

Why bursaries are the answer to achieving your B-BBEE target spend

As financial year-end looms and companies seek to achieve their Skills Development targets in order to secure the maximum points for this priority B-BBEE element, Sean Sharp of EduPower Skills Academy says the answer lies in bursaries.



Sean Sharp, EduPower Skills Academy

“With the limited time available before financial year-end, the quickest and most effective solution to make up any deficit you may have in Skills Development spend is to invest in bursaries,” says Sharp, the executive head of sales at EduPower Skills Academy. “Life-changing for the recipient, bursaries can bring fresh skills and thinking into your business, creating a sustainable talent pipeline that will ultimately add to your company’s success.”

B-BBEE Skills Development targets

He adds that more companies have been investing in bursaries following the 2019 revisions to the Skills Development targets in the B-BBEE Codes. This change requires large organisations with a turnover of more than R50 million to spend at least 2.5% of their annual “leviable amount” (or payroll expenses) on bursaries for previously disadvantaged people.

“Companies that achieve this spend requirement are rewarded with a total of 4 points on their scorecards, points that can build a more equitable South Africa as these have been set aside solely for bursaries for previously disadvantaged students at basic, higher or tertiary education Institutions,” Sharp adds.

The points are earned for expenditure on institution-based theoretical training – be it a degree, diploma or certificate - at accredited training providers registered with the Department of Basic Education or the Department of Higher Education.

The training costs that are covered by bursaries include the partial or full payment of school, college and university fees, the funding of textbooks and subsistence or accommodation during the period of study, as well as optional stipends that can be paid to bursary holders over the period of the bursary programme.

“These costs all count towards Skills Development spend and it is commendable that as a result, so many more bursaries are available. But there is a missing link that still needs to be addressed by the market,” says Sharp.

“It’s a fact that companies find it is easier to fund a handful of students at higher costs. There are, however, an increasing number of progressive organisations that are looking to accredited training providers to fund more competitively priced qualifications, allowing them to support more students and make an even greater impact.”

Life-changing impact

Sharp uses EduPower as an example of just how life-changing this type of bursary programme can be. The majority of the Academy’s bursary candidates are people with disabilities (PWDs) and individuals who have proved themselves through learnerships. Their bursaries have provided them with a unique opportunity to develop even further.

Sharp explains, “Our bursary candidates may not be university graduates but they have just as much to offer businesses. Bursaries give us a greater ability to support our clients by ensuring that at the end of their programmes, their graduates are truly great entrepreneurs, innovators and leaders that have the practical experience they need to be ready for the working world.”

Bursaries can unlock incredible opportunities for South Africa’s youth. Indeed, if bursaries could be scaled, Sharp believes they can offer a viable and long-term means of transforming our youth unemployment rates, our workplaces, income inequality and ultimately, our economy.

“It’s entirely logical that transformation and B-BBEE in the private and public sectors are closely aligned with the critical need to provide quality education to as many young South Africans as possible. By optimising the bursaries available under Skills Development, we can provide the much-needed capital and channels to meet these national goals and provide even more opportunities for our deserving youngsters,” he concludes.

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