



Transport Education Training Authority

Driven by Vision

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DISCRETIONARY GRANT POLICY

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REVISED



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DEFINITIONS/GLOSSARY OF TERMS AND ACRONYMS

TERMS / ACRONYMS	DEFINITIONS
AET	Adult Education and Training
APP	Annual Performance Plan
ATR	Annual Training Report which must be submitted by an employer to qualify for mandatory grants.
BBBEE	Broad Based Black Economic Empowerment (Act)
Cooperatives	These are broadly defined as autonomous associations of persons united voluntarily to meet their common economic social, cultural needs and aspirations through jointly owned and democratically controlled enterprises.
Discretionary Grant (DG)	This is the money allocated within the SETA to be spent on Discretionary Grants and projects. Grants paid out in terms of Regulation 6(3)(a) and (b) of the Skills Development Levies Act No 9 of 1999.
DPSA	Department of Public Service and Administration
DHET	Department Higher Education and Training
IMC	Independent Management Committee established and delegated by the TETA Board to manage discretionary grants where applicable
IPAP	Industrial Policy Action Plan
Learnership	A vocational based learning qualification that includes a practical work based component and it's contemplated in chapter 4 of the Skills Development Act. A learnership has to be aligned with a registered NQF qualification.
Levy income	The total amount of money received by a SETA in terms of sections 7(2)(b) read together with section 8(2)(a) 8(3)(b) of the Skills Development Levies Act.
Levy-paying company	An employer who is compelled to pay skills development levies in terms of section 3(1) of the Skills Development Levies Act. If the company has staff registered for PAYE/UIF/SDL and the annual payroll exceeds R500 000 per annum, the company must register with SARS and pay a skills levy of 1% of the monthly payroll.
Mandatory Grant	
(MG)	These are funds designated as mandatory grants contemplated in Regulation 4 to fund the education and training programmes as contained in the Workplace Skills Plan (WSP) and Annual Training Report submitted to a SETA.
NAMB	National Artisan Moderation Body
NLPE	Non Levy-paying Enterprise
NGO	These are organisations within civil society that are autonomous from government and do not operate for a profit.
NDP	National Development Plan 2030
NSDP	National skills Development Plan 2030
NQF	National Qualifications Framework
Occupational Qualification	A qualification that includes a knowledge, practical and a work experience component registered on the National Qualifications Framework.
QCTO	Quality Council for Trades and Occupations

TERMS / ACRONYMS	DEFINITIONS
PIVOTAL	Professional, technical and academic learning programmes that result in qualifications or part qualifications on the National Qualifications Framework. PIVOTAL programmes within TETA are: <ul style="list-style-type: none"> • Learnership programmes – Employed and unemployed • Skills programmes – (a) Employed – Adult Education Training, Managerial and Technical Skills Training • Internships for N Diploma – Unemployed • Internships Category A - Unemployed • Graduate Internships - Unemployed • Bursaries – Employed • Apprenticeships – Employed and Unemployed
NON – PIVOTAL PROGRAMMES	Non-PIVOTAL programmes within TETA include: <ul style="list-style-type: none"> • Career development/Youth development • Small and micro enterprise development, CBOs, Cooperatives and NGO support • Learning material development • Stakeholder engagements and capacity building • People with disabilities • Foundational learning competency
Project Costs	Means cost payable or used with the SETA for an approved project funded through a Discretionary Grant
Public Education and Training Institution	A public higher education institution as defined in the Higher Education Act, 1997 and a public college as defined in the Further Education and Training Act, 2006.
RPL	Recognition of Prior Learning by assessing competence against the outcomes of a set of unit standards.
Skills Programme	A skills programme contemplated in section 20 of the Skills Development Act that is credit bearing and occupationally based, delivered by accredited education and skills development providers.
SDA	Skills Development Act
SDL	Skills Development Levy
SIC	Sectoral Industrialisation Classification
SME	Small and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training

1. POLICY STATEMENT

The Skills Development Act (No 97 of 1998) as amended aims to provide a legal framework for the implementation of national, sectoral and workplace strategies to develop and improve skills levels of the South African workforce. The legislation makes provides for the establishment of SETAs as institutional vehicles to give effect to the Skills Development Act, Skills Development Levies Act and other applicable legislation.

This policy is consistent with the provisions of Skills Development Act (No 97 of 1998), the Skills Development Levies Act (No 9 of 1999) and SETA Grant Regulations which provide a broad framework for the management and disbursement of funding received as skills levy income. The SETA Grant Regulations (Government Gazette no. 35940) also regulate the manner in which the discretionary grants are to be allocated and also direct the SETAs to develop a policy to give effect thereto.

The National Skills Development Plan (NSDP) 2030 seeks to ensure that South Africa has adequate, appropriate and high quality skills that contribute towards economic growth, employment creation and social development. The NSDP further derives from the broader plan of government, namely the National Development Plan. The TETA Discretionary Grant Policy sets out a funding framework that prioritises the strategic interventions and transformation imperatives to address the current skills requirements and equity in the transport sector.

2. LEGISLATIVE FRAMEWORK

The TETA will award a discretionary grant in accordance with the terms and conditions stipulated in this Policy.

2.1. The legal basis of this policy is informed and underpinned by the following:

- 2.1.1. The SETA Grant Regulations Regarding Monies Received by a SETA and Related Matters (Regulation No. 35940 promulgated on 03 December 2012)
- 2.1.2. The Skills Development Act, (No 97 of 1998)
- 2.1.3. The Skills Development Levies Act (No 9 of 1999)
- 2.1.4. Public Finance Management Act (No 1 of 1999)

2.2. A SETA must, on an annual basis, and in accordance with guidelines issued by the DHET review the Discretionary Grant Policy and specify how the SETA discretionary grants will be allocated to meet sector needs as set out in key planning documents. TETA has reviewed and aligned its discretionary grant policy based on the following principles:

- 2.2.1. The TETA may determine and allocate discretionary grants in support of the implementation of the Transport Sector Skills Plan (SSP) and Annual Performance Plan (APP) and other national priorities.
- 2.2.2. The TETA will allocate discretionary grants in a manner that prioritises sector skills needs through public education and training institutions and private providers.
- 2.2.3. The TETA will, on an annual basis, revise the discretionary grant policy guiding how the TETA discretionary funds will be allocated to address sector needs, as set out in the SSP and APP.
- 2.2.4. This policy enables access opportunities for legal persons, enterprises, Community Based Organisations, Cooperatives, Non-Profit Making Organisation and Non-Government Organisations.
- 2.2.5. This policy embraces the principles of transparency, openness, access and fairness.
- 2.2.6. Regulation 3(6) of the Grant Regulations states that a SETA is required to allocate 80% of its available Discretionary Grants within a financial year to PIVOTAL programmes that address strategic interventions as detailed in the Strategic Plan (SP) and Annual Performance Plan (APP). TETA undertakes to comply with the regulation in allocation of

discretionary grants. These will be funded from the following pools of funds:

- 2.2.6.1 The 2/3 of the 30% received from the national and Provincial Department of Transport in line with the DPSA circular no: HRD 1 of 2013;
- 2.2.6.2 Interest and Penalties from Levies;
- 2.2.6.3 Unspent Mandatory Grants;
- 2.2.6.4 Interest from investment accounts.

3. POLICY PURPOSE

The purpose of the policy to give effect to the SETA Grant Regulations in the quest for objectives of the Skills Development Act and to ensure stakeholders contribute towards the attainment of the objectives of the Human Resources Development Strategy (HRDS), National Development Plan (NDP), Industry Policy Action Plan (IPAP) and the New Growth Path (NGP).

4. POLICY OBJECTIVES

- 4.1. The objectives of this policy are to establish a framework within which discretionary grants are disbursed.
- 4.2. The policy supports skills development and training that will assist workplace transformation and implementation of the NSDP outcomes and principles set out in the Transport Sector Skills Plan, Strategic Plan and Annual Performance Plan.
- 4.3. The policy is in support of key national imperatives encapsulated in the NSDP, National Development Plan (NDP) and White Paper on Post School Education and Training (WP-PSET).
- 4.4. The policy outlines the terms and conditions for the approval and disbursement of discretionary grants to promote:

NSDP OUTCOMES	ANNUAL PERFORMANCE PLAN OUTPUT INDICATOR
Identify and increase production of occupations in high demand	<ul style="list-style-type: none"> • Learning Programmes as per the SLA targets with DHET; • SMEs, Cooperatives, NLPE, CBOs, NGOs, NPOs; • Vulnerable groups (People with disabilities, women, youth) within the transport sector; • Women’s organisations; • Training and development of Trade Unions within the transport sector • Rural Development • Road Safety
Linking education and the workplace	
Improving the level of skills in the South African workforce	
Increase access to occupationally directed programmes	
Support the growth of the public college institutional type as a key provider of skills required for socio-economic development	
Skills development support for entrepreneurship and cooperative development	
Encourage and support worker-initiated training	
Support career development services	

- 4.5. The policy provides support to levy-paying organisations, non-levy-paying enterprises (NLPE), accredited skills development providers, service providers and other service providers in the sector who qualify to access discretionary grants or project funding.
- 4.6. The policy aims to support national and sectoral policies and initiatives that fall/operate with the TETA scope.

5. POLICY SCOPE

- 5.1. This policy is aligned to the Transport Sector Skills Plan, TETA's Strategic Plan, Annual Performance Plan and includes the following grant types:
 - 5.1.1 Discretionary Grants;
 - 5.1.2 Special and strategic projects that address sectoral priorities and national priorities.
- 5.2. The following are individuals and entities that are affected by this policy:
 - 5.2.1. Levy-paying entities in the transport sector;
 - 5.2.2. Non levy-paying entities;
 - 5.2.3. All other transport sector employers, training providers; workers and any other stakeholders that meet the requirements of the legislative and regulatory framework and strategic imperatives in the SETA landscape.

6. APPLICATION OF THE POLICY

The allocation of discretionary grant is the prerogative of the TETA as mandated by legislation to use their discretion with regards to grants based on the following:

- 6.1. The discretionary grant will be disbursed to the applicant only after conclusion of a contract and in accordance with agreed deliverables;
- 6.2. Site verification visits and due diligence may be conducted to establish the suitability of provider or workplace for training where necessary;
- 6.3. Where employers make use of education and skills development provider(s) to do skills development on their behalf, the provider must be properly accredited during the duration of the training and the parties conclude a written contract to regulate the scope of work and payment arrangements;
- 6.4. The foregoing must be done to enhance the smooth running of the project in line with the agreed deliverables as per the TETA contract;
- 6.5. The TETA will not be party to the contract between contract holder/recipient and their appointed accredited training providers. However, the TETA reserves the right to enter into any correspondence with the appointed training providers to ensure the proper implementation of discretionary grants contracts.

7. POLICY PRINCIPLES

This policy supports the following principles:

- 7.1. Transformation of the transport sector through skills development initiatives;
- 7.2. Collaboration between TVET colleges, universities and employers for integrated learning;
- 7.3. Research initiatives in the generation of labour market information that will provide evidence for appropriate skills development programmes;
- 7.4. Protection of stakeholder and beneficiary information in the custody of TETA (in line with the Protection of Personal

Information Act) and expectation of the same commitment from our stakeholders.

7.5. Availability of funding for projects and grants is subject to the TETA's discretion and budget availability.

8. FUNDING AND ADMINISTRATION COST

8.1. Discretionary Grant Funding

8.1.1. The discretionary grants will be allocated in line with the TETA funding framework.

8.1.2. The grant disbursed through the flagship process that falls outside the scope of the funding framework may be funded based on the applicant's proposal or value for money or due diligence and approved objectives subject to availability of funds by the TETA.

8.2. Project Administration Cost

8.2.1. A proportion of the discretionary grant may be used for administration or project management purposes and such amount may not a maximum of 7.5 % of the budget. Where the administration of the project resides with the TETA, then the administration cost will be managed by the TETA for project execution, including:

8.2.1.1 Monitoring and evaluation;

8.2.1.2 General project support

8.2.1.3 Salaries of employees directly linked to the implementation of discretionary grants projects;

8.2.1.4 Moderation of learning programmes;

8.2.1.5 Stakeholder capacity building and project management functions;

8.2.1.6 Advertisement relating to the implementation of learning programmes and projects;

8.2.1.7 Career guidance programmes;

8.2.1.8 Advocacy of TETA learning programmes.

8.2.1.9 TVET capacity building;

8.2.1.10 Curriculum design and qualification development;

8.2.1.11 Any other costs related directly to the implementation of discretionary grants (including availability of other resources such as laptops, mobile phones etc

8.2.1.13 Due diligence and workplace verification where applicable

8.2.2. Items including, but not limited to, those stated below shall not be considered for discretionary grant funding:

8.2.2.1 Set up or start-up costs for establishing the organisation (e.g. operational unit, project management unit, etc.);

8.2.2.2 Any programmes that are funded from other sources where no partnership arrangements exist (Double-dipping);

8.2.2.3 Capital expenditure, e.g. building costs;

8.2.2.4 Provision of working capital;

8.2.2.5 Salaries for non-project staff;

8.2.2.6 Policy development;

8.2.2.7 VAT;

8.2.2.8 Interests.

9. QUALIFYING APPLICANTS OF DISCRETIONARY GRANTS

Discretionary Grants may be awarded to:

- 9.1. Levy-paying companies and these must be up-to-date with their levy contributions to SARS, unless exempted from paying levies (proof of exemption must be submitted);
- 9.2. All other non-levy-paying companies, public education and training institutions, TVETs, HEIs and stakeholders may be allocated discretionary grants based on pre-determined TETA priorities;
- 9.3. Education and skills development providers, small businesses, NGO's, NPO'S, community based organisations and cooperatives;
- 9.4. Labour Unions operating within the transport sector, for the benefit of educating and developing their members on skills development-related programmes that form part of their duties as shop stewards.

10. QUALIFYING CRITERIA AND BENEFICIARY FRAMEWORK

Before approving a discretionary grant, the TETA must determine the following:

- 10.1. Previous performance history will be taken into cognisance in assessing suitability for discretionary grants and malperformance may adversely affect a grant application;
- 10.2. The levy paying applicant must be up-to-date with levy contributions, unless exempted from paying levies;
- 10.3. The education and skills training provider identified to offer the training must be accredited for the programme for the duration of the training with the relevant quality assurance body for provision of programmes aligned to TETA mandate;
- 10.4. Application that falls outside the scope of discretionary grant funding window may not be considered.
- 10.5. Applications must be aligned to Transport Sector Skills Plan, TETA Strategic plan and Annual Performance Plan or Service Level Agreement concluded between TETA and Director General of DHET and national priorities.
- 10.6. Discretionary Grant funding will be at the sole discretion of TETA;
- 10.7. The TETA large and medium levy-contributors must submit a PIVOTAL plan and report together with the WSP and ATR submission on 30 April each year in order to be eligible for discretionary grants. An application must be submitted for the Discretionary Grant and the PIVOTAL plan must be aligned to the training to be implemented in the following financial year;
- 10.8. Companies / Stakeholders not registered with TETA must submit an approved PIVOTAL Plan and PIVOTAL Report (including evidence of approval) that match the applications completed for stakeholders with more than 50 employees;
- 10.9. Small companies (employers with less than 50 employees) are exempted from submitting PIVOTAL plans unless it is for information purposes;
- 10.10. It must be noted that the submission of a PIVOTAL Plan and Report must be done online with the mandatory grants application and does not constitute an automatic award of discretionary grants for PIVOTAL programmes;
- 10.11. The TETA may give priority to applications with the highest impact in terms of reach, number of beneficiaries, strategic interventions and extent of stakeholder collaboration;
- 10.12. Preference may be given to applications that prioritise previously disadvantaged groups;
- 10.13. Preference for DG funding may be given to BBBEE-compliant companies;
- 10.14. Applicants must ensure that projects are implemented in the financial year they are awarded; failure to do so may result in the award being rescinded;
- 10.15. Applicants who have been awarded contracts and failed to implement projects in the same financial year may not be considered for future projects;
- 10.16. Funding approved for Workplace Integrated Learning and internship programmes may prioritise TETA funded graduates.

11 INITIAL GRANT APPLICATION EVALUATION

The discretionary grant applications must be dispatched to and processed by a Grant Evaluation Committee (GEC) of not less than 5 (five) persons and not more than 15 (fifteen) persons appointable by the Chief Executive Officer and GEC must accordingly table

its recommendations to the Independent Management Committee (IMC), presided over by the Chief Executive Officer or such duly authorised person for consideration.

12. APPROVALS AND DISBURSEMENT BY IMC

12.1 The undistributed funds after initial grants window by the GEC will be referred to the Independent Management Committee (IMC) for allocation after public solicitation of proposals to deal with special projects, national priorities and filling of gaps.

12.2 IMC TASK TEAM

The CEO may establish IMC Task Team that may initially process applications to expedite the consideration of application in the IMC and make recommendations for approval to IMC.

13. TABLING OF SCHEDULE

The grant recipient schedule should be tabled at the next meeting of the TETA Accounting Authority for transparency, oversight and accountability.

14. TIME FRAMES

14.1. At intervals determined by TETA, discretionary grant funding windows will be opened to afford stakeholders an opportunity to apply;

14.2. The discretionary grant window will be advertised for 21 days in widely accessible media such as newspapers or social media or the TETA website, roadshows and stakeholder fora in compliance with Regulations 6(7) and 6(8) of the Grant Regulations promulgated by the Accounting Authority in terms of section 36 of the Skills Development Act 97 of 1998 as amended and in order to curb administrative costs as contemplated in section 14(3A(a) of the Skills Development Act as amended.

14.3. The TETA will provide feedback to successful applicants only within 90 days of the closing date; this period excludes public holidays, weekends and other days that may be declared by the authority as special non-working days;

14.4. Prior to the final approval of a contract, due diligence may be conducted by TETA particularly for first-time grant recipients.

14.5. The TETA reserves all its other rights applicable in law.

15. DISCRETIONARY GRANT MANAGEMENT

The discretionary grants will be managed through contracts, in accordance with the Contract Management Procedure and the Discretionary Grant Procedure.

16. POLICY IMPLEMENTATION, MONITORING AND EVALUATION

This policy is applicable with effect from the date of approval by the Accounting Authority of the TETA and shall be in force until the next review.

This policy will be in effect from 01 April 2024

17. NEXT REVIEW DATE

This policy shall be reviewed on an annual basis or may be reviewed as and when there are policy changes or current legislative requirements.

18. DEFINITIONS OF LEARNING PROGRAMMES

18.1. AET Programmes

The AET programmes provide basic communication skills, numeracy skills and functional skills for employed and unemployed adults.

18.2. Bridging Programmes

The bridging programmes address the capacity/knowledge gap of youth with poor grade 12 results and do not meet the criteria of further access to HET or TVET institutions. Bridging courses will only be offered specifically for transport-related programmes.

18.3. Bursaries

The TETA bursary is a grant awarded to learners studying or registered to study for academic learning qualification such as diplomas, degrees and other transport sector qualifications. The bursary may be awarded to qualifying learners for transport-related qualifications. The bursary is awarded for the duration of the study period, subject to bursar's successful completion of successive academic years. The bursary award is at the TETA's discretion.

18.4. Foundational learning

The foundational learning programme refers to the low level or basic training programmes aimed at providing youth with primary skills that will give them further training (the learner can be a matriculant with poor results in specific subjects, or someone who dropped out from the school and wants to re-enter the system).

18.5. Learnerships

A learnership is a work-based education and training programme by means of which learners receive a structured learning theoretical component and workplace (practical work experience) of a specified nature and duration. A learnership has minimum quality learning standards and is directly linked to National Quality Framework (NQF). It is an occupationally-based qualification registered with the Department of Higher Education and Training (DHET) and leads to a qualification registered on the National Qualification Framework (NQF). For the purposes of this policy, a learnership duration shall not be less than twelve (12) months. All learnerships must adhere to the SAQA/QCTO rules of combination. The learnership programme includes apprenticeship and cadetship programmes.

18.6. Skills Programme

A skills programme is an occupationally-directed learning programme comprising both theory and practical work experience. It is an occupation-based learning programme aimed at building skills that have economic value and incorporates at least one-unit standard. A skills programme is registered by a SETA and delivered by an accredited training provider. It is unit standard-based and bears credits which lead to a registered qualification.

18.7. Short Courses and or Vendor Specific Programmes

Short courses and vendor specific programmes are occupationally directed learning programmes, with a maximum duration of six (6) months, aimed at addressing “Hard-To-Fill” Vacancies in workplaces. These are not unit standard-based and may or may not lead to a qualification registered on the NQF.

18.8. Rural Development Project

The rural development projects are collaborative projects aimed at improving the quality of life and economic well-being of people living in rural areas.

18.9. Work Integrated Learning

Work Integrated Learning (WIL) is a broad term to describe curricular, pedagogic and assessment practices across a range of academic disciplines that integrate formal learning and workplace concerns and culminates in a qualification or part-qualification; this may include practicums, professional practice, internships, work experience, industry-based learning, cooperative education, service learning, real work learning, placements, experiential learning and clinical placements. The programme is split into three sub-programmes:

18.10. Candidacy

Candidacy means the structured work experience component part of an occupational qualification, as determined by the relevant professional body, and may follow the completion of an academic qualification required for access to the assessment for the issuing of a professional designation. This may lead to the designation registered on the National Qualification Framework (NQF), for example: accountancy, teaching, engineering, medical practice, etc.

18.11. Internships:

An internship refers to a workplace-based experiential learning opportunity, targeting unemployed graduates. This is generally offered for a specific period, varying from three to twelve months, as a supervised programme to supplement formal study completed. Internship gives an opportunity to practice the work-skills that learners studied and will practice in future. An internship can also benefit the employer who has an opportunity to get to know the intern and to establish whether the intern is employable in the business.

18.12. Workplace Experience

Work Experience entails workplace-based experiential learning opportunity for a learner/student to complete their qualification. This is offered for varying period of six (6) to eighteen (18) months.

18.13 Cadetship

Cadetship is a training that combines on the job training and formal facilitated training in a particular sub-sector.

18.14. Youth projects

Youth projects entails all funded SETA projects that support youth (people within the age group of 14 to 35 years).

Approval of this policy



Mrs Maphefo Anno-Frempong

TETA Chief Executive Officer

This policy was approved by the Accounting Authority on 26 May 2023.

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