



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Revised Policy

Generic National Artisan Workplace Data, Learner Grant Funding and Administration System Policy

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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), as a stakeholder representative body was re-established by the Human Resource Development Council (HRDC) of South Africa on 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 to remove the “blockage 1.2”, the implementation of the processes described in the policy also indirectly supports the removal of “blockage 1.1” in particular 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 be noted that this revised policy results in an annual process that has 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 from 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. These include:

- 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 Government Gazette No 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 Budgets	Each SETA and the National Skills Fund (NSF) establishes the PROVISIONAL 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 a Total Available National Artisan Development (NAD) Budget.	Completed by 31 October annually
	Each SETA and the NSF submit their FINAL APPROVED BUDGET for Artisan Development for the next financial year to DHET for consolidation to establish the Actual Total available for a National Artisan Development (NAD) Budget.	Completed by 28 February annually

The first step forms the basis for artisan learner funding. The question 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 R165 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 R165 000 over all three learnership programmes that make up an artisan programme. In both cases, for an apprenticeship and a learnership, the R165 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.

Step 2 Work-places	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.	Completed by 31 August annually
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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 since 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 as “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 Allocations</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 SETAs 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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SETAs 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 SETAs 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.

Step 4 Disbursements	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.	Each payment subject to compliance with framework from October onwards
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Taking into account their industry and sector risks SETAs, 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 train in the specific trades for which the grant(s) have been received. This may be an internally based training centre within the employer's own company; and
- Employers are required to pay learner allowances based on applicable legislative frameworks i.e. Bargaining Council or Sectoral Determination. Where necessary and applicable, inspectors from the Department: Labour or Department of 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 R165 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 2017 – 2018 is R165 000 per new artisan learner disbursed over the period of the artisan programme from agreement registration to certification. The new learner grant will 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 circular at the end of September each year confirming the annual standardised artisan learner grant for the following financial year. The adjusted grant amount will be posted on the NADSC website annually.

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 and 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 2016.

Steps 2, 3, 4 as well as the application of the revised grant amount of R165 000 are implementation mechanisms for the next financial year. Therefore for this Policy Revision Steps 2, 3, 4 and the revised grant amount of R165 000 has an implementation date of 1 April 2017.

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.

APPENDIX A

Guidelines for the submission of Artisan Budgets,
Artisan Applications and Allocations on Pivotal
Plan as required in terms of Step 1, Step 2 and
Step 3 of the Generic National Artisan Workplace
Data, Learner Grant Funding and Administration
System Policy

1. Purpose of the Guidelines

- 1.1. These guidelines are developed to assist SETAs and the NSF to ensure the submission of accurate artisan data to the DHET.
- 1.2. These guidelines prescribe the format in which the data is to be submitted to the DHET with all the required fields populated as per requirements of the *Generic National Artisan Workplace Data, Learner Grant Funding and Administration System Policy*.
- 1.3. All the data for Step 2 and Step 3 must be submitted in excel and uploaded on the NADSC website. Step 1 data has to be populated electronically on the NADSC website.
- 1.4. Each line of the excel submission must be filled in with no merging of columns or rows to allow for combining and analysis of all SETA and NSF submitted data.

2. Budget Submissions

Processes to note

Step 1

- 2.1. Dates of submission: 31 October (provisional budget) and 28 February (final budget) annually.
- 2.2. The submission process for the provisional and final budgets must be done through the National Artisan Development Support Centre website using the link:

<https://nadsc.dhet.gov.za/site/login/Funding%20Policy.aspx>

- 2.3. The Chief Financial Officer must request a first-time password to access the submission template by contacting the below official who will assist with allocation of the password:

Name: Mr Tshepang Moagi

Tel: 011 206 1196

Email: Moagi.T@dhet.gov.za

- 2.4. Only the SETA CFO will have access to this page and only the CFO will be able to access this page.
 - 2.5. They will enter the financial year for which the budget is, they will select the SETA which they represent, and they will then enter all the following information: their First Name, Last Name, contact details and e-mail address.
 - 2.6. The budget template will be provided online for the CFO to fill in or update.
 - 2.7. Once they have entered all the required fields as per 2.8 below, they will click on the SUBMIT button and the budget will then be saved together with the details of the CFO.
- 2.8. Budget Template:

SETA Acronym	
Artisan Learner Budget Period	
Funding Policy Programme Budget (Grant Amount)	R
Artisan RPL Learner Support Budget	R
Artisan Rural Learners Support Budget	R
Artisan Learners with disability Support Budget	R
Artisan Learner Accommodation Support Budget	R
Artisan Infrastructure Support Budget	R
Artisan Capacity Building Support Budget	R
Total Artisan development Budget	R

Name, Signature and Date of SETA CEO

- 2.8.1. The Budget template above must be submitted as follows:
 - 2.8.1.1. **SETA Acronym:** Acronym of the SETA submitting the budget i.e. LGSETA
 - 2.8.1.2. **Artisan Learner Budget Period:** Period for which the budget relates to i.e. 1 April 2017 to 31 March 2018
 - 2.8.1.3. **Funding Policy Programme Budget:** The budget amount relating to structured learning programmes that will be funded by the SETA. This

amount is related to the artisan grant amount prevailing at the time i.e. R165 000.

- 2.8.1.4. **Artisan RPL Learner Support:** The ARPL amount budgeted for by the SETA or NSF
- 2.8.1.5. **Artisan Rural learners Support:** The Rural Learner Support amount budgeted for by the SETA or NSF
- 2.8.1.6. **Artisan Learners with disability:** The amount the SETA or NSF has budgeted in support of learners with a disability.
- 2.8.1.7. **Artisan learner Accommodation:** The amount the SETA or NSF has budgeted for learner accommodation.
- 2.8.1.8. **Artisan Infrastructure Support:** The amount the SETA or NSF has budgeted for assistance to employers, SDPs, TVET Colleges and TTCs for infrastructure.
- 2.8.1.9. **Artisan Capacity building:** The amount the SETA or NSF has budgeted for artisan related capacity building programmes within their sector.

3. Pivotal Plan and Applications Submission

Process to Note

Step 2

- 3.1. Date of submission: 31 August annually
- 3.2. The submission process for the provisional and final budgets must be done through the National Artisan Development Support Centre website using the link:

<https://nadsc.dhet.gov.za/site/login/Funding%20Policy.aspx>

- 3.3. The SETA or NSF official must request a first-time password to access the submission template by contacting the below official who will assist with allocation of the password:

Name: Mr Tshepang Moagi

Tel: 011 206 1196

Email: Moagi.T@dhet.gov.za

- 3.4. The SETA or NSF official will upload an excel template as per 3.5 below.
- 3.5. Step 2 Template

SETA	Company Name	Company Type	Company Size	SD levy Number	Approved Work Site Physical Address	Province	SETA Work Site Approval Number	Trade	Trade OFO Code	No of Learners applied for funding
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3.5.1. Fields to complete:

3.5.1.1. **SETA:** Name of the SETA

3.5.1.2. **Company name:** Name of the company applying for funding.

3.5.1.3. **Company type:** Is this a private or public company.

3.5.1.4. **Company size:** Is this a small, medium or large company.

3.5.1.5. **SD levy number:** Provide the Skills Development levy number for the employer applying for funding.

3.5.1.6. **Approved worksite physical address:** The address of the worksite where the learner workplace training will take place.

3.5.1.7. **Province:** province in which the worksite is located.

3.5.1.8. **SETA worksite approval number:** Worksite approval number allocated to the applying workplace.

3.5.1.9. **Trade:** The trade for which funding is required as per the OFO code list ie: Electrician.

3.5.1.10. **Trade OFO Code:** The OFO code corresponding to the trade name for which funding is required.

3.5.1.11. **Number of learners applied for:** Total number of learners for whom funding is required by that employer for the specified worksite by trade.

4. Funding Allocations Submission

Processes to note

Step 3

4.1. Date of submission: 30 September annually

4.2. The submission process for the provisional and final budgets must be done through the National Artisan Development Support Centre's website using the link:

<https://nadsc.dhet.gov.za/site/login/Funding%20Policy.aspx>

4.3. The SETA or NSF official must request a first-time password to access the submission template by contacting the below official who will assist with allocation of the password:

Name: Mr Tshepang Moagi

Tel: 011 206 1196

Email: Moagi.T@dhet.gov.za

4.4. The SETA or NSF official will upload an excel template as per the 4.5 below.

4.5. Funding Allocations Template

SETA	Company Name	Company Type	Company Size	SD levy Number	Approved Work Site Physical Address	Province	SETA Work Site Approval Number	Trade OFO Code	Trade	No of Learners applied for funding	Allocated/Not Allocated for Funding
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The only difference between the step 2 and step 3 templates is the last column relating to funds allocated per employer for PIVOTAL and application processes.

4.5.1. Fields to complete

- 4.5.1.1. **SETA:** Name of the SETA
- 4.5.1.2. **Company name:** Name of the company applying for funding.
- 4.5.1.3. **Company type:** Is this a private or public company.
- 4.5.1.4. **Company size:** Is this a small, medium or large company.
- 4.5.1.5. **SD levy number:** Provide the Skills Development levy number for the employer applying for funding.
- 4.5.1.6. **Approved worksite physical address:** The address of the worksite where the learner workplace training will take place.
- 4.5.1.7. **Province:** province in which the worksite is located.
- 4.5.1.8. **SETA worksite approval number:** Worksite approval number allocated to the applying workplace.
- 4.5.1.9. **Trade:** The trade for which funding is required as per the OFO code list ie: Electrician.
- 4.5.1.10. **Trade OFO Code:** The OFO code corresponding to the trade name for which funding is required.
- 4.5.1.11. **Number of learners applied for:** Total number of learners for whom funding is required by that employer for the specified worksite by trade.
- 4.5.1.12. **Allocated/Not Allocated for Funding:** Total number of learners for whom funding was applied for which the applying employer has been allocated funding