



**merSETA**

MANUFACTURING, ENGINEERING AND RELATED SERVICES SETA

**merSETA: Press release**

**Attention: Business Editors; Education and Training Editors; Labour Editors**

**For immediate release**

## **merSETA training voucher project launched**

The Manufacturing, Engineering and related Services Education and Training Authority (merSETA), has launched a small- and medium-enterprise (SME) training voucher project.

This entails the development of a web-based system by merSETA to generate vouchers that can be traded for a merSETA pre-approved training course. More than 115 SMEs are to benefit from the R1,5-million pilot phase launch.

The project, which was launched in Johannesburg early this February, has set aside R90-million for the development of SMEs skills in the manufacturing and engineering sector until March 2010.

merSETA is one of the 23 Services Education and Training Authorities (SETAs) established through the Skills Development Act. It facilitates skills development in the metal and engineering, auto manufacturing, motor retail and component manufacturing, tyre manufacturing and the plastics industries. Together the five sub-sectors comprise about 44 000 companies, with a workforce of about 600 000. The total levy income is estimated at R600-million.

The merSETA, like other SETAs, plays a role in ensuring that the national skills development strategy is fulfilled. merSETA does not collect levies, but instead receives collected levies from the Department of Labour. Seventy percent of the levies are disbursed as grants and 10% is kept for administration. merSETA does not train, instead it accredits training providers and monitors the quality of training.

Speaking at the launch of merSETA CEO Dr Raymond Patel said that of the 19 000 SMEs which are exempted from paying levies, 6 000 are using merSETA's services. "It is for this reason that we undertook a research and scoping study in order to propose a comprehensive SME strategy for the sector," said Patel.



In order for a company to participate in the project it must be registered with merSETA and have less than 50 employees. The project is open to levy-paying and non-levy paying companies. Companies can apply for vouchers worth up to R5 200 a person and should not exceed R26 000 for each SME company. The courses offered range from adult basic education and training to technical or industry specific courses.

Patel also pointed out that “the concepts of scarce and critical skills, while useful, are not definitive in the SME context. The merSETA SME strategy provides for a phased set of flexible and diverse service offerings and SMEs require different support, which is needs based, and brings about quick returns and immediate skills acquisition through short courses”.

One of the advantages of the project is that it cuts out bureaucratic red tape. merSETA project manager Linda Nxumalo says, “The training voucher is speedily approved. The turn around time is 24 hours”.

merSETA’s executive committee chairperson Xolani Tshayana said at the launch, that employers should not be reluctant to send their employees on for training courses, especially now that merSETA has the training voucher project strategy in place.

merSETA has been conducting workshops in February and March at its centres around the country to explain the application process for this project. Its offices are located in the following major cities; Durban, Witbank, Johannesburg, Bloemfontein, Port Elizabeth and Cape Town.

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