



# ANNUAL GENERAL MEETING 15 OCTOBER 2013

## GALLAGHER ESTATES, MIDRAND



ENABLING SKILLS DEVELOPMENT IN THE BANKING AND MICROFINANCE SECTOR





# AGENDA

- Opening and welcome
- Apologies
- Minutes of the previous AGM and matters arising
- Chairperson's Report
- CEO's Report
  - Annual Financial Statements and Annual Report
  - BANKSETA Board Members
  - 2014/15 Business Plan and Planned Budget
- Skills @ work Awards
- General
- Closure

# CHAIRPERSON'S REPORT



# CEO'S REPORT







# ABOUT US...

## VISION

To be recognised as a centre of excellence and innovation for skills development in the broader banking and microfinance sector.

## MISSION

To support transformation and people development through partnerships and to enable stakeholders to advance the national and global position of the broader banking and microfinance industry.





# CORPORATE VALUES



- Respect
- Innovation
- Customer focus
- Professionalism
- Diversity
- Integrity
- Team work



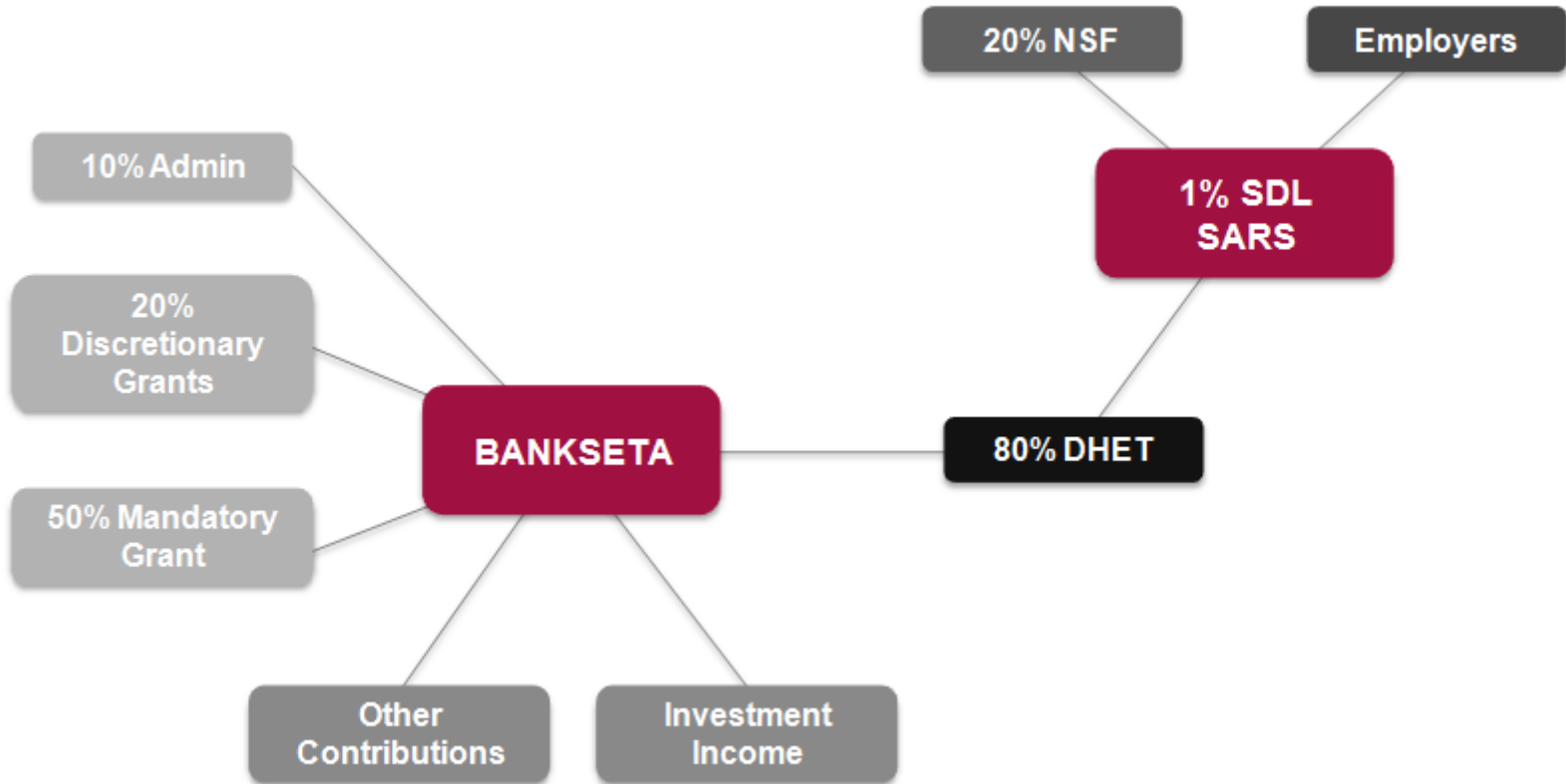
# GUIDING PRINCIPLES

- Leverage the skills levy funds for the strategic benefit of the banking and microfinance sector.
- Provide quality assured, world-class skills training services at the lowest cost.
- Deploy leading edge technology.
- Judiciously carry out the NSDS mandate.
- Maintain status as a preferred human resource development partner in banking and microfinance.
- Exceed customer expectations.





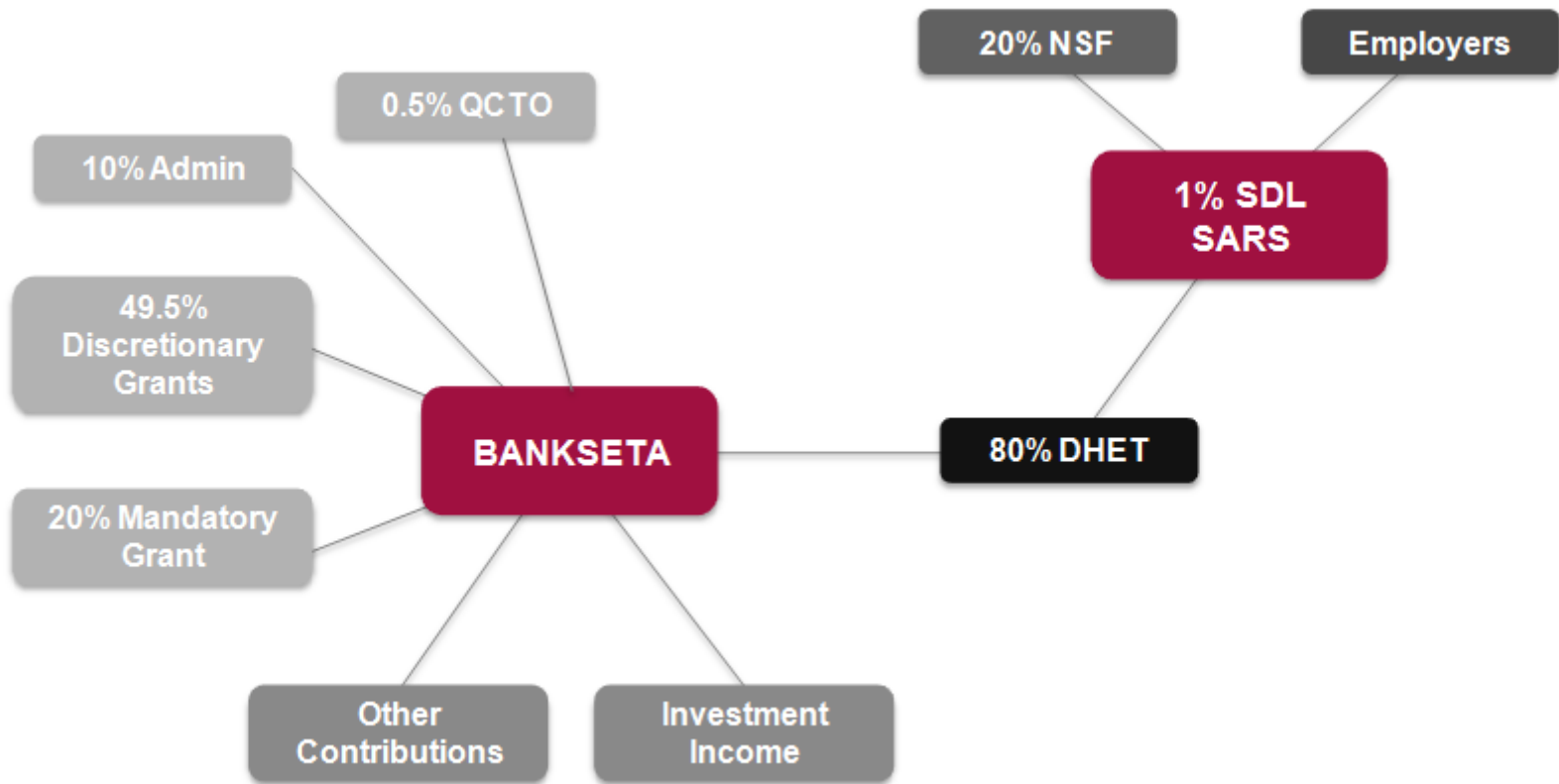
# OLD SETA LANDSCAPE







# NEW SETA LANDSCAPE





# FINANCIAL HIGHLIGHTS - OVERALL

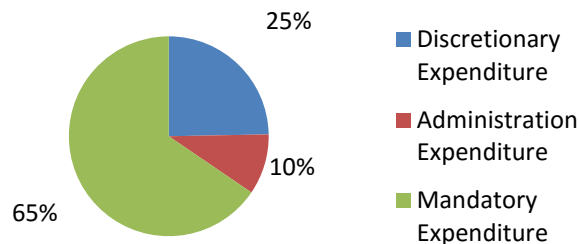
Annual Financial Statements	2011/12 Audited R'000	2012/13 Audited R'000
SDL Levy Income – 80%	450 341	574 738
Investment income	10 507	17 802
Total revenue (including 80% levy income, Special Project income, investment income etc.)	497 551	638 955
Total expenses (including admin expenses, Special Project expenses, grant and project expenses etc.)	(428 592)	(549 214)
Net surplus	68 959	89 741
Cash and cash equivalents	267 536	471 321



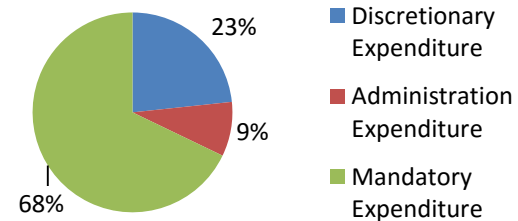
# FINANCIAL HIGHLIGHTS - EXPENDITURE

	2012	2013
EXPENDITURE CATEGORY	R'000	R'000
Discretionary Expenditure	98 216	120 761
Administration Expenditure	38 995	45 627
Mandatory Expenditure	260 437	351 434
<b>TOTAL</b>	<b>397 648</b>	<b>517 822</b>

### 2011/12



### 2012/13





# FINANCIAL HIGHLIGHTS – SURPLUS FUNDS

Total surplus funds allocated: R1 143 million

Total surplus funds spent: R899 million

	2009	2010	2011	2012	2013
CUMULATIVE	R'000	R'000	R'000	R'000	R'000
Surplus funds available (A)	547 727	651 470	765 765	932 940	1 143 442
Surplus funds allocated (B)	527 566	662 437	776 540	902 667	1 184 230
(B) as % of (A)	96%	101%	101%	97%	104%
Surplus funds spent (C)	411 274	566 731	680 126	778 342	899 103
(C) as % of (B)	78%	85%	87.5%	86%	76%



# FINANCIAL HIGHLIGHTS – ADMINISTRATION EXPENSES

PER YEAR	2009	2010	2011	2012	2013
	R'000	R'000	R'000	R'000	R'000
Skills development Levy Income	329 331	328 143	353 480	450 341	574 738
Income growth % variance	14%	-0.4%	7%	27%	28%
Project expenses paid	98 882	155 457	113 395	98 216	120 761
Administration costs	28 211	36 437	36 175	38 995	45 627
Admin cost % variance per year	5%	29%	-0.71%	7.8%	17%
Administration surplus - Rand	12 773	3 593	8 434	21 702	26 138
Administration surplus as % of admin income	31%	9%	18.9%	36%	36%





## FINANCIAL HIGHLIGHTS – ADMINISTRATION EXPENSES

- Operational costs of running the business – consistently below 10% legislated threshold
- Includes:
  - ✓ Human Resources Costs:
    - Cost of Employment – R18 114 000
    - Staff Training and Development – R545 000 (3% of payroll)
    - Travel and subsistence – R1 358 000
    - Board and Committee fees – R236 000
  - Marketing and Communications – R2 521 000
  - Consulting fees – R13 808 000
  - Audit fees – R2 065 000



## OTHER HIGHLIGHTS – ADMINISTRATION EXPENSES

- Unqualified Audit for the 13<sup>th</sup> time (however renewed focus on internal controls)
- Human Resources – 35 staff complement, 4 vacancies
- Continuous refinement of stakeholder engagement (Customer Satisfaction Survey – 83%)
- Annual Report - Integrating Governance and Financial information
- Preparation and management of new grant regulations (effective 1 April 2013)



# FINANCIAL HIGHLIGHTS – MANDATORY GRANTS

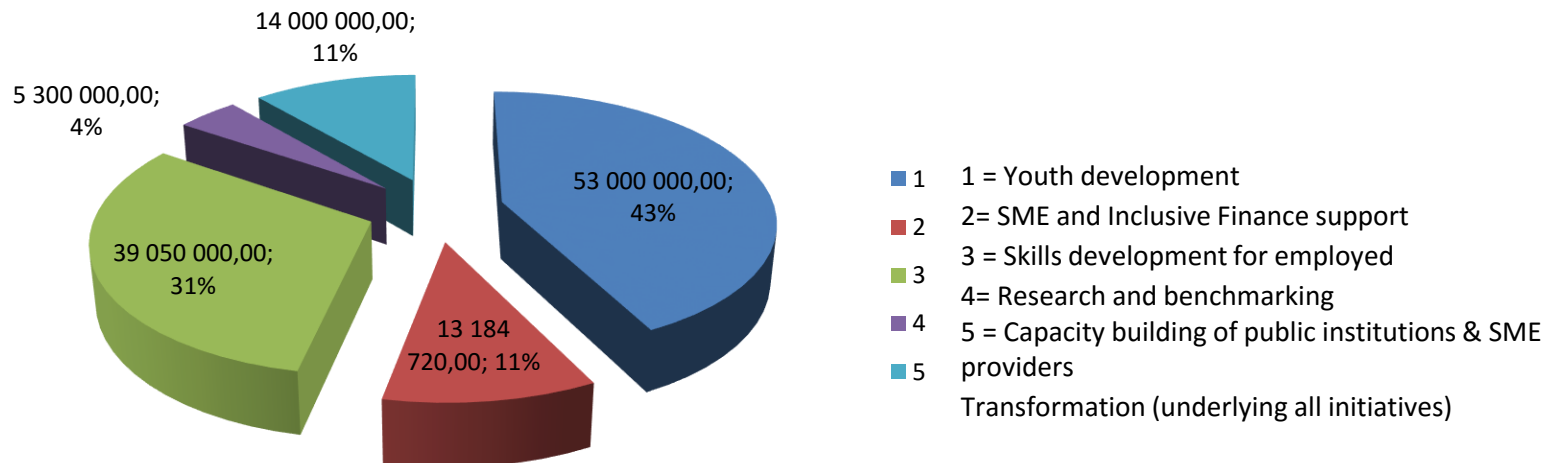
	2009	2010	2011	2012	2013
PER SCHEME YEAR	R'000	R'000	R'000	R'000	R'000
Mandatory grants approved	199 736	200 038	213 942	260 942	351 434
Mandatory grant %	50%	50%	50%	50%	50%
Pay-out %	96%	97%	97%	97%	97%

- BANKSETA 80% levy income increased by 27%
- 2012/13 WSP and ATR submissions:
  - Large employers: 52
  - Medium employers: 29
  - Small employers: 296



# FINANCIAL HIGHLIGHTS – DISCRETIONARY GRANTS

- End of March 2013 – Discretionary Reserve: R223 351 000
- Allocated: R285 133 000 (approved by Accounting Authority for future projects and skills priorities)
- Strategic Priority Areas (budgets at time of planning):





# PERFORMANCE INFORMATION

Strategic Priority Area	Budget	Target/Beneficiaries	Achievement
4.1 Establishing a credible institutional mechanism for skills planning			
Research	R5 000 000	SSP, CAT Matrix	Achieved
4.2 Increasing access to Occupationally Directed Programmes			
Youth development, Skills Development for the Employed Capacity building of public institutions	R63 850 000	940 beneficiaries, FAIS RE2 platform, research	Achieved
4.3 Promoting the growth of a Public FET College System that is responsive to sector, local, regional, and national needs and priorities			
Capacity building of public institutions	R4 000 000	FET capacity building: selection of qualification	Further procurement processes underway for FET capacity building
4.4 Addressing the low level of youth and adult language and numeracy skills to enable additional training			
SME (and inclusive finance) support	R 1 300 000	AET and Financial literacy – review of training material and to train 2125 beneficiaries	Review of training material underway. Training to take place in 2013/14 year. AET learners through Zenex foundation & employers through learnerships.
4.5 Encouraging better use of workplace based skills development			
Skills Development for the Employed	R36 400 000	1090 learners, 2 QCTO qualifications developed, WSP submissions	Achieved
4.6 Encouraging and supporting co-operatives, small enterprises, worker-initiated, NGO and community training initiatives			
SME (and inclusive finance) support	R12 784 720	215 organisations supported	Achieved
4.8 Building Career and Vocational Guidance			
Youth Development	R1 200 000	650 beneficiaries	Achieved





# HIGHLIGHTS – DISCRETIONARY GRANTS

## 1. Youth Development

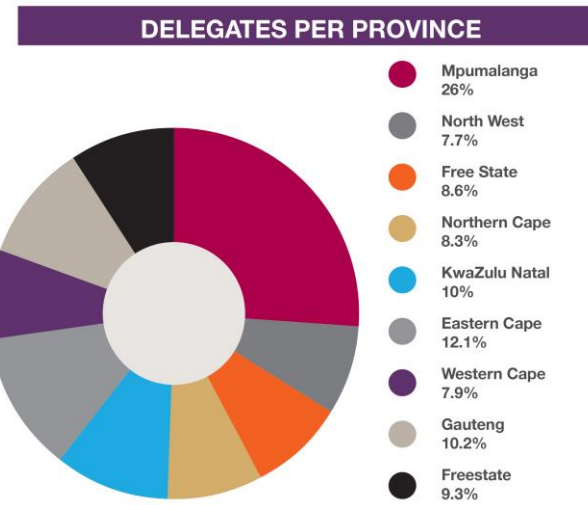
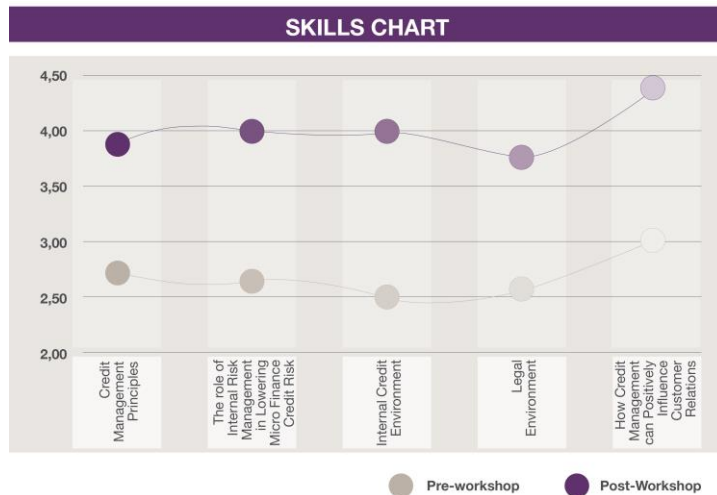
- Niche learnerships – 176 unemployed learners sponsored
- Letsema and Kuyasa Learnerships (819 learners and 91 learners graduated)
- Internships (70 learner sponsored)
- Virtual Bank Work Readiness Programme (partnership with Guarantee Trust Corporate Services) – 140 learners, 93% completion rate, 79% employment rate
- University of Fort Hare bursaries (30 students graduated, Financial Markets Programme)
- University of Zululand bursaries (100 additional students registered, partnership with SAICA Thuthuka, gaining traction)



# HIGHLIGHTS – DISCRETIONARY GRANTS

## 2. SME (and Inclusive Finance) Development

- Increased SME participation (almost 300 organisations)
- Training Voucher Project (480 candidates, 85 organisations)
- Malawi and Kenya benchmarking trip
- Close partnership with Co-operative Bank Development Agency – increasing reach to Co-operative Financial Institutions (supported further by training in financial literacy, governance & management skills)





# HIGHLIGHTS – DISCRETIONARY GRANTS

## 3. Skills Development for the Employed

- FAIS Support and Implementation (23271 registered on E-learning platform)
- Certificate in Management Development (161 registrations, 120 expected to graduate)
- Masters and Executive Development Bursaries (161 candidates)
- IEDP (Retail Banking (UK and Uganda) and Investment Banking (USA and Ghana) (47 participants)
- Environmental and Risk Management training material (partnership with BASA) – interest expressed by United Nations
- Recognition of Prior Learning pilot (538 employees participating)



# HIGHLIGHTS – DISCRETIONARY GRANTS

## 4. Research and Benchmarking

- Updates to Banking and Inclusive Banking SSP
- Impact Assessment Pilot



# HIGHLIGHTS – DISCRETIONARY GRANTS

## 5. Capacity Building of Public (FET/HET) Institutions and SME Providers

- University of Fort Hare, University of Venda and University of Zululand Centres of Excellence (continued relationship)
- FET College SETA cluster (Lead SETA for Free State)

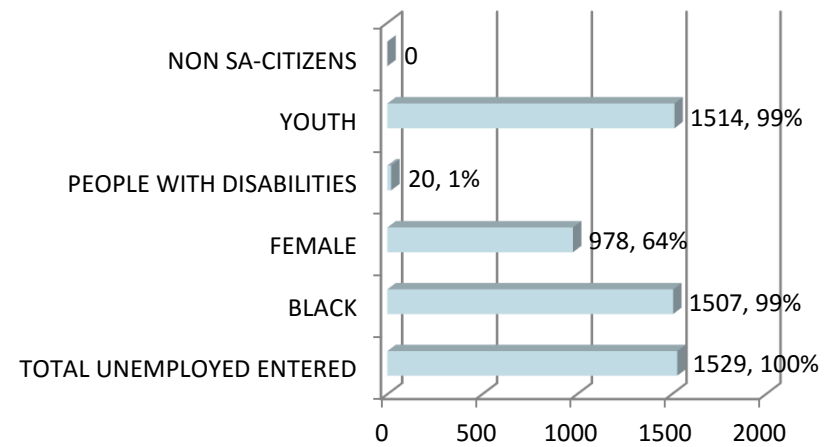
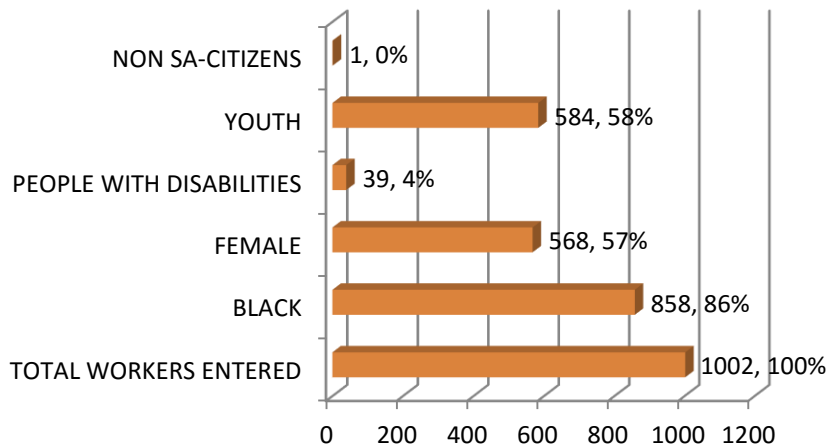




# HIGHLIGHTS – DISCRETIONARY GRANTS

## 6. Transformation

- Learner data (DHET reporting)



- Total BEE spend: R67 725 584



# LOOKING FORWARD – 2014/15 BUSINESS PLAN/BUDGET

Description	2014/15 (Draft)	% Increase	2013/14
Levies Received	527 474	11%	473 617
*Admin including QCTO	69 231		62 162
*Discretionary	326 375		293 051
*Mandatory	131 868		118 404
Interest Received	11 300	13%	10 000
<b>Total Income</b>	<b>538 774</b>		<b>483 617</b>
Admin expenditure including QCTO	69 231	11%	62 162
Mandatory expenditure	127 913	11%	114 852
Discretionary expenditure	341 630	11%	306 603
*Discretionary Levy Income	326 375		293 051
*Mandatory Surplus	3 955		3 552
*Interest on Cash and Cash Equivalents	11 300		10 000
<b>Total Expenditure</b>	<b>538 774</b>		<b>483 617</b>
<b>Surplus/Deficit</b>	-----		-----





# LOOKING FORWARD – 2014/15 STRATEGIC OUTCOME-ORIENTATED GOALS

## **Strategic outcome Oriented Goal 1**

Research sector skills and undertake benchmarking against national and international best practices to ensure relevant and cutting edge interventions.

## **Strategic outcome Oriented Goal 2**

To enhance the employability of the Youth through effective education and training development initiatives.

## **Strategic outcome Oriented Goal 3**

To provide the employed workforce with scarce and critical skills to close skills gaps.



## LOOKING FORWARD – 2014/15 STRATEGIC OUTCOME-ORIENTATED GOALS (CONT)

### **Strategic outcome Oriented Goal 4**

Enhance SME participation, sustainability and job creation through skills development.

### **Strategic outcome Oriented Goal 5**

To enhance and build capacity of public FETs / HEIs, SME providers and universities of technology to increase the national footprint and to improve relevance of training interventions in response to sector needs.

### **Strategic outcome Oriented Goal 6**

To create a skills pool that would enable the sector to meet transformation targets.



# 2014/15 FOCUS AREAS

- FET college and HDI university support
- Work-integrated Learning (in partnership with FET colleges)
- IT training for the sector
- Financial Literacy and Consumer Education
- Worker-initiated, NGO and community training initiatives
- Dual Education Model (applicable in banking sector utilising FET Colleges)
- Recognition of Prior Learning
- Continued relationship with CBDA





# BANKSETA BOARD MEMBERS

## Representing Employee Forum:

- Joe Kokela (Sasbo)
- Isaac Ramputa (Sasbo)
- Samantha Anthony (Sasbo)
- Wayne Hattingh (Sasbo) - resigned July 2013
- Myan Soobramoney (Sasbo)
- Manny Captain (Sasbo)

## Representing Employer Forum:

- Fergus Marupen (ABSA) – resigned January 2013
- Shirley Zinn (Standard Bank) – resigned September 2012
- Abram Thebyane (Nedbank)
- Nathan Motjuwadi (Capitec Bank)
- Dalene Opperman (MFSA) – resigned May 2013
- Gcobani Fipaza (FirstRand) – resigned September 2012
- Elizabeth Maepa (FirstRand) (from December 2012)
- Sharon Taylor (Standard Bank) (from December 2012)



# BANKSETA BOARD MEMBERS

## **Ministerial Appointments**

- Martin Mahosi (Chairperson)
- Collette Caine – resigned in February 2012
- Malesela Maleka

## **Board member nominations (awaiting approval by the Minister)**

- Olaotse Matshane (CBDA)
- Sarah Louw (Absa)
- Liesel Hollis (Sasbo)
- Israel Noko (MFSA)

The End



THANK YOU



ENABLING SKILLS DEVELOPMENT IN THE BANKING AND MICROFINANCE SECTOR



