



EMBRACING DIGITAL ADVANCEMENT WITHIN THE SKILLS LANDSCAPE



ANNUAL GENERAL MEETING
18 OCTOBER 2017

AGENDA

- Opening and welcome
- Apologies
- Minutes of the previous AGM and matters arising
- Chairperson's Report
- GM: Operations Report
- CFO's Report
- Approval of 2016/17 Annual Financial Statements and Annual Report
- Approval of 2018/19 Business Plan and Planned Budget
- BANKSETA Board Members
- RPL Platform
- General
- Closure



EMBRACING DIGITAL ADVANCEMENT WITHIN THE SKILLS LANDSCAPE



CHAIRPERSON'S REPORT

CHAIRPERSON'S REPORT

BANKSETA'S MANDATE

- ❑ BANKSETA 's mandate includes continuous delivery against its Service Level Agreement with the DHET - based on National Skills Development Strategy (NSDS) III goals.
- ❑ Implementation takes place against the organisation's strategic planning framework
- ❑ The BANKSETA SETA licence period with the (NSDS) III has been extended until 2020.
- ❑ The current Board has been in place since 01 April 2011
- ❑ This Board and its predecessor can boast 11 consecutive clean audits.

Committed to ensuring that the BANKSETA responds to the sector, shareholder and stakeholder expectations.

To that effect our focus is to ensure that:

- We respond to sector skills needs in an innovative manner, thus we need to support initiatives on retooling the workforce.
- Continuously invest in research; respond to demands that accompany the digital age and support the banks Africa expansion initiatives.
- We support the sector in ensuring compliance with regulatory requirements.
- We retain high performance.
- Collaborate with post-secondary training institutions.

HIGHLIGHTS 2011-2017



- A study tour to the Netherlands was undertaken to investigate global benchmarks relating to Recognition of Prior Learning(RPL).
- The mission entailed learning about how the Dutch successfully implemented RPL.
- The delegation comprised of board representatives, DHET and the South Africa Qualifications Authority.



University of Fort Hare
Together in Excellence



NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT



UNIVERSITY OF
ZULULAND
RESTRUCTURED FOR RELEVANCE



University of Venda
Creating Future Leaders



The BANKSETA worked in partnership with various higher education;

- ❑ Centre of Excellence at the University of Fort Hare – funding to support the Financial Markets Programme.
- ❑ Financial Markets Programme aims to enhance the capacity of the Economics Department by granting bursaries to students at Honours level.
- ❑ Enabled increase of critical economics skills in the banking and microfinance sector
- ❑ Establishing a specialised computer centre dedicated to training of entrants into financial markets trading.
- ❑ An additional funding was granted to ensure the success of the project and for sustainability of the Financial Markets Trading Lab.

- Collaborated with the South African Institute of Chartered Accounts (SAICA) and the North West University and Uni-Zulu to enhancing the capacity of the universities in the critical skill field of Chartered Accountancy.
- Funded the disabled students' unit at the University of Venda. The University of Venda was also established as the BANKSETA Centre of Excellence for Chartered Accountancy.
- A memorandum of Understanding was signed with the International Academy of Retail Banking in the United Kingdom to present internationally accredited qualifications in South Africa starting with a pilot project at NEDBANK.

- Heeded the call to **Make Every Workplace a Training Space** through recruiting interns in our offices
- Promoted coaching, mentoring and support for up-and-coming talent in the banking and microfinance sectors.
- Committed to paying the costs for allowances and stipends.
- Partnership with the Cooperative Development Bank Agency to promote and develop Cooperative Financial Institutions by determining the sector's training needs and creating appropriate capacity enhancement.

RESEARCH AND BENCHMARKING



- BANKSETA has conducted research in partnership with the banking sector in Africa as part of the Africa Expansion Project
- The International Executive Development Programme in Investment Banking and Retail Banking and the African Executive Development Programme.



Roadmap of the BANKSETA's Africa journey through the *International Executive Development Programme and the *Africa Expansion Programme

RESEARCH AND BENCHMARKING

- ❑ Impact assessment studies carried out for the NSDS III period to measure the impact of all BANKSETA interventions from 2011- 2016 - in many areas, the results are impressive.
- ❑ The first SETA to embrace digital adoption into its skills development framework as well as in its strategy.
- ❑ Considered a thought leader and best practice institution by the Department of Higher education and Training.
- ❑ Delivered on its promise to be more inclusive in its stakeholder engagement approach.
- ❑ Research focusing on digital adoption on the banking sector with specific reference to the changing nature of skills in demand
- ❑ Collaborated with labour, employers, regulators and policy-makers on a fact-finding mission to Denmark, Holland and Singapore

- ❑ Medium to long-term goals include investing in innovative skills planning initiatives, key to this being exploring the application of the Geographic Information System (GIS) for data analysis and skills planning.
- ❑ Forging partnerships with Statistics South Africa and other research bodies to develop a GIS empowered tool that can enable skills development in a spatially informed manner. The initiative will;
 - ✓ aid conception and implementation of sustainable development interventions in regional economies
 - ✓ assist in the generation of an empirically sound skills pipeline and thereby empower the youth to increase their probability of pursuing careers in the scarce and critical skills categories
 - ✓ support the digitisation drive as well as initiatives aimed at promoting inclusive growth.

- ❑ The Cyber Security project in partnership with the Department of Defence and SABRIC.
- ❑ The Data-Analytics and Data-mining Senior Schooling Curriculum in partnership with the South African Reserve Bank and the Department of Basic Education.
- ❑ The Digital Literacy Programme in partnership with the Department of Basic Education.
- ❑ The Re-Skilling Project aimed at current employees who need to upgrade their skills to meet the demands of “Bank of the Future”.



5th INTERNATIONAL CONFERENCE 2012

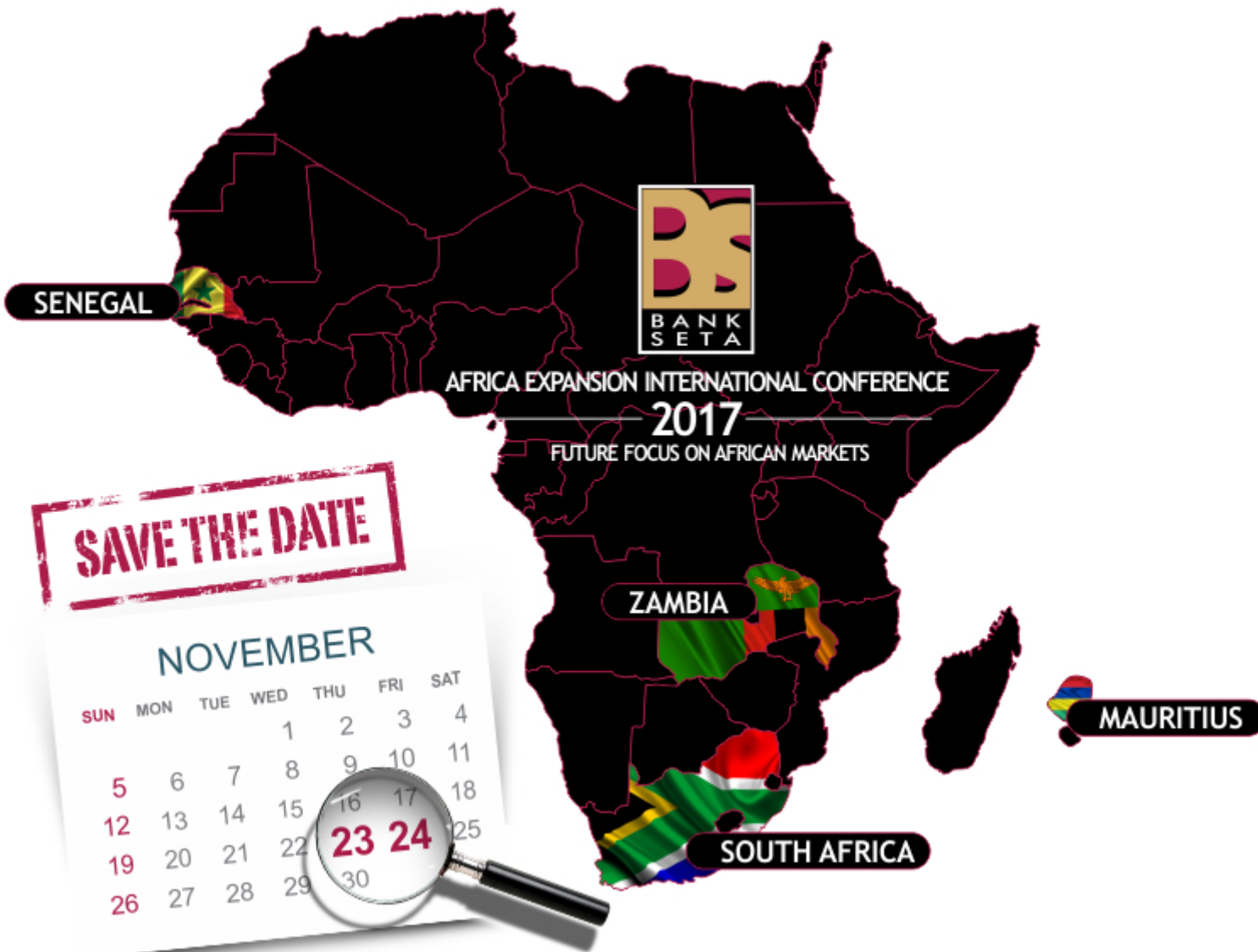


The meeting of
investment banking
giants!



- Aimed to attract about 300 local and international investment banking executives to focus on rising banking trends and how they will affect the financial sector as a whole
- Reflect on benefits of investing in South Africa through provision of incentives such as tax holidays, tax rebates and other measures used to attract Foreign Direct Investments.

- BANKSETA has innovatively encouraged collaboration efforts in skills development beyond the borders of South Africa
- By facilitating interventions that will bring about skills transfer amongst countries in Africa through the Africa Executive Development Programme.
- Project was developed in collaboration with ABSA, First Rand, Nedbank and Standard Bank.
- The programme will culminate in an international banking conference scheduled for November 2017
- Candidates will share their learnings and experiences with the local banking fraternity.







EMBRACING DIGITAL ADVANCEMENT WITHIN THE SKILLS LANDSCAPE



GM: OPERATIONS REPORT

BANKSETA VISION AND MISSION

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 and through partnerships to enable stakeholders to advance the national and global position of the broader banking and microfinance industry.

MANDATE

In terms of the Skills Development Act, 97 of 1998, BANKSETA was established on 20 March 2000 for a five year period ending March 2005.

This was extended for another five years on 03 March 2005.

Subsequent to the move to the Department of Higher Education and Training in 2010, the Minister of Higher Education and Training further announced on 9 November 2010 that the BANKSETA be re-established for an additional five years until 2016.

In accordance with recently published Government Gazettes the SETAs have been re-established until 31 March 2020.

FUNCTIONS (1)

- Develop and implement a sector skills plan
- Promote learning programmes and register agreements for learning programmes
- Liaise with the QCTO regarding occupational qualifications perform any functions delegated to it by the QCTO
- Collect and disburse skills development levies allocated to it in terms of the SDA
- Liaise with the National Skills Authority on the national skills development policy, the national skills development strategy, and its sector skills plan

FUNCTIONS (2)

- Submit to the Director-General budgets, plans and reports as required
- Liaise with appropriate bodies in placement opportunities and between education and skills development providers and the labour market
- Liaise with the skills development forums established in each province
- Appoint staff necessary for the performance of its functions
- Perform any other duties imposed by the SDA or the SDLA

PERFORMANCE INFORMATION

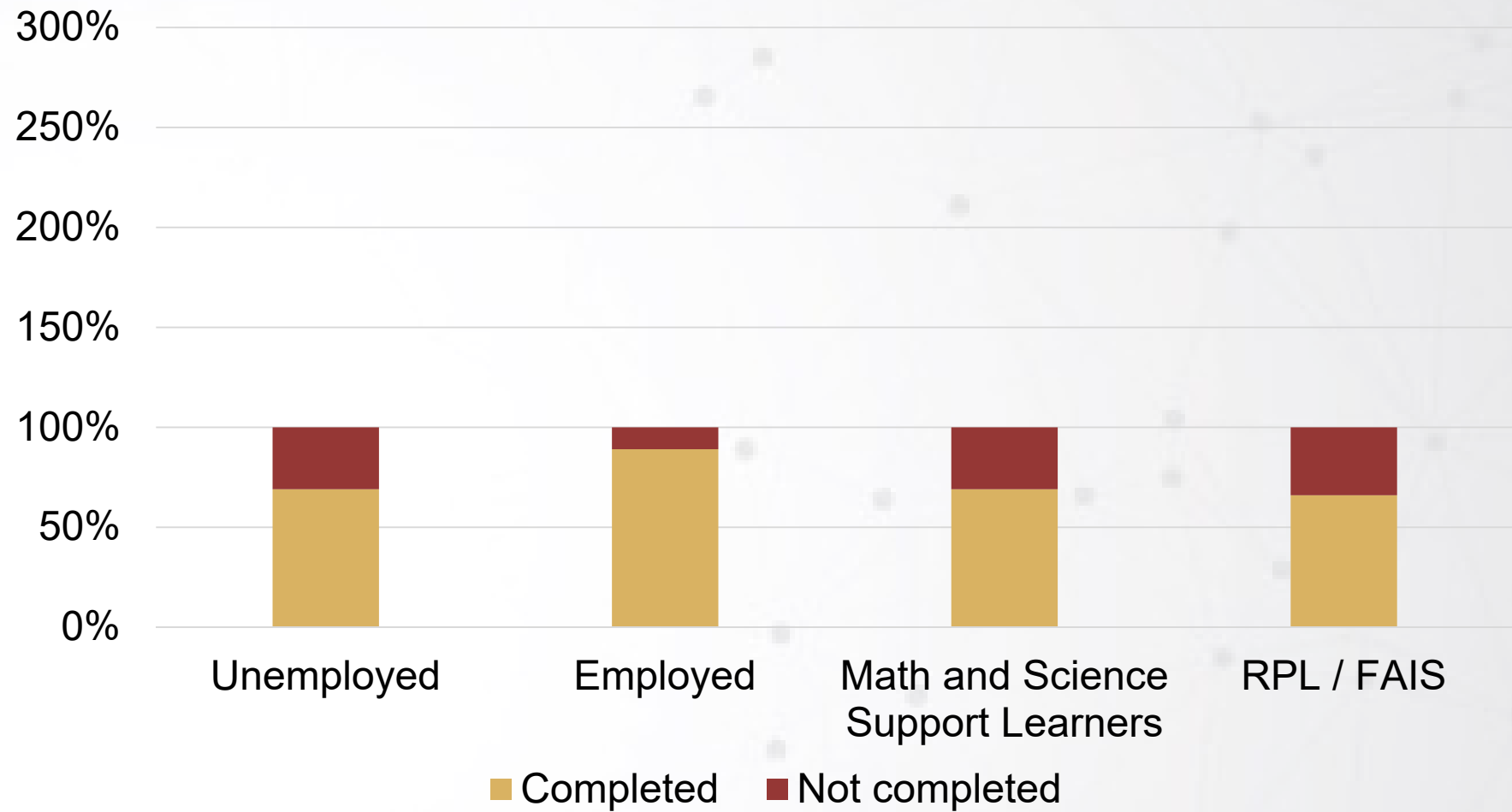
| DHET / BANKSETA SLA Goals / Outcome / Outputs | Target | Achieved |
|--|---------------|--------------------|
| 4.2.1 Total Workers Entered Learning Programmes | 1370 | Achieved |
| 4.2.1 Total Workers Completed Learning Programmes | 962 | Achieved |
| 4.2.1 Total Unemployed Entered Learning Programmes | 2120 | Achieved |
| 4.2.1 Total Unemployed Completed Learning Programmes | 1023 | Achieved |
| 4.2.1 Recognition Of Prior Learning | 1500 | Partially Achieved |
| 4.2.3 University Graduate Placement | 500 | Achieved |
| 4.3.2 TVET Graduate Placement | 450 | Achieved |
| 4.3.2 University Partnerships | 11 | Partially Achieved |
| 4.3.2 TVET College Partnerships | 10 | Achieved |
| 4.3.2 SETA / Employer Partnerships (TVET Related) | 10 | Partially Achieved |
| 4.4. AET Programmes Entered | 500 | Achieved |
| 4.4. AET Programmes Completed | 325 | Achieved |
| 4.6.1 Co-operatives Support | 30 | Achieved |
| 4.6.2 Small Business Support | 40 | Achieved |
| 4.8 Career Guidance | 500 | Achieved |

IMPACT ASSESSMENT 2011-2016

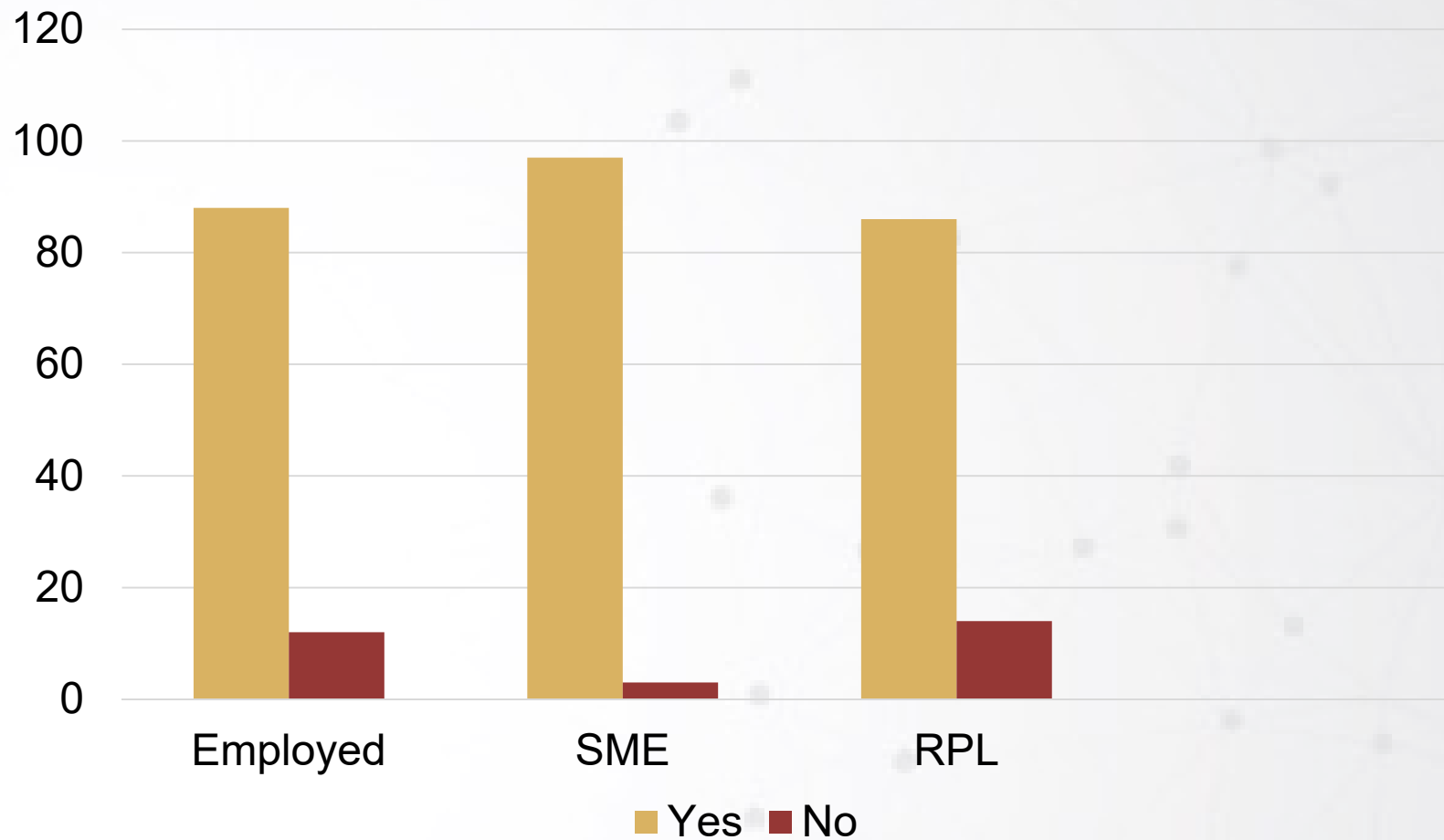
ENABLING SKILLS DEVELOPMENT IN THE BANKING AND MICROFINANCE SECTOR



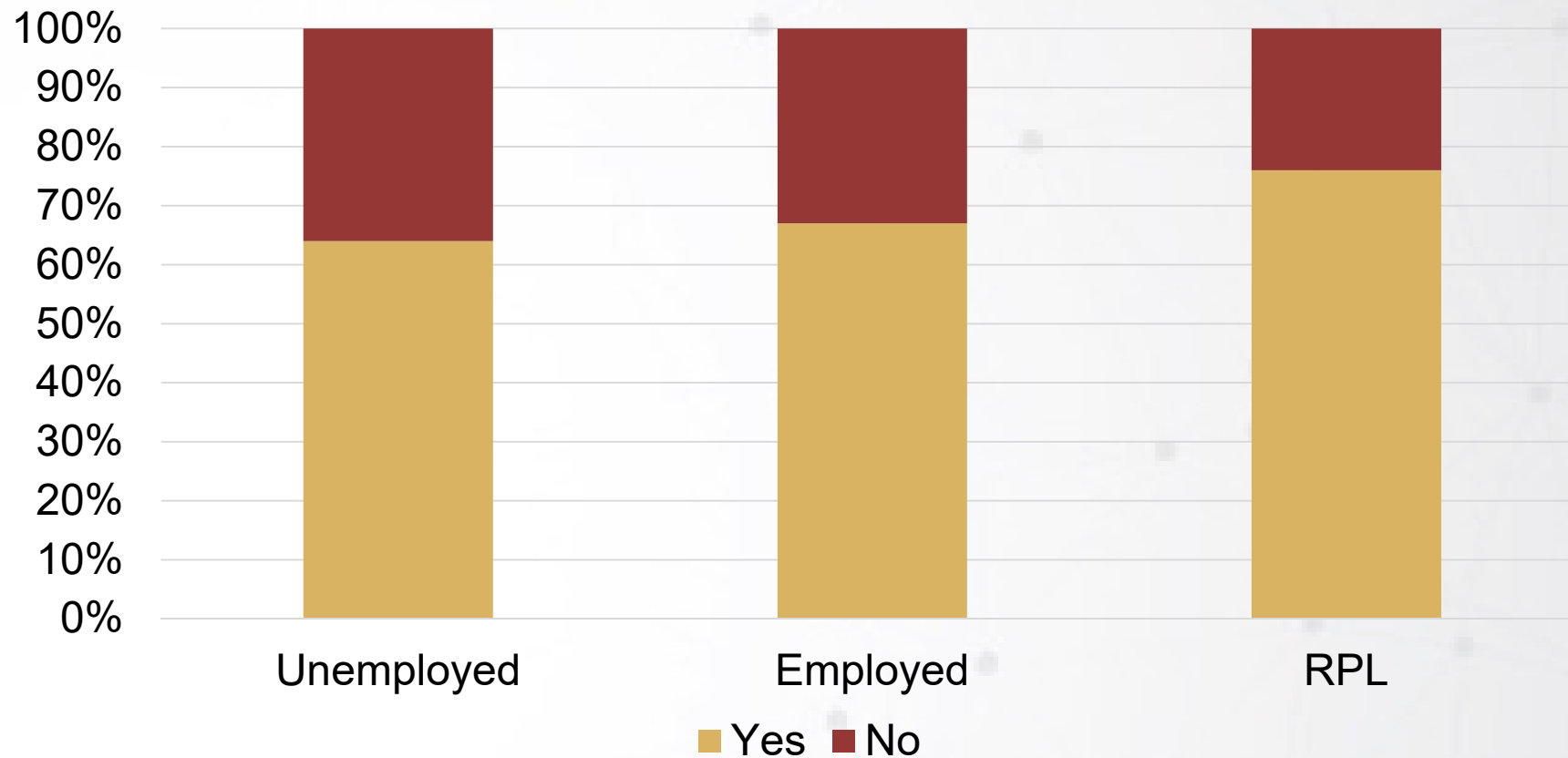
COMPLETIONS



INCREASED PRODUCTIVITY



EMPLOYMENT / CAREER ADVANCEMENT



RECOMMENDATIONS (1)

- The limitation of the findings from this study include low response rate (17%) making it difficult to generalise the findings.
- Majority of the respondents, were of the unequivocal view that the BANKSETA programmes that they had participated in had positively impacted them as individuals.
- However; the majority of the unemployed respondents indicated that nothing had really changed in their lives with regards finding employment, starting their own businesses or entering a programme at a higher level.

RECOMMENDATIONS (2)

- Some learners felt that some courses were not very relevant to market requirements and also that the reason why they may not be employed is that there is: “High levels of unemployment already so difficult to get jobs anyway”.
- Some unemployed learners felt that the BANKSETA should assist them in getting employment or at least link them with employers /or do more to facilitate their placement after training.
- Overall, completion rates are higher in employed learners 89% as opposed to 69% on unemployed learners and Maths and Science with a 69% completion rate.

RECOMMENDATIONS (3)

- A significant statistic from SME data was that 97% of the respondents felt that the training they received had positive effects on their businesses.
- Learners supported in Maths and Science have a great appetite to continue in finance related studies with Accounting being the most popular choice.
- The Research Unit should also work with Programme Managers and other stakeholders to implement the appropriate level of performance logging, as well as tracer study frameworks in order to facilitate impact assessment on an on-going basis.

2018/2019 STRATEGIC PLAN

| Key Result Area | Strategic Oriented Goal |
|------------------------|--|
| 1. Administration | An efficient and effective SETA that complies with legislation, policy and good corporate governance principles |
| 2. Skills Planning | A credible sector skills planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector |
| 3. Learning Programmes | Responsive, sector-aligned skills development interventions addressing the objectives of the NSDS III and the identified skills priority actions in the sector skills plan to address occupational shortages and skills gaps |
| 4. Quality Assurance | Provision of occupation based qualifications to support the supply of skills utilising a work based route to post-school education and training |



EMBRACING DIGITAL ADVANCEMENT WITHIN THE SKILLS LANDSCAPE



CHIEF FINANCIAL OFFICER'S REPORT

2016-17 ANNUAL FINANCIAL STATEMENTS

- Sound financial performance to mirror attainment of performance targets.
- Discretionary funds at year end are 76% committed.
- Sound financial position 90% of assets in cash and cash equivalents
- All support services now delivered in house
- Staff complement increased from 45 to 59



2016-17 HIGHLIGHTS

Sector Companies

Total about 3,871

| | | |
|-------------|---------|-----|
| Levy payers | 2016/17 | 847 |
| | 2015/16 | 845 |

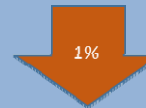


Skills Development Levies (SDL)

2016/17 R600 million

2015/16 R674 million

Top 5 banks pay 74% of total SDL

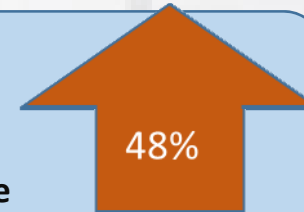


SDL Penalties and Interest

2016/17 R29 million

2015/16 R20 million

Higher level of PAYE non-compliance

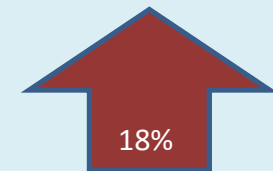


Investment Income

2016/17 R46 million

2015/16 R39 million

Higher average rates of 7.35% (prior year 6.4%)



2016-17 HIGHLIGHTS

Mandatory Grant Expenditure

2016/17 R151 million

2015/16 R163 million

In line with mandatory SDL

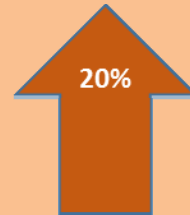


Discretionary Grant Expenditure

2016/17 R506 million

2015/16 R423 million

Accelerated delivery



Administration Expenditure

2016/17 R65 million

2015/16 R62 million

Kept below inflation



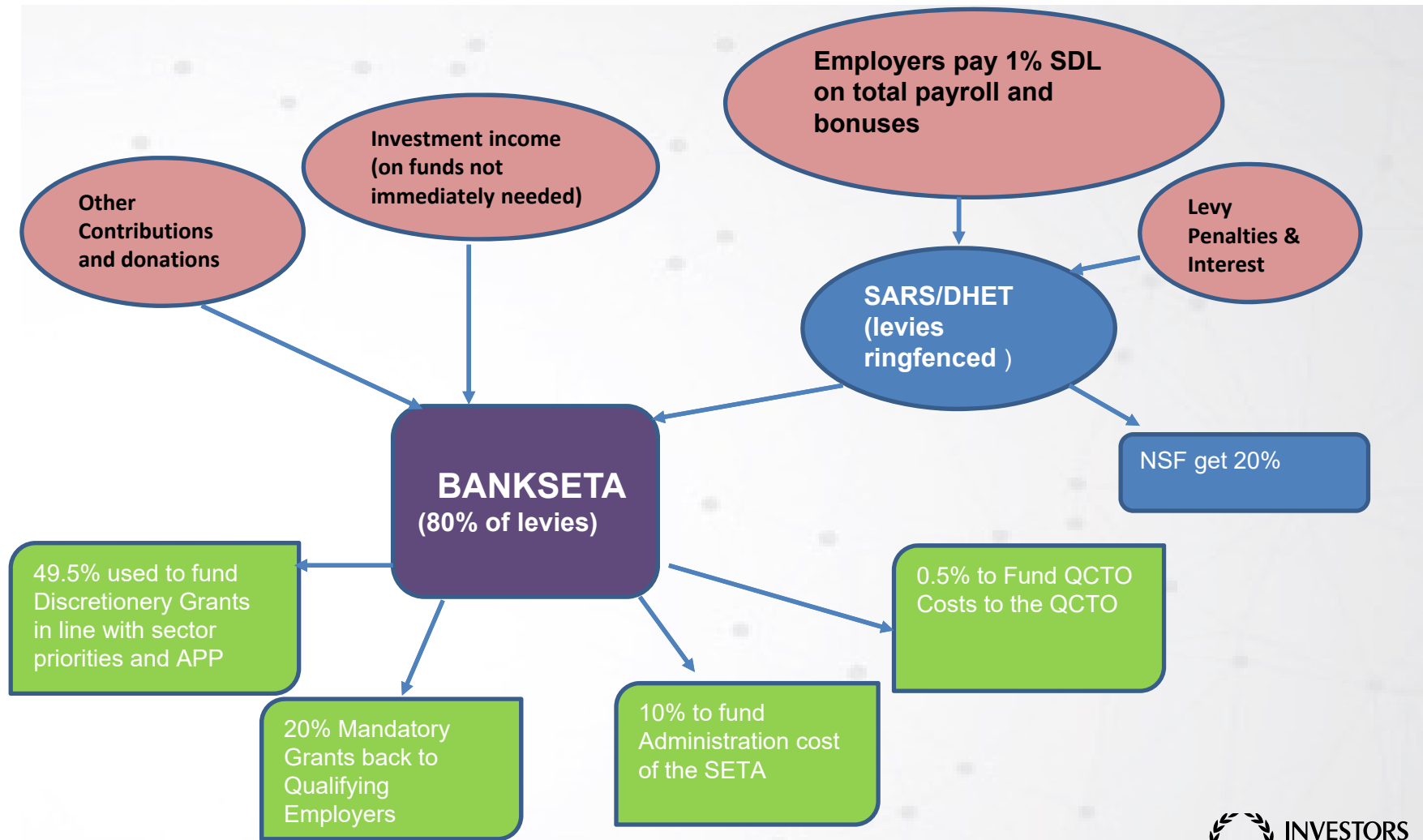
Surplus

2016/17 R13 million

2015/16 R83 million

BANKSETA sped up DG delivery to achieve low surplus.

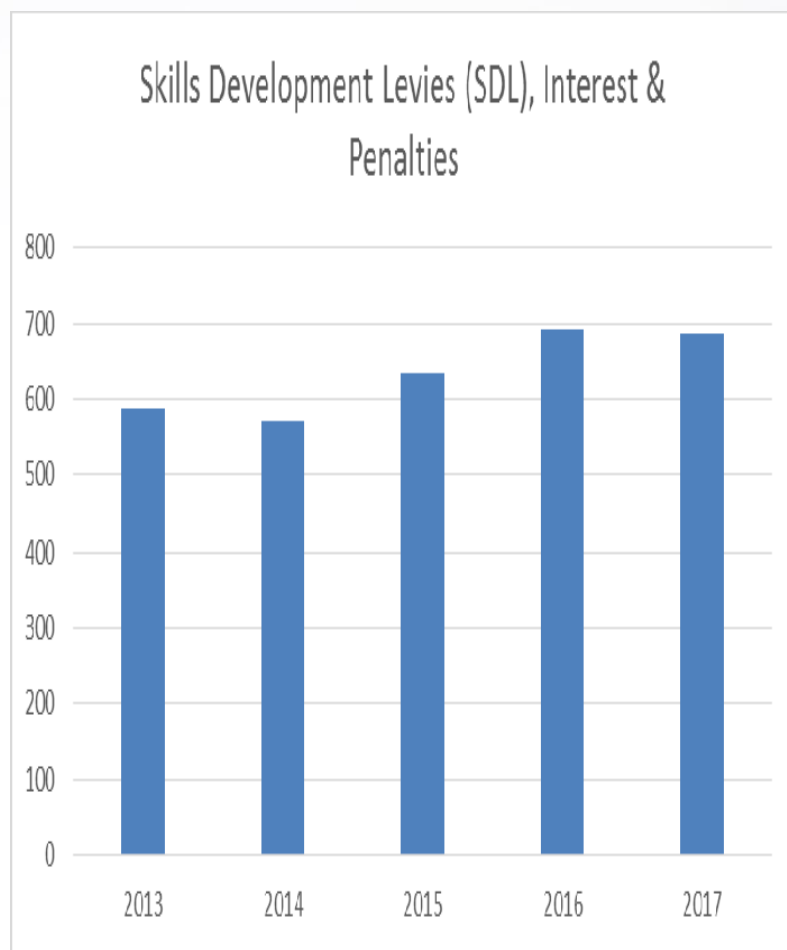
CURRENT SETA FUNDING MODEL



BANKSETA 2016/17 FINANCIAL PERFORMANCE

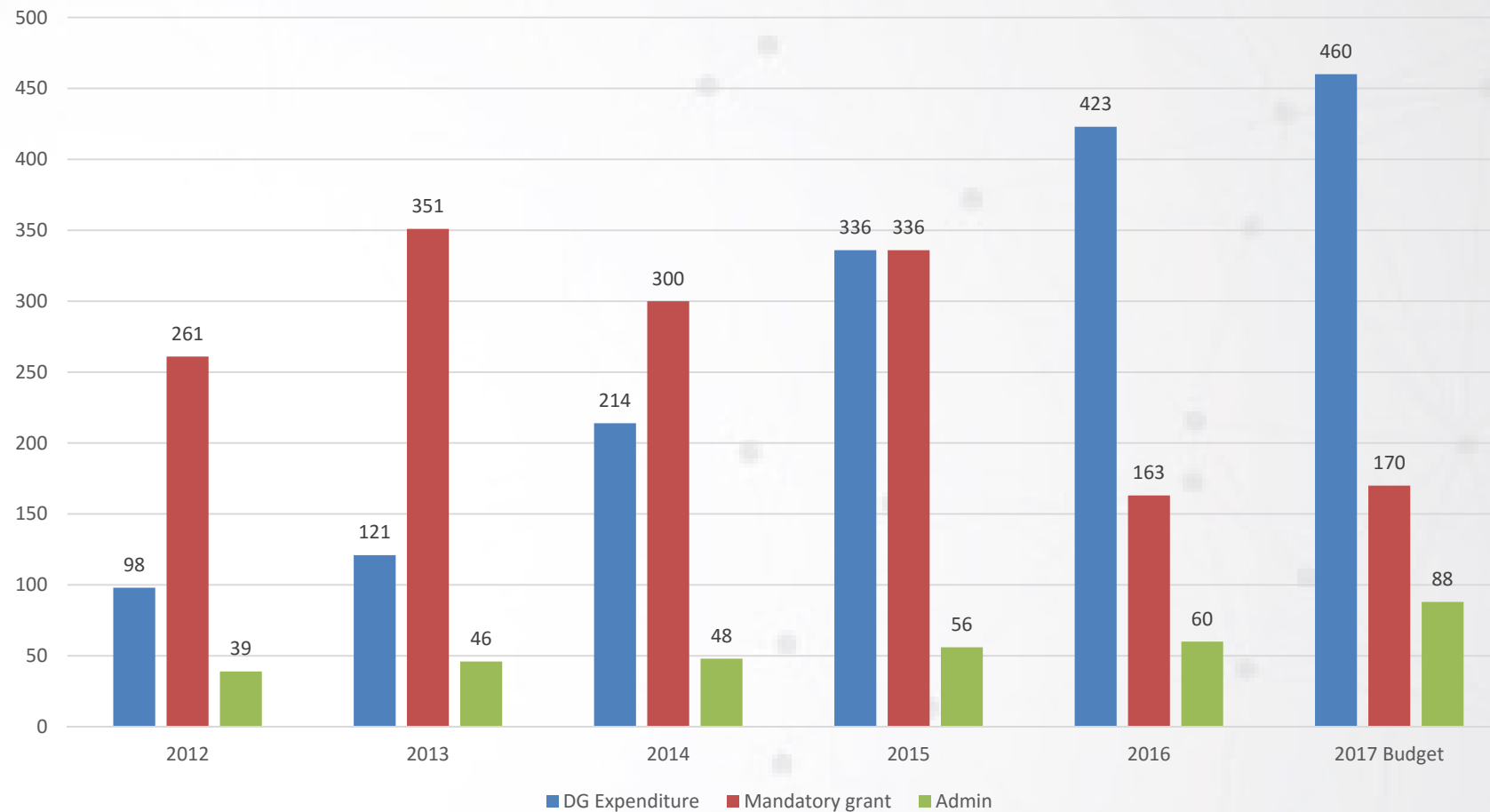
| Year Ended March Rand Millions | 2017 Actual | 2016 Actual | % Var | Comment |
|-----------------------------------|----------------|----------------|-------------|--|
| Revenue | | | | |
| Levy (SDL) income | 660 | 674 | -2% | Prior year levies had shown unusual growth which could be attributed to bonuse/share schemes. These could be less in 2016/17 |
| SDL Penalties and Interest Income | 29 | 20 | 45% | Reflects worsening compliance with tax legislation in the sector |
| Total SDL | 689 | 694 | -1% | |
| Investment Income | 46 | 39 | 18% | Rates increased from average 6.4% in prior year to 7.35%. Fund increased by 2%. |
| Other income | 0- | | | R105 000 received mainly SDL levy |
| Total Revenue | 735 | 732 | 0% | On par with prior year |
| Expenditure | | | | |
| Mandatory grants | 151 | 163 | -7% | In line with lower mandatory levies |
| Discretionary grants and projects | 506 | 423 | 20% | Faster delivery and high commitment at prior year end. |
| Admin expenditure | 65 | 62 | 5% | Main increases are due to employee growth as all support functions now done inhouse and inflationary increases. |
| Finance expenditure | 0 | 1 | -100% | On FET loan paid off in March 2016 |
| Total Expenditure | 722 | 649 | 11% | |
| Net Surplus | 13 | 83 | -84% | BANKSETA is moved closer to using all its income in same year and next year will move into using surpluses. |

BANKSETA LEVY, PENALTIES AND INTEREST TRENDS



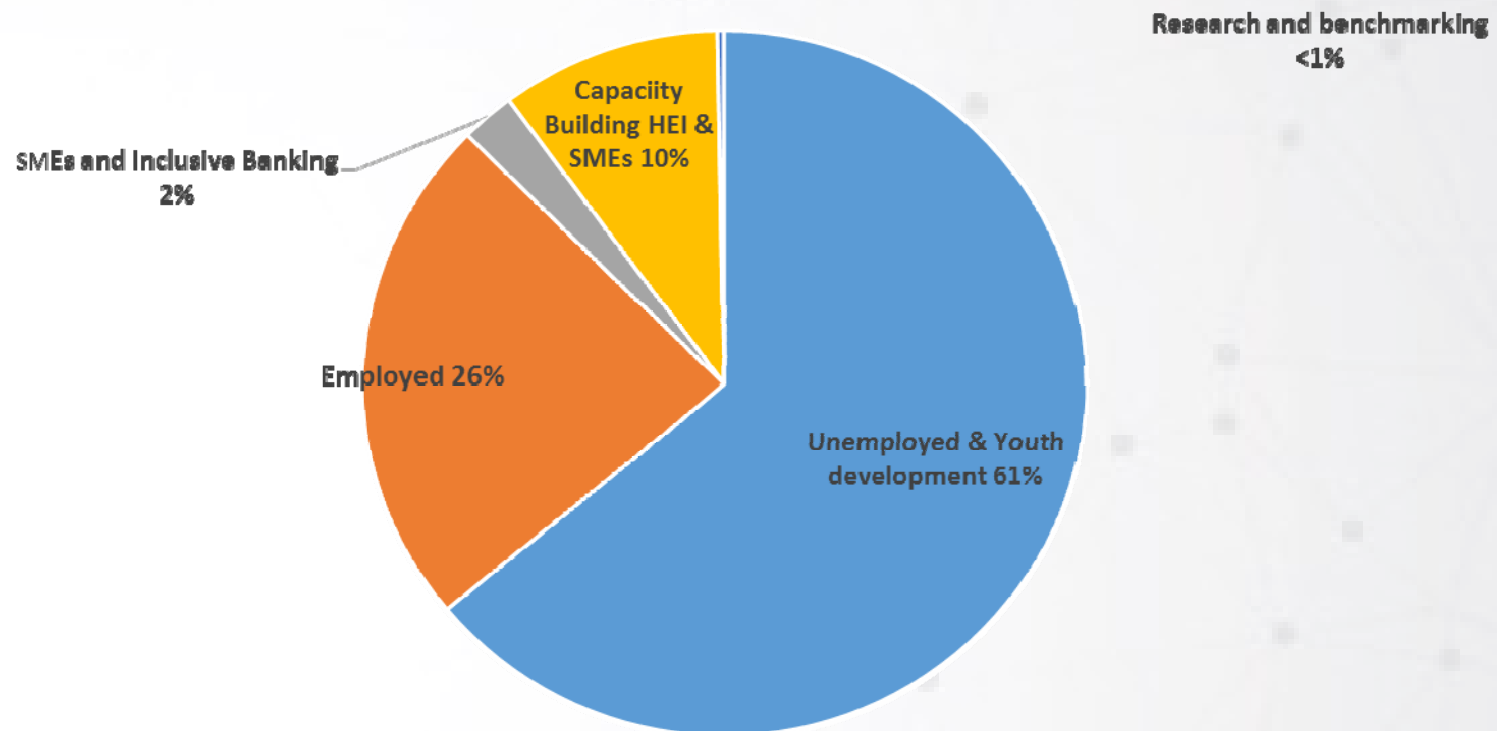
| SDL and SDL Penalties and Interest | | | | | |
|------------------------------------|------|------|------|------|------|
| Rand Millions | 2013 | 2014 | 2015 | 2016 | 2017 |
| SDL | 575 | 568 | 599 | 674 | 660 |
| Growth | 28% | -1% | 5% | 13% | -2% |
| SDL Interest & penalties | 15 | 3 | 38 | 20 | 29 |
| Growth | 164% | -77% | 977% | -48% | 48% |
| Total | 590 | 572 | 636 | 693 | 689 |
| Growth | 29% | -3% | 11% | 9% | -1% |

BANKSETA EXPENDITURE TRENDS



BANKSETA 2016/17 DG SPLIT

2016/17 Actual Discretionary Spend per Priority Area



BANKSETA 2016/17 FINANCIAL POSITION

| Year ended 31 March Rand millions | 2017 Actual | 2016 Actual | % Var | Commentary |
|--------------------------------------|----------------|----------------|-------------|---|
| Assets | | | | |
| Non Current Assets - PPE | 3 | 3 | 0% | No large asset purchases |
| Accounts receivable | 9 | 5 | 80% | Decrease in grant over payment to stakeholders |
| Cash and Cash equivalents | 621 | 580 | 7% | Slight increase due to profit |
| Total Assets | 633 | 588 | 8% | |
| Liabilities | | | | |
| Trade and other payables | 68 | 38 | 79% | FET liability settled by March 2016. Grant payables reduced. |
| Provisions | 22 | 20 | 10% | Performance bonuses paid out after year end in 2017 |
| Total liabilities | 90 | 58 | 55% | |
| Net Assets | 543 | 530 | 2% | |
| Funds and Reserves | 543 | 530 | 2% | R83 million net surplus in 2015/16 |
| Commitments | 402 | 526 | -24% | |
| % Committed | 74.0% | 99.2% | | Low as the year end contracts were signed in April after year-end |

BANKSETA 2016/17 FINANCIAL ASSETS VS COMMITMENTS



2018/19 DRAFT BUDGET

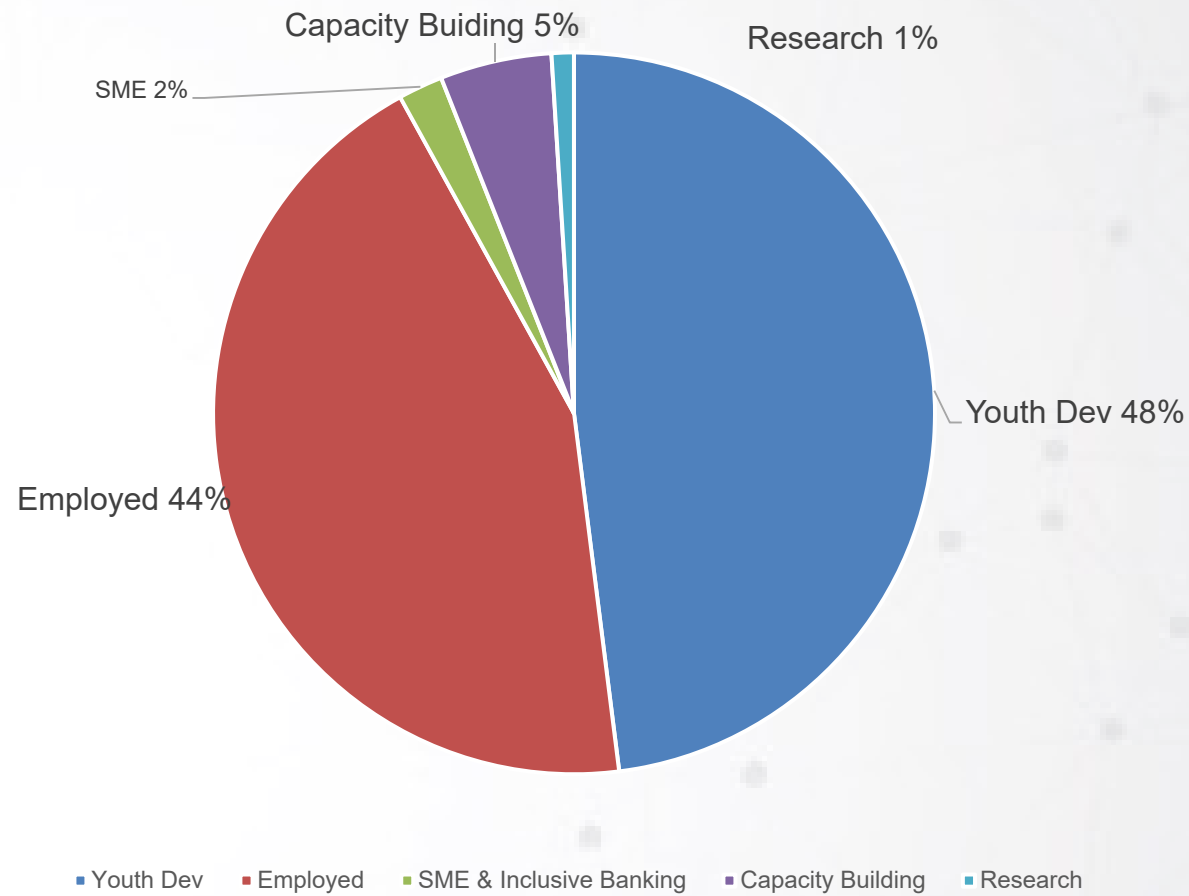
BANKSETA 2018/19 DRAFT BUDGET

- Public entities set budget six months before year end
- 2 years remaining till end of licence on 31 March 2020.
- Reset DG distribution to ideal levels. .
- No change in delivery methods, set up or staffing
- No change in financial position
- No approval received yet for utilisation of deficits therefore budget is at nil surplus/deficit.

BANKSETA 2018/19 DRAFT BUDGET

| R000's | 2016.17 Actual Results | 2017.18 Approved Budget | 2018.19 Draft Budget | % Increase Prior Year | |
|--|------------------------|-------------------------|----------------------|-----------------------|----------------------|
| REVENUE | | | | | |
| Mandatory levies 20% | 158 | 184 | 189 | 2.5% | Increase set at 2.5% |
| Discretionary levies 49.5% | 415 | 456 | 467 | 2.5% | due to fears of |
| Admin levies 10.5% | 87 | 97 | 99 | 2.5% | downturn in economy |
| Total Skills Development Levies (80%) | 660 | 737 | 756 | 2.5% | |
| Penalties and interest | 29 | - | | | |
| Total SDL, penalties and Interest | 689 | 737 | 756 | 2.5% | |
| | | 7% | | | |
| Investment Income | 46 | 30 | 30 | 0.0% | |
| TOTAL REVENUE | 735 | 767 | 786 | 2.4% | |
| EXPENDITURE | | | | | |
| Mandatory grant expenditure | -151 | -179 | -183 | 2.5% | |
| Mandatory grant claim ratio | 96% | 97% | 97% | | Claim level at 97% |
| Discretionary grant expenditure | -506 | -492 | -504 | 2.5% | |
| Admin expenditure | -62 | -92 | -94 | 2.5% | Full admin utilised |
| QCTO Expenditure | -4 | -5 | -5 | 2.5% | Full QCTO utilised |
| Finance costs | | - | | | |
| TOTAL EXPENDITURE | -723 | -767 | -786 | 2.5% | |
| SURPLUS/DEFICIT | 12 | 0 | - | -99.4% | |

BANKSETA DRAFT 2018/19 DG SPLIT





EMBRACING DIGITAL ADVANCEMENT WITHIN THE SKILLS LANDSCAPE



APPROVALS

BANKSETA BOARD MEMBERS



BANKSETA BOARD MEMBERS

Representing Employee Forum:

- Joe Kokela (Sasbo)
- Samantha Anthony (Sasbo)
- Myan Soobramoney (Sasbo)
- Manny Captain (Sasbo)
- Liesel Hollis (Sasbo)
- Amanda Naude (Sasbo) (joined July 2016)

Representing Employer Forum:

- Abram Thebyane (Nedbank)
- Nathan Motjuwadi (Capitec Bank)
- Sarah Louw (Absa/Barclays)
- Israel Noko (MFSA)
- Sifiso Mthembu (FirstRand Bank) (joined July 2016)
- Sharon Taylor (Standard Bank) (resigned effective from November 2016)

BANKSETA BOARD MEMBERS

Ministerial Appointments

- Martin Mahosi (Chairperson)
- Malesela Maleka

Board member nominations

- There were two vacancies which were applicable to the financial year for which we were awaiting further feedback on:
- Vacancy representing Professional Body/Community/Bargaining Council constituencies
- Myen Moodley (Standard Bank)

- However, BANKSETA embarked on a nomination process in accordance with the SETA constitution for the new financial year until 31 March 2020 for a new Board and it was concluded as at the end of September 2017.
- We are currently busy liaising with the Department of Higher Education and Training on the process and appointments going forward.



EMBRACING DIGITAL ADVANCEMENT WITHIN THE SKILLS LANDSCAPE



RECOGNITION OF PRIOR LEARNING PLATFORM DEMONSTRATION



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA





EMBRACING DIGITAL ADVANCEMENT WITHIN THE SKILLS LANDSCAPE



GENERAL



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



INVESTORS
IN PEOPLE



THANK YOU

ENABLING SKILLS DEVELOPMENT IN THE BANKING AND MICROFINANCE SECTOR

