

## ***Seta grant regulations declared invalid***

IN A judgment in favour of Business Unity SA (Busa), the Labour Court has set aside certain aspects of the 2012 Seta Grant Regulations, declaring them invalid.

The case relates to a dispute regarding the new regulations that reduce a mandatory skills grant payable to employers from 50% to 20%.

The regulations also included a “sweeping mechanism” that required Setas (Sector Education and Training Authorities) to pay over all unspent funds to the National Skills Fund. As a result, these funds could be spent on national skills initiatives that were not related to workplace training.

Busa’s attempts to appeal to Higher Education Minister Blade Nzimande and prevent the implementation of these measures were unsuccessful, and Busa resorted to the courts to review and set aside these regulations.

The Labour Court’s judgment on Friday declared both regulations to be invalid, and it set them aside with effect from March 31 2016.

The court found that Mr Nzimande had failed to consult the National Skills Authority as required by law.

The court also ruled that the minister had acted irrationally by reducing the mandatory grant to employers as set out in the Skills Development Act. The minister had exceeded his powers by prescribing that surplus Seta funds be moved to the National Skills Fund.

The minister was ordered to pay all costs of the application and Setas now have a period of about six months to prepare for the return to the previous skills-funding regime effective in March 2016.

Busa said on Monday it viewed the judgment as a significant decision that reinforced the rule of law and that reasserted the importance of workplace skills training programmes in SA.

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