



19 April 2016

Dear Colleagues/Stakeholders

THE MERSETA RESPONSE TO BUSA'S COMMUNIQUÉ ON LABOUR COURT RESCISSION OF PORTIONS OF GRANT REGULATIONS

The merSETA has taken note of the communiqué issued by Business Unity South Africa (BUSA) which highlights the August 2015 Labour Court ruling that rescinds certain portions of the 2012 Grant Regulations.

BUSA's communiqué states that:

- a) With effect from April 1, the mandatory grant that may be claimed from SETAs is again 50% (and not 20% as provided by the invalid Regulation 4(4) of the 2012 Regulations); and
- b) The sweeping mechanism introduced by the invalid Regulation 3(11) of the 2012 Regulations is no longer valid.

This follows the judgement handed down by the Labour Court in August 2015 declaring the two sections of the regulations invalid. However, it suspended the order until March 31, 2016.

The merSETA has taken note of this judgement and its possible effects on the organisation's budget, programmes and projects.

As the merSETA is legislatively accountable to the Minister of Higher Education and Training (MHET), we await further direction from his Department, the Department of Higher Education and Training (DHET) as to the impact of the labour court judgement on all SETAs.

Once direction and consultation between SETAs and the DHET is complete and a way mapped forward, this will be communicated to all our stakeholders.

Yours sincerely
For **merSETA**

WAYNE ADAMS
CHIEF OPERATIONS OFFICER