

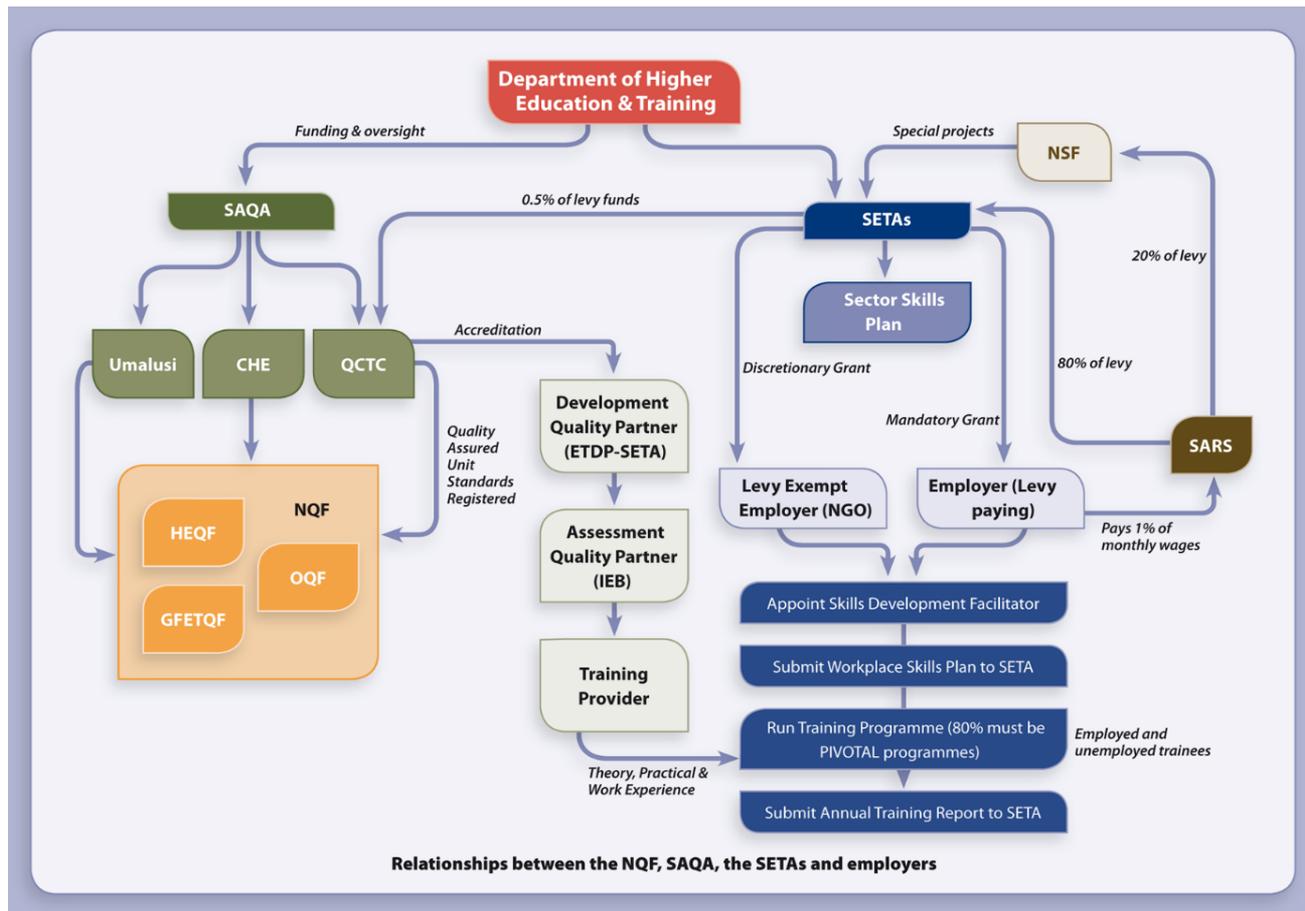


SKILLS DEVELOPMENT FOR THE INDUSTRY

**WHAT YOU NEED TO KNOW ABOUT NAVIGATING THE SKILLS DEVELOPMENT LANDSCAPE
TO ADDRESS YOUR SKILLS NEEDS**

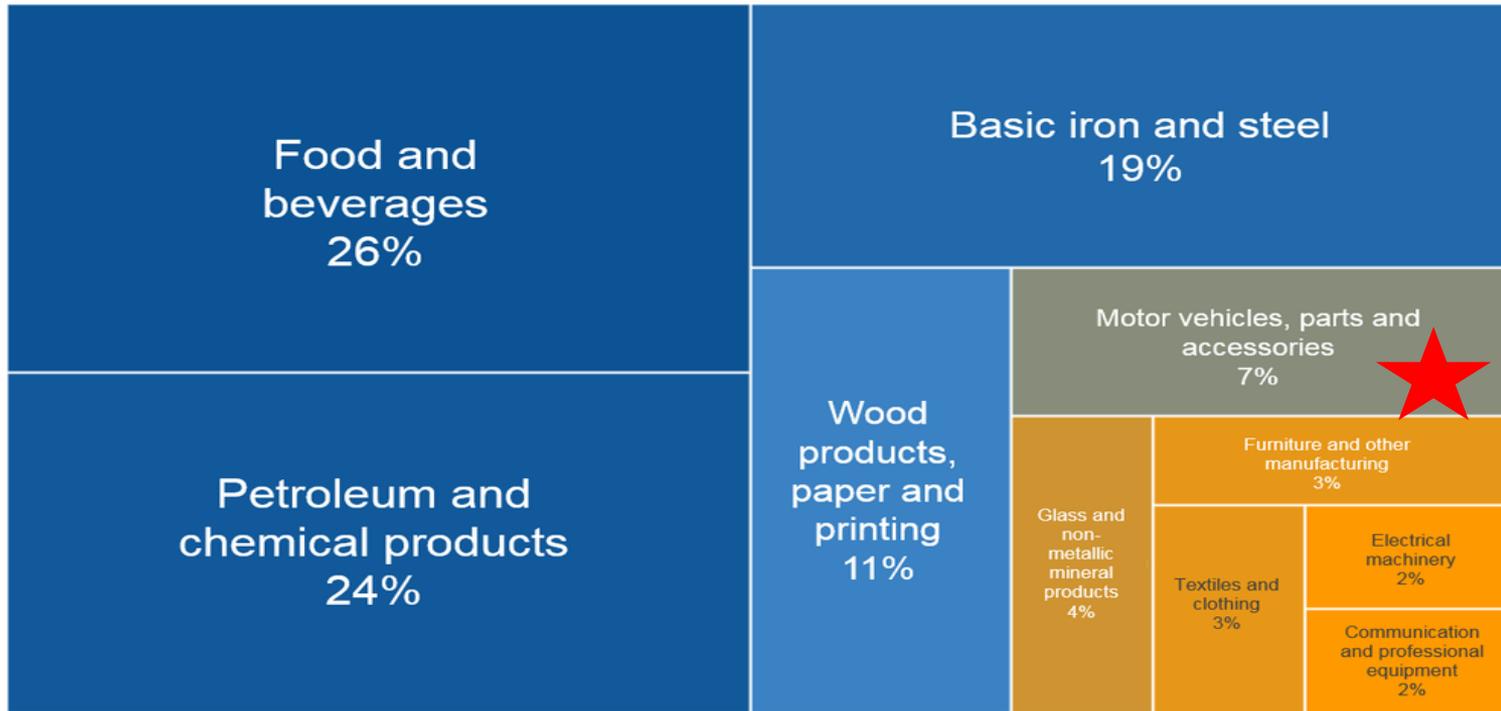
THE SKILLS DEVELOPMENT LANDSCAPE

- **The Skills Development Act of 1998** was promulgated with a core focus of improving the employment prospects of persons previously disadvantaged through training and education. These objectives would be spearheaded through the relevant **Sector Training Authorities (SETA's)**
- One of the primary objectives of the SETAs was to collect skills levies from employers within each sector. This was to go to employers and training bodies, and to learners in the form of discretionary grants and bursaries.



COMPONENTS SECTOR & SKILLS DEVELOPMENT

Who are the biggest players in the South African manufacturing industry?
Percentage contribution to total manufacturing value added



Percentages have been rounded and may not sum to 100%

Source: Manufacturing: Production and sales, December 2018

UPTAKE OF COMPONENTS MANUFACTURING QUALIFICATIONS 2011 - 2015

SAQA accredited auto components manufacturing and assembly skills training certificate performance

(Data authority: MERSETA)

Learnership Title	NQF	Year	Total Completed	Total auto comp sector workforce*
National Certificate: Automotive Components: Manufacturing And Assembly	2	2011	164	68 500
National Certificate: Automotive Components: Manufacturing And Assembly	2	2012	79	70 000
National Certificate: Automotive Components: Manufacturing And Assembly	3	2012	76	70 000
National Certificate: Automotive Components: Manufacturing And Assembly	2	2013	328	74 640
National Certificate: Automotive Components: Manufacturing And Assembly	3	2013	116	74 640
National Certificate: Automotive Components: Manufacturing And Assembly	2	2014	146	82 790
National Certificate: Automotive Components: Manufacturing And Assembly	3	2014	27	82 790
National Certificate: Automotive Components: Manufacturing And Assembly	2	2015	286	82 100
National Certificate: Automotive Components: Manufacturing And Assembly	3	2015	29	82100

SETA GRANT REGULATIONS

SETA Grant Regulations

1% of your annual payroll, collected by SARS and distributed to:

Example:

Payroll
R10 Million

1% Skills
Levy
R100 000

**NSF
National
Skills Fund
20%**

**Mandatory Grant
20%**

**Discretionary Grant
(49.5%) of which at least 80%
towards PIVOTAL
(approx 10% non-PIVOTAL and
40% PIVOTAL)**

**SETA
Administration
10.5%**

SETA GRANT REGULATIONS

- The SETA's listed in the section above each have scarce and critical skills list as sourced from the data supplied by employers within the industry.
- Scarce and Critical skills are defined as "an absolute or relative demand: current or in future; for skilled; qualified and experienced people to fill particular roles / professions, occupations or specialisations in the labour market.
- This consolidated list is available for access and downloadable at the DHET website: <http://www.dhet.gov.za/Information%20Systems%20Coordination/GAZETTE.pdf>
- A **Sector Skills Plan (SSP)** serves as a comprehensive document that outlines the skills demand and supply resulting in the skills gaps that exist in a sector. This skills gap (scarce or critical skills) informs the development of **PIVOTAL** Interventions aimed at addressing skills needs in the sector.
- The Sector Skills Plan which impact the components manufacturing are those for the engineering related SETA's, namely;
 - [merSETA: http://www.merseta.org.za/Portals/0/documents/Knowledge%20repository/Sector%20Skills%20Planning/merSETA%20Sector%20Skills%20Plan%202017%2018%20-%202021%2022.pdf](http://www.merseta.org.za/Portals/0/documents/Knowledge%20repository/Sector%20Skills%20Planning/merSETA%20Sector%20Skills%20Plan%202017%2018%20-%202021%2022.pdf)
 - [CHIETA: http://www.chieta.org.za/Portals/0/2017%20SSP%202018-2023.pdf](http://www.chieta.org.za/Portals/0/2017%20SSP%202018-2023.pdf)
 - [EWSETA: http://ewseta.org.za/wp-content/uploads/2018/11/EWSETA-SSP-2018-19-Final.pdf](http://ewseta.org.za/wp-content/uploads/2018/11/EWSETA-SSP-2018-19-Final.pdf)
 - [CETA: https://www.ceta.org.za/files/files/CETA-Sector-Skills-Plan-compressed.pdf](https://www.ceta.org.za/files/files/CETA-Sector-Skills-Plan-compressed.pdf)
- **MANDATORY GRANTS**
 - In terms of the Grants Regulation, a mandatory grant must be paid to all employers who meet the prescribed eligibility criteria
 - SETA requires that all employers (small, medium and large) submit their WSP and ATR data via the SETA WSP-ATR online system. The system requires that employers upload data into the online system and the WSP/ATR is automatically generated.
 - This is done as an annual submission and deadline dates are specific per SETA. For merSETA, the final submission date is **30 April**.

SETA GRANTS

DISCRETIONARY GRANTS

- PIVOTAL programmes are aimed at addressing scares and critical skills as identified in the SETA Sector Skills Plan.
- In terms of Sub-Regulation, the SETA shall place in the discretionary fund any unspent administrative funds and any interest earned on funds on 31 March of each financial year.
- Discretionary grants are allocated at the SETA's discretion to achieve its objectives in relation to the development of the sector. Discretionary grants must not be seen as a mechanism for reaching numerical targets but as a means of achieving intended impact in the sector. DG allocation is split into 80% PIVOTAL programmes and 20% other programmes.
- In terms of the access to and frequency of the DG Funding Window, this is determined by each SETA in relation to their Discretionary Fund Policy. It is best practice however that the window is opened twice a year, specifically around the earlier part of the year i.e. May and then at the latter part of the year i.e. September/October.
- **PSETA (closes 10 May 2019 at 16h00):** <http://www.pseta.org.za/projects/discretionary-grants/>
- In terms of awareness, SETA's advertise in newspapers, send out mailers and load notifications on their websites once a DG or Special Project Funding window has been opened.
- It is critical to note that **applications for both Discretionary and PIVOTAL Grant funding are not limited to the value of Skills Development Levies paid by the company.**

SETA GRANTS

STRATEGIC/SPECIAL PROJECT FUNDING

- National Imperative and SIPs are funded through Strategic Projects which are approved by the Grants Committee and Board in a financial year.
- Strategic Projects can be classified as both PIVOTAL or NON PIVOTAL programmes. SPECIAL/ STRATEGIC PROJECTS CAN BE APPLIED FOR THROUGHOUT THE YEAR.

OTHER FUNDING OPPORTUNITIES

- Whilst SETAs are mostly responsible for the allocation of funding for skills development interventions, other institutions also make provisions for this type of funding. The following funding windows are currently open:
- **DHET (closes on 13 May 2019 at 14h00) : NSF-UIF Labour Activation Programme Phase 2:**
<http://www.dhet.gov.za/SitePages/OpenBids.aspx>

For Further Queries Contact:

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Natalie Nelson is a seasoned Skills Development Specialist with over 15 years of experience within the HR and Skills Development arena. She's had the privilege of working within both the private and public sector arena, having been within the automotive industry for the past 10 years. Natalie joined OEM in 2009 as a Non-Technical Training Manager overseeing organisational and the dealer network development.

She joined the Automotive Industry Development Centre (AIDC) in 2013 and spearheaded the establishment of its flagship training facility, the Gauteng Automotive Learning Centre and its subsequent facility, the Trade Test Centre. Most recently, she embarked on an entrepreneurship journey and runs an Accredited HR and Skills Development Consultancy, Tetelestai Holdings. Natalie has a passion for sustainable people development and takes the view that skills development should not be a compliance exercise, if done strategically and with purpose, it lays the foundation for building a sustainable business.

Natalie is a registered Chartered Human Resources Practitioner with the South Africa Board of People Practitioners (SABPP), a registered Skills Development Facilitator and a Member of the Institute of Directors and sits on the Southern African German Chamber of Commerce's Education and Training Committee.