
	TRANSPORT AND EDUCATION TRAINING AUTHORITY QUALITY MANAGEMENT SYSTEM Procedure Manual		
	Procedure Title	TETA FUNDING MODEL	Procedure and Rev No:
Department	Skills Development	Effective date	April 2009
Approved		1 st Issue Date	

1. Introduction

This 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.

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, including the Skills Development Levies Act (SDLA).

The following Funding Models replaces the previous funding model and will apply to all TETA Grants within the **2009/2010 financial year** and must be read in conjunction with the TETA Discretionary Grant (DG) Criteria document, 2009/2010.

2. Purpose of the funding model

The purpose of TETA Funding Framework is to provide a standardised guideline that is consistent with the principles of fairness and equity and which is in line with Section 2 of the Skills Development Act. The Framework is applicable to levy paying companies, non levy paying companies, civil society and education and training providers in the Transport Sector, who are involved in TETA discretionary grants process.

The policy is in support of the sectors' scarce and critical skills list, national and provincial initiatives such as JIPSA, ASGI-SA, and the National Skills Development Strategy II.



Definition of Scarce Skills: Scarce skills are qualifications and learning programmes for which there are no or low enrolments at present but a demand for such in the economy that may be linked to immediate employment or self employment.

Definition of Critical Skills: These are skills that are critical for the sector to be able to operate effectively, efficiently and safely.

3. Funding model applicability

3.1 Discretionary Grant

In terms of the Skills Development Regulations No 22398 of June 2001, a discretionary grant is paid to applicants, at the discretion of TETA, for skills development projects linked to scarce and critical skills in the Transport Sector. Projects and grants referred to in this policy are based on national, sectoral and industry specific objectives. Discretionary grants may be disbursed as grants or projects. Availability of funding for projects and grants is subject to Board's discretion.

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Any application that falls outside of the discretionary grant funding criteria, after following due process will be referred to TETA Board for the Board's consideration and decision making. Funding for these applications may be sought from the National Skills Fund and is subject to criteria determined by the National Skills Authority. These will be clarified in the various funding windows of the discretionary grants:

Refer to TETA DG Grant Criteria 2009/2010 for more information.

3.2 Strategic Projects

The strategic projects may be funded through TETA discretionary funds / reserves or through the National Skills Funds (NSF). The funding of NSF applications is at the discretion of the National Skills Authority (NSA) and that there are no specific dates set aside for such applications.

As per the TETA DG Criteria 2009/2010, projects funded via the NSF are for skills development initiatives, identified as national skills priorities by the Transport Sector and is in line with the relevant funding windows of the National Skills Authority (NSA) for NSF funding.

Deadline dates and period of usage are prescribed in the funding criteria determined by the NSA and will be communicated to stakeholder companies as and when funding opportunities are made available.

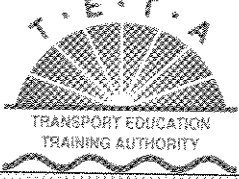

The provision for the NSF funding would be reviewed in 2009/2010 budget.

4. Types of programmes and projects that the funding model supports

- 4.1 Learnerships, Skills Programme will be subsidized from **R130.00** to a maximum of **R250.00** per credit in the context with the agreed TETA targets and available funds and the allocation of Grants will be subject to the funding framework per credit value.
- 4.2 Learner allowances for unemployed Learners may be subsidized to a maximum of R1500.00 per learner per month in the context with the agreed TETA targets and available funds. This must be read in conjunction with Sectoral Determination No 5. The mentioned Learner allowances are not applicable to employed Learners. The allocation of Allowance will be subject to the Board approval.
- 4.3 Apprenticeships may be funded for employed and unemployed learners. Full qualifications will be funded on an annual basis and apprenticeships may be subsidized to the value of R15600.00 per annum. Learner allowance for unemployed Learners may be subsidized to a maximum of R1500.00 per learner, per month in the context with the agreed TETA targets and available funds.

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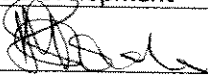
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	TRANSPORT AND EDUCATION TRAINING AUTHORITY QUALITY MANAGEMENT SYSTEM Procedure Manual			
	Procedure Title	TETA FUNDING MODEL	Procedure and Rev No:	Rev 003
	Department	Skills Development	Effective date	April 2009
	Approved		1 st Issue Date	

- 4.4 Experiential training, on-the-job training and internships will be subsidized as above (4.1 & 4.2) for both learner allowance and cost of on-the-job training to a *maximum of 12 months*.
- 4.5 Bursaries will only be made available for scarce and critical skills as per the TETA SSP and Chamber S&C skills list approved by Management Committee. The Bursaries will be funded according to the cost of the qualification to the maximum R30 000.00 for registration and tuition fees. The allocation will be subject to availability of funds. The bursary policy document is available from TETA'S Skills Development Unit.
- 4.6 Adult Basic Education and Training (ABET) will be funded per learner, per ABET level. The allocation of grants will be subject to funding framework per credit value.
- 4.7 New Venture Creation (NVC) learning programmes will be funded as per 4.1. An additional 10% of the total project cost may be allocated for mentoring fees.
- 4.8 Institutes of Sectoral or Occupational Excellence (ISOEs) will be funded to the value of R120 000.00 within TETA's Education, Training and Quality Assurance (ETQA) scope.
- 4.9 Education and Training Providers/Institutions responsible for the implementation of National Qualification Framework (NQF) may be funded to the value of R120 000.00 for material development.
- 4.10 Community Based Organisations (CBOs), Non-Governmental Organisations (NGOs) and, Community Operatives will be funded as stipulated in 4.1 if the learning programme is credit based. If the programme is not credit based TETA will make a discretion based on the application costs.
- 4.11 Only Department of Labour registered Employment Skills Development Agencies (ESDAs) would be considered for funding.
- 4.12 Any learning programme/special project falling outside the scope of TETA's Funding Model (below the framework's provision) will be considered as such.
- 4.13 Any learning programme/special projects that fall outside the scope of the TETA's Funding Model (outside the framework's provision, e.g. non SAQA aligned / regulatory training) will be referred to TETA Board for approval. However, a motivation from the respective chamber or unit must be forthcoming taking cognisance of its available funds and set targets.
- 4.14 TETA will standardise the cost for similar Learning Programmes/Courses as per provision made in 4.1.
- 4.15 In line with TETA DG Criteria 2009/2010, all funding model for DG includes 10% admin fee.
- 4.16 TETA may fund the graduation ceremonies for the certification of learners in cases where

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Procedure Title	TETA FUNDING MODEL	Procedure and Rev No:	Rev 003
Department	Skills Development	Effective date	April 2009
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Service Providers would not be conducting ceremonies.

5. Items that will not be considered for funding

The following items including, but not limited to, those stated below shall not be considered for discretionary grant funding:

- a. Set up costs e.g. start up costs;
- b. Capital expenditure e.g. building costs;
- c. Policy development;
- d. Any programmes/project that are funded by TETA or another SETA or Agent in any other way.

6. Conditions for payments



Payments in respect of discretionary grants shall be made in line with the Discretionary Grants contracts deliverables. TETA reserves the right to conduct site verification visits before payment is made. Should the project terminate, for whatever reason, any funds that have not been used will be transferred into the discretionary grant fund. In the event that funds have been used negligently or fraudulently, TETA will institute the necessary action to recover the funds.

7. Change in Levies' status received from SARS

In the event that TETA foresee a substantial drop in income from SARS due to incorrect classification of levy paying companies after administrative and projects budgets for a particular financial year have been approved, TETA shall, through its relevant structures, review the matter and recommend to the Board appropriate measures to ensure the continuous sustainability of TETA 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.

		TRANSPORT AND EDUCATION TRAINING AUTHORITY QUALITY MANAGEMENT SYSTEM Procedure Manual	
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8. Dispute Resolution

All disputes arising from the application of this policy shall be submitted forthwith to the Chief Executive Officer of TETA 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 TETA Board.

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

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.

9. Review Framework

This policy shall be reviewed on an annual basis or sooner if circumstances necessitate this.

10. Sources

- 10.1 Skills Development Act, No. 97 (1998)
- 10.2 Skills Development Levies Act, No 9 (1999)
- 10.3 Service Level Agreement Regulations (July 2005)
- 10.4 Grant Regulations (July 2005)
- 10.5 National Skills Development Strategy II (2005 – 2010)
- 10.6 MQA, Mandatory and Discretionary Grant Policy