

*Press release from Jan de Beer, cell 082 456 3677:*

# Coatings Industry Vehemently Opposed To Scrapping Of Seta System

The government's dictatorial attitude towards training has been a major obstacle towards the upliftment of skills in industry and business and new legislation now proposed by the Department of Higher Education and Training (DHET) would greatly exacerbate the situation, Deryck Spence, executive director of the SA Paint Manufacturing Association (SAPMA), has warned.

Spence was providing comment requested from industry at a workshop in Johannesburg on the 'Proposal for a new National Skills Development Strategy and Sector Education and Training Authorities as seen within the content of an integrated and differentiated post-school education and training system'. The workshop was organised by the Chemical Industry Education and Training Authority (CHIETA), the coatings industry's Sector Education Training Authority (SETA).

Spence told the meeting that any move to discontinue the current SETA system and introduce a new mandate could allow for corruption and political expediency, especially if the industry levies are to be moved to a non-delivering agent like the National Skills Fund. "The new dispensation now proposes that the DHET will be responsible for channeling skills funding - which is supposed to be applied for the training of workers to increase productivity in specific manufacturing sectors, such as the coatings industry - as the DHET sees fit. This could include 'national priorities' in politically expedient areas such as free tertiary education, which has already been suggested by the DHET."

"The government should rather scrap non-performing SETAs and allow successful SETAs, such as the coatings industry's CHIETA, to continue operations and use their success as a model for other SETAs. At the most, only five of South Africa's 21 SETAs have not met performance expectations and these are largely those under administration because of mismanagement and corruption. Why dismantle a good skills development system - which could be refined even further - and replace it with one that has not been well thought out, and would not truly prioritise the role of industry when it comes to training?"

Spence said the original legislation which had decreed that business and the Department of Labour, through the SETA movement, would jointly control the application of skills levies according to the various industries' specific needs, would totally disappear if the SETA system was scrapped by the DHET. "Industry would have no say in the government spending of skills levies as there will be no forum for real and meaningful consultation for industry to state its specific training needs, as was the case with SETAs. The coatings industry believes that CHIETA, our own training authority, has done exceptionally well in the area of consultation, defining the real needs of our industry, and providing the training assistance we requested. It would be disastrous for the coatings industry to lose the invaluable input provided by CHIETA with which we had hoped to build an even strong relationship in future."

Spence contended that the government had already done skills upliftment severe harm by meddling in the SETA system by dictating to industry and business as to:

- \* What training can be undertaken;
- \* By whom the training can be done;
- \* When the training can be done; and
- \* Imposing conditions as to whether a business qualified for training.

"This prescriptive policy with its overwhelming amount of red tape required to lodge claims for the training of staff, has meant that a large proportion of businesses have simply stopped training and now regard the skills levy as just another form of government taxation, neither benefitting industry nor the workforce.

"But it should be remembered that skills levy funds belong to industry, not the government. The SETAs were introduced to administer the collection of skills levies and to distribute these funds back to industry based on sound and comprehensive labour market information that the SETAs would obtain from their respective economic sectors and member companies. Now there is the frightening prospect that skills levies will be siphoned into the National Skills Fund and industry will have absolutely no say in the spending of the money it is obliged to pay to government.

"SAPMA, on behalf of our members and the coatings industry, vehemently opposes the proposed new legislation," Spence added.

Ends

**Caption:**

**Deryck Spence, executive director of SAPMA: "Skills levy funds belong to industry - not the government," he has stated.**

Ends

*Issued for SAPMA, Bedfordview / Tel 011 615 1195 / [www.sapma.org.za](http://www.sapma.org.za)*

