

TO : ALL MQA STAKEHOLDERS

FROM : CHIEF EXECUTIVE OFFICER

DATE : 7 OCTOBER 2009

INTRODUCING THE TRAINING LAYOFF SCHEME FOR THE MINING AND MINERAL SECTOR - AN ALTERNATIVE TO RETRENCHMENTS

Background

The current recession has affected our economy as many workers have been faced with job losses. The mining and minerals sector has been the hardest hit in terms of retrenchments. Retrenchments have taken place because companies have been forced to cut costs.

In order to assist our country to retain skills and to protect workers from losing their employment benefits, the Department of Labour and the CCMA, in consultation with Sector Education and Training Authorities (SETAs) have developed a Training Layoff Scheme as a way of reducing potential retrenchments in all industries in South Africa.

According to the CCMA, the training layoff scheme can be defined as a temporary suspension of work of a worker or group of workers that is used for training purposes. Participation in the training layoff is voluntary for companies and employees.

The two key implementation agencies identified for the training layoff scheme are the CCMA and SETAs. The MQA is one of eight SETA's that has been requested to participate in the implementation of the scheme. The project is expected to receive support from employers as it will provide a possible alternative to retrenchment.

"The Training Layoff Scheme is the first of its kind that government has launched and we have designed its implementation to be as simple as possible,"

Mr Ebrahim Patel, Minister of Economic Development

How will it work?

The training layoff scheme entails a basic process where employers should alert the CCMA of the possibility of retrenchments. Employers will then be offered an opportunity to participate in the training layoff scheme, which if they accept, they will be referred to the MQA to assist in the identification of skills development interventions which the employees could be placed on. The training will be linked to the relevant company's needs, but it can also include training on relevant generic skills, such as Adult Basic Education and Training (ABET).

Who qualifies and how will the training allowance be administered?

- Employers that are under threat of closure due to economic recession and are contemplating retrenching workers
- Employers and workers that have reached an agreement to participate in the training layoff scheme
- Any worker earning below R180 000 per annum who may be at risk of retrenchment

- The training allowance will be paid to workers on the scheme
- The amount paid will be 50% of basic wages up to R6 239 per month.

How will the funds be generated for the scheme?

- The MQA will fund the training provider costs
- Employers will carry the cost of the basic social package to ensure that unemployment, pension, medical, death, disability, funeral and housing benefits are not suspended during the period in which the employees are on the training layoff scheme as the employees will remain on the records of the company as full time employees.

What are the benefits for employees who participate?

- The training layoff scheme will benefit employees on the basis that they will be given an opportunity to be re-skilled / upskilled in a range of fields relevant to the company
- It will also empower employees for reintegration into the current company in which they work should the economic climate improve
- In the event that the economic climate does not improve and retrenchments can no longer be avoided, the employee would have acquired additional skills.

What are the implications for companies in the sector?

- Employers will carry the cost of the basic social package to ensure that death, disability, funeral and other benefits are not suspended during this period.

How long will the training layoff period last?

- The training allowance is guaranteed for a period of 3 months or less. During this period, the training can be combined with short term work arrangements
- Extended periods will depend on training interventions agreed upon between employers and workers
- Further funding can be negotiated should the employer believe that there is still an opportunity for re-integration of the employees into the work place in the future
- After this period, and should no other interventions be possible, the employer will then proceed with the retrenchment process.

The MQA's role in the training layoff scheme

- The MQA is responsible to ensure that training courses are designed for implementation in the sector
- It is responsible to ensure that courses are properly accredited and that focused training programmes are in place
- The MQA is tasked to ensure efficiency in training such as cost per worker and modest costs for training providers
- It is charged with ensuring capacity to assist companies once applications for assistance are made to the CCMA
- The MQA will address the application for funding for companies and ensure that the required resources are allocated to see the process through
- Additionally, the MQA will also monitor and account to the National Skills Fund for the training layoff scheme implementation.

Activities that the MQA has engaged in to ensure the successful implementation of the scheme

- The MQA Board has approved the budget for the training layoff scheme
- A Skills Development Facilitator (SDF) workshop has been conducted to brief SDFs on how the system works and to ensure implementation

- Communication to the sector has been ensured and this will be ongoing
- The MQA is currently identifying a menu of courses that will be implemented for the sector.

Who to contact when applying?

Employers who would like to take advantage of the training layoff scheme can apply directly to the CCMA. The contact numbers to call at the CCMA are 0861 161616 or 011 377 6650. The CCMA's key role will be to assist companies and trade unions to conclude the training layoff agreements.

Companies who have applied will receive confirmation in writing from the CCMA on whether their applications were successful or not. All application documents can be accessed through the MQA website on www.mqa.org.za.

Contact Persons for assistance at the MQA		
Skills Development and Research Unit	Motlalepule Matjila 011 630 3549 MotlalepulaM@mqa.org.za	Mahlatse Mabula 011 630 3518 MahlatseM@mqa.org.za
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Finally, the MQA continues to support skills development in the sector. We have realised the importance of incorporating imaginative and innovative solutions to prevent retrenchments and slow down the negative impact that retrenchments have had on the mining sector.

Kind regards

Livhu Nengovhela
Chief Executive Officer