



# higher education & training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

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**To: SETA Administrators and Chief Executive Officers**

**Skills Development Circular No. 04/2016**

**The Sector Education and Training Authorities (SETA) Grant Regulations of 3 December 2012 as re-promulgated: Treatment of surpluses**

1. On 02 September 2015, the Department issued circular No.16/2015 in response to the Labour Court Judgment on the matter between Business Unity South Africa and the Minister of Higher Education and Training with regards to Regulations 3(12) and 4(4).
2. The Circular was followed by Gazette No. 39592 of 2016 which was issued by the Minister of Higher Education and Training on 13 January 2016 which re-promulgated Regulation 4(4) of the Sector Education and Training Authorities Grant Regulations of 3 December 2012.
3. The Minister has appealed Regulations 3(12) which provides that the remaining surplus of discretionary funds must be paid by SETAs by 01 October 2015 of each year into the National Skills Funds (Funds).
4. Regulation 3(12) remains in force pending the outcome of the appeal process.

5. SETAs are advised to continue planning based on the SETA Grant Regulations of 03 December 2012 inclusive of the re-promulgation of regulation 4 (4).
6. The Department further clarified the treatment of surpluses at the SETA CEO forum of 28 January 2016 where CEOs were advised to calculate and transfer the surplus as per the SETA Grant Regulations of 3 December 2012 inclusive of the re-promulgated of Regulation 4 (4).
7. The Department will communicate the implications of the appeal as soon as the Labour Court has made a ruling on the matter.

Yours Sincerely



**Mr ZC Mvalo**

**Deputy Director-General**

Date: 05/04/2016