

**NOTICE TO MICTSETA STAKEHOLDERS THAT HAVE APPLIED FOR DISCRETIONARY GRANT (DG) FUNDING (INCLUDING STAKEHOLDERS THAT HAVE BEEN VETTED)**

Date: 18 June 2020

Dear Valuable Stakeholder,

RE: THE IMPACT OF COVID-19: FOUR (4) MONTHS SKILLS DEVELOPMENT LEVY HOLIDAY ON DISCRETIONARY GRANT (DG) FUNDING FOR 2020/2021 FINANCIAL YEAR.

The COVID-19 crisis has caused enormous disruption to the lives of all South Africans, which also affected the Skills Development sector. As in all sectors of our lives, this pandemic presents a set of unprecedented challenges, not only on the health of our people, but also on our people's ability to earn a living, to feed themselves and their families, to learn and to develop, and to enjoy many of the basic freedoms that we daily take for granted.

The Minister of Higher Education Dr Blade Nzimande, in his speech concerning the COVID-19 stated that South Africa has entered into uncharted territory in confronting the spectre of the COVID-19 pandemic but we are drawing on our long history of struggle against adversity to overcome this unprecedented challenge.

Like all other sectors we are forced as the MICT SETA to make immediate and drastic changes since the announcement by his Excellency, the President of Republic of South Africa Cyril Ramaphosa regarding the National State of Disaster and four (4) months Skills Development Levy (SDL) contribution holiday.

MICT SETA's income is derived from receipt of skills development levy income from employers which is used to fund learning programmes through the Discretionary Grant funding. Due to the relief from skills development levy contributions by the sector employers, SETAs will not be receiving 2020/2021 levy contribution for four (4) months from April 2020 to July 2020.

This four months' levy contribution relief will directly reduce the Discretionary Grant (DG) budget for 2020/2021 financial year which forces the MICT SETA to revise targets and reprioritise commitments. Whilst making this tough call of aligning our priorities to a new proposed reduced budget and new emerging training needs as a result of the COVID-19 pandemic. The issuing of Service Level Agreements (SLAs) during Quarter 1 & 2 (i.e. April 2020 to September 2020) will be delayed due to the fact that the four months' skills levy relief does not only reduce the budget but it also delays the receipt of levies by the MICT SETA. In order to ensure good governance and sound financial management particularly under these trying times, SLAs will be committed towards Quarter 3 and Quarter 4 (i.e. October 2020 to March 2021).

In line with our mission statement, the MICT SETA is committed to providing all its stakeholders more especially learners, with opportunities to participate in the economy through meaningful employment and entrepreneurship; it is against this statement that our funded learning programme interventions during and post COVID-19 contribute towards economic growth, employment creation and social development in order to reduce poverty, unemployment and inequality.

As the MICT SETA we would like to assure all our stakeholders that the four months' skills levy holiday will not negatively affect SLAs that are currently being implemented and the day to day operation of the MICT SETA business.

The last past months have been very difficult not only for our country but for the entire world, therefore, we all have a massive responsibility on our shoulders to grow South Africa together by re-building our economy and defeat the Coronavirus.

Yours sincerely,



Mr Mdu Zakwe
Chief Executive Officer