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**GOVERNMENT GAZETTE**

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**GOVERNMENT NOTICE**

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**DEPARTMENT OF LABOUR**

**No. R. 104**

**7 February 2000**

**SKILLS DEVELOPMENT LEVIES ACT, 1999**

**REGULATIONS REGARDING LEVIES AND RELATED ISSUES**

The Minister of Labour has, in consultation with the Minister of Finance and after consultation with the National Skills Authority, under section 22 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) made the regulations in the Schedule.

MMS MDLADLANA  
MINISTER OF LABOUR

## **SCHEDULE**

### **Definitions**

1. In these regulations any word or expression to which a meaning has been assigned in the Act shall bear that meaning, and unless the context otherwise indicates -

“Act” means the Skills Development Levies Act, 1999 (Act No. 9 of 1999);

“Local Government, Water and Related Services SETA” means the Local Government, Water and Related Services Sector Education and Training Authority (or its successor in title) established in terms of section 9 of the Skills Development Act, 1998 (Act No. 97 of 1998).

### **Exemption to a municipality**

- 2 (1) A request for exemption by a municipality in terms of section 4(e) of the Act must be addressed to the Minister, but first submitted to the Local Government, Water and Related Services SETA, not later than 1<sup>st</sup> April in the year in which exemption is required.
- (2) The request for exemption by a municipality must be in accordance with the guidelines set out in Annexure A and must include -
  - (i) fully motivated reason or reasons for the request for exemption;
  - (ii) confirmation of the year for which exemption is required; and
  - (iii) the request for exemption must be made in advance.
- (3) The Local Government, Water and Related Services SETA must evaluate the request for exemption by the municipality and submit the request, together with a recommendation, within six weeks to the Minister for a decision.
- (4) The Local Government, Water and Related Services SETA may delegate its function of evaluating a request for exemption of the levy to a subcommittee or its executive committee.
- (5) The Local Government, Water and Related Services SETA, or the delegated subcommittee or its executive committee must evaluate the request for exemption against the criteria stipulated in the guidelines set out in Annexure A.

- (6) Exemption may be requested for a maximum period of one year at a time, whereafter a new request for exemption must be submitted for consideration.
- (7) If a municipality amalgamates with one or more other municipalities or the boundaries of the municipality change as a result of a demarcation process, the municipality must notify the Director-General and the Local Government, Water and Related Services SETA, and submit a new request for exemption if such exemption is still required.
- (8) The Local Government, Water and Related Services SETA may evaluate the position of a municipality to whom exemption of the levy has been granted on an ongoing basis during the period of exemption.
- (9) The Director-General must provide the municipality who lodged the request for exemption with a letter and inform the Local Government, Water and Related Services SETA, the Commissioner and the Department of Provincial Affairs and Local Government within seven days of the decision of the Minister with regard to the request for exemption.
- (10) If exemption is granted to a municipality the municipality must attach a copy of the letter of exemption to the Commissioner levy statement every month for the period the exemption is applicable.

### **Submission of Sector Skills Plan by SETA**

- 3 (1) For the purpose of section 8(3)(b) of the Act the business plan to be submitted by a SETA with its application for establishment in terms of the Skills Development Act, 1998 (Act No.97 of 1998), must be regarded as sufficient until 1 September 2000 to allow the Director-General to initiate the transfer of the levy and related monies to a SETA.
- (2) The submission of a sector skills plan by a SETA will with effect from 1 September 2000 be a requirement to initiate the further transfer of the levy and related monies to a SETA.

Skills Development Levies Act, 1999

**Preamble to Criteria for Exemption**

**The core function of Municipalities is that of rendering a service to communities, and hence does not have a profit orientation. The provision of basic services is regarded as a basic human right in the country and an intrinsic obligation of Local Government. The prime source of income of Municipalities is through payment by communities for services such as water, sanitation etc., as well as through taxes on land and property.**

**In many areas, especially the rural areas, the tax base is so poor that people simply cannot afford to pay for services rendered. This Regulation provides for exemption from Levy Payment of Municipalities who fulfill specific criteria and who provide substantial evidence of their inability to pay the levy.**

**Note: The final decision to grant or refuse exemption rests with the Minister of Labour (or person delegated to act in that capacity)**

**Application for Exemption from Paying Levy**  
(Municipalities only)

**Details of Municipality seeking exemption:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SETA Registration No: \_\_\_\_\_

Year for which Exemption is requested

Declaration:

I hereby declare that the information contained in this application, to the best of my knowledge and belief, is correct.

Signed: \_\_\_\_\_ Position: \_\_\_\_\_

Date: \_\_\_\_\_

For office use only (SETA/ Delegated Subcommittee/ Executive Committee)

Application Recommended / Rejected for Approval

Processed by: \_\_\_\_\_ Position: \_\_\_\_\_ Date: \_\_\_\_\_

**Approval**  
**Recommended (Y/N)**

**Signed:** \_\_\_\_\_ **Position:** \_\_\_\_\_ **Date:** \_\_\_\_\_

\_\_\_\_\_

**Submitted to Department of Labour for Final Approval:**

**Signed:** \_\_\_\_\_ **Position:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Notes:**

- The information requested is required in order to decide if the exemption requested should be granted.
- Please reply to all questions
- All supporting documentation requested must be submitted with this Application for Exemption

**Checklist: - Evidence to support Application for Exemption**

The following information must be supplied IN FULL when applying for an exemption. If you are unable to supply any information required you must submit written reason for non - submission.

**INCOME**

1.1 Rates Income :

% Residential  
% Commercial / Industrial

%
%

Tariff Income :

% Residential  
% Commercial / Industrial

%
%

1.2 State Rates & Tariff Increases / Decreases in past 5 years.

<b>Year</b>	*	*	*	*	*
Rates	% In /De	% In/De	% In/De	% In/De	% In/De
Tariffs	% In/De	% In/De	% In/De	% In/De	%In/De

\*Please Specify exact Year



**DEBTORS**

2.1 Balance outstanding in month before this application

%
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2.2 State the % debtors that pay their monthly accounts regularly

%
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2.3 Show as a % the amount of money you receive as compared to the amount that you charge out each month

2.4 You are required to inform of your debt collection policy. This is to be a detailed written report and must be attached to this return. (Mark this 2.4)

2.5 To what extent is your debt collection policy implemented. We require a detailed written submission attached to this return. (Mark this 2.5)

**CREDITORS**

3.1 Balance outstanding in month before this application

<b>R</b>
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3.2 How long has this money been outstanding?

Arrears	Months
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3.3 Please state in what respect this money is outstanding (water, electricity, etc.)

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**BANK BALANCE**

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4.1 State your bank balance at the end of the month before this application.

4.2 Attach a certified copy of the bank statement for the previous three months showing the above balance. (Mark this 4.2)

**FINANCIAL STATEMENTS**

5.1 Attach a copy of your latest balance sheet. (Mark this 5.1)

5.2 Attach copies of your 2 previous year balance sheets. (Mark this 5.2 &5.3)

**BUDGET**

<b>R</b>
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6.1 State amount budgeted for salaries in current budget

6.2 State % increase budgeted for in the current budget over the budget for previous year

%
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6.3 As you are applying for a levy exemption please state the amount you will be short of to meet the full levy settlement

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6.4 Attach a copy of your current budget. (Mark this 6.4)

6.5 Attach copies of your budgets for the two previous financial years. (Mark these 6.5 & 6.6)

**PERSONNEL**

7.1 State the number of full-time personnel in your employment  
(Attach salary structure) (Mark 7.1)

7.2 State the number of part-time or contract personnel in your  
employment (Attach salary structure) (Mark 7.2)

7.3 Detail the part-time personnel by level and designation

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.....  
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7.4 State the number of vacant posts

and their designation:

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.....  
.....  
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7.5 State the wage budget as a % of total budgeted expenditure:

7.6 State the wage budget as a % of your operational budget:

7.7 State the % wage and salary increases granted to your staff for the past 3 years:

*	*	*
%	%	%

**\*Please specify year**

**COUNCILLOR ALLOWANCES**

8.1 Are your councillors remunerated in terms of prescribed legislation:

YES	NO
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8.2 If “NO” give full detail on separate sheet. (Mark this 8.2)

8.3 Detail your councillor allowances for the past 3 years :

	*	*	*
Mayor	R	R	R
Deputy Councillor	R	R	R
Exco Chair	R	R	R

**\*Please Specify Year**

8.4 State your councillor allowances as a % of your expenditure budget:

%
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8.5 State any other allowances and / or benefits received:

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