvantaged individuals (PDIs)</li> <li>4. New TRG/CEP members onto the grant schedule will be ratified by the relevant constituency convener.</li> </ol>
MQA-A005	Learning Material Development		<ol style="list-style-type: none"> <li>1. A detailed Service Level Agreement (SLA) must be signed with a service provider for the</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
			development and ratification of the learning material.
MQA-A006	Internships	An amount of R 158 000 per year is awarded to employers per learner.	<ol style="list-style-type: none"> <li>1. The MQA shall enter into a Memorandum of Agreement (MoA) with each participating host employer.</li> <li>2. Employers apply to the MQA. The MQA evaluates and approves the application based on the following criteria: <ul style="list-style-type: none"> <li>• Employer pays levy to MQA or is levy-exempt</li> <li>• Employer has an SDL number</li> <li>• Employer is up to date with levy payments</li> <li>• Employer has suitable qualified mentors in place to support interns</li> <li>• Employer has signed an Internship agreement with the MQA</li> <li>• Employer have an operational site relevant to the programme.</li> </ul> </li> <li>3. Learners are recruited and placed by the MQA or Employers based on the following criteria: <ul style="list-style-type: none"> <li>• Learner is not employed at all</li> <li>• Learner should have achieved the relevant qualification at a HET level</li> <li>• Learner has signed an Internship agreement with MQA</li> <li>• Learner and employer have signed an Internship agreement with MQA.</li> </ul> </li> <li>4. The grant is paid quarterly in advance.</li> <li>5. The first tranche is paid verification of learner.</li> <li>6. Each tranche is paid on receipt of progress reports.</li> <li>7. All internships are three year programmes, subject to Board approval.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
			<ol style="list-style-type: none"> <li>8. Employers must adhere to the MQA Internships Guidelines.</li> <li>9. The employer must provide a monthly allowance to the learner as per the SLA.</li> <li>10. Supports structured on- the- job training to unemployed graduates who have completed Degrees from the Universities and Diplomas from the Universities of Technology.</li> <li>11. Employers have adequate infrastructure and have sufficient and qualified mentors in the relevant disciplines to deliver the programme in line with the MQA Internships Programme guidelines.</li> <li>12. Employers have their own sites for practical exposure of learners.</li> <li>13. Internship opportunities are offered to unemployed graduates in any of the mining and minerals related disciplines as identified in Annexure B:4.</li> </ol>
MQA-A007	<p>Learnerships (Non-Artisan)</p> <p>- Excludes those for the Diamond Processing, Jewelry Manufacturing and for learners with disabilities</p>	<p>An amount of R 50 000 per learner per Learnership is awarded, based on the following accurate supporting documents to be submitted to the MQA:</p> <ul style="list-style-type: none"> <li>• Certified copy of South African Identity Document or Passport once copy of ID obtained it should be put on file;</li> <li>• Learnership Implementation</li> </ul>	<ol style="list-style-type: none"> <li>1. The grant is paid on a first-come-first-served basis.</li> <li>2. The MQA shall enter into a Memorandum of Agreement (MoA) with each participating host employer.</li> <li>3. The grant will be paid to the employer who should be registered with MQA as a levy payer or exempted.</li> <li>4. The MQA may conduct learner verification site visits to approve learnership grants prior to payment of grant. MQA reserves the right to withhold payment.</li> <li>5. The employer to use MQA accredited training provider who has the capacity and resources to conduct training and that is linked to a workplace.</li> <li>6. Implementation plan commencement date must be the same as the learning programmes agreement commencement date.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
		<p>plan or training plan.</p> <ul style="list-style-type: none"> <li>• Contract of employment for 18.2 (un-employed learners) for the period of a Learnership programme.</li> <li>• For 18.1 (employed learners) a confirmation of employment on the company letterhead.</li> </ul> <p><b>Payment tranches:</b></p> <ul style="list-style-type: none"> <li>• R 5 000 on registering learning programmes agreement. (commencement of training)</li> <li>• R10 000 after six months, R 35 000 on approval of achievements by the ETQA unit or certification.</li> </ul>	<p>7. Stipends are paid as per the Sectoral Determination 5.</p>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
MQA-A007	<p>Learnerships Non-Artisan RPL</p> <p>Excludes those for the Diamond Processing, Jewelry Manufacturing and for learners with disabilities</p>	<p>An amount of R 30 000 per learner per Learnership is awarded, based on the following accurate supporting documents to be submitted to the MQA:</p> <ul style="list-style-type: none"> <li>• Certified copy of South African Identity Document or Passport once copy of ID obtained it should be put on file</li> <li>• Learnership Implementation plan or training plan</li> <li>• For 18.1 (employed learners) a confirmation of employment on the company letterhead.</li> </ul> <p><b>Payment tranches:</b></p> <ul style="list-style-type: none"> <li>• R 10 000 on registering learning programmes agreement. (commencement of training)</li> </ul>	<ol style="list-style-type: none"> <li>1. The grant is paid based on an allocation process.</li> <li>2. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer</li> <li>3. This applies to the attainment of core MQA registered learnerships.</li> <li>4. Stipends are paid as per the Sectoral Determination 5.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
		<ul style="list-style-type: none"> <li>R20 000 on approval of achievements by the ETQA unit or certification.</li> </ul>	
MQA-A007	<p>Learnerships (Non Artisan)</p> <p>Beneficiation including Learners with Disability</p>	<p>An amount of <b>R35 000</b> per learner per Learnership is awarded.</p> <p>Three tranches will be paid for Beneficiation non Artisans Learnerships:</p> <ul style="list-style-type: none"> <li>R 5 000 on registering learning programmes agreement. (commencement of training)</li> <li>R10 000 after six months, R20 000 on approval of achievements by the ETQA unit or certification.</li> <li>An amount of R 50 000 per learner per Learnership is awarded for the Disability Project.</li> </ul>	<ol style="list-style-type: none"> <li>The grant is paid based on an allocation process.</li> <li>The MQA shall enter into a Memorandum of Agreement (MoA) with each employer.</li> <li>Learners will be supported on Beneficiation non-artisan learnerships including Learners with disabilities.</li> <li>Learners embarking on the next level of qualifications will be supported (for example: learners will not be supported for the L3 Diamond Processing, but the Level 4 qualification). The strategy is learners already trained on low level skills to progress and obtain higher level skills.</li> <li>For the Diamond Processing area, a learner will be supported on one learnership only.</li> <li>The grant will be paid to the employer who should be registered with MQA as a levy payer or exempted.</li> <li>The MQA may conduct learner verification site visits to approve learnership grants prior to payment of grant. MQA reserves the right to withhold payment.</li> <li>The employer to use accredited training providers who have the capacity and resources to conduct training and linked to a workplace.</li> <li>Employers taking on learners with disability must ensure that the work environment accommodates learners in terms of accessibility.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
		<p><b>Learners with Disability:</b></p> <ul style="list-style-type: none"> <li>• R 10 000 on registering learning programmes agreement. (commencement of training)</li> <li>• R12 000 after six months, R28 000 on approval of achievements by the ETQA unit or certification.</li> </ul> <p>The following accurate supporting documents to be submitted to the MQA:</p> <ul style="list-style-type: none"> <li>• Certified copy of South African Identity Document or Passport once copy of ID obtained it should be put on file;</li> <li>• Learnership Implementation plan or training plan.</li> <li>• Contract of employment for 18.2 (un-employed learners) for the</li> </ul>	<p>10. Implementation plan commencement date must be the same as the learning programmes agreement commencement date.</p> <p>11. The MQA will analyse trends of terminations of learners on learning programmes agreements per employer and if these are excessive.</p> <p>12. Stipends are paid as per the Sectoral Determination 5.</p>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
		<p>period of a Learnership programme.</p> <ul style="list-style-type: none"> <li>• For 18.1 (employed learners) a confirmation of employment on the company letterhead</li> <li>• For learners with disabilities, proof of the disability is required and certified by SASSA.</li> </ul>	
MQA-A008	SDF Support	This is implemented through a project-based process	<ol style="list-style-type: none"> <li>1. Support is provided for the capacitating of stakeholders ahead of the mandatory grant submission and ad hoc stakeholder requests.</li> </ol>
MQA-A009	AET	<p>Full and part time classes for employed and unemployed learners in AET programmes, the ratio to be 80/20, subject to Board approval.</p> <p>Grant of R10 000 per learner is awarded to the MQA registered levy paying company:</p> <p>R5 000 to be paid per learning area upon</p>	<ol style="list-style-type: none"> <li>1. The grant is paid based on a first-come-first-served basis for a learner completing the programme.</li> <li>2. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer.</li> <li>3. The 80/20 rule shall apply, (80 percent employed learners and 20 percent unemployed learners).</li> <li>4. Certified Copy of South African Identity Document or Passport is required - once copy of id is obtained it should be put on file.</li> <li>5. The grant will be paid to the employer who should be registered with MQA as a levy payer or exempted.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
		<p>completion for AET levels 1,2,3,4. R5 000 to the learner through the employer.</p> <p><b>GETC NQF1 (58267)</b></p> <p>The MQA will disburse R10 000 per learner on completion of NQF 1 in all learning areas to the employer, R5 000 to the learner through the employer.</p> <p><b>Nated Courses</b></p> <p>The MQA will disburse a grant of R 4 000 of completion of N1 and N2 Engineering and Mining. R1 000 per learning area on completion of Nated subjects.</p> <p><b>National Orientation Certificate (NOC)</b></p> <p>The MQA will disburse R 5 000 on completion of the National Orientation Certificate NOC.R1</p>	<p>6. The MQA may conduct learner verification site visits to approve AET grants prior to payment of grant. MQA reserves the right to withhold payment.</p> <p>7. The employer to use accredited training providers who have the capacity and resources to conduct training.</p> <p>8. Statement of results or certificates from the IEB, Benchmark or the DoE must be provided for AET 1-4 programmes as the external assessment achieved.</p> <p>9. For the MQA NQF Level 1 qualification the MQA Certificate will be required.</p> <p>10. AET enrolment form completed accurately signed and uploaded to the MQA management information system.</p> <p>11. Development of Terms of Reference by MQA to appoint Accredited Service Providers to train Employed and Unemployed learners and ensure learners are competent in AET levels 1 to 4 programmes in the Mining and Minerals Sector.</p> <p>12. Grant will be paid to MQA Levy paying companies for learners achieving the Nated courses and the National Orientation Certificate on completion and per learning area on</p>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
		<p>000 per learning area on completion.</p> <p><b>Pre-AET Programme</b></p> <p>The MQA will disburse R5 000 on completion of the Pre-AET programme of two learning areas, R2 500 to the learner through the employer.</p>	<p>receiving the results and a certified copy of South African Identity Document/ passport.</p> <p>13. Statement of results or certificate is required.</p>
MQA-A010	OHS Rep Development	<p>A grant of R 2 500 per learner is awarded to the levy paying employer on completion of the skills programme by the learner.</p>	<ol style="list-style-type: none"> <li>1. The grant is paid on a first-come-first-served basis, for a learner completing the programme.</li> <li>2. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer</li> <li>3. Certified Copy of South African Identity Document or Passport is required - once copy of id is obtained it should be put on file.</li> <li>4. Learners completing the skills programmes will be supported by the MQA.</li> <li>5. The grant will be paid to the employer who should be registered with MQA as a levy payer or is exempted from paying levies.</li> <li>6. The MQA may conduct learner verification site visits to approve OHS grants prior to payment of grant. The MQA reserves the right to withhold payment.</li> <li>7. The employer to use MQA accredited training providers who have the capacity and resources to conduct training.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
MQA – A013	Learnerships  (Artisan Development – Employed and Unemployed)	<p>A maximum amount of R150 000 per learner is payable.</p> <p>A four-tranche process will be used for disbursing payments.</p> <p>Each tranche will be 25% of the total new artisan learner grant or R 37 500 per disbursement.</p> <p><b>Disbursement tranches:</b></p> <ul style="list-style-type: none"> <li>• <b>Tranche 1:</b> R 37 500 x Total number of new artisan learners grants allocated</li> <li>• <b>Tranche 2:</b> R 37 500 per new artisan learner</li> <li>• <b>Tranche 3:</b> R 37 500 per new artisan learner</li> <li>• <b>Tranche 4:</b> R 37 500 per new artisan learner</li> </ul>	<ol style="list-style-type: none"> <li>1. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer.</li> <li>2. Tranche 1 and 2 is disbursed on registration, verification of learner and submission of the following documents: <ul style="list-style-type: none"> <li>• A detailed implementation plan ; and</li> <li>• Shortfall letter (if required)</li> <li>• Certified original copy of Learning Programme Agreement accompanied by relevant supporting document as determined by the MQA.</li> <li>• An on-site verification report by a MQA representative confirming that the new artisan learners are in the process of being trained on site in the relevant trade as is indicated by the Learning Programme Agreement.</li> </ul> </li> <li>3. Tranche 3 is disbursed after receipt of the following documentation as per the National Artisan Development (NAD) Policy attached as Annexure E: <ul style="list-style-type: none"> <li>• Report from Employer</li> <li>• An on-site verification report by a SETA or NSF;</li> <li>• An affidavit from the new artisan</li> </ul> </li> <li>4. Tranche 4 is disbursed within after receipt of the following documentation as per the National Artisan Development (NAD) Policy attached as Annexure E: <ul style="list-style-type: none"> <li>• When the learner successfully completes the programme.</li> </ul> </li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
			5. Stipends are paid as per the Sectoral Determination 5.
MQA-A014	ARTISAN AIDES /RPL – EMPLOYED	<p>An amount of R15 000 is paid on completion of the Artisan Aides Skills Programme.</p> <p>An amount of R 50 000 is paid on completion of the Unit Standards Based artisan suite of qualifications per qualification or the engineering maintenance qualification.</p>	<ol style="list-style-type: none"> <li>1. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer.</li> <li>2. Certified Copy of South African Identity Document or Passport is required - once copy of ID is obtained it should be put on file.</li> <li>3. Employed learners that complete the programme will be supported.</li> <li>4. The grant will be paid to the employer who should be registered with MQA as a levy payer or is exempted from paying levies.</li> <li>5. The grant is payable to the employer in respect of those learners that met the requirements of successful completion.</li> <li>6. The MQA may conduct learner verification site visits to approve learnership grants prior to payment of grant. MQA reserves the right to withhold payment.</li> <li>7. The employer is to use MQA accredited training provider who has the capacity and resources to conduct training and is linked to a workplace.</li> </ol>
MQA-A015	<b>TVET College Support:</b> NCV TVET /NCV Engineering Internships, Level 4 (Completed) Under the following trade:	<ul style="list-style-type: none"> <li>• The NCV Engineering Level 4 Internship Grants is R 150 000 per learner payable in tranches for a period of completion for the artisan training.</li> </ul>	<ol style="list-style-type: none"> <li>1. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer.</li> <li>2. Employers should be registered and paying levy's or levy exempt as well as employers in other sectors will be considered.</li> <li>3. The MQA will invite employers to participate in placing learners in their companies.</li> <li>4. MQA will sign a Learner Uptake Agreement with the employer to commit to the registration of NCV Engineering Level 4 learners as per this allocation.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
	<ul style="list-style-type: none"> <li>• Electrical</li> <li>• Fitting &amp; Turning</li> <li>• Boilermaker</li> <li>• Plater Welder</li> <li>• Fitting(including machining)</li> <li>• Diesel mechanic</li> <li>• Instrumentation mechanic</li> <li>• Rigger ropseman</li> <li>• Milwright</li> </ul>		<p>A signed Artisan Learnership Agreement must be accompanied by the following supporting documentation:</p> <ol style="list-style-type: none"> <li>1. Signed supplement: Learnerships MQA Seven (7) Step Artisan Development process</li> <li>2. Artisan Programme Training Plan</li> <li>3. Contract of employment for the duration of an artisan learnership</li> <li>4. Copy of the Identity Document.</li> <li>5. Copy of educational qualifications.</li> </ol> <p><b>Tranche payment:</b></p> <ul style="list-style-type: none"> <li>• The grant annually is as per the National Artisan Development Policy (Also captured under Artisan Development)</li> </ul> <ol style="list-style-type: none"> <li>5. Stipends are paid as per the Sectoral Determination 5.</li> </ol>
MQA - A015	<p><b>TVET College Support:</b> TVET Lecturers</p>	<p>A grant of R 36 000 per lecturer, for three months is awarded to the employer.</p> <p>R12 000 per learner, per month is paid to the host employer/TVET College for three months.</p>	<ol style="list-style-type: none"> <li>1. The MQA shall enter into a Service Level Agreement (SLA) with each employer/TVET College.</li> <li>2. Placement of lecturers is usually for three months period.</li> <li>3. Payment includes training costs.</li> <li>4. Employers/TVET College must be an MQA levy payers or levy exempt (with SDL number)</li> <li>5. Employers must be up to date with levy payments</li> <li>6. The tripartite contract is signed by all parties involved i.e. Learner, employer and MQA.</li> <li>7. Work experience opportunities are offered in any of the mining related disciplines as per the scarce skills list.</li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
			8. Employers must have their own site to place the learners.
MQA-A016	Maths and Science	To support Grade 10,11 & 12 Maths & Science Learners to achieve good Maths and Science results that will allow them access to PSET institutions to enroll on mining and minerals related qualifications.	<ol style="list-style-type: none"> <li>1. A detailed Service Level Agreement (SLA) must be signed with a service provider for the support of learners to improve their performance in maths and science.</li> <li>2. Support will be provided to learners from the rural areas and townships.</li> </ol>
MQA-A017	FLC Grant Incentive	Grant of R5 000 inclusive of VAT per learner is awarded to the MQA registered levy paying company. (R2500 per learning area)	<ol style="list-style-type: none"> <li>1. The grant is paid based on an allocation process.</li> <li>2. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer.</li> <li>3. Grant will be paid to MQA Levy paying companies for learners achieving a FLC learning area on receiving the results from IEB and a certified copy of South African Identity Document/ passport.</li> <li>4. Statement of results or certificate is required from the IEB.</li> </ol>
MQA-A018	Mpumalanga TVET Artisan	Development of artisans for the Mpumalanga Province.	<ol style="list-style-type: none"> <li>1. A detailed SLA in place with a service provider for the training of 220 learners in the artisan trades.</li> </ol>
MQA-A019	Mine Community Development	To facilitate and support the training of mine community members on skills to make communities sustainable as well as support	<ol style="list-style-type: none"> <li>1. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer</li> <li>2. The beneficiaries will be: <ul style="list-style-type: none"> <li>• Young unemployed learners living in mining Communities or labour sending areas.</li> </ul> </li> </ol>

Grant Project	Grant	Grant Levels	Grant Rules and Criteria
		retrenched mine workers to gain other skills.	<ul style="list-style-type: none"> <li>Employees facing retrenchments or employees already retrenched/laid-off.</li> </ul> <ol style="list-style-type: none"> <li>3. Appoint a task team to review the mine community proposals.</li> <li>4. Develop a standard operating procedure for approving the proposals.</li> </ol>
MQA-A020	Workplace Coach Development	To provide occupational coaching programme that will provide a structured on-the-job training areas.	<ol style="list-style-type: none"> <li>1. Expression of interest to all levy paying employers.</li> <li>2. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer.</li> </ol>
MQA-A022	Management Development	To support qualifying employees to assume supervisory and management roles within their companies. It is envisaged that after undergoing the MDP training mining companies will allow their HDSA employees an opportunity to demonstrate their newly acquired management skills within two years of their completion.	<ol style="list-style-type: none"> <li>1. Expression of interest to all levy paying employers.</li> <li>2. The MQA shall enter into a Memorandum of Agreement (MoA) with each employer.</li> </ol>

## **ALLOCATION OF DISCRETIONARY GRANTS FOR SPECIAL PROJECTS (MINE COMMUNITY DEVELOPMENT AND YOUTH DEVELOPMENT PROJECTS)**

Discretionary Grants are allocated to ensure proper implementation and achievement of the objectives of the MQA through up-skilling and multi-skilling. Special projects are aimed at ensuring participation of the organizations registered with the MQA, Public Organizations, NGOs and CBOs. The purpose of Special Projects is to provide skills to Retrenched Mine workers, X-Mine Workers, labour sending areas and to the Community where mining activities are taking place. Such skills including but not limited to portable could be linked to economic activities to ensure value for money.

## **2. List of Disciplines Supported for the Bursary project:**

### **Universities**

1. Mining Engineering
2. Metallurgical Engineering (Extractive only)
3. Mechanical Engineering
4. Electro-Mechanical
5. Mining Survey
6. Geology
7. Electrical Engineering (Heavy Current only)
8. Chemical Engineering (Mineral Processing)
9. Jewellery Design and Manufacturing
10. Environmental Health and Management
11. Analytical Chemistry
12. Rock Engineering
13. Industrial Engineering

- **Any Bachelors of Technology (B.Tech) degrees associated with the disciplines/courses listed above.**

### **Technical and Vocational Education and Training Colleges (TVETs):**

1. Diesel Mechanics
2. Fitter & Turner
3. Electricians
4. Boilermakers
5. Fitting including Machinery
6. Millwrights
7. Riggers
8. Instrumentation

## **3. List of Disciplines Supported for Work Experience**

- Mechanical Engineering
- Chemical Engineering
- Electrical Engineering
- Environmental Studies
- Analytical Chemistry
- Industrial Engineering
- Geology

- Mining Engineering
- Metallurgical Engineering
- Mineral Surveying

#### **4. List of Disciplines Supported for Internships**

- Analytical Chemistry
- Chemical Engineering
- Jewellery Design and Creative Jewellery
- Electrical Engineering
- Environmental Science
- Extraction Metallurgy
- Geology
- Industrial Engineering
- Metallurgy
- Mine Engineering
- Mine Survey
- Mechanical Engineering

## ANNEXURE D

### 1. DISPUTE RESOLUTION

- 1.1 All disputes/complaints relating to the application of this policy shall be dealt with in accordance with the MQA funding dispute resolution procedure as per Annexure C for the same/current financial year and all disputes from the previous financial year will not be considered unless valid reasons are given. The MQA will have the option to consider such;
- 1.2 Any dispute/complaint which may arise from the application of this policy shall first be resolved with the relevant MQA Unit Manager within seven (7) working days from the time the dispute/complaint was lodged. Both parties shall endeavour to resolve the matter in question;
- 1.3 Should the parties be unable to resolve the dispute/complaint within fourteen (14) working days, the complainant shall deliver a notice to appeal the MQA Unit Manager's decision. This will be for the attention of the Chief Executive Officer of the MQA who will act as a mediator;
- 1.4 If the dispute/complaint is not resolved within 30 working days from the date it was referred to the Chief Executive Officer of the MQA, the complainant may appeal the matter to the MQA Board (*depending on the date which the Board meeting is scheduled*). Thereafter, the Board decision will immediately be communicated to the parties concerned;
- 1.5 In all instances, the notice of appeal must state whether the complainant is appealing against whole or part of the decision of the MQA Unit Manager, Chief Executive Officer or the MQA Board. If only part of the decision is appealed against, the notice must state which part is the subject of the appeal;
- 1.6 If the MQA Board fails to resolve the dispute/complaint, the matter shall be referred to the Arbitration Foundation of South Africa ("AFSA") within fourteen (14) working days. It will be the responsibility of each party to pay its own costs, and the costs of the mediator shall be shared equally between the parties;
- 1.7 Nothing in this clause will preclude either party from obtaining interim relief from a Court of competent jurisdiction pending the decision of the arbitrator.

**ANNEXURE E**

**GOVERNMENT GAZETTE, 35940 – SETA GRANT REGULATIONS –  
amended 15 JULY 2013**

## ANNEXURE F

### NATIONAL ARTISAN DEVELOPMENT FUNDING AND LEARNER ADMINISTRATION POLICY – 1 APRIL 2013

#### Revised Policy

##### 1. Introduction

The training of artisans continues to be a national priority. The national performance outcomes of Government, the Human Resource Development Strategy for South Africa, the National Skills Development Strategy, the Industrial Action Plan (IPAP2), the New Growth Path and its related National Skills Accord for economic development, the National Development Plan, as well as almost all of the Strategic Infrastructure Projects (SIPs) announced by the President in his State of the Nation address in January 2012 all affirm the importance of this.

More recently **The White Paper for Post-school Education and Training: Building an Expanded, Effective and Integrated Post-school System** approved by Cabinet on 20 November 2013 and released by the Minister of Higher Education and Training on 15 January 2014 includes this direct reference to national artisan development:

***In areas of work such as the artisan trades, apprenticeships have traditionally been the pathway to qualifications; however, the apprenticeship system has been allowed to deteriorate since the mid-1980s, resulting in a shortage of mid-level skills in the engineering and construction fields. Re-establishing a good artisan training system is an urgent priority; the current target is for the country to produce 30 000 artisans a year by 2030.***

A national artisan development programme including all components of artisan development, driven by all social partners in a coordinated and integrated manner, is therefore a critical need for the country. In recognition of this, the Minister of Higher Education and Training on 4 February 2013 declared 2013 as the Year of the Artisan. The Year of the Artisan experienced great success in reaching over 13 000 learners by highlighting artisanal careers as viable and good career choices. This success has led the Ministry to declare the period from 2014 to 2024 as the Decade of the Artisan. This re-drafted policy is therefore released by the Minister as a key component of the Decade of the Artisan programme and an integral part of the national artisan development system as required by the White Paper.

The Artisan Development Technical Task Team (AD-TTT), the stakeholder representative body was re-established by the Human Resource Development Council of South Africa on the 5 December 2013. It had previously through its work plan identified three primary blockages to a national artisan development programme. These three blockages were tabled before the Human Resource Development Council on 15 June 2012 and unanimously endorsed for removal by relevant implementing partners. These three blockages are the lack of:

1.1 Detailed, accurate, current data for:

- artisan trade prioritisation
- workplaces and placement
- scientific target setting
- monitoring & evaluation;

1.2 A single guaranteed funding model for all artisan trades listed in the Government Gazette applicable to all sectors including a single artisan learner administration and grant disbursement system; and;

1.3 An Artisan Recognition of Prior Learning (ARPL) system that is focused on supporting persons who are working as support workers in the engineering field to become certificated artisans.

While this policy has a primary focus on removing the “blockage 1.2”, the implementation of the processes described in the policy also indirectly support the removal of “blockage 1.1.” in particular with respect to workplaces and placement.

## **2. Background to Revision of the Policy to remove “Blockage 1. 2”**

This revised policy has been developed to explain the annual process that will primarily address the second of the above noted blockages to artisan development. However, the revised policy and the annual process will also assist in addressing the other two blockages to the national artisan development programme resulting from efficiencies achieved by a single national learner administration system. This can be leveraged to improve data collection and analysis as well as the implementation of a national ARPL system.

It must also be noted that this revised policy results in an annual process that has also been developed in response to the directive in the White Paper for a single national development system. In addition, lessons learnt and concerns raised over the period June 2013 to date with the implementation of the policy by Sector Education and Training Authorities (SETAs) in particular, has indicated the need for the revision of the policy. This includes:

- The need to align the funding policy to the Grant Regulations of December 2012 that gives direction to the SETAs on the process they need to follow in processing Professional,

Vocational, Technical and Academic Learning Programme (PIVOTAL) grants. The single guaranteed funding and learner administration policy has been revised to ensure that there is alignment with grant regulations in relation to timing differences experienced in the first phase of implementation. The Policy will also ensure that the same processes are followed in the call for, receipt and disbursement of PIVOTAL grant applications;

- Risks associated with the four tranche disbursement proposal and controls over employers and learners. The revised policy removes the predetermined single four tranche mechanism and allows SETAs and Sectors to determine tranche payments aligned to the risk levels within their Sectors;
- Lack of knowledge and capacity in some SETAs to implement the current policy, in particular with the development of workplaces, administration of agreements, disbursements and reporting on artisan learners; and
- Difficulties experienced by some SETAs and Sectors in applying the disbursement and four tranche model across three different learnerships that as a collective make up an artisan trade programme. The revised policy allows each SETA and Sector to adapt the single grant to a particular learning programme type, although the easiest and simplest method remains the apprenticeship model.

### **3. Advantages and Benefits of the Revised Policy**

The following are the advantages and benefits that will be realized by implementing this standardised annual process for a single workplace data, learner funding and learner administration revised policy for all artisan trades listed in the Government Gazette 35625 applicable to all sectors:

- A systemic, single, national, logical, pragmatic approach to removing a primary blockage to the national artisan development programme;
- A programmatic multi-project approach to artisan development that is implemented on an ongoing annual basis that replaces the previous single project approach used by SETAs and NSF for artisan development;
- Systemic, standardised and common approach to developing a system that can be automated and improved upon by leveraging information and communications technology;

- A systemic and ongoing method of progressively determining the actual, real annual prevailing demand and workplace capacity of national artisan development requirements as determined by the inputs of qualifying employers directly;
- A process that ensures all artisan development stakeholders in the country collaborate to drive a single national artisan development system to practically remove the current sector and/or employer based approach to national artisan development;
- A process that ensures that all artisan trade occupations as listed in the Government Gazette No 35625 receive equal opportunities for development but subject to prevailing scarcity and economic demand; and
- Standardisation of funding for all listed artisan programmes inclusive of apprenticeships, learnerships and internships for which the policy applies. However it must be noted that the policy is best suited to an apprenticeship based process that starts from an agreement with an employer up to and including the successful completion of a trade test.

#### 4. The Annual 4-Step Process

Step 1	Each SETA and the National Skills Fund (NSF) establishes the <b><u>PROVISIONAL</u></b> total rand value budget for Artisan Development for the next financial year and submits to the Department of Higher Education and Training (DHET) for Consolidation to establish Total Available National Artisan Development (NAD) Budget.	Completed by 31 October annually
Budgets	Each SETA and the NSF submits their <b><u>FINAL APPROVED BUDGET</u></b> for Artisan Development for the next financial year to DHET for consolidation to establish Actual Total available for National Artisan Development (NAD) Budget.	Completed by 28 February annually

The first step forms the basis for artisan learner funding. The question being asked is how much money is available, confirmed and committed, to artisan learner grants for artisan development for

the next financial year that starts in April every year. The amount requested as a budget is the full commitment for the full duration of the programme that will be funded for artisan learners.

In the case of the prevailing apprenticeship system it is the commitment of R150 000 for the practical and workplace component but excludes the TVET College theory component. In the case of the prevailing learnership system it is the commitment of R 150 000 over all three learnership programmes that make up an artisan programme. In both cases, for an apprenticeship and a learnership, the R 150 000 grant includes costs of learner allowances and costs for three attempts for a trade test.

Each SETA and the NSF will be required to submit this information to DHET for consolidation into a single national budget, following the August submissions of draft Strategic Plans by all government departments and public entities.

All SETAs will submit their budgets through the National Artisan Development Support Centre (NADSC) website for consolidation by DHET. The budgets will be submitted through an approved DHET format on the website. A designated SETA and NSF representative will be given website rights to submit and approve uploaded budgets on the website.

<p>Step 2</p> <p>Work-places</p>	<p>SETAs analyse all PIVOTAL Plans, SIPs Plans and other relevant national strategies to determine the number of artisan learners by trade and by employer that has been planned for by the economy. To supplement PIVOTAL Plans, a SETA may also issue a call for artisan learner grant applications from employers, in particular for small companies. SETAs capture or upload all applications received through PIVOTAL plans or Call for Applications on the NADSC web site in a format determined by the NADSC for consolidation into a single national database of artisan learner workplaces for use in planning spatially based capacity building initiatives.</p>	<p>Completed by 31 August annually</p>
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This second step will improve the accuracy of data related to the national workplace capacity for artisan learners and provide an annual update for artisan learner demand from all sectors of the economy. This is the single most critical component of the revised policy as without a scientific basis for spatial planning of artisan development in the country, the system will remain an ad-hoc system subject to a range of uncontrollable factors.

A particular need to identify and plan for artisan learner workplaces through the Step 2 process is to allow for the development of public TVET Colleges into “Centres of Specialisation” directly related to

the need for certain trades linked to local economies. This is a key strategy built into the SIPs Skills Planning Methodology linked to Occupational Teams.

<p>Step 3  Alloca- tions</p>	<p>SETAs determine allocations of grants to qualifying employers based on SETA Board criteria and advise qualifying employers. SETAs capture or upload all allocations to qualifying employers onto the NADSC web site in a format determined by the NADSC for consolidation into a single national database of artisan learner allocations. The NADSC will compare the applications (Step 2) and allocations (Step 3) and determine the number of learners not funded by SETA that will be referred to NSF and other funding agencies for possible funding, inclusive of the Unemployment Insurance Fund (UIF).</p>	<p>Completed by 30 September annually</p>
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SETA's will determine allocations to qualifying employers. A qualifying employer is one whose workplace has been approved as per national standardised artisan learner workplace and or site approval policy. This process will also assist DHET and SETA's in identifying employers who are currently not approved for future developmental support to gain approval as a qualifying employer. This is a further enhancement on the spatial planning for artisan development linked to the Centres of Specialisation and Occupational Teams.

SETAs must take careful note that possible funding from the NSF and other funding agencies will be subject to successfully completing Steps 1, 2 and 3 above. This will allow the DHET to formally recommend to the NSF or other funding agencies to support a SETA with supplementary funding based on a cascading methodology.

This approach allows the NSF and other funding agencies to allocate grants subject to their specific criteria and controls and allows National Government to determine what is the most effective and sustainable approach to build capacity for artisan development in the country.

This may for example include an increasing allocation from NSF to qualifying employers that are State Owned Companies (e.g. Eskom) and Government Departments (e.g. the National Defence Force) that will allow the State to directly develop artisans in proportion to the changing needs of the country. Such competent artisans will then have the option to consider careers within the private sector or become entrepreneur artisans. This approach will benefit especially small companies that need artisans but cannot afford to train them or do not comply with the criteria to become qualifying employers.

The NSF and other Agencies will proceed to notify SETAs or Qualifying Employers of their allocations and where relevant request employers to initiate processes to claim or forfeit grants as per rules described in Step 4 below.

<p>Step 4</p> <p>Disburse- ments</p>	<p>Based on approved allocations, SETAs, NSF and other agencies disburse the standardised artisan learner grants for the prevailing financial year based on the tranche disbursement framework determined by the SETA, NSF or another agency.</p>	<p>Each payment subject to compliance to framework from October onwards</p>
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Taking into account their industry and sector risks SETA's, NSF and other agencies will disburse grants to qualifying employers based on their internally determined payment process.

Although each SETA and the NSF or other agencies will determine their own disbursement tranches and rules, the following are specific risk factors that should be considered:

- The grant is disbursed to an employer with an approved workplace and not a provider, as workplace development is the most critical component of artisan learning. Grants given to providers perpetuate the crisis of learners with theory but no practical/workplace opportunities we have in the country;
- An employer should enter into agreements with providers who are accredited to training the specific trades for which the grant(s) have been received. This may be an internally based training centre within the employers own company; and
- Employers are required to pay learner allowances based on applicable legislative framework works i.e. Bargaining Council or Sectoral Determination. Where necessary and applicable, Inspectors from the Department: Labour or Department: Mineral Resources have the right to confirm that such allowances are paid.

## 5. Exceptions / Exemptions from Generic Artisan Funding and Learner Administration Policy

During the various discussions held with all relevant stakeholders to reach this level of agreement on the **Generic Learner Grant**, numerous exceptions and/or exemptions from the generic grant have been identified.

These exceptions and exemptions will be funded through special projects and separate SETA discretionary or NSF/UIF budgets that are approved and implemented separate from the standard R 150 000 new artisan learner grant as described in this policy .

The exceptions/exemptions include but are not limited to:

- Grants for persons undergoing Recognition of Prior Learning to become artisans
- Grants for learners coming from rural areas
- Grants for Persons with Disabilities
- Grants for Accommodation for artisan learners
- Grants for Infrastructure for artisan development
- Grants to increase employer or provider capacity for artisan development

## 6. Annual Standardised Artisan Learner Grant

A fixed, predetermined annual new learner grant must form part of the funding model. Employers will not commit to taking on learners and cannot plan ahead if they do not know what the grant per learner will be. The fixed annual learner grant will mean that the **actual number of new learners** supported with grants each year will fluctuate each year subject to available budgets allocated by SETAs, NSF and other agencies.

The artisan learner grant for 2015 – 2016 is R 150 000 per new artisan learner disbursed over the period of the artisan programme from agreement registration to certification. The new learner grant must be adjusted annually by taking into account the Producer Price Index escalation percentage in consultation with artisan development stakeholders. Once agreed the DHET will annually issue a revised policy by the end of January each year confirming the annual standardised artisan learner grant for the following financial year.

It must be noted that the current artisan learner mechanism is a fragmented grant mechanism in that it excludes the public funding of learners in public Technical, Vocational Education and Training (TVET) Colleges on engineering programmes. As the new artisan trade occupational qualifications are rolled out over the next few years, the possibility exists that a more integrated funding regime will emerge that will allow for the funding of an artisan learner from entry into a public TVET College to the successful completion of a trade test.

## 7. Implementation, Monitoring and Evaluation

Implementation of the revised policy is integrated into annual strategic and operational planning processes of SETAs and the NSF for each financial year.

The implementation dates for the policy differs across two different financial years directly related to each Step in the Policy:

Step 1 is a planning mechanism and occurs in the prevailing financial year. Therefore for this Policy Revision Step 1 has the implementation date of 1 October 2014.

Steps 2, 3, 4 as well as the application of the revised grant amount of R 150 000 are implementation mechanisms for the next financial year. Therefore for this Policy Revision Steps 2, 3, 4 and the revised grant amount of R 150 000 has an implementation date of 1 April 2015.

The Director-General has included the **Generic National Artisan Workplace Data, Learner Grant Funding and Administration System** in the Service Level Agreements (SLA) for all relevant SETAs which therefore becomes part of standard SLA monitoring and evaluation processes.