

R350 million available as SETA refunds

The Wholesale and Retail SETA (W&RSETA) has accumulated close to R350-million in a discretionary fund over the last 10 years because of unclaimed skills levies and is requesting industry to utilise its skills development levies and to ask assistance from the SETA if necessary in order to claim back funding.



W&RSETA represents over 9000 South African retailers, ranging from multimillion rand chains to small traders and, according to its recent report there is a critical skills shortage in the industry. This includes 42 000 retail managers, further aggravated by the fact that close to 88% of the retail workforce, are under qualified, with education levels equivalent to matric or below.

In particular, companies are struggling to source adequately qualified and trained mid-level managers. About 70% of the jobs advertised require skilled and senior people, while only 44.61% of potential career seekers represent the demanded skills. In addition, the demand for entry level and junior staff is very low, yet these positions would be the only option for those with a matric certificate or less.

"There is a misperception that smaller, non-contributing businesses cannot claim for funding to boost their training needs," said Richard Mokgata, executive manager: National Projects at the W&R SETA in Centurion. "All businesses can benefit from SETA funding if the proper procedures are applied in their applications."

SETA mechanism

The SETAs are contracted to the Department of Higher Education and Training according to the Skills Development Act, which also determines the functions and constitution of the SETAs. According to the Act, contracts with the Department are to be reviewed and are renewable after every five years.

In addition, the Skills Development Levy Act, promulgated in 1999, exists to create an environment where skills development can happen. This Act governs the management of funds within the SETA. Every local company that has an annual payroll of over R500 000 per annum is liable to pay the skills development levy, which is one% of its total annual wage bill - or R5000 (at R500 000 annual turnover).

50% of this amount is paid back to the company as part of a mandatory grant after a year, the balance less a 30% SARs and admin contribution, will be paid back on submission of a Workplace Skills Plan and an Annual Training Plan Report,

which reflects training undertaken by the company over the last year.

"These plans and reports are guidelines for the SETAs in being able to assess what was planned and what actually was executed. In this way, the SETA can more accurately determine the overall skills and training needs of the sector," Mokgata said.

Non-submission equals forfeiture

"In reality, not every company claims these amounts back and so having forfeited the opportunity to do so (there is a window period of 12 months in which to submit documentation), the unclaimed funds are swept into the discretionary fund, which is managed by the SETA board, to finance many vital skills development and training projects."

He advises companies needing assistance with the Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) to apply to the SETA for help.

"We want to make it clear that we are in the business to serve the needs of the wholesale and retail sector."

Rural training essential

Among the training projects currently funded out of the discretionary fund are rural and unemployed youth projects.

"We have a desperate need to provide jobs and skills within the deep rural areas in our country, and to provide models of sustainable development for more remote communities. So a large amount of our funding and energy has gone into youth development in the past 18 months. This funding takes the form of a monthly stipend to sustain learnerships and on the job training."

He added that funds exist to assist those businesses that are in financial distress and to help reskill employees that are in danger of losing their jobs or may have already lost their jobs.

Voucher system for SMEs

While large companies, with annual payrolls of R500 000 or more, contribute to the SETA, smaller organisations are not left out of the training net.

"We have a voucher system for small businesses. A company can apply for a voucher of as little as R5 000 for very specific training with an accredited SETA training provider. These vouchers may pay for computer and accounting courses, to more sophisticated management interventions."

Vouchers are also available for larger corporations as well and can amount to as much as R40 000 per company.

"As long as the training meets the needs of the sector and is provided by an accredited SETA training provider and can be verified as ETQA approved, we are willing to consider their application," he concludes.