Strategic Plan 2025-2030

List of Acronyms

AB	Alternative Banking
AoPo	Audit of Predetermined objectives
APP	Annual Performance Plan
ATR	Annual Training Report
CBDA	Co-operative Bank Development Agency
DG	Discretionary Grants
DHET	Department of Higher Education and Training
ERRP	Economic Reconstruction and Recovery Plan
GM	General Manager
HEI	Higher Education Institutions
ICT	Information and Communication Technology
JV	Joint Venture
MFI/s	Micro Finance Institution/s
MFSA	MicroFinance South Africa
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTDP	Medium-Term Development Plan
MTSF	Medium-Term Strategic Framework
MTEF	Medium-Term Expenditure Framework
NSDP	National Skills Development Plan
OD	Organisational Development
PIVOTAL	Professional, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trade and Occupations
SCM	Supply Chain Management
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SETMIS	Sector Education and Training Management Information System
SMEs	Small and Medium Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WSP	Workplace Skills Plan

Foreword by the Minister

South Africa ascended to the G20 Presidency from 01 December 2024 under the theme: "Solidarity, Equality and Sustainability". The admission of the African Union in 2023 as a full member of the G20 presented South Africa with a new opportunity to reposition Africa's role in the global affairs in pursuit of African Union Agenda 2063. Together with the Ministry of Basic Education, the Ministry of Higher Education and Training will be leading the G20 Education Working Group in 2025. For this reason, 2025 will be a historic year in the history of the continent, the country and education and training.

It is my pleasure to present the Department of Higher Education and Training's Strategic Plan for the 2025-2030 period. South Africa's government continues to focus its strategies towards addressing the triple challenges facing the country, namely poverty, unemployment and inequality. In this regard, the 7th Administration has agreed on the priority actions required to address these, and the programme that will foreground the work of government for the 2025 - 2030 planning period. Three strategic priorities have been identified, namely, (i) driving inclusive growth and job creation; (iii) reducing poverty and tackling the high cost of living; (iii) build a capable, ethical and developmental state.

Consistent with these priorities, the department will continue to support an inclusive growth path by developing a skilled and capable workforce whilst broadening the skills base of the country. The 7th Administration provides an opportunity for the department to position the PSET sector to provide a myriad of opportunities for our youth and adults. Our resolve is to achieve far-reaching outcomes, bringing about changes to improve the provision of postschool opportunities whilst exerting meaningful impact on the lives of individuals, the economy and society as whole.

I am glad that as a sector we have a clear vision that is espoused by the White paper for Post-School Education and Training. We will continue to aspire for:

- a post-school system that can assist in building a fair, equitable, non-racial, non-sexist and democratic South Africa;
- a single, coordinated post-school education and training system;
- an expanded access, improved quality and increased diversity of provision;
- a stronger and more cooperative relationship between education and training institutions and the workplace; and
- a post-school education and training system that is responsive to the needs of individual citizens and of employers in both public and private sectors.

This means that our sustained agenda is to continue to invest in skills that will drive inclusive growth and job creation. As we make post school education and training opportunities accessible, we should enable reciprocal success of our students in the system. In an era of fast-changing skills demand, driven by the further development of the South African economy and by global trends such as technological progress and globalisation, it is important to understand the skills needs of the country. The quality of teaching and learning, the responsiveness of education and training system will be more and more important.

Through this Strategic Plan, we also commit to work with the Human Resource Development

Council (HRDC), chaired by the Deputy President of the Republic of South Africa, to ensure effective coordination across government and all sectors in respect to the implementation Human Resource Development Strategy for the country.

Working with our stakeholders, we are changing the size and shape of the PSET system, particularly to reposition the college sector. The National Development Plan, 2030 and our own National Plan for PSET directs that we should drastically increase intake in Technical and Vocational Education and Training (TVET) and Community Education and Training (CET) colleges. The college sector has a potential to transition individuals to the labour market, perform critical jobs with higher productivity and support the change to sustainable and resilient societies.

In November 2023, Cabinet endorsed the **Just Energy Transition (JET) Implementation Plan,** a transformative blueprint for South Africa's sustainable future. This plan will guide the country toward a greener economy while ensuring that the transition is just, inclusive, and focused on growth. At the heart of this transition lies the **skills portfolio,** which aims to align skills development with the long-term needs of the energy sector, ensuring that no one is left behind. In this regard, we aim to implement appropriate interventions to support this initiative. Accordingly, the Department will during the 2025/26 establish a JET Skills Desk within the Department which will serve as the national coordinating hub for skills development efforts, ensuring a unified approach to this critical task.

Another critical challenge that we seek to address is the category of the society that is Not in Employment, Education or Training, commonly known as the NEET. Addressing the crisis around NEET is essential for South Africa's long-term economic growth and social stability. High NEET rates reflect a profound gap in education and employment opportunities for many young people, and this must change. Our government, along with civil society and the private sector, is working to create pathways for education, training, and employment for those who are NEET. We are focused on investments in education, job creation, and skills development to ensure that our youth have the tools they need to succeed.

In this regard, the Department of Higher Education and Training is leading a project to identify NEET individuals across the country. The aim is to establish a database that will assist the department to device appropriate and targeted interventions aimed at improving their circumstances. The interventions will support NEETs in gaining skills, securing employment, starting businesses, or enrolling in education and training programmes. This must be viewed as complementary to the President's Youth Employment Initiative, which drives structural reforms and job creation, and the Presidential Employment Stimulus, which focuses on creating meaningful employment and strengthening livelihoods. Through partnerships with both public and private sector agencies, we aim to connect work seekers with employers, foster entrepreneurship, and provide tailored support to those who need it most.

We are continuing to intensify efforts to address the challenge of skills mismatch with discrepancy between the skills sought by employers and the skills possessed by the youth and adults. The Department is playing a significant role in a number of initiatives like industry-led training programmes, mentorship and internship opportunities, partnerships with education institutions relevant and enhancing work experience and practical skills.

It is encouraging that baseline information shows that annual production of qualified artisans has been on the increasing trajectory since the demise of COVID-19, with 20,062 completing their trade test in 2023/24. The top ten artisans produced include Electricians, Diesel Mechanics, Mechanical Fitters, Plumbers, Boilermakers, Welders, Millwrights, Automotive Motor Mechanics, Fitters and Turners, and Riggers.

A comprehensive student funding model for higher education, specifically designed for students who fall outside the current NSFAS criteria and address the needs of the "missing middle," has been finalized. This will be implemented in phases over the next five years. Phase 1 of the model is now being implemented, with the government committing an initial capitalization fund of R3.8 billion for the 2025 academic year to support approximately 10,000 students. Further discussions with the National Treasury are ongoing to develop a sustainable funding model, which is expected to be submitted to the Cabinet in July 2025.

I am confident that the implementation of the Strategic Plan 2025-2030, will ensure that the commitments we have towards ensuring transforming the PSET Sector is accomplished. I am certain that, under the guidance and support of the Deputy Ministers, Dr Mimmy Gondwe, MP and Mr Buti Manamela, MP, including the Director-General, Dr Nkosinathi Sishi, its implementation will steer the Department in the right direction as we address the socio-economic challenges facing our country.

Dr. NP Nkabane, MP
Executive Authority of Higher Education and Training

Foreword By Board Chairperson

The macroeconomic environment remains volatile with high inflationary pressures globally. The instability caused by the Russia-Ukraine war, combined with the geopolitical tensions in the Middle East has led to the rise in oil prices and supply chain challenges across the globe. The global economic growth is expected to be at 2,5% in 2024 slightly below the 2,8% growth experienced in 2023. As the economy continues to struggle to grow at a rate conducive to creating jobs, the finance sector remains a beacon of hope locally as it managed to add 460,000 jobs to the economy in 2023. At the same time, the economy grew by a mere 0,6% while the unemployment rate remains very high, currently at 32,1%. The banking sector has proved resilient and continues to grow at a rate higher than other economic sectors. The PwC report, South Africa - Major Banks Analysis indicates that the South African major banks have shown strong growth in 2023 with headline earnings of R113.2 billion, an increase of 13,8% compared to 2022.

The COVID-19 crisis has revealed the urgent need to shape a better world. As economies continue to recover from the aftermath, there is a possibility to ensure greater societal equality and sustainability. South Africa's Economic Reconstruction and Recovery Plan (ERRP) is a direct response to the economy beyond the COVID-19 aftermath. To ensure positive outcomes from the crisis, the immediate and longer-term emerging risks must be identified and managed effectively. The BANKSETA 2025-2030 Strategic Plan (SP) heeds to the ERRP Skills Strategy as one of the pillars of inclusive growth, job creation, and reduction of poverty. Inclusive growth, job creation, and reduction of poverty were identified by the 7th Administration as part of the priorities and are detailed in the Medium-Term Development Plan.

The key objective of the strategic plan is to outline the strategic priorities of the BANKSETA in accordance with its mandate as defined in the Skills Development Act and all associated national imperatives. It demonstrates the integration of the BANKSETA's primary responsibilities (sustained by the sound financial management of levy funds, human resources and internal business processes), the specific strategic objectives aligned to the skills priorities indicated in the sector skills plan (SSP) and the National Skills Development Plan (NSDP) objectives as well as the management of performance thereof (inclusive of monitoring and evaluation).

The strategic plan covers a five-year period (from 2025/26 to 2029/30). It is acknowledged that the current SETA license period is until March 2030. Strategic Plans identify strategically important outcomes, goals and objectives against which the institutions' medium-term results can be measured and its impact evaluated. Annual Performance Plans identify the output indicators and targets that the institution will seek to achieve in the upcoming financial year. The BANKSETA adopts a results-based planning model aligned to the Theory of Change Methodology that involves the articulation of strategic choices in light of past performance and includes information on how it intends to deliver on its priorities and achieve associated results. The BANKSETA's focus is on achieving outcomes, implementing output measurement, learning from past experiences, benchmarking best practices, and reporting on performance.

The BANKSETA recognises the need to be proactive in developing a clear skill planning strategy to determine how skills development interventions cohesively respond to the current and future needs of the sector as determined by the SSP and to manage the risks it might face. In the development of the strategy, the BANKSETA was also cognisant of aligning governance and organisational capacity to meet the SETA needs as well as balancing the priorities from a national and sectoral basis with the priorities prevalent in the economy.

As part of its strategic planning process, BANKSETA seeks to ensure accurate alignment of the Sector Skills Plan, Strategic Plan and Annual Performance Plan encapsulated in the development of a Strategy Alignment Matrix. The programmes in support of the strategies are outlined within the 2025/2026 Annual Performance Plan. Further to the programmes in the Annual Performance Plan, the BANKSETA has compiled a formal research strategy to support the organisational strategy. Strategic planning is also supported by continuously engaging with our stakeholder base to ensure a collaborative approach as outlined in the BANKSETA Stakeholder Engagement Plan.

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Nosipho Mia Makhanya
BANKSETA Board Chairperson

Chief Executive Officer Statement

The Draft 2025 – 2030 Strategic Plan aims to contribute to the priorities of the 7th Administration through skills development in the banking and alternative banking sectors. This has seen a significant shift in the allocation of resources between employed and unemployed, with the unemployed expected to benefit more from the BANKSETA workplace-based learning (WBL) programmes and bursaries. In the WBL and bursaries programmes, the BANKSETA is planning to increase the current pool of beneficiaries that complete the programmes successfully by 49,6% from just below 24,000 in the current strategy to over 35,700 beneficiaries in the next planning cycle. As a result, this will push the number of enrolments to over 46,000 in the next five years.

Resources will be channelled towards the achievement of the targets in the strategy with the unemployed making up over 68% of the planned beneficiaries of the core programmes of the institution. The BANKSETA is expected to spend over R4 billion in the Medium-Term Expenditure Framework (MTEF) period with R2.7 billion allocated towards skills development initiatives. The institution has recently undertaken an Organisation Design (OD) study and a new organogram was recommended for the institution. This organogram was subsequently approved by the Board. The new organogram will see the number of approved positions in the structure being increased from 64 to 93. The ICT environment is also expected to modernise and digitalise the discretionary grant process which will ensure a quick turnaround time for the funding process.

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The BANKSETA ensures accurate alignment of the Sector Skills Plan, Strategic Plan and Annual Performance Plan in the development of a Strategy. The programmes in support of the strategies are outlined within the 2025/2026 Annual Performance Plan. Further to the programmes in the Annual Performance Plan, the BANKSETA has compiled a formal research strategy to support the organisational strategy. Strategic planning is also supported by continuously engaging with our stakeholder base to ensure a collaborative approach as outlined in the BANKSETA Stakeholder Engagement Plan.

With a positive team and a constructive Board, we do not doubt that we shall achieve our strategic objectives as articulated in the Strategic Plan.

E Mashabane

Eubert Mashabane Mr.
Chief Executive Officer

Official sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the Management of BANKSETA under the guidance of the BANKSETA Board
- Takes into account all relevant policies, legislation and other mandates for which the BANKSETA is responsible
- Accurately reflects the Impact, Outcomes and Outputs which the BANKSETA will endeavour to achieve over the period 2025/2026 to 2029/2030.

Mr Vuyani Ntanjana Signature
Head: Strategy and Research
(Representing the Head of Planning)

Ms Christine Jonck Signature: ______________________________
GM: Operations

Dr Lefaso Motsoeneng Signature: ______________________________
Acting GM: Corporate Services

Ms Beaula Dziruni Signature: ______________________________
Chief Financial Officer

Mr Eubert Mashabane Signature: ______________________________
Chief Executive Officer

Ms Nosipho Mia Makhanya Signature: ______________________________
BANKSETA Board (Chairperson)

Approved by:

Dr. Nobuhle Nkabane Signature: ___________________________
Executive Authority

Contents

Part A: Our Mandate

The Banking Sector Education and Training Authority (BANKSETA) is a public entity and as such, it operates under the South African legal framework, part of which includes the Constitution of the Republic of South Africa, legislation and policies. The establishment of the BANKSETA is underpinned by this legal framework which also sets out the mandate of the institution and also guides the operations of the institution.

1. Constitutional Mandate

The mandate of the BANKSETA is informed by the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).
Constitutional applicability is based on the following sections:

- Section 22: Freedom of trade, occupation and profession

Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law.

- Section 29: Education

Everyone has the right to-

1) a basic education, including adult basic education; and
2) further education, which the state, through reasonable measures, must make progressively available and accessible

2. Legislative and Policy Mandates

The Banking Sector Education and Training Authority (BANKSETA) is a statutory body established through the Skills Development Act of 1998 as amended by the Skills Development Act, 26 of 2011 to enable its stakeholders to advance the national and global position of the banking and alternative banking sector. In terms of the Skills Development Act, No 97 of 1998 as amended by the Skills Development Act, within the National Skills Development Plan (NSDP) framework; the BANKSETA is mandated to develop skills in the banking and alternative banking sector. It does so by:

- Encouraging employers in its sector to develop an active learning environment in the workplace.
- Providing employees with opportunities to acquire new skills/progress in their careers.
- Increasing levels of investment in workplace education and training.
- Promoting transformation as guided by the NSDP equity targets of 85% Black, 54% Female and 4% disabled.

Ultimately this means that work-seekers find employment, retrenched workers re-enter the labour market and employers find qualified employees in a fair and equitable framework.

The BANKSETA is established in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) and operates within the following legislative and policy mandates:

Legislation/ policy/ regulation	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
Skill Development Act Development Act 97 of 1998, (Act No. 97 of 1998)	Provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce;	The BANKSETA implements skills development programmes that equip the banking and alternative banking sector with relevant and appropriate skills and this is in line with the SDA.
Skills Development Levies Act, 1999 (Act No 09 of 1999)	Provides for the imposition of a skills development levy, and for matters connected therewith.	The BANKSETA uses the levies to fund skills development programmes as per the SDLA.

Legislation/ policy/ regulation	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
The National Qualifications Framework Act, (Act No. 67 of 2008)	Provide for the responsibilities of the Minister of Higher Education and Training; to provide for the South African Qualifications Authority; to provide for Quality Councils; to provide for transitional arrangements; to repeal the South African Qualifications Authority Act, 1995	The BANKSETA makes sure that all qualifications funded are compliant with the NQFA.
Employment Equity Act, 1998 (Act No 55, 1998)	a. Promoting equal opportunity and fair treatment through the elimination of unfair discrimination. b. Implementing positive measures (affirmative action) to ensure the equitable representation of black people, women and the disabled at all levels in the workplace.	The BANKSETA, through the Human Resources Policy, makes sure that it promotes equal opportunities, addresses the affirmative action prescripts and eliminates unfair discrimination.
Public Finance Management Act (Act No 29 of 1999)	Ensures that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government	The BANKSETA, through its Governance Structures and Policies, make sure that it complies with PFMA.
Preferential Procurement Policy Framework (Act No. 5 of 2000)	This provision sets out basic principles and the regulations thereof and it provides detailed Supply Chain Management guidelines that shall be followed by all state institutions.	The BANKSETA, through its Governance Structures, Policies and Bid Committees like the Bid Specification Committee (BSC), Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) make sure that it complies with SCM Policy.
Policy Framework for the Government-wide Monitoring and Evaluation System	This is an overarching policy framework for monitoring and evaluation in the South African Government.	The BANKSETA funded the development of the Monitoring and Evaluation Framework for SETAs. At the moment, BANKSETA is busy developing its M&E system.
Broad-Based Black Economic Empowerment (Act No. 53 of 2003)	Promotes the participation of previously disadvantaged individuals within the landscape of the South African economy.	The BANKSETA, through its Governance Structures, Policies and Bid Committees like the Bid Specification Committee (BSC), Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) make sure that it complies with SCM Policy.

3. Institutional Policies and Strategies Governing the Five-year Planning Period

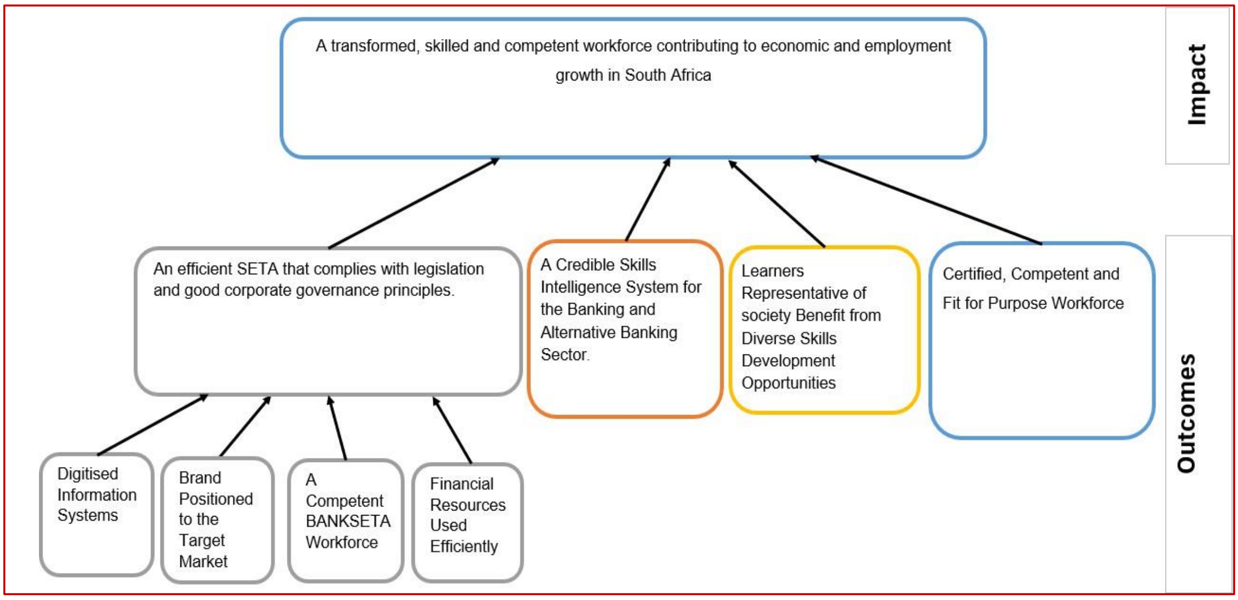
The BANKSETA also derives its skills development mandate from the following national strategies and policies:

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
National Development Plan (NDP)	The National Development Plan commonly known as the (NDP), is a plan to unite South Africans, unleash the energies of its citizens, grow an inclusive economy, build capabilities, and enhance the capability of the state and leaders working together to solve complex problems.	All the BANKSETA strategies and plans are aligned with NDA all our programmes are aligned with national priorities intending to strengthen the country's economy.
Economic Reconstruction and Recovery Plan (ERRP).	South Africa's ERRP builds on our comprehensive health response to restore economic activity and rebuild the economy in a manner that ensures sustainability, resilience and inclusiveness.	The BANKSETA introduced a 3-Year Internship Programme as a part of employment creation for economic recovery. It also strengthens the Entrepreneurship and Rural Development Programmes for job creation purposes.
Presidential Employment Stimulus	This approach recognises that there is no shortage of work to be done to address current social challenges or to improve the quality of life in communities. The intention is to create a new instrument able to support the considerable creativity, initiative and institutional capabilities that exist in the wider society to engage people in such work.	The BANKSETA introduced a 3-Year Internship Programme as a part of employment creation for economic recovery. It also strengthens the Entrepreneurship and Rural Development Programmes for job creation purposes.
White Paper for Post-School Education and Training	A post-school education and training system that is responsive to the needs of individual citizens, employers in both public and private sectors, as well as broader societal and developmental objectives.	**Expanded access to PSET opportunities** • To provide a diverse student population with access to a comprehensive and multifaceted range of PSET opportunities **Improved efficiency and success of the PSET system:** • Bursaries for Masters and PhD • Learnerships and Internships Programmes **Improved quality of PSET provision**: • Bursaries for the Lecturer Development Programme **A responsive PSET system:** • All qualifications programmes and curricula are in line with the SSP
Medium-Term Development Plan (MTDP)	The MTDP is an implementation plan of the NDP which details the priorities of the government over five years. BANKSETA as a government entity is contributing to the plan by ensuring that the skills development needs of the sector are met.	**The MTDP has the following three strategic priorities:** • Strategic Priority 1: Inclusive growth and job creation • Strategic Priority 2: Reduce Poverty and tackle the high cost of living • Strategic Priority 3: A capable, ethical and developmental state The BANKSETA in support of the MTDP priorities, will:

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
		• Implement programmes to support public employment programmes and prioritise work experience for young people through internships and learnerships. • Expand vocational and technical training in schools and post-school institutions by offering bursaries and programmes to support Grade 12 learners. • Produce the skills that the economy needs by implementing skills development initiatives that are informed by the Sector Skills Plans. Strengthen the partnership with the private sector to unlock the deployment of artisans and TVET graduates through workplace-based placements and work-integrated learning opportunities.
National Skills Development Plan (NSDP)	The NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development. The plan derives from the broader plan of government, namely the NDP, which aims to put in place the framework whereby, we 'build the capabilities of our citizens to make our future work'.	All the BANKSETA outcomes are aligned to the objectives and outcomes of the NSDP.
New Growth Path	This framework reflects the government's commitment to prioritising employment creation in all economic policies. It identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner while attaining South Africa's developmental agenda.	All the BANKSETA programmes are aligned to the New Growth Path as they are focussing on skills meant for employment opportunities.
National Skills Accord	The National Skills Accord is based on the following commitments: • To expand the level of training using existing facilities more fully • To make internship and placement opportunities available within workplaces. • To set guidelines of ratios of trainees: artisans as well as across the technical vocations, in order to improve the level of training • To improve the funding of training and the use of funds available for training and	All the BANKSETA programmes are aligned to the National Skills Accord as they are focussing on skills meant for employment opportunities and these include internship and learnership programmes.

Strategy/Policies	Applicability	BANKSETA's Contribution to Legislative and Policy Mandate
	incentives for companies to train • To set annual targets for training in state-owned enterprises • To improve SETA governance and financial management as well as stakeholder involvement • To align training to the New Growth Path and improve Sector Skills Plans • To improve the role and performance of TVET Colleges	
SETA Integrated High-Impact Programmes (SIHIP)	In the 2024 SETA Skills Summit, the SETAs launched the SIHIP to foster collaboration among the 21 SETAs in the country. The programme consists of six areas where the different SETAs will collaborate, these are: • Rural Development for Community Impact • Infrastructure Development and Public Sector Institutional Delivery Capacitation • Significant Reduction of unemployment people including graduates • Sustainable Entrepreneurial, SMME, and Cooperatives development • Holistic digitisation and advancement of technological infrastructure, research and development • Effective and efficient Shared services on Information and Communication Technology (ICT)for SETA- wide Learner information learner management system	The BANKSETA is implementing a three-year internship programme in collaboration with employers within and outside of the banking and alternative banking sector. The BANKSETA will also partner with some of the universities that offer 4IR qualifications to train beneficiaries on a range of degrees aligned to the 4IR skills.

The overall strategy that the BANKSETA will be implementing over the five-year period is guided by the Theory of Change (ToC) outlined in the figure below. The ToC is a result of situational analysis research, the SSP and the stakeholder engagement workshops with different stakeholders in the banking and alternative banking sector.



The ToC outcomes are further aligned to the NSDP outcomes in order to show how the BANKSETA is responding to the NSDP outcomes. The table below shows how the BANKSETA outcomes are aligned to the NSDP outcomes.

NSDP Outcome	NSDP Outcome Description	BANKSETA Outcomes	Programme	BANKSETA Impact
Outcome 1	Identify and increase production of occupations in high demand	A Credible Skills Intelligence System for the Banking and Alternative Banking Sector.	Programme 2	A transformed, skilled and competent workforce contributing to economic and employment growth in South Africa.
		Learners Representative of society Benefit from Diverse Skills Development Opportunities.	Programme 3	
		Certified and Competent Workforce Fit for Purpose	Programme 4	
Outcome 2	Linking education and the workplace	Learners Representative of society Benefit from Diverse Skills Development Opportunities.	Programme 3	
		Certified and Competent Workforce Fit for Purpose	Programme 4	
Outcome 3	Improving the level of skills in the South African workforce	Learners Representative of society Benefit from Diverse Skills Development Opportunities	Programme 3	
		Certified and Competent Workforce Fit for Purpose	Programme 4	
Outcome 4	Increase access to occupationally directed programmes	Certified and Competent Workforce Fit for Purpose	Programme 4	
Outcome 5		Learners Representative of society Benefit from Diverse Skills	Programme 3	

	Support the growth of the public college system.	Development Opportunities.		
		Certified and Competent Workforce Fit for Purpose	Programme 4	
Outcome 6	Skills development support for entrepreneurship and cooperative development.	Learners Representative of society Benefit from Diverse Skills Development Opportunities.	Programme 3	
		Certified and Competent Workforce Fit for Purpose	Programme 4	
Outcome 7	Encourage and support worker-initiated training.	Learners Representative of society Benefit from Diverse Skills Development Opportunities.	Programme 3	
		Certified and Competent Workforce Fit for Purpose	Programme 4	
Outcome 8	Support Career Development	Learners Representative of society Benefit from Diverse Skills Development Opportunities.	Programme 3	
N/A	N/A	An efficient SETA that complies with legislation and good corporate governance principles.	Programme 1	

4. Relevant Court Rulings

Business Unity South Africa vs Minister of Higher Education and Training Court Judgement

Regulations published in the Government Gazette, No.35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters were updated by NT Circular 15 2017 which outlined the judgement of the Labour Appeals Court on Forfeiture on Uncommitted Surpluses and Mandatory Grants that set aside the Regulation 3(12) which pertained to uncommitted surpluses being forfeited and submitted to the NSF. Regulation 4(4) which pertains to mandatory grants is still in force and set at 20%.

5. The BANKSETA Vision

BANKSETA is recognized as a centre of excellence and innovation for skills development in the banking and alternative banking sector.

6. BANKSETA Mission

To facilitate skills development through partnerships and enable stakeholders to advance the national and global position of the banking and alternative banking sector.

7. Values

The BANKSETA has adopted the following values which form the basis of its operations and functions:

- Respect
- Integrity
- Collaboration
- Professionalism
- Accountability
- Diversity

8. Situational Analysis

8.1 External Environment

The banking sector forms part of the financial services sector and is classified by Statistics South Africa as part of the “financial and business services” industry. The Financial Services sector consists of all entities that manage money in some way or form. Generally, it consists of the following institutions: Banks, Insurers, Asset Managers, Stock Brokerages, Credit Unions, Microfinanciers and any other private or public sector companies capable of extending credit or other financing activities. The banking sector as a sub-set of the financial services sector consists of banking, credit unions, cooperative financial institutions and micro-financiers. Financial Services refers to the economic activities undertaken by such entities, which fundamentally encompass access to funding/finance or the creation of wealth for consumption purposes or further economic productivity. Banking, Savings, Investment, Insurance and Financing assist individuals to consume, save, mitigate risk and accumulate credit while enabling companies to start up, expand and improve competitiveness both locally and internationally. Financial Services is therefore fundamental to economic development and growth and hold a linear relationship. The Financial Services sector may be categorised into three primary subsectors:

- Banking and Credit Services (Banks, Mutual Banks, Credit Unions, Microfinance institutions, etc.);
- Insurance (Long-term and Short-term Insurers covering a variety of risks); and
- Investment and Related Services (Exchanges, Security Broking companies, Asset Managers, etc.).

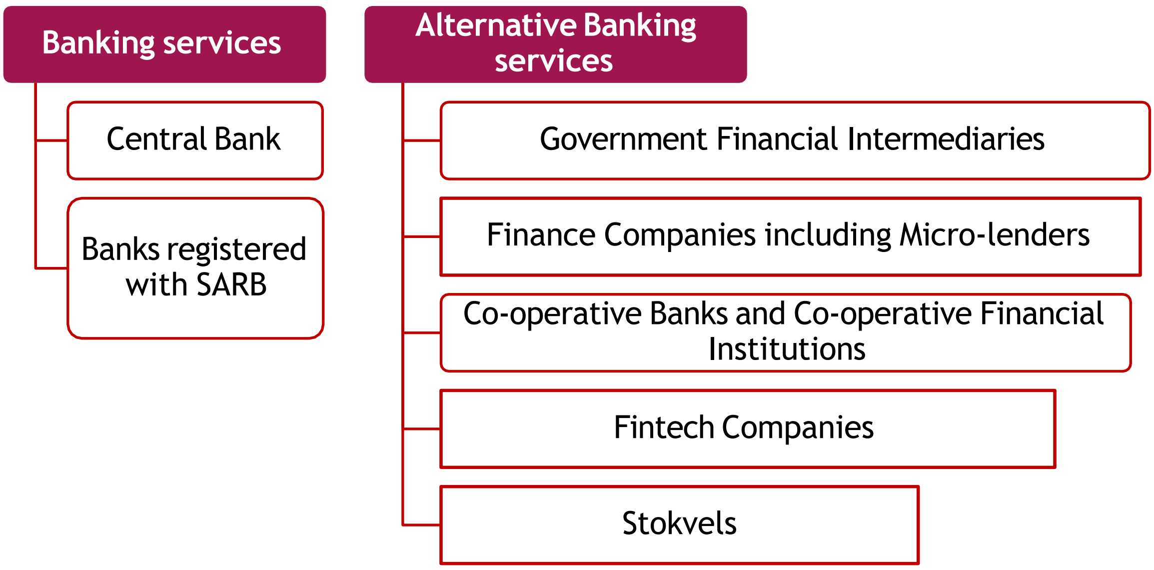
Banking constitutes a key component of the financial services system and the economy, as a whole. The Banking system is a key driver of the South African economy as it facilitates the liquidity (amount of capital available for investment and spending) required by households and firms for consumption and future investment. The credit and loans extended by financial institutions to the economy imply that households do not have to save up in order to make large purchases, while companies can also start hiring and making capital expenditures now, in anticipation of future demand and expansion. The banking sector can be separated into banking and non-banking services.

BANKSETA’s mandate is limited to all employers who fall within the scope of the following Standard Industrial Classification Codes:

Code	Type	Description
81110	Monetary Intermediation	This class includes taking deposits which are used for clearance between financial institutions, supervising banking operations, holding the country’s exchange reserves, and issuing and managing the country’s currency and acting as a banker to the Government.
81121	Discount Houses and Commercial and Other Banking	This group includes the monetary intermediation of monetary institutions other than the central bank. Included are the activities of discount houses, commercial banks, merchant banks, and general banks.
81122	Building Society Activities	This class includes the monetary intermediation of monetary institutions other than the central bank, activities of discount houses, commercial banks, merchant banks and general banks.

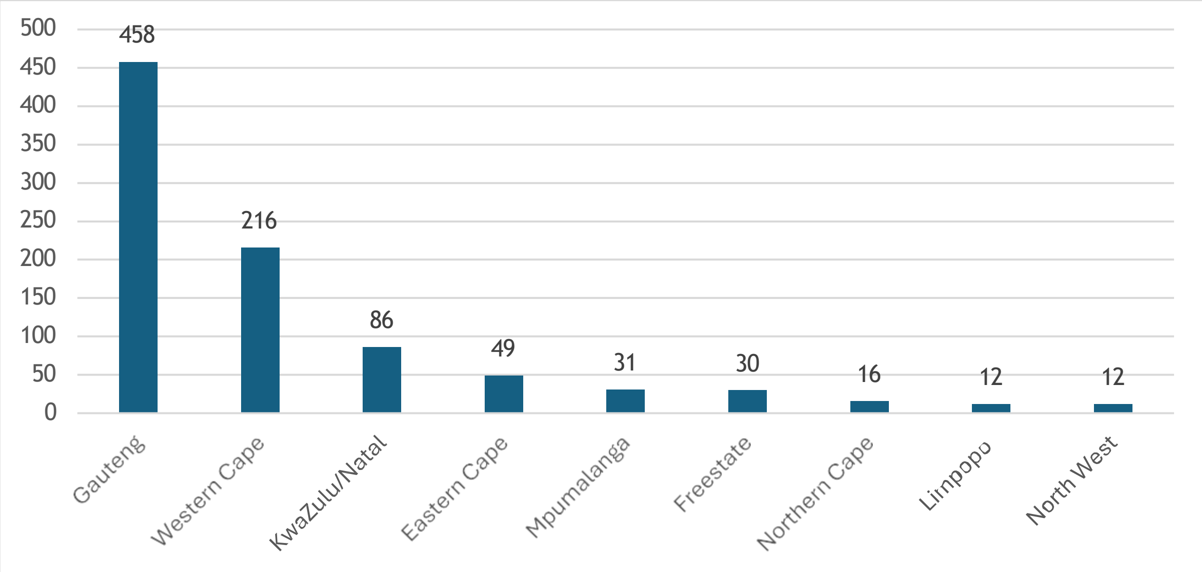
Code	Type	Description
81910	Lease Financing	This class includes activities of leasing where the term approximately covers the expected life of the asset and the lessee acquires in essence all the benefits of its use and takes all the risks associated with its ownership. The asset may or may not eventually be transferred.
81920	Other credit granting	This group includes financial intermediation primarily concerned with making loans by institutions not involved in monetary intermediation, including the granting of consumer credit, the provision of long-term finance to the industry, and money lending outside the banking system. The granting of credit for house purchases by specialised institutions that do not also take deposits is included in this subgroup.
81990	Other Financial Intermediation N.E.C	This group includes other financial intermediation primarily concerned with distributing funds other than by making loans. This includes investment in securities (e.g. shares, bonds, bills, unit trust units, etc.) including dealing for own account by securities dealers, investment in property where this is carried out primarily for other financial intermediaries (e.g. property unit trusts) and writing swaps, options and other hedging arrangements. Activities of financial holding companies are included.
83101	Securities Dealings by Banks	This group includes dealing in financial markets on behalf of others (e.g. stock broking) and related activities specifically by banks.

The monetary authority consists of the Reserve Bank which is the central bank of South Africa, governed in terms of the South African Reserve Bank Act 90 of 1989, as amended, and its subsidiary, the Corporation for Public Deposits, governed in terms of the Corporation for Public Deposits Act 46 of 1984. For the purposes of implementing skills development interventions, the BANKSETA adopts the following sub-sector categorisation within its scope of levy-paying employers according to SARS.



According to the SARS Levy data, over 900 companies pay skills levy to the BANKSETA. These companies pay levies as per their allocated SIC codes in the sector. The figure below shows the number of levy-paying companies per province. The biggest number of levy-paying employers is in Gauteng with 458 employers. This shows how Gauteng continues to be the backbone of the country's economy where most of the economic activities take place. The second biggest province is the Western Cape with over 216 employers paying levies to the BANKSETA. The provinces with the least number of levy-paying institutions include Limpopo (12), North West (12) and Northern Cape.

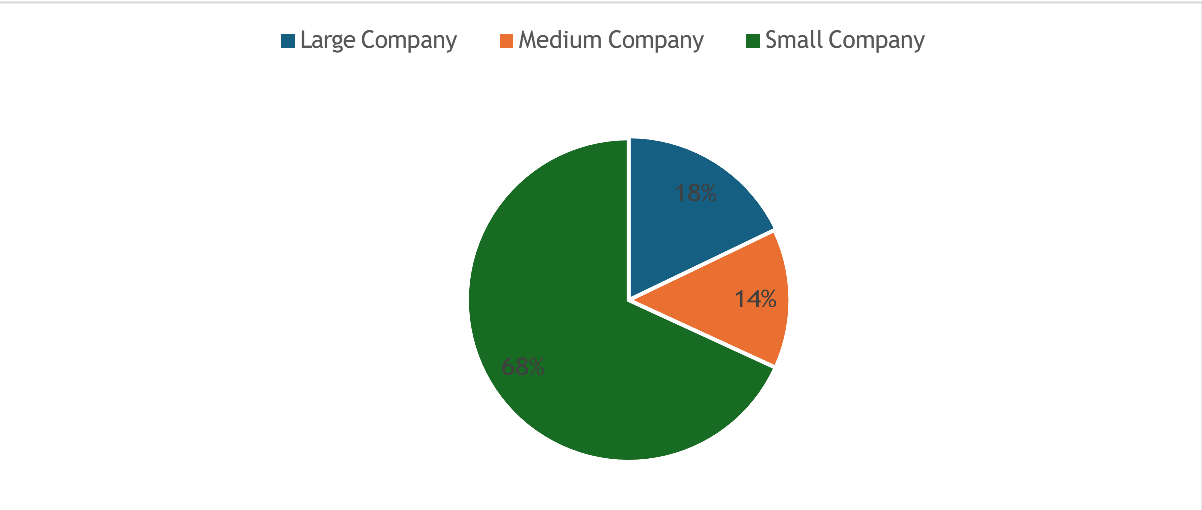
FIGURE 1: THE NUMBER OF LEVY-PAYING COMPANIES PER PROVINCE.



Source: SARS Levy Allocation 2024

The analysis below is based on the companies that submitted their WSP data for 2024. BANKSETA received workplace skills plans from 386 companies made up of 263 small companies (both levy-paying and non-levy-paying), 54 medium companies and 69 large companies. Small companies contribute around 68% of employers in the sector. These small companies are made up of an equal proportion between those that are levy payers and non-levy payers. Figure 2 shows the proportion of employers by company size in the banking and alternative sector.

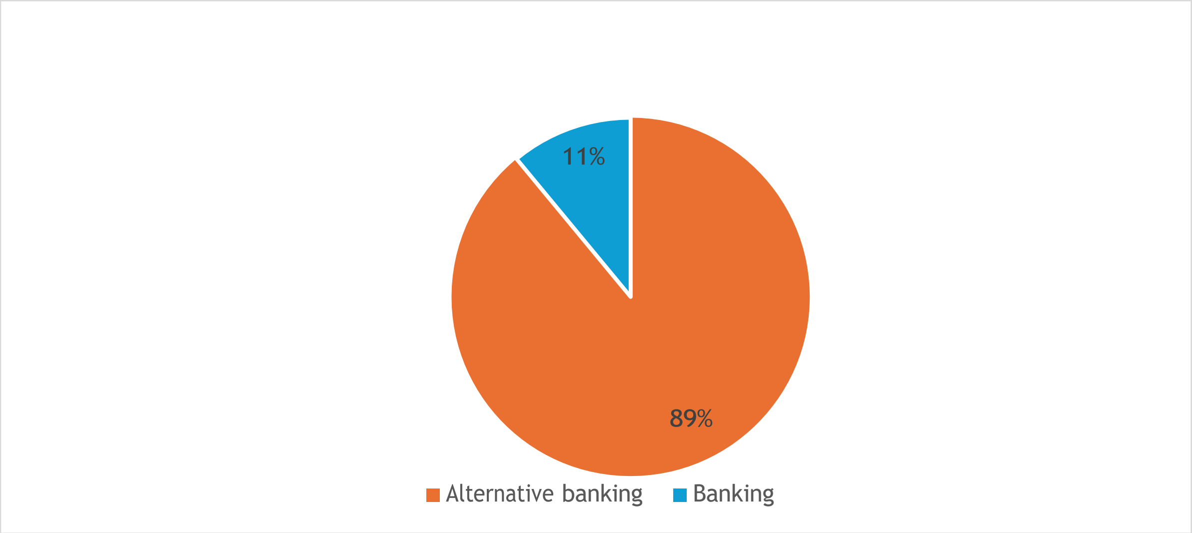
FIGURE 2: EMPLOYER DISTRIBUTION BY COMPANY SIZE



Source: BANKSETA WSP 2024

Figure 3 below shows the distribution of employers in banking and alternative banking sub-sectors. It is evident that most employers are in the alternative banking sub-sector (an estimated 89% of the employers). This is mainly because alternative banking is dominated by a large number of small employers (levy payers and non-levy payers).

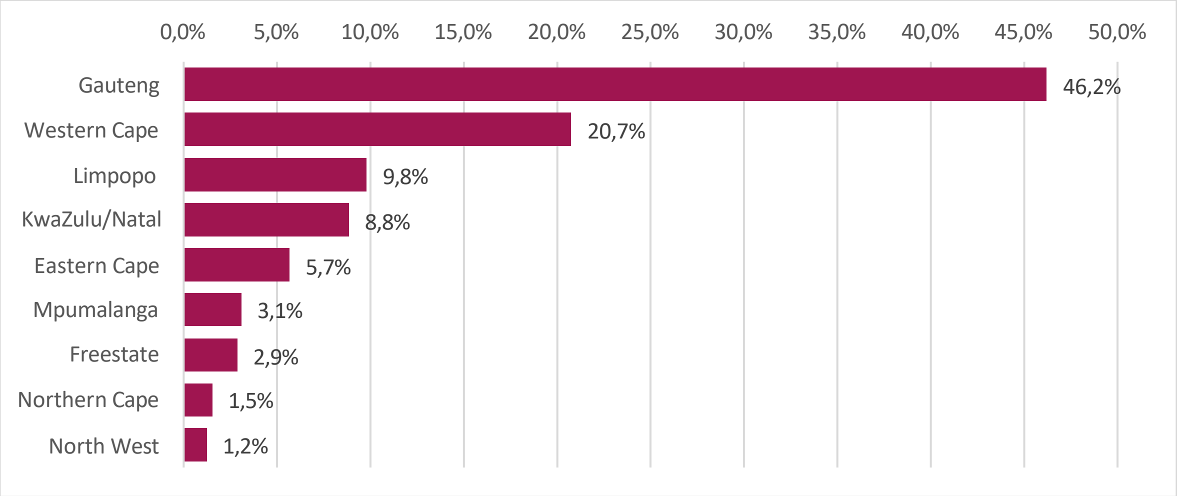
FIGURE 3: PROPORTION OF EMPLOYERS BY SUB-SECTOR



Source: BANKSETA WSP 2024

In terms of the geographic distribution of employers across the nine provinces, FIGURE 4 shows that most employers are based in Gauteng, which is 46% of the total employers, 20,7% are in the Western Cape and 11% are based in Limpopo. The provinces with the least number of employers are North West and Northern Cape, at 1,2% and 1,5% of employers respectively.

FIGURE 4: PROVINCIAL DISTRIBUTION OF EMPLOYERS

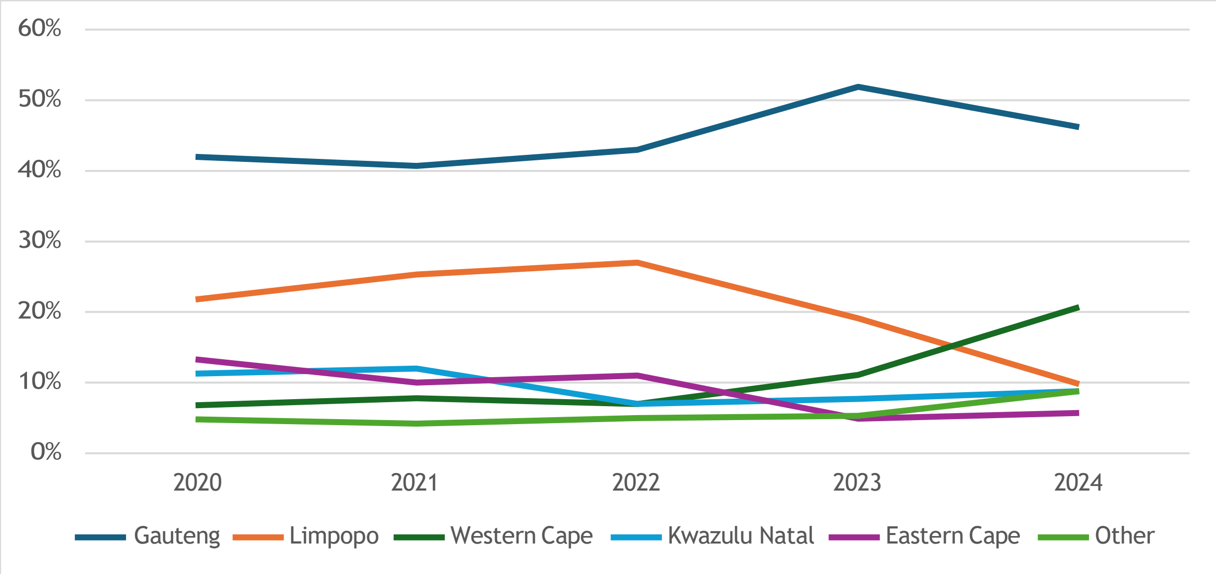


Source: BANKSETA WSP 2024, Levy Allocations 2024

The proportion of employers in Gauteng went down from 51,9% in 2023 to 46%in 2024. Western Cape has experienced significant growth with the percentage of employers growing from 11% to 20,7%. The percentage of employers in Limpopo has dropped from around 19% in the previous year to 9,8% in 2024. FIGURE 5 below shows the dynamics of the employers in the different provinces for the past five years of WSP submissions.

FIGURE 5: DISTRIBUTION OF EMPLOYERS BY PROVINCE[1]

[1] The methodology of estimation of employers by province has changed for 2025-2030 SSP to include a combination of levy payers and WSP submissions.



Source: BANKSETA WSPs 2020 – 2024, Levy Allocations 2024

Western Cape province has seen significant growth in the last three years with the percentage of employers submitting WSPs growing from 7% to 20,7%. This is the fastest growth compared to the other provinces. On the other hand, the employers in Limpopo continued to decline in contrast to the Western Cape.

8.1.1 Key Role-Players in the Sector

Role players in the banking sector fall into one of the following groups: regulatory, employers, associations, professional bodies and trade unions, as described in the table below.

TABLE 1: BANKING SECTOR ROLE-PLAYERS

Groups	Key Role-players	Role
Monetary Authority and Regulatory	South African Reserve Bank	SARB is the central bank of South Africa. It is an organ of state established by the SARB Act, and its mandate and independence are entrenched in the Constitution of the Republic of South Africa, 1996. In terms of its constitutional mandate, the bank is required to protect the value of the currency in the interest of balanced and sustainable economic growth in South Africa. Price stability is a critical element of the foundation of an economy, contributing to economic growth, development and employment creation. The achievement of price stability is defined by the government setting an inflation target that serves as a yardstick against which price stability is measured. The achievement of price stability is underpinned by the stability of the entire financial system. The data from SARB is used for skills planning. As a regulatory body, it also has a role to play in achieving Outcomes 1, 2, 3 and 7 of NSDP.
Regulatory	Financial Services Conduct Authority (FSCA)	The FSCA is tasked with protecting financial customers through supervising market conduct. The compliance requirements mean that the sector needs constant training on current and new regulations. The FSCA also has a major role to play in achieving all the outcomes of the NSDP.
Regulatory	The Prudential Authority (PA)	The PA is established as an independent juristic regulatory authority that is administered by the SARB. The PA is mainly aimed at the promotion of the safety and soundness of market infrastructures and financial institutions that provide financial products and securities services in South Africa. The PA has a direct supervisory role on banks and other financial conglomerates that provide basic financial services and financial products to all persons in South Africa. The PA promotes financial inclusion by collaborating with the SARB

Groups	Key Role-players	Role
		to monitor its financial technology (FinTech) developments to regulate cryptocurrencies and related aspects that could possibly promote financial inclusion in South Africa. The data from PA is used for skills planning. As a regulatory body, it also has a role to play in achieving Outcomes 1, 2, 3 and 7 of NSDP.
Regulatory	National Credit Regulator	The NCR is responsible for regulating the South African credit industry, including the registration of credit providers, credit bureaux and debt counsellors. It is responsible for enforcing compliance with the National Credit Act and is focused on developing an accessible credit market to meet and promote the needs of people who are marginalised, especially economically. The NCR is also responsible for consumer education. The NCR also has a major role to play in achieving all the outcomes of the NSDP.
Regulatory	Co-operative Banks Development Agency	The CBDA is responsible for the development and promotion of cooperative banking. This includes the training of cooperative banks and cooperative financial institutions. The CBDA contributes towards Outcome 4.6 (Skills development support for entrepreneurship and cooperative development) of the NSDP.
Associations - Banking	Banking Association of South Africa (BASA)	BASA is an industry body representing all registered banks in South Africa. It is the mandated representative of the sector and represents the industry through lobbying, engagement with stakeholders and political influence. BASA is the mandated representative of the banking sector and addresses industry issues through: • Lobbying and advocacy • Policy influence • Guiding transformation in the sector • Acting as a catalyst for constructive and sustainable change in the sector • Research and development • Engagement with critical stakeholders BASA as an industry body plays an important role in advancing the interests of the sector, including skills development. It also has a significant role to play in the achievement of all the NSDP outcomes.
Associations - Banking	South African Banking Risk Information Centre (SABRIC)	SABRIC is a not-for-profit company formed by the four major banks to assist the banking and cash-in-transit companies combat organised bank-related crimes. It serves as a financial crime risk information centre. The BANKSETA has partnered with SABRIC to develop cybersecurity occupational qualifications in the sector. The information shared by SABRIC helps shape the skills landscape in the cybersecurity space. It also has a significant role to play in the achievement of all the NSDP outcomes.
Alternative Banking - Associations	MicroFinance South Africa	MFSA is a representative body of registered and legal microfinance credit providers in South Africa. MFSA represents almost 1700 microfinance offices registered with the NCR and the majority of significant service providers in the sector. MFSA as an industry body plays an important role in advancing the interests of the microfinance sector, including skills development. Its activities support all the NSDP outcomes.
Alternative Banking - Associations	Development Microfinance Association (DMA)	A non-profit organisation that supports the development of micro-finance institutions in South Africa. The benefits to members include opportunities for joint training, cooperation and capacity building. This is also a direct contribution towards NSDP outcome 6.

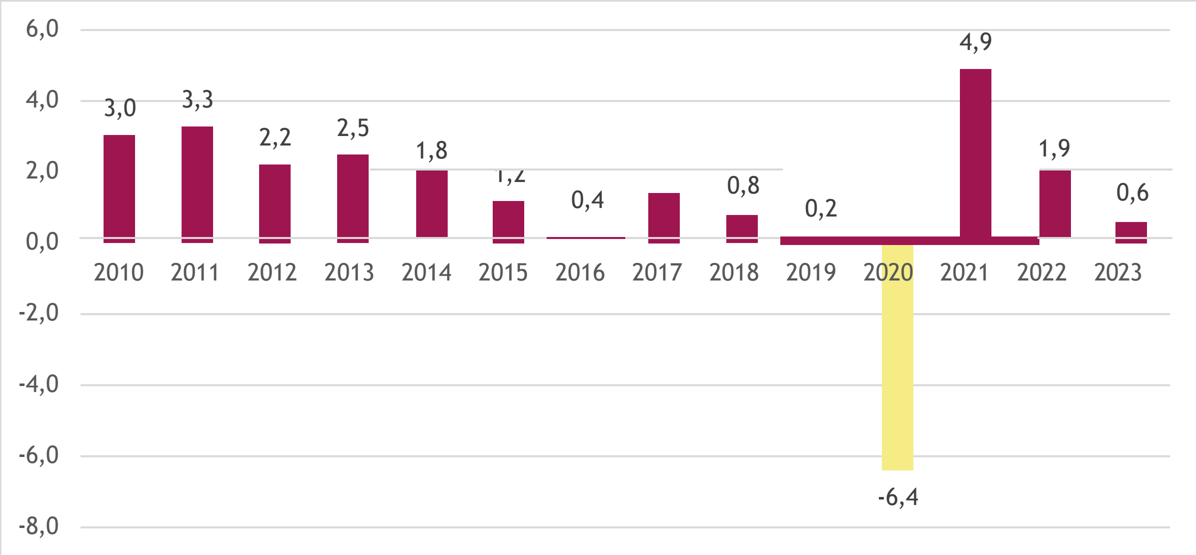
Groups	Key Role-players	Role
Alternative Banking - Associations	National Stokvel Association of South Africa (NASASA)	NASASA represents the interests of the stokvels movement in South Africa. It represents a constituency of over 800 000 Stokvel groups consisting of over 11 million individuals, collecting roughly R50 billion annually. As an industry association, NASASA has a role to play in achieving all the NSDP outcomes.
Professional Bodies	Institute of Bankers South Africa (IOBSA)	IOBSA is the professional body for bankers and financial specialists. The IOBSA provides members with professional designations, networking, educational, training and information opportunities. As a professional body, the IOBSA's contribution is towards the attainment of the first four outcomes of the NSDP.
Trade Unions	SASBO, the Finance Union	SASBO is the trade union for the finance sector. The Finance Union represents employees in all the major banks and hence serves as the voice of labour within the finance sector. As an employees representative, it also has a major role to play in the attainment of all the NSDP outcomes.

8.1.2 Economic Performance

In order to have increasing productive employment, economic growth is a prerequisite; it is the combined result of increases in employment and increases in labour productivity. This implies that the rate of economic growth sets the absolute ceiling within which growth in employment and growth in labour productivity can take place (ILO, 2024). The South African economy is estimated to have grown by 0,6% in 2023 compared to 1,9% in the previous year (2022). This level of growth is too low to create jobs in the country where the unemployment rate is sitting at 32,6%. The long-term effects of COVID-19 continue to be experienced as some of the economic sectors are yet to recover to the pre-pandemic levels. The construction sector remains 21,7% lower than it was in 2019, this sector started to decline even before COVID-19. Mining also remains lower than it was in 2019 by 9%. The other sectors that are still lower than the pre-pandemic levels include Manufacturing; Electricity, Gas and Water as well as Trade, Catering and Accommodation.

The main contributor to the growth in 2023 was Finance which contributed 0,4 of a percentage point to the overall growth (based on a growth of 1,8%). This was followed by Transport, Storage and Communication with a 0.3 of a percentage point (based on a growth of 4,3%). These two economic sectors were also the main positive contributors to the economic growth in 2022. The size of the Transport, Storage and Communication sector has also surpassed the pre-COVID-19 levels for the first time in 2023. FIGURE 6 below shows the historical GDP growth for South Africa.

FIGURE 6: HISTORICAL YEARLY GDP PERCENTAGE GROWTH



Source: Statistics SA 2024

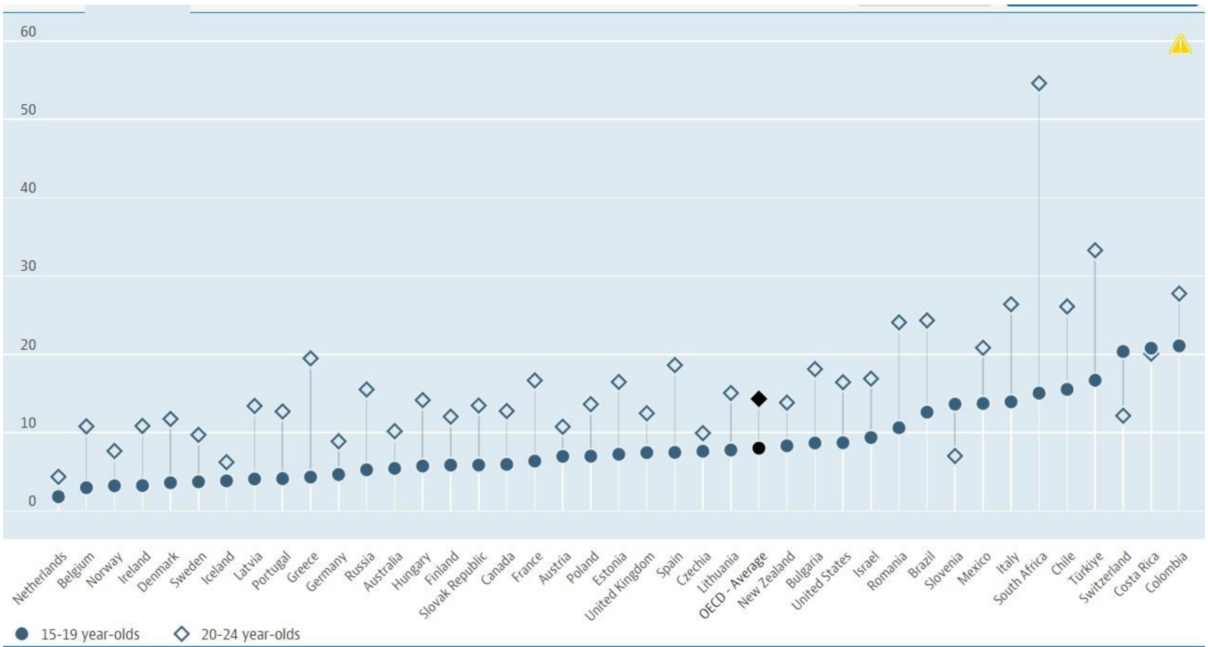
Banking and alternative banking is part of the finance sector, this sector grew by 3,9% in 2022 and was the main contributor to the overall GDP growth of 2%. The finance sector continued to grow despite the challenges of COVID-19 that the country has endured recently. The transport, Storage and Communication sector performed better than all the other sectors in 2022 as it grew by 8,6%. This sector was followed by the Finance sector which grew by 3,9%. The Finance sector remains a beacon of hope for the South African economy as it remained resilient when most of the other sectors of the economy were declining due to the challenges encountered.

The number of banking entities in South Africa stands at 40, these include 18 registered banks, 4 mutual banks, 5 co-operative banks and 13 branches of foreign banks. There are also 29 local representative offices of foreign banks in the country. The 18 registered banks including Tyme Bank, Discovery Bank and Bank Zero were recently registered. The banking industry is dominated by the four big banks as over 83% of the industry deposits are held by these banks (Absa, Standard Bank, FirstRand Bank and Nedbank). On the other hand, Capitec continues to attract more clients and has surpassed the big banks with a total of over 16 million clients, but still holds only 2% of the total industry deposit.

8.1.3 Labour Market Analysis

The unemployment rate remains high in the country, and it is currently sitting at 32.1%, a slight improvement of 0,6 of a percentage point compared to 2022. Of great concern is the number of young people who are struggling to find employment. The unemployment rate for those aged between 15 and 34 is 44% compared to 23% for those above 34 years. The other area of concern is the number of young people that are not in employment, education or training (NEET). This figure stands at 3.4 million young people between the ages of 15 and 24. The chart below shows a comparison of the NEET in the OECD countries. South Africa is ranked among the countries with the highest NEETs. The figure shows that the most affected age group is that of youths between the ages of 20 and 24. This group consists of mainly young people who do not have any qualification beyond matric, with over 46% of them having not passed matric (SALDRU,2023). Interestingly, the NEETs are mainly in urban areas and Gauteng has the biggest number of these young people at 23%.

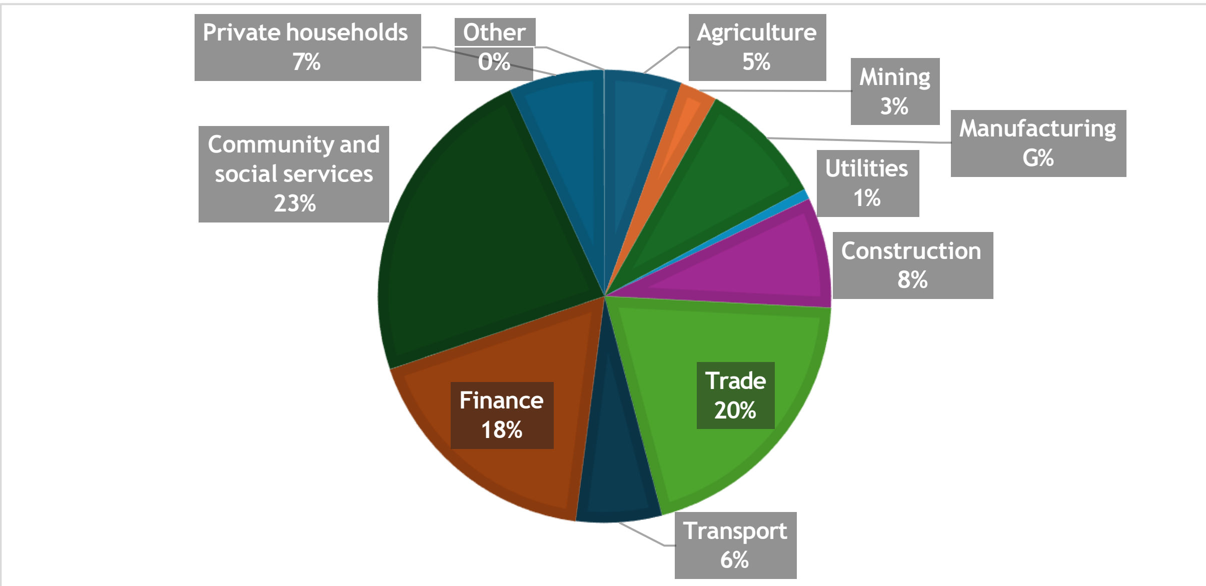
FIGURE 7: COMPARISON OF THE NEET IN THE OECD COUNTRIES



Source: OECD- data.oecd.org

In terms of employment on a national scale, the total number of people in employment stood at 16.7 million at the end of 2023, the finance sector employed just over 2.96 million people as reported in the 2023 Q4 Quarterly Labour Force Survey (QLFS). The 2.96 million is an increase of 19% compared to 2022. The chart below shows that this is about 18% of the total number of persons employed nationally. Community and Social Services employs most of the workforce at 23%, followed by Trade at 20%.

FIGURE 8: EMPLOYMENT STATISTICS Q4: 2023

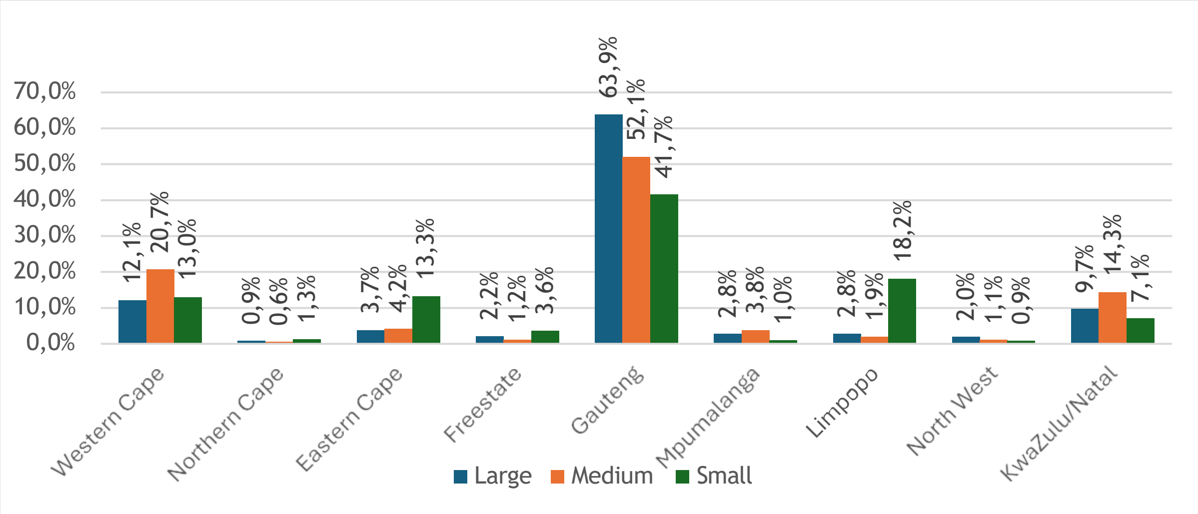


Source: Stats SA QLFS Q4 2023

Profiling of employment in the banking and alternative banking sector requires an analysis of the geographical spread of employees. As expected, the majority of employees are in Gauteng which is in line with the geography of employers. This is particularly true for large companies (64%), medium (52%) and small (42%) which generally would consist of a high concentration of employees in the head offices located in the large cities of Gauteng.

Other provinces representing significant shares of employees are the Western Cape and KwaZulu-Natal provinces, with branch offices most likely concentrated around the large cities of Cape Town and Durban respectively. It is clear that a more even geographic spread occurs for smaller enterprises, as these companies often do not have a number of branches, but rather operate as single-office companies located close to the local customer base they serve. This is evidenced by the significant shares of employees reported for small companies located in Limpopo (18%). This may be attributed to the fact that BANKSETA has a regional office in Limpopo which made it easier for small companies to submit their WSPs.

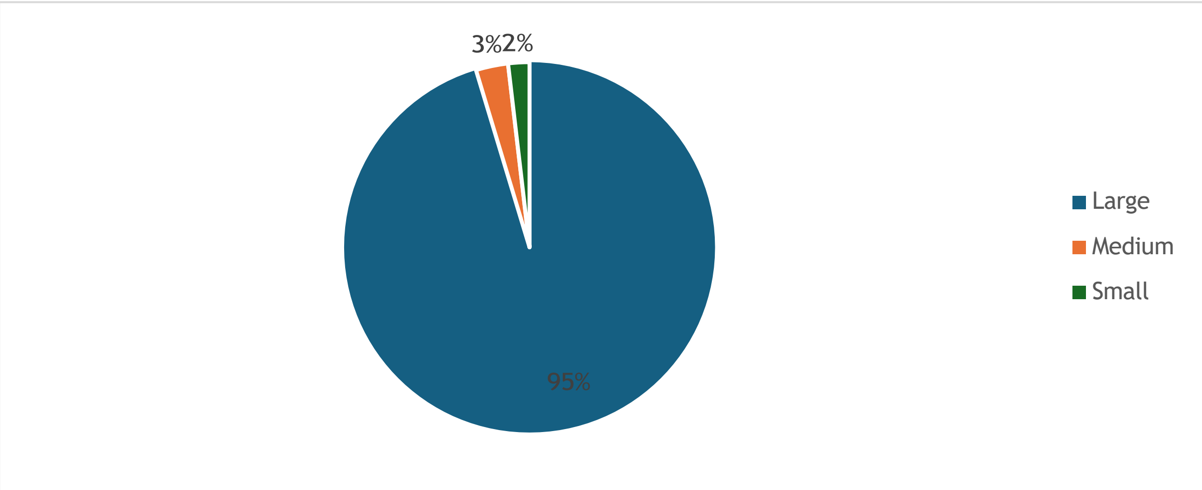
FIGURE 9: EMPLOYER SIZE BY THE GEOGRAPHICAL SPREAD OF EMPLOYEES



Source: BANKSETA WSP 2024

The workplace skills plans (WSP) data received for the year 2024 reflects that the companies that submitted WSPs employ about 184 669 down by 4.8% compared to the previous year (2023). Large companies employ more than 95% of the labour force. While medium and smaller companies employ only 5% of the labour force combined.

FIGURE 10: EMPLOYEES BY COMPANY SIZES



Source: BANKSETA WSP 2024

Table 2 shows the profile of employees in the sector by gender and equity for the different employer categories. The table shows that about 59% of the employees are Africans, followed by Whites at 15% of the employees.

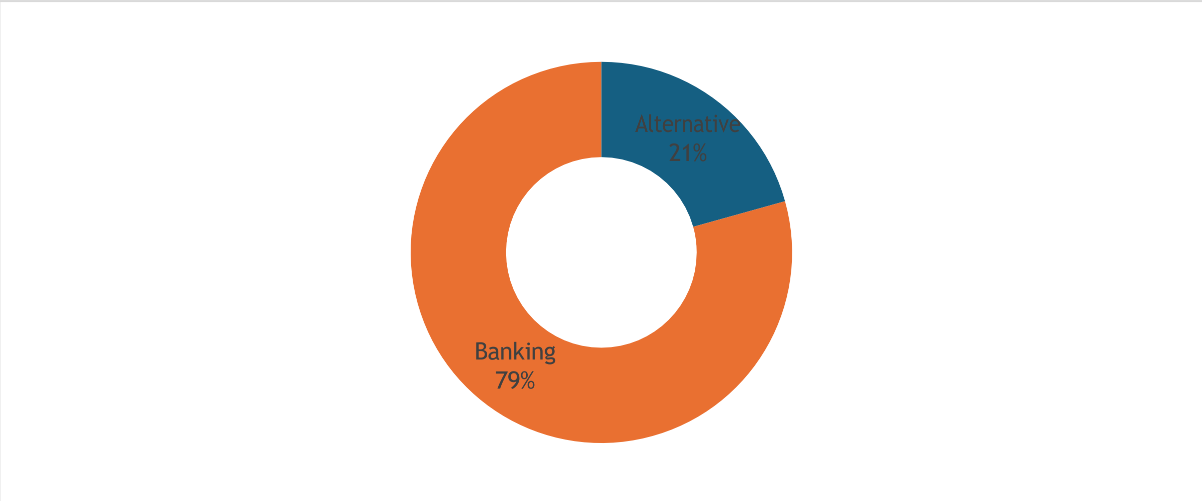
TABLE 2: EMPLOYMENT BY EMPLOYER COMPANY SIZE, EQUITY AND GENDER

Employer Size	Equity and Gender										Total
	MA	MC	MI	MW	MO	FA	FC	FI	FW	FO	
Large	38 628	8 879	8 093	12 291	844	66 486	16 580	9 966	13 777	530	**176 074**
Medium	894	257	266	442	104	1864	532	349	442	43	**5 193**
Small	643	110	57	441	18	1246	271	111	531	4	**3 432**
Total	**40 165**	**9 246**	**8 416**	**13 174**	**966**	**69 596**	**17 383**	**10 426**	**14 750**	**577**	**184 699**
%	**21.75%**	**5.01%**	**4.56%**	**7.13%**	**0.52%**	**37.68%**	**9.41%**	**5.64%**	**7.99%**	**0.31%**	**100.00%**

Source: BANKSETA WSP 2024

The information by sub-sector shows that although the majority of the employers are in alternative banking, the banking sub-sector employs about 79% of the employees in the sector. This can be seen in FIGURE 11 below. This shows that the alternative banking sub-sector is only a fraction of the overall banking sector and employs about 39,000 people.

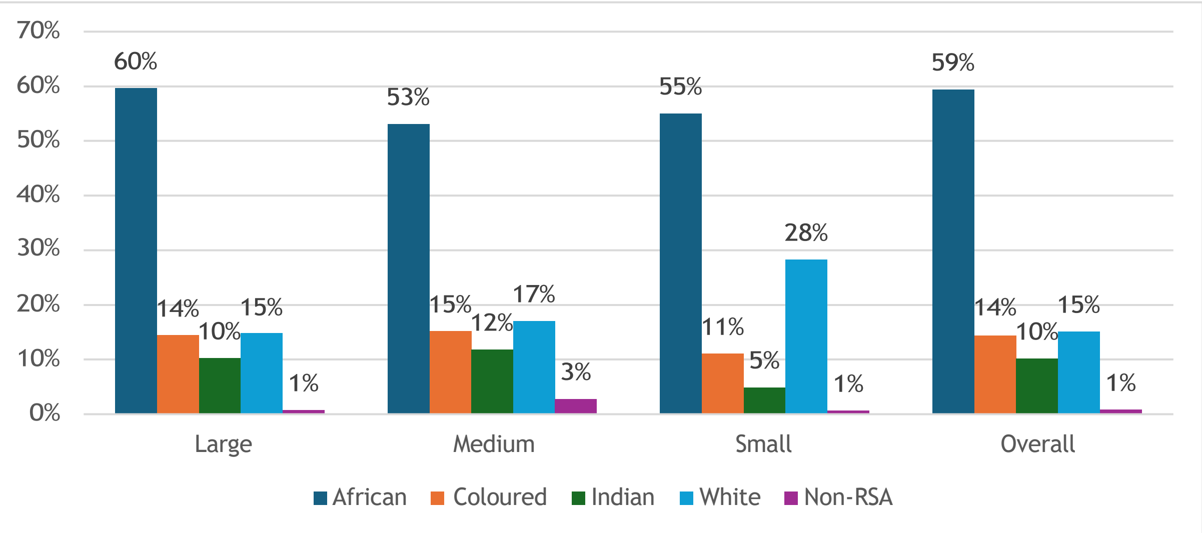
FIGURE 11: PROPORTION OF EMPLOYEES BY SUB-SECTOR



Source: BANKSETA WSP 2024

The percentage of African employees remains unchanged at 59% compared to the previous year. A similar observation is also evident in large companies. Medium companies showed an improvement in the percentage of African employees from 51% to 53% in 2024. The percentage of African employees in small companies has also increased from 51% in 2023 to 55% in 2024.

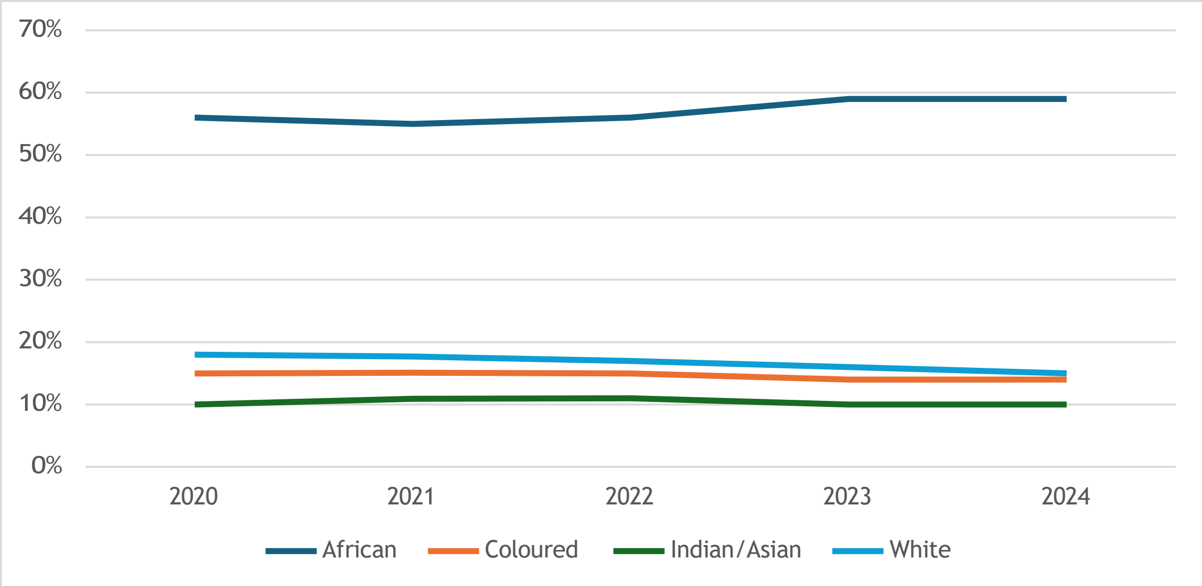
FIGURE 12: PROPORTION OF EMPLOYEES BY EMPLOYER COMPANY SIZE AND EQUITY



Source: BANKSETA WSP 2024

The percentage of black Africans in large companies continues to show an upward trend with a growth of five percentage points from 55% in 2021 to 60% in 2024. This is an important trend considering that the banking sector remains one of the least transformed sectors in the country. The percentage of white people in small companies is sitting at 28% which is the highest among the categories of companies. In medium-sized companies, the percentage of white employees is 17% while the percentage is 15% for large companies. FIGURE 13 shows the proportion of employees by equity in the sector from 2020 to 2024.

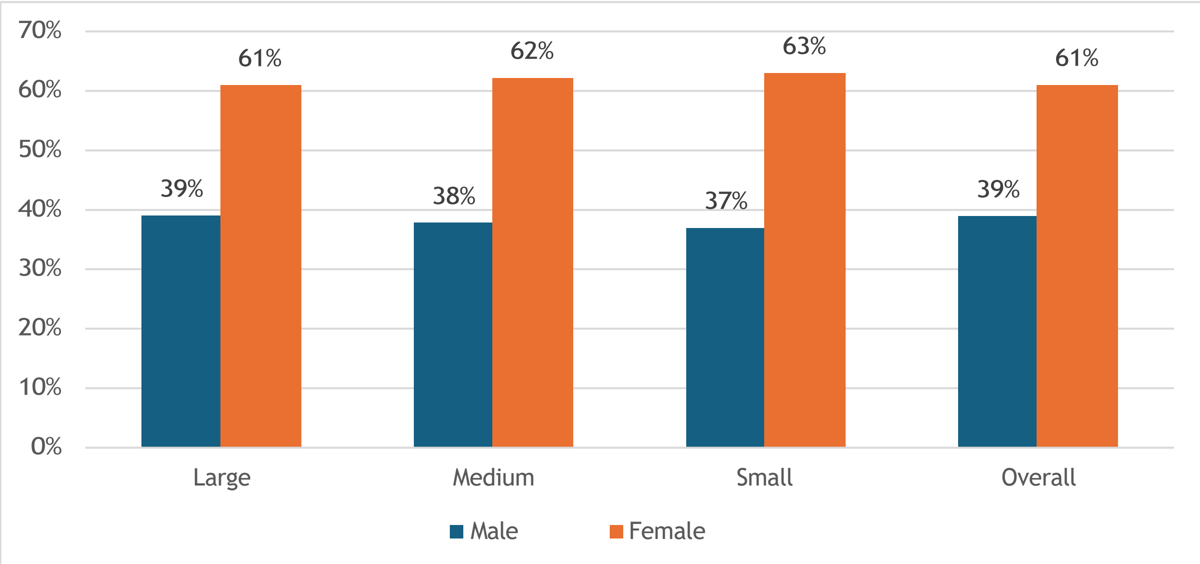
FIGURE 13: PROPORTION OF EMPLOYEES BY EQUITY IN THE SECTOR



Source: BANKSETA WSPs 2020 – 2024

The proportion of Africans in the sector continues to increase from a low of 56% in 2021 to 59% in 2024. In contrast, the percentage of White employees has declined from 18% in 2020 to 15% in 2024. The figures for Africans and Whites continue to reflect a sector that has not transformed in this aspect and continues to struggle. The transformation gains though marginal, show a positive trend towards employing more Africans in this sector. The employment of the other groups remains stable in these five years of comparison. FIGURE 14 shows current employment by gender and company size.

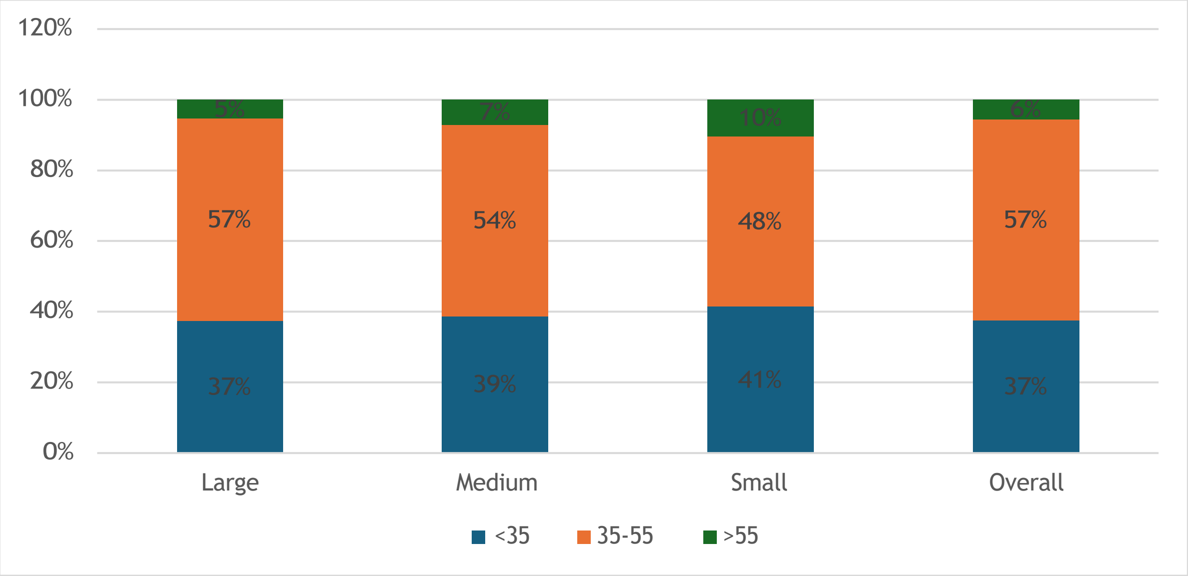
FIGURE 14: EMPLOYMENT BY GENDER



Source: BANKSETA WSP 2024

Small companies reported significant levels of transformation with 63% of people employed being females, while medium and large companies reported that 62% and 61% employed females respectively. This brings the proportion of females employed by all companies to 61% and 39% of males employed by all companies.

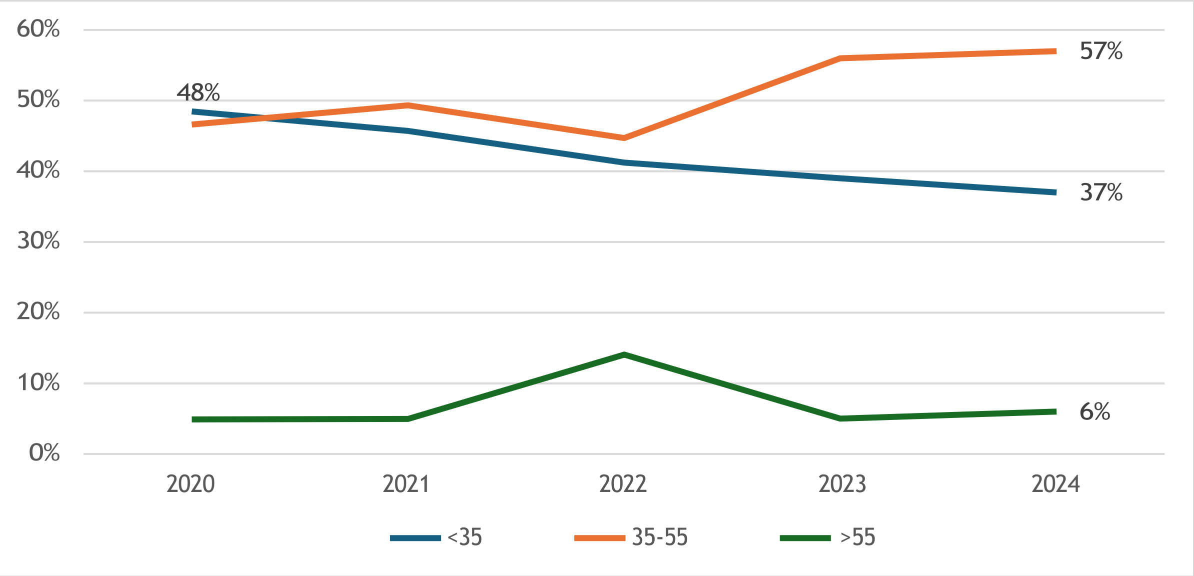
FIGURE 15: AGE OF EMPLOYEES BY EMPLOYER SIZE



Source: BANKSETA WSP 2024

The age distribution of employees in the sector shows that youths account for only 37% of the workforce in the sector. There are also significant differences in the age categories across employer sizes as youths account for a staggering 41% of employees in small companies. This is a promising picture given that the youth unemployment rate in the country is sitting at more than 45%. This underscores the importance of SMEs as the source of employment for young people in the country. FIGURE 16 the shows the trend of ages of the labour force between 2020 and 2024.

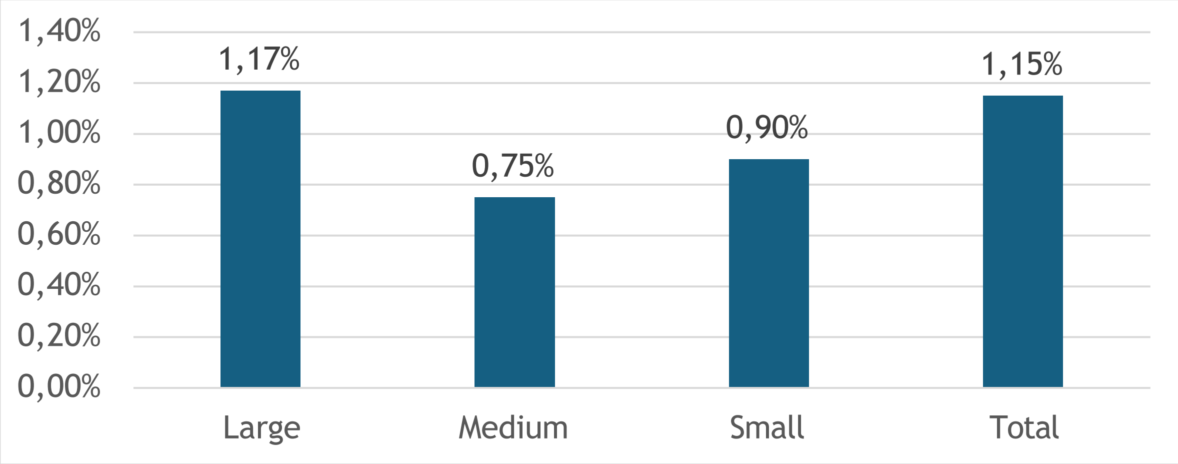
FIGURE 16: TREND OF AGES OF THE LABOUR FORCE IN THE SECTOR



Source: BANKSETA WSPs 2020 – 2024

The long-term picture of the sector looks grim as employment of young people continues to decline, it went down from 48% in 2020 to only 37% in 2024. At this rate, the percentage of young people employed by the sector could reach as low as 26% within the next five years. This seems to mirror the employment dynamics of young people where unemployment of young people continues to decline.

FIGURE 17: EMPLOYMENT OF PEOPLE WITH DISABILITIES BY COMPANY SIZE



Source: BANKSETA WSP 2024.

FIGURE 17 depicts the employment status of people with disabilities by companies of different sizes. The figure for the overall employment of people living with disabilities stands at 1,15%. Large companies employ 1,17% of the people living with disabilities, followed by small companies which employ 0,90%. Medium companies employ 0,75%.

8.1.4 Employment by Occupational Group

An analysis of employment by broad occupational groups is reflected in Table 3. Approximately (31%) of employees are in clerical support, and this is slightly higher than the 30% reported in 2023. Professionals also comprise a large number of employees at approximately 23%. The sector also employs a large number of managers 21,9% which cuts across the racial groups. The statistics depict that 18% of technicians and associate professionals are employed by the sector. The majority of people employed in the services and sales workers are African males and females. Please see Table 3 and Figure 18 on employment by occupational groups.

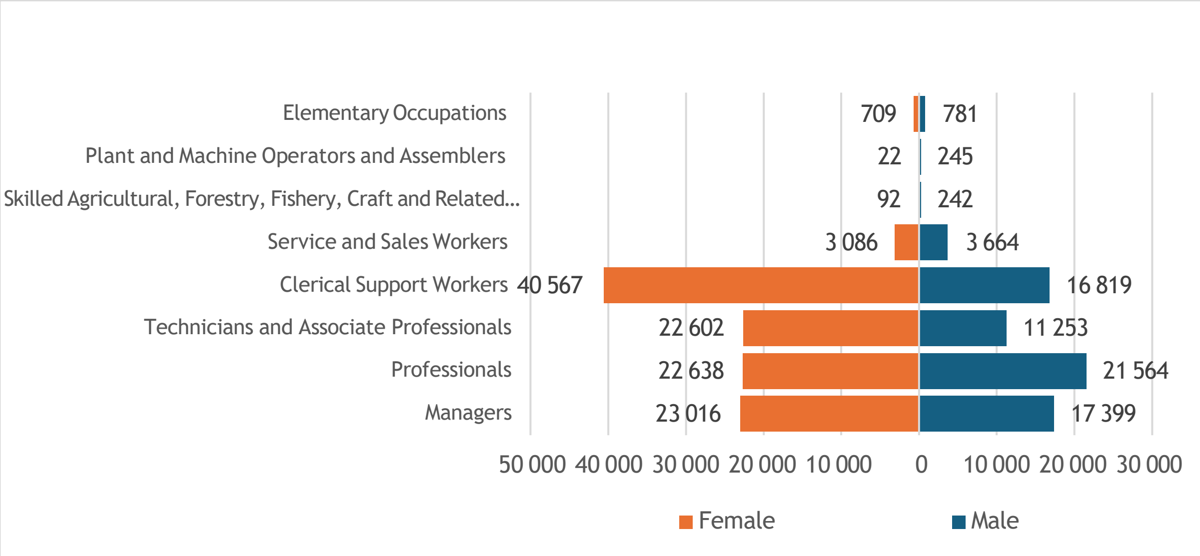
TABLE 3: EMPLOYMENT BY OCCUPATIONAL GROUPS

Major OFO Groups	Equity						%
	African	Coloured	Indian	White	Non-RSA		
Managers	18 677	5 372	5 746	10 139	481	**40 415**	**21.9%**
Professionals	22 253	5 638	5 863	9 656	792	**44 202**	**23.9%**
Technicians and Associate Professionals	20 109	5 536	3 395	4 673	142	**33 855**	**18.3%**
Clerical Support Workers	41 372	9 249	3 618	3 047	100	**57 386**	**31.1%**
Service and Sales Workers	5 534	694	192	320	10	**6 750**	**3.7%**
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	238	39	16	36	5	**334**	**0.2%**
Plant and Machine Operators and Assemblers	210	16	2	37	2	**267**	**0.1%**
Elementary Occupations	1 368	85	10	16	11	**1 490**	**0.8%**
Total	**109 761**	**26 629**	**18 842**	**27 924**	**1 543**	**184 699**	**100.0%**
%	**59.4%**	**14.4%**	**10.2%**	**15.1%**	**0.8%**	**100.0%**	

Source: BANKSETA WSP 2024

FIGURE 18 illustrates the major occupational groups from a demographic perspective. Principle 3 of the National Development Plan (that is, advancing an equitable and integrated system) puts emphasis on contributing towards transformational and developmental imperatives such as gender, race, class, youth, disability and geographic location. Despite the improvements gained in the last few years where the percentage of Africans in the sector improved to 59% in 2024 compared to 55% in 2020, levels of transformation are still low. For instance, the occupational category of managers depicts Africans at 46% while Whites are at 25% out of the entire occupation population of managers. Although this is quite an improvement compared to 2020 and 2021, this still requires further attention considering that Africans are in the majority in the sector (59%).

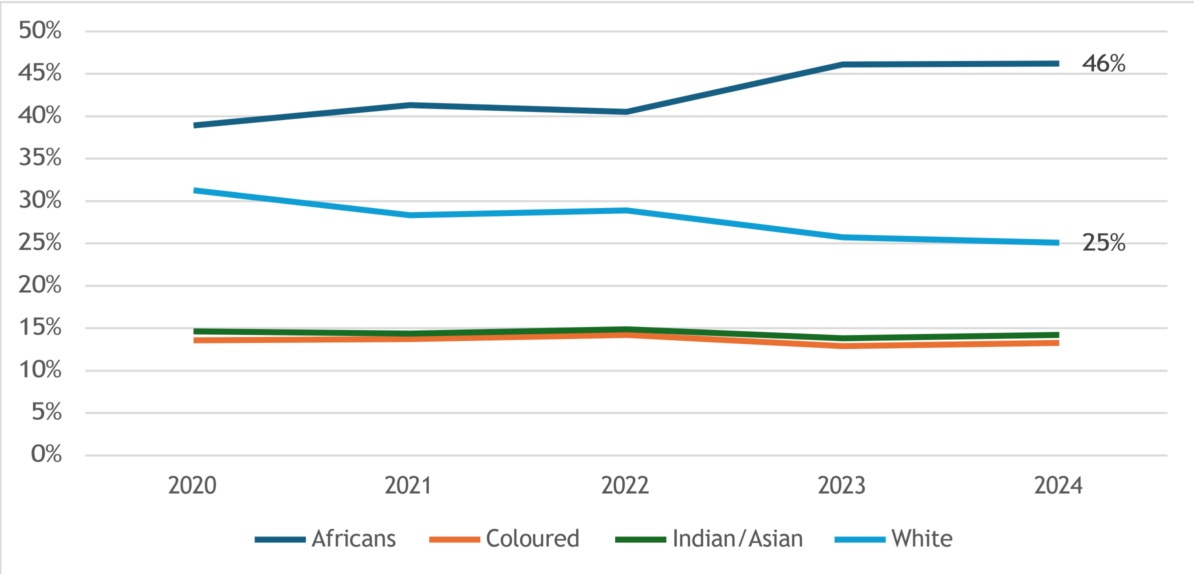
FIGURE 18: OCCUPATIONS GROUPS BY GENDER



Source: BANKSETA WSP 2024

Out of all the people employed in the sector, 61% are women, of which 12,5% are in managerial positions, seven percentage points less than in 2022. Out of all the women at the managerial level, 50% are African women, and the other 50% are spread across the other races. FIGURE 19 shows the proportion of employees at the managerial level by racial groups.

FIGURE 19: PROPORTION OF MANAGERS BY EQUITY



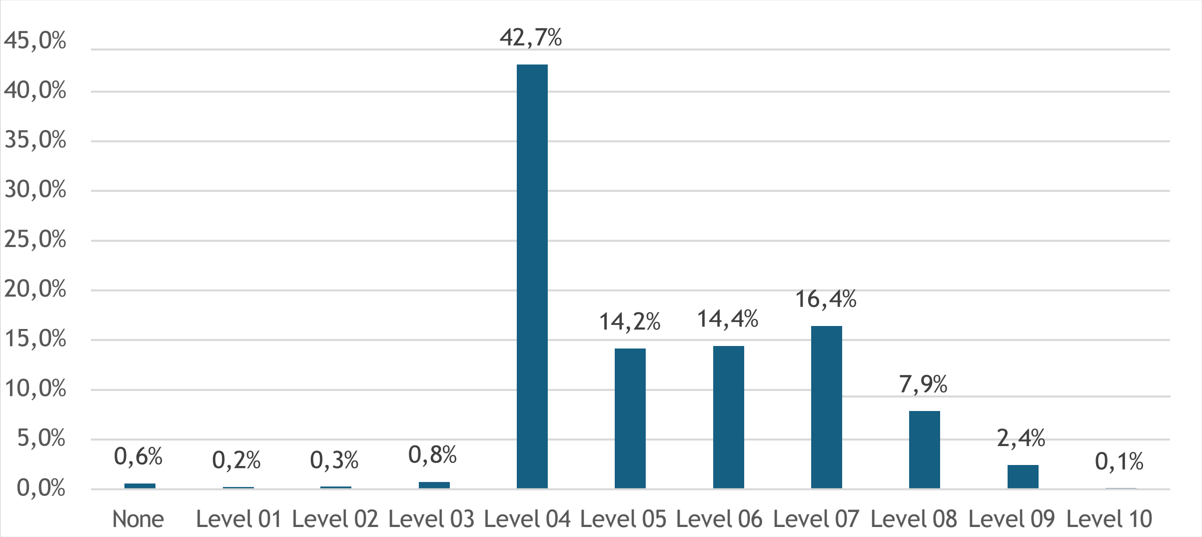
Source: BANKSETA WSPs 2020 – 2024

The proportion of African employees at the managerial level remains very low despite the marginal gains experienced in the last five years. Currently, the proportion is at 46%, an increase of seven percentage points compared to 2020. This figure remains very low compared to the national population proportions. The percentage of White employees has declined from 31% in 2020 to 25% in 2024 while the other groups remain more or less the same at below 15% of employees each.

8.1.5 Education Levels of Employees in the Sector

The figure below shows the educational levels of employees in the sector. The majority of employees have an NQF Level 4 qualification. This category includes people with Grade 12 and equivalent qualifications. The number of employees with qualifications at NQF Level 4 and below stands at 1,5%. It is also interesting to notice that more than 56% of the employees have at least an NQF Level 5 qualification.

FIGURE 20: EMPLOYEES BY HIGHEST QUALIFICATION LEVEL



Source: BANKSETA WSP 2024

8.1.6 Factors Affecting Skills Demand and Supply in the Sector

The banking and alternative banking sector continues to contribute positively to the South African economy. In this chapter, factors that affect skills demand and supply in this sector are discussed. These factors include digitalisation and new technologies; regulatory, risk and cyber-crime; changing customer expectations; economic shifts/ geopolitics and Environmental, Social and Governance (ESG) requirements.

Digitalisation and New Technologies

The COVID-19 pandemic brought about a massive acceleration in digital transformation in the sector as the government restricted movements at the peak of the pandemic. The sector was pushed to adopt the technology which some saw as something that was still on the horizon, especially in the alternative banking subsector where the majority of the players are small, medium and micro enterprises (SMMEs).

In the banking sector, digital banking entails the incorporation of new and developing technologies throughout the financial services sector to provide enhanced customer services and experiences effectively and efficiently. Digitisation in banking is driven by three major factors: technology push, customer experience and economic benefits. Customers' adaptation to the digital environment, forces banks to relook at their products and services. Digital technology is rapidly influencing the way customers engage in banking activities.

'Digital' is a collective term that refers to an integrated and collaborative platform that allows consumers, suppliers and organisations to transact using various electronic devices or technologies. It brings together emerging technologies which include social media, cloud, analytics and mobile to provide a cost-effective and convenient distribution channel for consumers to use.

The use of technology to better interpret the complex and evolving needs of customers to better engage with them is an area that the banks are expected to continue to invest in to strengthen their capabilities through smarter and deeper use of predictive analytics and better harnessing the wealth of information that already exists within their systems.

Technological innovation is revolutionising the banking industry. There is no getting away from the fact that banks are under threat unless they can keep pace with technology. Some of these innovations are great for banks. Cloud computing, for example, can reduce costs and promote low-cost innovation. But some advances disrupt banking in a big way, like cryptocurrency, which skips banks in the payment process. The four technological advances that are changing the face of banking are social media, mobile banking, cloud technology and blockchain.

Banks traditionally operated in silo channels, with different business areas operating independently of each other. The introduction of 'open banking' has seen a new way of banking emerge. The idea of 'open banking' is to allow third-party providers to securely gain access to customer financial data from the banks using open Application Programming Interfaces (APIs). This allows third-party providers to take advantage of new technologies and to also improve customer experience. According to the Bank for International Settlements (BIS), open banking is the sharing and leveraging of customer-permission data by banks with third-party developers and firms to build applications and services, such as those that provide real-time payments, greater financial transparency options for account holders, and marketing and cross-selling opportunities". It allows the industry to innovate and enhance customer service, and help new entrants (Fintechs) to gain a share of new financial products and services. Large banks have built their technology and data around individual products and channels and are beholden to legacy systems. This gives an advantage to new entrants like digital banks and fintech companies as their systems are built on these technologies.

The automation that comes with digitalisation has presented a challenge in the dynamics of the labour market. There are concerns that many jobs will be affected by this technology evolution. A study by McKinsey estimates that South Africa will lose as many as 3.3 million existing jobs by 2030. These jobs will be mostly in retail and manufacturing. At the same time, over 4.5 million jobs could be created as a result of efficiencies created by this technology. Higher skill levels and greater application of expertise and management will be required for the technology-enabled jobs. This will require a significant investment in human capital. Employees in the jobs that are affected will need to be reskilled or upskilled so that they can transition to the new and emerging jobs. The figure below depicts some of the top job roles that are emerging/increasing and declining/transitioning across industries due to digitalisation and new technologies.

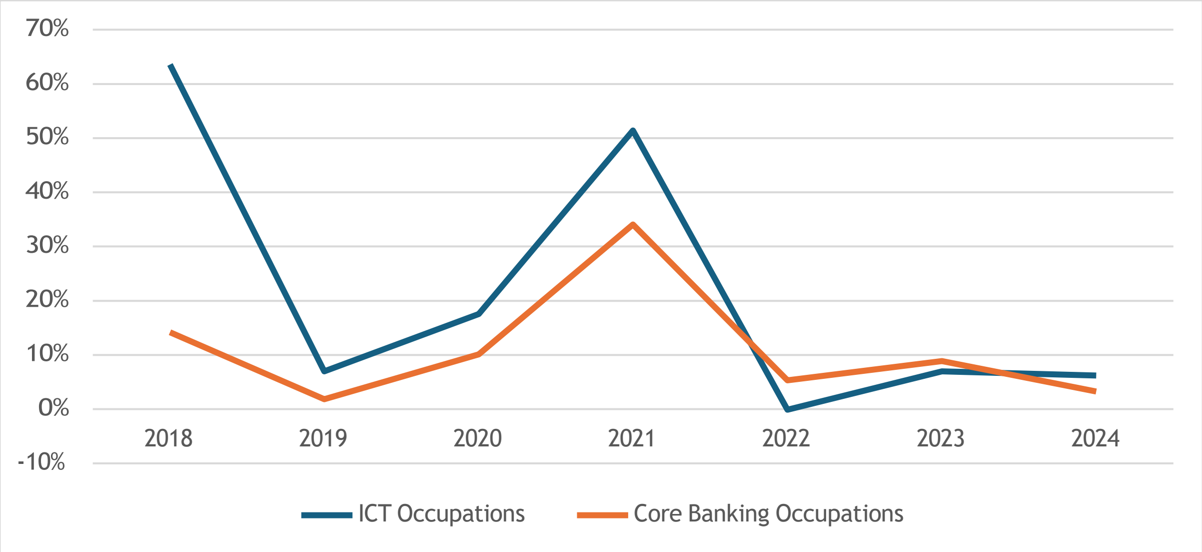
TABLE 4: INCREASING AND DECLINING DEMAND FOR JOBS

Increasing demand for these Jobs		Declining demand for these Jobs	
1	Artificial Intelligent (AI) and Machine Learning Specialists	1	Bank Tellers and Related Clerks
2	Sustainability Specialists	2	Cashiers and Ticket Clerks
3	Business Intelligence Analysts	3	Data Entry Clerks
4	Information Security Analysts	4	Administrative and Executive Secretaries
5	FinTech Engineers	5	Material-Recording and Stock-Keeping Clerks
6	Data Analysts and Scientists	6	Accounting, Bookkeeping and Payroll Clerks
7	Robotics Engineers	7	Statistical, Finance and Insurance Clerks
8	Big Data Specialists	8	Credit and Loan Officers
9	Digital Transformation Specialists	9	Software testers
10	Blockchain Developers	10	Client Information and Customer Service Workers

Source: World Economic Forum, the Future of Jobs Report (2023)

The technological advances have led to changes in the different technology-related occupations in the sector. The increasing jobs listed in TABLE 4 have no specific OFO codes as these are new. At the moment, most of these are being reported under different ICT-related occupations which include Developer Programmer, ICT System Analyst and Data Management Manager, ICT Security Specialist, Software Developer and Data Scientist. As a result, these occupations have been growing at an average rate of 22% per year in the last six years compared to 15% for the core banking occupations. FIGURE 21 shows the yearly average growth of the ICT and core banking occupations. The average growth rate for the two groups of occupations has dropped in the last three years.

FIGURE 21: YEARLY AVERAGE GROWTH OF ICT AND CORE BANKING OCCUPATIONS



Source: BANKSETA WSP 2017 – 2024

The BANKSETA, in response to the high demand for ICT-related occupations as a result of digitalisation and new technologies, has been implementing programmes to fund online short courses and other ICT courses.

Changing Customer Expectations

Banks today typically do not know their customers very well. Now, at the product level, many banks have invested significantly in customer analytics – plenty of credit card providers, for example, understand a customer's value potential, can track spending patterns and make targeted offers. Yet, many still send customers multiple product offers in the hope that something will stick. Few can analyse a customer's deposit account, see that his salary deposit has increased, and send a note congratulating the customer on his or her promotion together with an offer of a premium card and a higher credit limit.

Banks struggle to join the dots internally and prepare bank-wide views of a customer relationship, let alone integrate external sources of data. And, as such, risk and credit decisions are typically taken at the product level, not at the customer level.

Many banks carry vast product sets, with subtle differences, frequently not appreciated by customers. This comes with a consequent cost in operations, technology, service and, at times, risk and regulatory challenges. Systems are not modular in design so each variant adds to this complexity and cost. Legacy products no longer offered for sale, are rarely discontinued.
With the advent of technology, access to banking is moving away from the traditional brick-and-mortar, into the digital space where customers can access their banking services remotely. This is evidenced by the significant reduction in the number of branches and ATMs by the big five banks in South Africa between 2019 and 2020 (FSCA, 2021). This move was exacerbated by the measures introduced by various governments during the earlier stages of COVID-19 when the movement of citizens was restricted under the lockdown. A survey conducted by Boston Consulting Group in partnership with Discovery Bank found that 86% of the participants preferred digital channels for their day-to-day banking. The adoption of this technology has created more expectations, especially among the millennials who are tech-savvy.

Technology acceptance in the financial sector has allowed new players to take advantage of the gap created. A report by FSCA has categorised these new players into challenger banks, neo-banks, beta banks nonbanks and digitalised incumbents. The table below shows the different banks and how they operate in the system. These are fintech companies with an infrastructure well suited for digitalisation as they lack the legacy systems that are holding back traditional banks.

TABLE 5: TYPES OF DIGITAL BANKS

Bank Category	Banking License
Challenger Banks	• Have full banking licenses. • Offer the same services as traditional banks. • Direct competitors of the traditional banks.
Neo Banks	• Do not have a banking license. • Partner with financial institutions to offer bank-licensed services. • completely digital banks that have no physical presence and reach out to customers via mobile apps and web platforms
Beta Banks	• They are joint ventures or subsidiaries of existing banks that offer financial services through the parent company's license. • Often set up as a way to enter new markets, offering limited services, to a targeted consumer base. • Targeted at the tech-savvy, millennial customer segment, as well as to provide best-in-class innovative banking services
Nonbanks	• have no connections to traditional banking licenses. • Instead, they provide financial services by other means. • The model allows the company to operate independently of existing banks.
Digitised Incumbents	• These are digitised Incumbent banks that are pursuing total digital transformation. • They compete with digital challengers by acquiring their capabilities. • They segment digital and traditional customers

Source: FSCA, Digital Banking Trends in South Africa-2021

There is an expectation from consumers that South African banks will continue to transition to a fully digital banking system within this decade as over two-thirds of the respondents from the Discovery Bank/BCG survey suggest. This calls for the banks that are still lagging behind to start accelerating their digitalisation efforts. Failure to adapt may limit their sustainability and reduce their market share as the digital footprint becomes a non-negotiable requirement for most consumers.

As banks are trying to adapt to consumer demands in the digital space, fintech companies are taking advantage of this gap and continue to innovate. This has led to traditional banks partnering with or funding fintech startups that will assist in providing the required products. On the other hand, consumers are now expecting more than just bank transactions from their bank. They also require that banks offer or integrate their services with other digital services that are traditionally outside of normal banking. This is evidenced by Discovery Bank's diverse offerings that incorporate travel and health into their retail banking business. This has allowed the bank to reach 2 million accounts in just five years of existence. In addition to these diverse offerings, consumers also expect their banks to provide other services like budgeting and financial planning tools, easy account setup and management, and customisable security.

Despite all these developments, clients still require some of the traditional basic banking like cash and access to a real person, this is according to the study by Discovery Bank/BCG. The study found that 86% of consumers still needed cash to cover some of their financial needs mainly due to the lack of digital services in those environments.

As banking becomes more digital, the need for call centres will see an increase in the future as consumers will likely prefer this method of contact for the purpose of resolving complex transactional challenges encountered. The study by Discovery Bank/BCG found that in the next five years call centre channel will become the third most important channel for banking services behind mobile banking apps and internet banking. The WhatsApp chat service will also see a rise to supplement the call centres.

The effects of changing customer expectations are that employers will need skills in customer experience management that cut across all business areas. As a result, skills development will be needed in this area to develop unemployed graduates as well as employed people in the banking and alternative banking sector. Call Centres become very critical to ensure that human interaction between businesses and their customers is retained.

Regulatory Changes, Risk and Cybercrime

In 2023, South Africa was placed on the "grey list" of countries by the Financial Action Task Force (FATF) for failing to comply with 40 recommendations made to South Africa on combating money laundering and terrorist financing. Following the 'greylisting', the South African Reserve Bank and other regulatory bodies within the banking sector published guidelines and standards to address the deficiencies identified by the FATF.

In November 2023, FATF published a follow-up report on the progress made by South Africa in addressing some of the recommendations made. It was found that significant progress was made with SARB indicating that South Africa was now compliant with 35 out of the 40 recommendations made. Some of the steps taken by the regulators include the enactment of the General Laws (anti-money laundering and combating of terrorism financing) Amendment Act and amendment of the Protection of Constitutional Democracy Against Terrorist and Related Activities Act (POCDATARA Act).

The enactment of the Financial Sector Regulation Act (FSR Act) paved the way for the implementation of the "twin peaks" model of financial regulation in South Africa. The FSR Act establishes the Prudential Authority (PA) and Financial Sector Conduct Authority (FSCA) as bodies responsible for prudential and market conduct regulation respectively. The functions of both authorities are carried out, inter alia, to protect financial customers and maintain financial stability. The PA is primarily concerned with the regulation and supervision of financial institutions that provide financial products or services and market infrastructure, whereas the FSCA regulates and supervises the conduct of financial institutions.

The increase in cyber activity due to the digitalisation and new technologies has seen an increase in cybercrime. This has led to the introduction of the Cybercrime Act which obliges banks and other companies to reconsider their data processing practices and requires them to adapt their processes to prevent the offences as defined in the Cybercrimes Act.

The compliance requirements in the sector have been evolving to catch up with the changing landscape of the banking sector. This means that workforce development remains at the centre of compliance requirements to understand the relevant legislation and compliance requirements. There has been a surge in the requirement for skills in cybersecurity and compliance in the last decade due to the need to secure customer personal information in their online activities. This is evidenced by the 2023 World Economic Forum (WEF) Report on the Future of Work Report, where the study found that cybersecurity remains one of the top strategically emphasised skills for the workforce.

Economic Shifts/ Geopolitics

In South Africa, the impact of load shedding on businesses can range from economic losses, disruption to daily operations and lost profits. When load shedding occurs, businesses are unable to access electricity, resulting in an inability to complete tasks such as selling products, providing services and accessing online resources. This can have an immediate and long-term impact on businesses, leading to decreased sales and lower levels of customer satisfaction.
Business Tech South Africa (2023) observed that in South Africa, load shedding crisis hits major banks, but they are able to amplify plans to mitigate risks. Major Banks in South Africa are already planning ahead as they look to navigate their way amid load-shedding challenges. Banks such as Standard Bank, Absa, First National Bank, and Nedbank have amplified their efforts to cushion themselves against load-shedding.

The war in Ukraine has emerged as a significant driver of inflationary pressures globally. This is another blow to the global economy already under distress by the effects of COVID-19 and climate change. The sanctions put on Russian imports by the United States and European Union have impacted negatively on the prices of energy among others. Oil prices surged to over $100 a barrel at the beginning of the conflict which in turn caused an increase in the prices of fuel globally. The current geopolitical tensions in the Middle East continue to exert pressure on the supply chain throughout the world as companies try to find alternative routes to ship their products. This comes at a steep price to the producers, and it also takes longer for the products to arrive at their destinations. The consumers will continue to bear the brunt as costs will eventually be passed down to them. Below is a list of some of the impacts of the war on the global banking sector as cited by KPMG:

- Global Economic Slowdown
- Inflationary pressures on food and energy
- Transport and trade disruptions exacerbated
- Heightened cyber risk
- Environment, Social and Governance (ESG) rising up the agenda
- Risks and impact on the EU banking sector

As the country and the sector continue to suffer in the aftermath of the COVID-19 pandemic, the government has introduced measures to reignite the economy and arrest the unemployment numbers, especially among the youth population. These measures include among others, the Economic Reconstruction and Recovery Plan and its strategy, Presidential Youth Employment Intervention and Presidential Employment Stimulus. This calls for the different sectors of the economy to open their workplaces to accommodate unemployed youths to acquire skills and experience in critical skills that are needed by the economy.

Environmental, Social and Governance (ESG) Requirements

As the world becomes more conscious of the environment and promotes environmentally friendly initiatives, the different role players in the finance sector become more and more pressured to align their strategies to the ESG requirements. New regulations are being introduced to encourage banks to collect ESG-related data and make reports available to the public. Stakeholders and shareholders are increasing their scrutiny of the effects their investments have on the environment (McKinsey & Company, 2023). ESG data must be incorporated into existing processes, such as credit approvals and decision-making. Accordingly, institutions will need to adjust their data architecture, define a data collection strategy, and reorganise their data governance model to successfully manage and report ESG data.

The financial sector, especially banks, will have to adapt their strategies and ensure that decisions on which projects to finance are influenced by the ESG requirements. Decisions on operational infrastructure including ICT also need to adhere to the ESG requirements. There is a need for critical bank infrastructure like data centres and buildings to also move towards environmentally friendly options mainly because banks' data centres remain one of their main infrastructures. New applications include not only the management and capture of ESG data but also financed emissions models, climate risk models, ESG scorecards, climate stress tests, and climate-adjusted ratings.

The need for the sector to move towards satisfying the requirements of the ESG, there will be a substantial demand for ESG skills. There will be a need for skills for developing and executing sustainability initiatives within a bank. These skills will also allow collaboration with internal and external partners to drive sustainability efforts and enhance the bank's reputation as a responsible corporate citizen.

8.2 Internal Environment

BANKSETA is located in Centurion in Gauteng with a regional footprint in Limpopo, Eastern Cape and Free State. It comprises the following core divisions: Strategy and Research; Finance incorporating Supply Chain Management and Internal Audit, Governance, Corporate Services incorporating Communications, Information Technology and Human Resources and the Operations Division which focuses primarily on the disbursement of discretionary grants and the Quality Assurance of training service provision. The BANKSETA Board provides strategic direction and guidance to the Executive Management team.

In March 2020 when the country was placed under a hard lockdown due to COVID-19, the BANKSETA employees started working mainly from home. This also coincided with the relocation of the head office to the current location. A committee was established to ensure that BANKSETA adheres to the COVID-19 regulations and limits the transmission of the virus in the office. The BANKSETA ICT systems have been migrated to the cloud platform. The COVID-19 restrictions have since been eased and eventually lifted. The BANKSETA has continued with a hybrid working model whereby staff work most days in the office and some days remotely. Most of our stakeholders have also embraced hybrid working models. All our projects have provisions for hybrid delivery.

8.2.1 SWOT Analysis

TABLE 6: BANKSETA STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

Strengths	Opportunities
• Strong and committed leadership. • Committed, skilled and knowledgeable staff. • Strong partnerships and stakeholder engagement enhance its credibility and brand/reputation. • Strong brand image within the sector. • Stable and Healthy Financial Position - good and stable revenue. • Highly competent management and executives. • Governance and Leadership • Effective oversight by the Board and Committees	• Partnerships and collaboration with various stakeholders such as banking industry players, employers, and telecom operators. • Embracing technological Advancement and Digitalization such as e-learning, and 4IR digitisation. • Regulatory alignment and government support and leveraging national priority plans. • Leveraging Sector Strengths Capitalizing on the strength and resilience of the banking sector.
Weaknesses	**Threats**
• Procurement and Financial Management • IT Systems and Processes • Internal Controls and Accountability • Resource Management • Operational inefficiencies • Staff Capacity • Organisational Culture • Quality Assurance	• Cyber Security • Changing Banking Landscape • Impact of Technology (4IR, 5IR, Cryptocurrency) • Loadshedding Impacting Economic Growth

• Records Management	

8.2.2 Service Level Agreement with DHET

On an annual basis, BANKSETA negotiates a set of targets and deliverables to be agreed on with DHET. The Annual Performance Plan forms the foundation for the development of the Service Level Agreement. The targets provide the benchmark for planning whilst the skills development needs/demands provide guidance in terms of the interventions forming the basis for the PIVOTAL programmes. On a quarterly basis as mandated by the DHET, BANKSETA reports on the progress made towards the achievement of the targets set. The BANKSETA will evaluate the entire strategy in 2025 to measure the extent to which the SLA targets have been met.

8.2.3 Governance

Board members are appointed in terms of the BANKSETA Constitution, in line with the Skills Development Act (Act No. 97 of 1998) (and the Standard Constitution of SETA Regulations, Section 13 (1) of Skills Development Amendment Act, Act 26 of 2011). The Board represents organised labour, organised employers, and relevant community organisations as approved by the Minister. Organised labour and employers are equally represented on the Board. All members of the Board are bound by the BANKSETA Code of Conduct. All Board members are aware of their fiduciary responsibilities and the need for fair, transparent and accountable decisions and actions. The Board monitors BANKSETA's strategic objectives. Currently, there are four Board committees in place to assist the Board in discharging its governance obligations. These committees are the Audit and Risk Committee, the Finance and Remuneration Committee, the Executive Committee and the Governance and Strategy Committee which assist in the oversight and monitoring of BANKSETA operations, strategic planning and constitution requirements. The Risk Management Committee is also a sub-committee of the Audit and Risk Committee and monitors the performance of risk management.

8.2.4 Establishment of Committees

In addition to Board Committees, several advisory committees exist to provide expert advice on various aspects to support the delivery mandate. Sector Skills Planning is supported by the Skills Planning Committee comprising of senior managers from various employer organisations and provides human resource development expertise to inform skills planning. The Skills Development Sub-Committee comprises of Skills Development Facilitators/Managers who serve as a link with the various employer organisations and advise on skills development interventions to meet the demands of occupational shortages and skills gaps. Various ad-hoc project-specific committees which are term specific are formed to guide the operational delivery of projects. These committees also play a key role in advising on the value of the interventions and whether they should be changed, continued, etc.

8.2.5 Stakeholder Engagement and Partnerships

The Stakeholder Engagement Strategy provides a detailed guideline on engagements with various stakeholders who influence the strategic and operational mandate of BANKSETA. Engagements with stakeholders take place at various levels to ensure the participation of all relevant stakeholders at both strategic decision-making and operational levels. Stakeholder input into the strategic planning and skills planning is imperative to ensure alignment of

BANKSETA strategies to sectoral needs. On an annual basis, a stakeholder engagement plan is developed and reported quarterly. The annual stakeholder satisfaction survey is conducted to evaluate and ensure continuous improvement and to identify mechanisms to strengthen stakeholder participation and relations.

8.2.6 Human Resources

The approved staff complement of the BANKSETA is 93 persons (currently with 24 vacancies) The vacant positions include the previously vacant position of General Manager: Corporate Services, as well as all the new positions as identified in the OD process and approved by the Board.

The recruitment strategy and process ensure that the appropriate expertise is sourced in line with the approved Employment Equity Plan. The tables below show the demographic composition of the current BANKSETA employee complement. The BANKSETA employs 38 (55%) female and 31 (45%) male employees. Both executive managers at the BANKSETA are female. Currently, there are no employees with disabilities. The BANKSETA has exceeded its target to achieve 85% black employees by March 2025. The current target for female employees is 52%, which has also been exceeded.

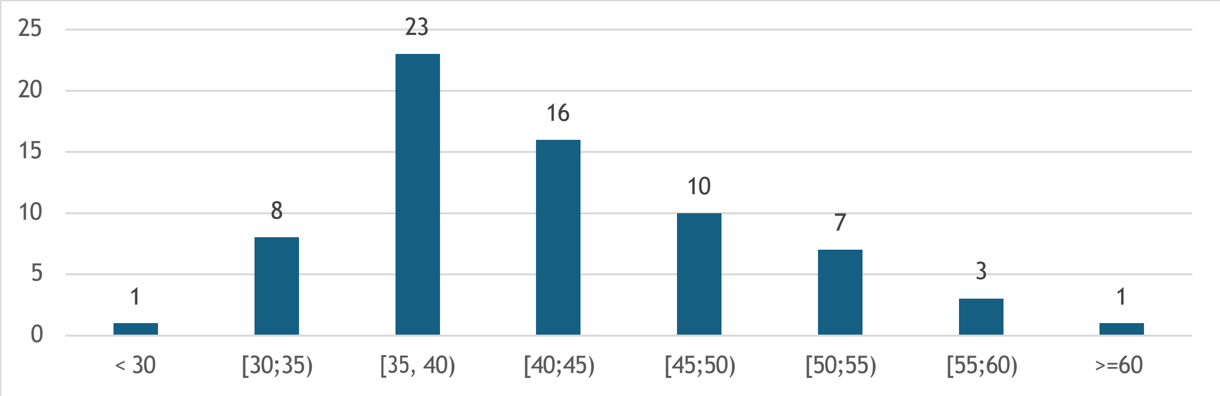
BANKSETA management and staff support the principle of lifelong learning and continued professional development by providing opportunities for study and training. This leads to a workforce that is continuously upskilled and capable of advising the sector on skills-related matters. On an annual basis, BANKSETA implements a values assessment survey to measure the extent to which the staff upholds the values of the organisation.

TABLE 7: THE BANKSETA EMPLOYMENT EQUITY

Level	Male				Female				Foreign national		Total		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Female	Male	Male	Female	Total
Senior Management	1	0	0	0	0	0	0	1	1	0	1	2	3
Professionals	7	1	1	0	4	1	0	1	0	1	10	6	16
Skilled	15	0	1	0	14	0	0	1	1	0	16	16	32
Semi-Skilled	3	0	0	0	11	0	0	0	0	0	3	11	14
Unskilled	0	0	0	0	2	0	0	0	0	0	0	2	2
Disabled	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Permanent	26	1	2	0	31	1	0	3	2	1	30	37	67
Total Temporary	1	0	0	0	1	0	0	0	0	0	1	1	2
Totals	27	1	2	0	32	1	0	3	2	1	31	38	69

The age profile of the BANKSETA employees shows that 13% of employees are younger than 35 years. Only 6% of the staff complement are older than 55 years.

FIGURE 22: EMPLOYEES AGE PROFILE



Currently, the BANKSETA does not have employees living with disabilities. The BANKSETA endeavours to advertise new positions giving preference to the most suitable candidates, especially, where applicable, those with disabilities. The lack of disclosure remains the main contributor to the low number of employees living with disabilities at BANKSETA.

8.2.7 Internal Business Processes and Systems

The BANKSETA has several systems to support its operations including a SETA Management Information System (MIS), a Finance Enterprise-wide Resource System (ERP), as well as HR and Payroll System. The SETA Management Information System is a comprehensive system that includes learner management, project management, and employer WSP/ATR management, amongst others. The HR and Payroll system allows the full human resource functions to be managed electronically. The Finance ERP tracks all financial-related transactions. The Knowledge Bank is an online knowledge portal within the BANKSETA website utilised for the dissemination of research and skills planning outputs.

8.2.8 Internal Audit Function

The mission of the Internal Audit function, in accordance with the Institute of Internal Auditors (IIA), is to provide independent, objective assurance and consulting services designed to add value and improve the operations of BANKSETA. Internal Audit thus assists the BANKSETA to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes, as articulated in its Internal Audit Charter. In doing so, the Internal Audit function adheres to the standards as laid down by the Institute of Internal Auditors for the Professional Practice of Internal Auditing and Code of Ethics.

The BANKSETA has an in-house Internal Audit unit comprising of the Head of Internal Audit, who has overall responsibility for the function and is supported by two Internal Audit specialists, with sufficient knowledge, skills, experience, and professional certifications to carry out the function’s responsibilities. To ensure the independence of Internal Audit, the function reports functionally to the Audit & Risk Committee and has full and unrestricted access to the Chairperson of the Audit and Risk Committee, the Board and the Chief Executive Officer. The Internal Audit unit completed an External Quality Assurance Review in January 2022. The BANKSETA Internal Audit Unit received a positive General Conformance rating that confirmed that Internal Audits are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics.

8.2.G ICT Governance

The BANKSETA has several systems to support and enable its operations. The systems are (i) the Management Information System (MIS) – the core system, (ii) the Enterprise Resource Planning (ERP) for Finance, Supply Chain Management and Projects, and the Human Resource Information System Systems (HRIS) for Payroll, Recruitment etc.

The implementation of MIS has been successful with the digitalisation of Quality Assurance processes. The entire quality assurance process is fully digitised. The MIS system further enables ID verification thereby reducing learner duplications and associated ID errors. The MIS system focuses on digitisation of other processes such as Discretionary Grant open windows, and Work-based Skills Plan / Annual Training Plans. Furthermore, the BANKSETA aims to enhance the current MIS and ERP systems to enable integration and automation of identified activities between the systems.

The BANKSETA is developing the ICT Strategy for 2025/26 to 2029/30 wherein the following critical projects are identified for digitalisation:

TABLE 8: CRITICAL PROCESSES IDENTIFIED FOR DIGITALISATION

Outcome	Description of digitalisation initiative	Responsible end user/system owner	Target year (2029/30)
Digitalisation of DG and WSP/ATR	Enhanced and automated MIS	Learning Programmes Project Management Office Quality Assurance	2025/26
Digitalisation of Invoice submission, and procurement processes	Enhanced ERP and development of workflows	Finance and SM	2025/26
Digitalisation of Risk, Audit and Compliance processes	Implementation of a System for Risk, Audit and compliance management	Risk Management Internal Audit ICT	2025/26

The latest DPSA Corporate Governance of ICT Policy Framework requires that the institutions at minimum self-assessment of the monitoring and evaluation as contained in the framework. For instance, TABLE 9 shows some of the requirements.

TABLE 9: SOME OF THE REQUIREMENTS FROM THE ICT POLICY FRAMEWORK

Category	Details
Compliance with prescripts	Departmental corporate governance of ICT policy;
	Information security policy;
	ICT end-user policy (acceptable use);
	IT service management policy;
	ICT project management framework; and
	ICT service continuity plan.

Category	Details
Financial Performance	ICT budget (% ICT budget vs. total departmental budget)
	ICT capital (% transformational projects vs operational activities)
	ICT spend (% planned vs actual)
Annual Customer Satisfaction Surveys	Executive Management Satisfaction Survey
	ICT projects (system owners & system users)
	ICT end-user satisfaction (incident management, call resolution, and quality)
Value management	Project plans and progress reports
	Business cases (promise before investment, business case approval by the delegated authority, delivery on the approved business case checking and confirming delivery, and business owner sign-off and delivery acceptance)

8.2.10 Reporting

BANKSETA ensures that all reporting protocols are strictly adhered to and that all timelines set are met. BANKSETA undertakes quarterly performance reporting to the Department of Higher Education and Training and the National Treasury in accordance with SETA performance management requirements. The BANKSETA adheres to the annual compliance calendar requirements and timelines. On an annual basis, the Annual Report is prepared, and submitted to the Department of Higher Education and Training, National Treasury and Parliament before it is tabled at the BANKSETA Annual General Meeting.

8.2.11 Monitoring and Evaluation

The BANKSETA monitors and evaluates on two levels: organisational effectiveness and efficiency as well as skills development programme performance. Organisational efficiency relates to the measurement of internal processes whilst the latter relates to the measurement of the impact of skills development interventions using tracking and tracer studies as well as impact assessment studies. Monitoring and Evaluation at the strategic level measures the impact and outcomes against the achievement of strategic objectives on a 3 – 5 year basis, whilst monitoring and evaluation at an operational level is largely measured annually against the achievement of targets/outputs set.

8.2.12 Financial Environment

Income

BANKSETA's operations and targets are driven by the financial resources available to achieve the training needs of the sector. These resources of income are in three main categories:

a. Skills development levies (SDL) from sector companies paid during the year. This comprises 91.6% of the income of the year.
b. Reserves are accumulated funds from prior years. The BANKSETA will apply to the National Treasury to retain and use in future years for discretionary training programmes
c. Interest and investment income on investment of surplus funds.

Restatement of 2022/23 and 2021/22 Figures.

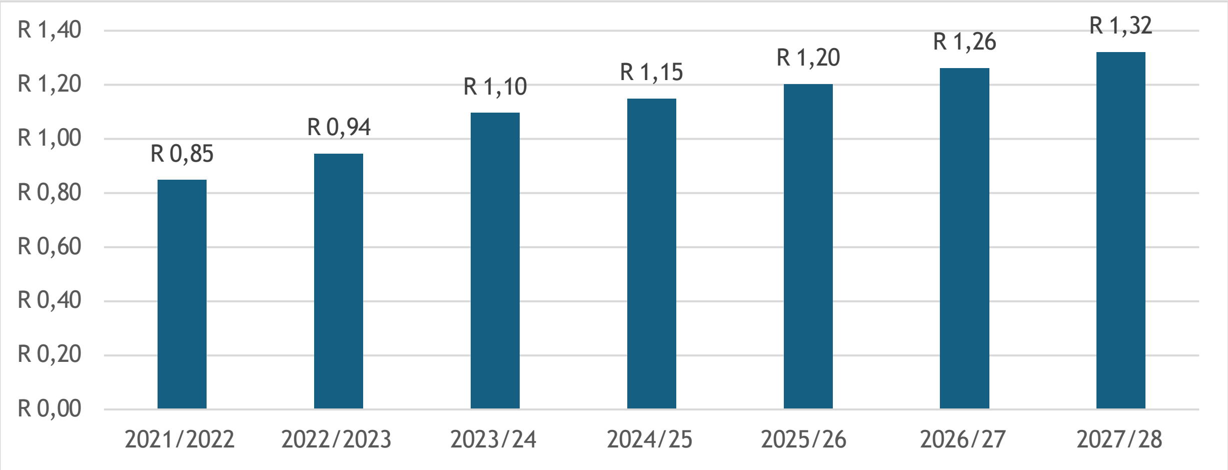
The BANKSETA's systems to monitor DG expenditure through training happening at stakeholders was found to be inadequate in prior years resulting in the BANKSETA not following up and receiving information regarding training conducted on time. The BANKSETA therefore did not recognise the DG expenditure and the liability in the correct years. The BANKSETA therefore restated its prior year by increasing the DG expenditures upwards and increasing the deficit in 2022/23 and decreasing the surplus in 2021/22 by a total amount of R62,208,000.

Skills development Levies (SDL)

There are no changes expected in the funding framework and employers will continue to pay a 1% skills development levy on payrolls exceeding R500 000 per annum. The collection method through which SARS collects the SDL monthly remains unchanged. The draft SETA grant regulations proposing a change in the split of the levies is still not finalised and we have no timeline for when the final SETA grant regulations will be gazetted. The existing legislation has therefore been utilised in the projections.

The 2023 banking results show an increase in profits. Included in the 2023/24 SDL are levies of R33,670,000 which were levy misalignments from 2020 which were retained in a reserve awaiting the correction in the SARS system as this was not resolved within the 3-year limit and has been swept into SDL income in 2023/24. The 2024/25 SDL budget was adjusted upwards by R60,000,000 to align it to the 2024/25 SDL receipts. The BANKSETA has received levies for the first 4 months of 2024/25 which are on par with the revised 2024/25 budget. The levy increase for 2025/26 has been set at a 4.7% increase in line with actual levy receipts being experienced in the 2024/25 year and National Treasury guidance. The projections as well as the history are shown in FIGURE 23.

FIGURE 23: LEVY INCOME AND PROJECTIONS IN BILLIONS



The main drivers of the level of SDL expected from the sector are:

- The strong financial performance within the banking sector.
- Inflation scenario: banking employees normally expect at least a cost-of-living increase based on CPI on their salaries each year in around March and expected to be about 5%.

BANKSETA has used a rate lower than inflation as there are indications that there may be pressures on banks' profitability in the future due to impairment. BANKSETA used National Treasury guidance of 4.7%.

- Any reduction in sector employment numbers. Currently, the BANKSETA has not budgeted for any reduction in employment.
- The BANKSETA has taken the actual levies being received in the first 4 months of 2024/25 year as a basis to project 2025/26 levies with a small reduction due to the expected lower profitability in the banking sector in 2025/26 due to economic stresses impacting banking clients customers debt collection and therefore impairments provisions.

Interest and Investment Income

Investment income is derived from placing surplus funds on the money market mainly in short-term fixed deposits. The surplus funds are accumulated reserves ring-fenced to underpin DG commitments. The DG commitments stretch between 12 to 36 months. The BANKSETA has been slowly reducing its reserves through DG expenditure over the years. The repo rate and therefore the investment rates are expected to decrease from September 2024 and to be in the range of 5.5% in 2024/25.

Mandatory Expense

- The mandatory grants will be based on 20% of levies.
- The courts had ruled that the 20% level was invalid in 2019 and that the then Minister of Higher Education and Training, BUSA, employers and SETAs should work towards an agreed percentage.
- The decision regarding a new mandatory grant percentage is still pending.
- BANKSETA and all other SETAs have maintained the 20% mandatory grant in the meantime.
- DHET has published drat SETA regulations introducing a 15% workplace grant rather than increasing the mandatory grants. The timing of the finalisation of the consultation process and the publishing of the final grant regulations is not yet clear. BANKSETA has therefore budgeted using the existing legislation.
- BANKSETA has budgeted for a 99% mandatory grant claim ratio.

Administration expense

The administration budget is set at the maximum legislated amount of 10.5% of SDL. BANKSETA has implemented a revised increased staff organogram to address the areas where there were constraints. Most of these have been factored into the administration budget and the rest would need to be funded from the discretionary grants budget. The administration expenditure budget was calculated separately for each expense line. The DHET has issued the letters in regard to the QCTO contribution and this has been taken into account.

Employee Costs

The BANKSETA has budgeted for a 93-person staff complement in 2025/26 in line with the revised staff organogram. The employee cost budget has been limited to 65% of the budget. No employee costs have been catered for under discretionary grants. Inflationary salary increases have been provided for at 5%. The actual increase is negotiated with the union in January 2025 and therefore may not be within the National Treasury limit. The BANKSETA has planned for one small satellite office for 2025/26 in KZN to increase its provincial reach. The current leases are until 2030 except for head office where BANKSETA can terminate the lease in 2025 with no penalty. The leases have a 6% increase.

Capex

The main CAPEX items would be for ICT licences as well for the gradual replacement of office furniture which is over 20 years old and also to cover the increased staff complement.

ICT Systems

The BANKSETA has awarded an ERP tender to provide a finance system for the next 5 years. The BANKSETA has also signed a five-year contract for the MIS and HR systems until 2028. The institution has three (3) main systems to provide for operational efficiency with other systems for improved digitalised business processes detailed in the ICT Strategy for implementation by 2029/30. Currently, the institution has the following Service Level Agreements in place:

TABLE 10: SERVICE LEVEL AGREEMENTS FOR CURRENT ICT SYSTEMS

System	Business Outcome	Responsible end user	Contract duration (years)	Initial year	Last year
Management Information System (MIS)	Digitalised learner processes	Learning Programmes	5	2023	2028
Enterprise Resource Planning system	Digitalised financial processes	Finance, SCM and projects	5	2024	2029
Human Resource Information System (HRIS)	Digitised human resource processed	Human Resources	5	2023	2028

The BANKSETA will continue to procure ICT Systems as a Service (SaaS) to spend substantially on managed ICT security and data backup services, implementation of ICT governance and digitalisation of risk, audit and compliance management systems.

Cost savings measures

- Admin budget was prepared and maintained within the 10.5% legislated limit.
- Wherever possible the BANKSETA reviewed its implementation methods to ensure that costs are minimised, and the economy is exercised at all levels.
- Cost containment measures were applied as per the National Treasury directives.

Management of financial assets and liabilities

Management of Financial Assets and Liabilities:
The BANKSETA's main assets are cash and cash equivalents being mainly fixed deposits at the CPD and major South African banks. This cash represents the funds retained to cover discretionary grant commitments. The BANKSETA has an investment policy which covers how these investments are sought. It covers risk mitigation of such assets. It is envisaged that in the 2025/2026 period, cash and cash equivalents will continue to be the main assets. Other assets are other debtors due to non-exchange levy adjustments and sundry prepayments and receivables. All are raised in the normal SETA business.

Liabilities are mainly:

- non-exchange liabilities due to mandatory grant payables which would be settled within the quarter,
- non-exchange liabilities for under R500,000 levy payers

- exchange liabilities due to administration and discretionary grant payables settled within 30 days
- sundry short-term liabilities and staff-related accruals

There is no planned acquisition of any other financial assets or capital transfers. Financial assets, which potentially subject the SETA to the risk of non-performance by counterparties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable. The SETA limits its treasury counterparty exposure by only dealing with well-established financial institutions approved by the National Treasury and the Board. The BANKSETA has an approved investment policy that limits its exposure to any one counterparty. SETA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy-paying employers is limited due to the nature of the income received. The SETA does not have any material exposure to any individual or counterparty. The SETA's concentration of credit risk is limited to the industry (Banking and Financial Services) in which the SETA operates. The BANKSETA will continue to monitor the effect of these developments on levy income and accounts receivables. The SETA is exposed to a concentration of credit risk, as significant amounts may be owed by SARS and the Department of Higher Education. This concentration of risk is limited as SARS and the Department of Higher Education are government entities with a sound reputation.

The SETA has adequate funds to settle all liabilities as they fall due. All creditors are settled within 30 days. The SETA manages liquidity risk through proper management of working capital, capital expenditure and actual vs forecasted cash flows and its cash management policy. Adequate reserves and liquid resources are maintained.

The BANKSETA has commitments for discretionary grant projects that stretch over the next 3 years. This is in line with the SETA business. The BANKSETA has sufficient reserves to cover these and has applied to the National Treasury to retain those surpluses.

The BANKSETA has potential contingent liability for mandatory grants should the Department of Higher Education and the sector agree to increase the mandatory grant percentage and backdate the increase. BANKSETA would not have sufficient reserves to cover such contingent liability but would need to re-order its budgets.

Materiality and Significance Framework

The Accounting Authority has prepared a materiality and significance framework in terms of the PFMA and Treasury Regulations. The BANKSETA is of the view that criminal conduct should not be tolerated within the SETA environment and hence any amount resulting from criminal conduct is considered material. In terms of fruitless and wasteful expenditure caused by gross negligence or any other circumstance, BANKSETA has taken a very strong view that fruitless and wasteful expenditure of any kind should not be tolerated within the SETA environment and hence BANKSETA has considered such as material. Based on the materiality and significance framework, BANKSETA has set its materiality and significance amount to 0.25% of the total 2023/24 audited expenditure. The overall materiality level set for the 2025/26 financial year is R3,110,001.

Overall 2025/26 Budget

Year Ended 31 March (R 000's)	2021/2022 Actual Restated	2022/2023 Actual Restated	2023/24 Actual	Revised 2024/25 Budget	2025/2026 Budget	% Increase	2026/2027 Forecast	2027/2028 Forecast
Income								
Mandatory levies - 20%	199 053	234 024	265 091	287 000	300 633	4.8%	315 063	329 871
Discretionary levies - 4G.5%	500 445	579 348	652 970	710 325	744 065	4.8%	779 781	816 430
Discretionary levies - Levies forfeited			36 790					
Admin levies including QCTO -10.5%	105 723	122 884	139 156	150 675	157 832	4.8%	165 408	173 182
SDL	805 221	936 256	1 094 007	1 148 000	1 202 530	4.8%	1 260 251	1 319 483
SDL Interest G Penalties	43 023	8 537	1 812		-		-	-
Total SDL, penalties, interest	**848 244**	**G44 7G3**	**1 0G5 81G**	**1 148 000**	**1 202 530**	**4.8%**	**1 260 251**	**1 31G 483**
Investment Income	47 613	75 638	98 297	70 000	56 100	-19.9%	57 000	54 000
other income	106	121	295	127	135	6.0%	143	151
Total Income	**8G5 G63**	**1 020 552**	**1 1G4 411**	**1 218 127**	**1 258 765**	**3.3%**	**1 317 3G4**	**1 373 635**
Expenditure								
Mandatory Grants	194 101	228 570	257 952	284 280	297 626	4.7%	311 912	326 572
% Claimed	98%	98%	97%	99%	99%		99%	99%
DG	579 572	791 861	882 785	1 200 000	853 306	-28.9%	890 074	923 880
Admin Expenditure	80 079	93 004	97 039	143 628	149 993	4.4%	157 531	164 935
QCTO Expenditure	3 951	5 826	6 224	7 047	7 839	11.2%	7 877	8 247
Total Expenditure	**857 703**	**1 11G 261**	**1 244 000**	**1 634 G55**	**1 308 764**	**-20.0%**	**1 367 3G4**	**1 423 634**
Surplus/(Deficit)	38 259	-98 709	-49 589	-416 828	-50 000	-88%	-50 000	-50 000

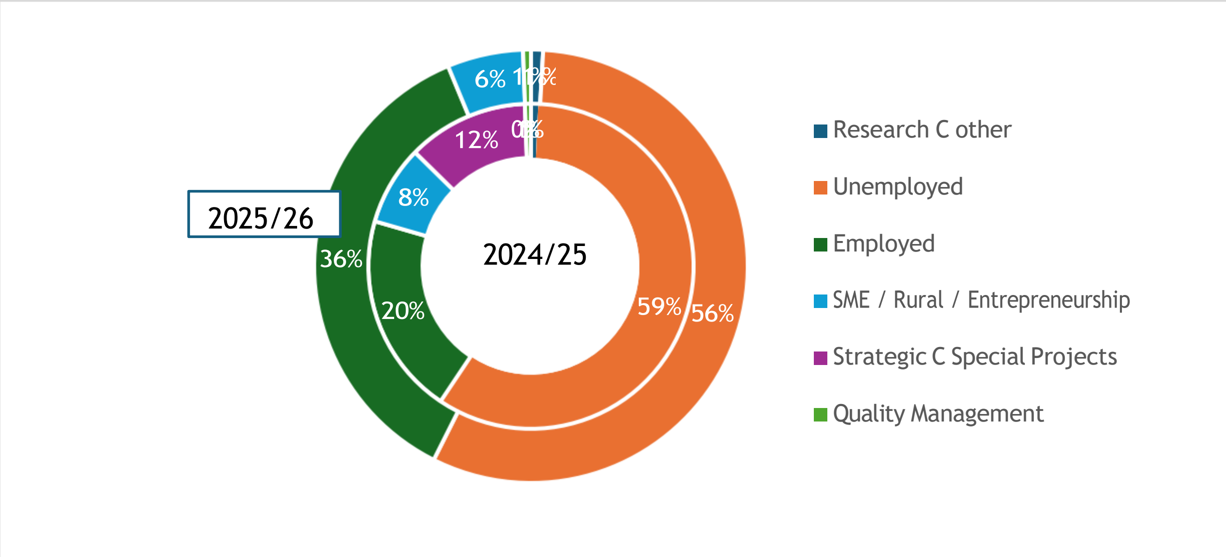
Main administration expenses

Year Ended 31 March (R 000's)	2021/2022 Actual Restated	2022/2023 Actual Restated	2023/24 Actual	Revised 2024/25 Budget	2025/2026 Budget	% Increase	2026/2027 Forecast	2027/2028 Forecast
Employee Costs	47 436	50 896	56 339	74 363	81 789	10.0%	87 105	91 042
Performance bonus	7 958	14 239	9 381	14 362	15 439	7.5%	16 211	17 022
Total Cost of Staff	55 393	65 135	65 720	88 725	97 228	9.6%	103 317	108 064
% of Admin Budget	69%	70%	68%	62%	65%		66%	66%
Average No of employees	59	67	71	86	92		92	92
Building rentals	3 543	4 020	3 964	5 045	6 200	22.9%	6 572	6 966
Building Utilities	1 032	1 400	1 123	1 344	1 435	6.8%	1 579	1 650
Audit fees	4 187	4 900	4 979	5 999	6 452	7.6%	6 746	7 083
Landlines G Cellphones	1 111	868	1 206	1 648	1 856	12.6%	1 876	1 961
Research	1 380	-			-		-	-
capex/depreciation	1 661	3 547	2 945	4 800	4 800	0.0%	4 980	5 516
Board fees	3 480	4 400	4 300	4 300	4 498	4.6%	4 915	5 137
Outsourced services	3 317	5 018	8 264	19 372	15 000	-22.6%	14 000	12 000
Marketing and Comms	651	1 720	979	4 510	4 320	-4.2%	4 517	6 522
Travel	457	1 432	1 137	1 050	1 100	4.8%	1 500	1 568
Other	3 867	563	2 361	6 835	7 103	3.9%	7 447	8 343
Total	**80 07G**	**G3 003**	**G6 G78**	**143 628**	**14G GG3**	**4.4%**	**157 448**	**164 810**

Discretionary Programmes

There has been no decision reached yet in regard to a new mandatory grant and therefore new discretionary grant percentage. The draft SETA grant regulations published for comment proposed to reduce this to 34%. The BANKSETA budgeted at the current legislated 49.5% level for discretionary grants as the draft SETA grant regulations are still to be finalised and gazetted. The discretionary budget is made up of the 49.5% budgeted discretionary levy income plus unspent administration expenditure, budgeted unclaimed mandatory grants and interest received from the investment. The discretionary programme expenditure budget amount will be used to fund programmes in line with NSDP and in line with the BANKSETA strategic plan and annual performance plan. The APP will detail the individual projects to be covered along the main category split shown above. Individual project charters will be tabled at the board showing the number of learners, cost per learner, target, delivery method etc. These main categories of DG are included in the APP as shown in FIGURE 24.

FIGURE 24: CATEGORIES OF DG AS INCLUDED IN THE APP



8.3 Description of the Strategic Planning Process

The BANKSETA views Strategic Planning as a process and not an event. The skills planning process undertaken for the development of the Sector Skills Plan forms the foundation for the Strategic Planning activities. A detailed research agenda informs the skills planning process. Research outputs form the structure and content for the development of the Sector Skills Plan. The findings from the skills planning process as reflected in the Sector Skills Plan guide the Strategic Planning Process. An analysis of the change drivers, national priorities and sectoral priorities is key to the development of strategies for the BANKSETA. Research is conducted in full consultation with the BANKSETA's stakeholder constituency. The consultation takes the form of one-on-one meetings, various committees, focus group workshops and information-sharing sessions.

The Annual Strategic Planning Session held from 15 to 17 July 2024 was an opportunity for the BANKSETA management and board to meet and discuss strategic issues, under the guidance of a specialist facilitator with a role to guide discussions and assist in mapping the way forward. This is intended to inform the updates required to the Strategic Plan and the Annual Performance Plan, as required under the Public Finance Management Act.

8.4 Board as the owner of the strategy

The strategy is owned by the Board and implemented by Management; hence, strategy value add is achieved when both parties are involved in the process. The Board forms the highest level of authority in the governance of the BANKSETA. The Board is constituted of an equal number of employer and employee representatives from the sector; and three Ministerial representatives. Under the guidance and scrutiny of the Board, the CEO strategically aligns resources to achieve the organisation's objectives most efficiently. The four overarching roles and responsibilities of the Board as provided for by the King IV Code of Corporate Governance are as follows:

- Providing strategic direction;
- Approving policies to effectuate strategy
- Providing informed oversight for strategy implementation and performance, and
- Accountability and Corporate disclosures

Part C: Measuring Our Performance

G. Institutional Performance Information

The institution has four programmes for which resources are mobilised to fulfil its mandate. The programmes are Administration, Skills Planning, Learning Programmes and Quality Assurance.

Programme 1: Administration
Purpose: To provide leadership, strategic management and administrative support to all activities of the BANKSETA ensuring effective engagement with all stakeholders.

Programme 2: Skills Planning
Purpose: To ensure that appropriate and relevant research and benchmarking studies are conducted to provide input into the development of a high-quality and credible Sector Skills Plan and the Strategic Plan for the BANKSETA.

Programme 3: Learning Programmes
Purpose: To enter into agreements with relevant stakeholders to implement a range of interventions to support skills development initiatives.

Programme 4: Quality Assurance
Purpose: To develop sector-specific occupational-based qualifications/Part-Qualifications/ Skills Programmes.

G.1 Measuring Impact

Impact statement	A transformed, skilled and competent workforce contributing to economic and employment growth in South Africa.

G.2 Measuring Outcomes

The strategic focus of the BANKSETA in the next five years is to develop a credible skills intelligence system for the Banking and Alternative Banking Sector. This informs the institution of the skills that are needed by the sector so that programmes are responsive to the skills needs of the sector. The beneficiaries of the skills development programmes come from the different sectors of society ensuring that the employees in the sector and the unemployed people are trained on critical skills. The focus will also be on developing occupational qualifications to ensure that the workforce becomes certified, competent and fit for purpose.

To ensure that the programmes offered by the SETA are inclusive, the beneficiaries are disaggregated into race, gender, youth and people with disabilities during reporting. The disaggregated information, where applicable, is shown in the Technical Indicator Descriptors of the appropriate indicator. The different outcomes have indicators used to measure the achievement of those outcomes.

Outcome	Outcome Indicator	Outcome Indicator Baseline [2]	5-year target	Responsible Programme
An efficient SETA that complies with legislation and good corporate governance principles. Sub outcome: 1.1 Digitised Information Systems	1.1 Percentage Implementation of the BANKSETA ICT Strategy	New Indicator	100%	Programme 1: Administration
An efficient SETA that complies with legislation and good corporate governance principles. Sub outcome: 1.2 Financial Resources Used Efficiently	1.2 Audit Outcome from Auditor General South Africa	Unqualified Audit Outcome with material findings	Clean audit outcome in the final year of the strategy	
	1.3 Percentage of Mandatory Grants Claimed	96%	97%	
An efficient SETA that complies with legislation and good corporate governance principles. Sub outcome: 1.3 A Competent BANKSETA Workforce	1.4 Percentage of Integrated Talent Management Strategy Implemented	New Indicator	100%	
An efficient SETA that complies with legislation	1.5 Percentage of Marketing and Communication Strategy Implemented	New Indicator	100%	

[2] The baselines for the outcomes were determined based on the aligned objectives of the 2020-2025 Strategic Plan and the outcomes of the revised Strategic Plan

Outcome	Outcome Indicator	Outcome Indicator Baseline [2]	5-year target	Responsible Programme
and good corporate governance principles. Sub outcome: 1.4 Brand Positioned to the Target Market				
2 A Credible Skills Intelligence System for the Banking and Alternative Banking Sector.	2.1 Approved Annual Sector Skills Plan	Approved SSP Reports	One Approved SSP Report per annum	Programme 2: Skills Planning
	2.2 Percentage of Levy Paying Companies Submitting Workplace Skills Plans	New Indicator	40%	
	2.3 Number of research reports completed	40	15	
3 Learners Representative of society Benefit from Diverse Skills Development Opportunities	3.1 Number of unemployed learners completed learnership programmes	2 740	4 600	Programme 3: Learning Programmes
	3.2 Number of employed learners completed learnership programmes	6 105	6 500	
	3.3 Number of unemployed learners completed internship programmes	2 097	4 780	
	3.4 Number of employed learners who completed skills programmes	2 250	2 366	
	3.5 Number of unemployed learners completed skills programmes	1 384	2 200	
	3.6 Number of unemployed learners granted bursaries completed their studies	2 584	4 015	
	3.7 Number of employed learners granted bursaries completed their studies	2 377	2 400	
	3.8 Number of students who completed their WIL placements	4 330	8 855	
	3.9 Number of transformational targets achieved for unemployed beneficiaries	New Indicator	4/4	

Outcome	Outcome Indicator	Outcome Indicator Baseline [2]	5-year target	Responsible Programme
	Black=85%, Female=54%, Youth= 60%, People with Disabilities =4%			
	3.10 Number of enterprises (small and emerging) and cooperatives benefited from alternative banking interventions	501	500	
	3.11 Number of companies registered by unemployed learners that benefited from entrepreneurship training	New Indicator	50	
4 A Certified, Competent and Fit for Purpose Workforce	4.1 Number of submissions to QCTO for Occupational Qualifications/ Part-Qualifications/Skills Programmes	10	10	Programme 4: Quality Assurance
	4.2 Number of learners certified with BANKSETA qualifications.	16 000	17 000	

***Note**: The BANKSETA strives to work towards achieving transformational imperatives in the banking sector by ensuring that training programmes follow the transformational goals set. This resulted in the targets set above for women, blacks, youth and people living with disabilities. By deliberately disaggregating the data in this format, BANKSETA ensures that this can be monitored and reported on.*

G.3 Explanation of Planned Performance Over the Five-Year Planning Period

An efficient SETA that complies with legislation and good corporate governance principles

To support the vision of the BANKSETA, the institution has embarked on an Organisational Design (OD) Study to determine an optimal operating model for the institution. The OD study made recommendations that included a new organogram that is envisaged to ease the capacity constraints when implemented. 90% of the positions in the organisational structure will be filled and maintained at that level for the remainder of the planning cycle. The institution's processes will be digitised to support the implementation of projects which will be executed as part of the overall ICT Strategy. The target is to implement 100% of the ICT Strategy by 2030.

The audit outcome from AGSA forms part of the strategy to ensure that financial resources are utilised efficiently to support projects. The institution is planning to receive positive audit results throughout the next five years of the strategy. In order to achieve this, the institution has developed an Audit Action Plan. This plan details the actions that will assist the institution in achieving the desired audit outcomes. The Action Plan covers five main areas of concern which include Discretionary Grants Commitments Inaccuracies, Discretionary Grants expenditure in the wrong year impacting payables, Related Parties inaccuracies, Fruitless and Wasteful Expenditure from projects not recorded and AoPo inaccuracies.

Other focus areas include developing and implementing the Marketing and Communication Strategy with a target of 100% in the last year of the strategy.

A Credible Skills Intelligence System for the Banking and Alternative Banking Sector

The implementation of relevant skills development programmes that respond to the needs of the banking and alternative banking sector is anchored on credible research that provides intelligence on workforce dynamics in the sector. In order to provide credible skills intelligence for the sector in line with the NSDP outcome 1 and MTDP 2024 – 2029 priorities 1 and 2, the SETA will focus on conducting research to identify occupations in high demand; and ensuring that recommendations from the studies are implemented with clear timelines. The number of Workplace Skills Plans (WSPs) submitted by the sector has been declining in the last five years and poses a risk to the skills planning ambitions of the SETA. In the next planning cycle, the SETA is planning to put measures in place to arrest the downward trend and subsequently increase the Workplace Skills Plans submitted, especially by small companies. Some of the key targets for the 2025 – 2030 include:

- Increase the percentage of levy-paying companies submitting WSPs to 40%.
- Ensure that the annual reviews of the Sector Skills Plan (SSP) meet the minimum requirements as per the SSP Framework.
- Conduct research that informs skills planning for the SETA.
- Relevant skills development programmes.

Learners Representative of society Benefit from Diverse Skills Development Opportunities

At the core of the SETA operations is the implementation of skills development initiatives that drive the mandate of the BANKSETA. In the next five years, the institution is targeting over 34,700 beneficiaries who are expected to complete workplace-based learning (WBL) programmes to support MTDP 2024 – 2029 Priority 2 as well as the NSDP. The throughput rate in the different programmes is expected to increase from the current rate of 74% to 77% to ensure that the set target is achieved within the capacity of the SETA. The 34,000 beneficiaries are allocated to the different categories of WBL programmes as follows:

- Work Integrated Learning – 8,855.
- Learnerships – 11,100 (4,600 unemployed beneficiaries).
- Bursaries – 6,415 (4,015 unemployed beneficiaries).
- Skills Programmes – 3,566 (1,200 unemployed beneficiaries).
- Internships – 4,780.

The internship programme is made up of a number of projects that are aimed at implementing the priorities of the government and the sector. These include the three-year internship project that will form part of the efforts to implement the SETA Integrated High Impact Programmes (SIHIP) and other policies.

Further targets are set for females, youths and people with disabilities as stated in the National Skills Development Strategy (NSDS III) as follows:

- Women – 54%.
- Blacks – 85%.
- Youth – 60%.
- People with disabilities – 4%.

A Certified, Competent and Fit for Purpose Workforce

The institution is expected to provide support to the sector by ensuring that occupational qualifications are developed in line with the QCTO requirements and the qualifications are approved and made available to the different sectors. The targets for the next five years include submission of Occupational Qualifications/ Part-Qualifications/Skills Programmes to the QCTO for approval in line with the NSDP. These submissions include new occupational qualifications as well as the realignment of the Pre-2009 BANKSETA qualifications to occupational qualifications.

The impact

The SETA aims to contribute towards a transformed, skilled and competent workforce contributing to economic and employment growth in South Africa and this will be realised by implementing programmes that are informed by research findings and recommendations. This, in turn, will ensure that the beneficiaries of the BANKSETA programmes are competent and fit for purpose to meet the skills demand of the sector and the entire economy. The outcomes identified together contribute to the realisation of the impact, which in turn also aims to contribute towards some of the NDP outcomes, which include education, skills development and rural development.

10. Key Risks

Outcome	Key Risk	Risk Mitigation
A Credible Skills Intelligence for the Banking and Alternative Banking Sector.	Ineffective monitoring and evaluation of learning programmes	• Set up the Monitoring and Evaluation Unit by implementing the OD study report • Develop the monitoring and evaluation system for the BANKSETA. • Ensure utilisation of the budget allocated for monitoring and evaluation of learning programmes during the project implementation.

Outcome	Key Risk	Risk Mitigation
		• Conduct impact assessment and track and tracer study post implementation of learning programmes.
An efficient SETA that complies with legislation and good corporate governance principles: Digitised information system	BANKSETA is susceptible to cyber-attacks/threats	• Strengthen cybersecurity protocols and defences, including firewalls, back-up, data encryption, and regular security audits.
	IT systems are not effectively supporting business needs	• Invest in modern IT infrastructure and tools. • Automate manual processes. • Align IT systems with business objectives to enhance operational efficiency and support strategic goals. • Streamline our grant processes through the use of technology to reduce the time it takes to finalise applications. Finalise the development of ICT strategy for 2025-2029.
An efficient SETA that complies with legislation and good corporate governance principles: Financial resources used efficiently	Ineffective contract management and inadequate expenditure management	• Acquire additional capacity to enhance contract and expenditure management processes. • Enable stakeholders to report on MIS (Automation of contract and expenditure management processes to limit manual processes) • Cancelling nonperforming contracts dating back to previous financial years. • Redirecting funds to projects that have a capacity to absorb additional funding. • Improve monitoring, evaluation and reporting of learning programmes
Learners Representative of society Benefit from Diverse Skills Development Opportunities	The upward trend of the unemployment rate, number of NEET (Not Employment, Education and training) and livelihood crisis	• Conduct labour market research and implement recommendations of the research report

Outcome	Key Risk	Risk Mitigation
		• Increase DG funding for unemployed youth (internships, learnerships, Work-integrated Learning, Skills programmes and bursaries) and entrepreneurial programmes • Support government initiatives (Economic Reconstruction and Recovery Plan(ERRP), the Presidential Youth Employment Initiative(PYEI) and the district development model project.
An efficient SETA that complies with legislation and good corporate governance principles: Competent BANKSETA workforce	Misaligned organisational structure (post approval of OD structure).	• Monitor the effectiveness of the new OD Structure to identify any gaps that need to be addressed. • Enhance skill and career growth by promoting continuous learning and development, tailored to the organisation's needs.
An efficient SETA that complies with legislation and good corporate governance principles: Financial resources used efficiently	Duplicate funding across SETA	• SETAs working on setting up a centralised system that cuts across SETAs to proactively detect duplication of funding of beneficiaries • Continue with ensuring that learners complete a declaration form and submit an affidavit to confirm that they are not receiving funding from other SETAs on similar programme
A certified, competent and fit-for-purpose workforce	Inability to adapt to the scale and pace of required skills changes in the banking industry	• Provide support to the sector by ensuring that occupational qualifications are developed in line with the QCTO requirements, and the qualifications are approved and made available to the sectors. • Conducting research to identify occupations in high demand; and ensure that recommendations from the studies are implemented

11. BANKSETA's Response to the District Development Model

The BANKSETA Board has already approved a budget of more than R 96 million in support of District Development Model Projects. The purpose of this project is to support the District Development Model with skills development. The district municipalities are Capricorn, Xhariep, Lejweleputswa and Zululand with another three still to be identified.

The District Development Model Project is aligned with the following NSDP outcomes:

- Outcome 3: Improving the level of skills in the South African workforce
- Outcome 6: Skills development support for entrepreneurship and cooperative development

The BANKSETA District Development Model Project is being implemented in the following municipalities:

Project description 2021-2024	District Municipality	Project leader	Social partners
Entrepreneurial Development	Capricorn	Shaun Starr	TBA
End User Computer skills Entrepreneurial Development Environmental Practice Food Security IT Technical Support	Xhariep	Shaun Starr	TBA
End User Computer skills Entrepreneurial Development Environmental Practice Food Security IT Technical Support	Lejweleputswa	Shaun Starr	TBA
Learnership Internship Training of Cooperatives Entrepreneurial Development	Zululand	Shaun Starr	TBA

For the 2025/2026 year, the Rural Skills Development Project (Sub Programme 3.15) is allocated a further R10 million to support the DDM.
The BANKSETA is also planning to extend its District Development Model projects to the following District Municipalities:

- OR Tambo, (Eastern Cape)
- Frances Baard (Northern Cape)
- Bojanala (Northwest)

12. Public Entities

Not applicable to the BANKSETA

Part D: Technical Indicator Description (TID)

Indicator Title	1.1 Percentage Implementation of the ICT Strategy
Definition	On an annual basis, the ICT Strategy is developed or reviewed and approval is sought from the BANKSETA Board. This indicator measures the extent to which the ICT strategy was implemented annually.
Source of data	ICT Strategy Implementation Report with percentage of achievement.
Method of calculation	Quantitative: (Number of milestones achieved over the total number of milestones planned)
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	As per the set target
Indicator Responsibility	Head of ICT

Indicator Title	1.2 Audit Outcome from Auditor General South Africa
Definition	Ensure that the entity maintains compliant provisioning systems, accurate and prompt capturing of transactions, sound financial management and reporting in line with legislation, accounting standards and good governance.
Source of data	Audit opinion from the AGSA
Method of calculation or assessment	Qualitative
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	Achieve the desired Audit outcome
Indicator Responsibility	Chief Financial Officer

Indicator Title	1.3 Percentage of Mandatory Grants Claimed
Definition	Ensure that the BANKSETA achieves a high percentage of employer participation in WSP processes, the WSP/ATR submissions are approved, BANKSETA complies with legislation on payment of mandatory grants, and also raises accurate provisions.
Source of data	Monthly management accounts
Method of calculation or assessment	Percentage of mandatory grant expenses compared to mandatory levy income
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	As per the set target
Indicator Responsibility	Chief Financial Officer

Indicator Title	1.4 Percentage of Integrated Talent Management Strategy Implemented

Definition	On an annual basis, the Integrated Talent Management Strategy is developed or reviewed and approval is sought from the CEO. This indicator measures the extent to which the Integrated Talent Management Strategy was implemented annually.
Source of data	Integrated Talent Management Strategy Implementation Report with percentage of achievement.
Method of calculation	Quantitative: (Number of milestones achieved over the total number of milestones planned)
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	As per the set target
Indicator Responsibility	Manager: Human Resources

Indicator Title	1.5 Percentage of Marketing and Communication Strategy Implemented
Definition	On an annual basis, the Marketing and Communication Strategy is developed or reviewed and approval is sought from the CEO. This indicator measures the extent to which the Marketing and Communication Strategy Implemented was implemented annually.
Source of data	Marketing and Communication Strategy Implemented Report with percentage of achievement.
Method of calculation	Quantitative: (Number of milestones achieved over the total number of milestones planned)
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	As per the set target
Indicator Responsibility	Manager: Marketing and Communications

Indicator Title	2.1 Approved Annual Sector Skills Plan
Short Definition	To ensure that the approved SSP is submitted to the DHET on the due date
Source of data	Approved SSP signed by the Board Chairperson
Method of assessment	Qualitative: Approved SSP signed by the Board Chairperson
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	Approved SSP
Indicator Responsibility	Head: Strategy and Research

Indicator Title	2.2 Percentage of Levy Paying Companies Submitting Workplace Skills Plans
Definition	This indicator measures the number of levy-paying organisations that submitted their Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs).
Source of data	List of large firms with approved WSP / ATR Submissions SARS Levy file

Method of calculation or assessment	(The number of organisations submitted WSPs / ATRs divided by the number of active levy-paying organisations in the sector) X 100
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	Achieve or exceed the target
Indicator Responsibility	Manager: Skills Development

Indicator Title	2.3 Number of research reports completed
Definition	A research report, reports on the findings of a research project. To measure the number of research reports completed. These reports are either research completed through research conducted internally, contracted Research Partners, PhD research outcomes funded through BANKSETA bursary, BANKSETA-funded programmes with research outputs or other research partnerships outputs.
Source of data	Research reports placed on www.bankseta.org.za or a portfolio of research reports
Method of calculation or assessment	A simple count of the number of research reports completed
Assumptions	Functional website
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	Increased number of papers
Indicator Responsibility	Head: Strategy and Research

Indicator Title	3.1 Number of unemployed learners completed learnership programmes
Definition	To measure the number of learners completing the BANKSETA learnership programme
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Simple Count
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	National
Desired Performance	Number of Learners completing as per the current APP
Indicator Responsibility	Manager: Youth Development

Indicator Title	3.2 Number of employed learners completed learnership programmes
Definition	Number of employees selected by their Employers to complete Learnerships
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Performance is calculated (quantitative) - Simple Count
Assumptions	
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A

Desired Performance	Increased completions on the Programme
Indicator Responsibility	Manager: Skills Development

Indicator Title	3.3 Number of unemployed learners completed internship programmes
Definition	The number of unemployed beneficiaries completing programmes that fall within the definition of an internship programme
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Simple Count
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	National
Desired Performance	Number of Learners completing as per the current APP
Indicator Responsibility	Manager: Youth Development

Indicator Title	3.4 Number of employed learners who completed skills programmes
Definition	Number of employees selected by their Employers to complete Registered Skills Programmes / Registered Part-Qualifications
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Performance is calculated (quantitative) - Simple Count
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	Increased completions on the Programme
Indicator Responsibility	Manager: Skills Development

Indicator Title	3.5 Number of unemployed learners completed skills programmes
Definition	The number of unemployed learners completing programmes that fall within the definition of Skills Programmes / Registered Part-Qualifications
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Simple Count
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Reporting cycle	Quarterly
Desired Performance	Number of Learners completing as per the current target
Indicator Responsibility	Manager: Youth Development

Indicator title	3.6 Number of unemployed learners granted bursaries completed their studies
Definition	The number of learners that successfully complete the full qualification, through bursary funding
Source of data	Quarterly Performance Information Report

Method of Calculation or assessment	Simple count
Assumptions	Performance Information may relate to learners who have already completed (settlements)
Disaggregation of beneficiaries	N/A
Spatial transformation	N/A
Desired performance	Actual performance that is higher than targeted performance is desirable because that will indicate that more learners met the assessment criteria and are awarded the certificates
Indicator responsibility	Manager: Bursaries and Work-Integrated Learning

Indicator Title	3.7 Number of employed learners granted bursaries completed their studies
Definition	Number of employees selected by their Employers to complete a programme through BANKSETA Bursaries
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Performance is calculated (quantitative) - Simple Count
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	Increased completions on the Programme
Indicator Responsibility	Manager: Skills Development

Indicator Title	3.8 Number of students who completed their WIL placements
Definition	The number of learners who complete WIL opportunities and Work Integrated learning encourage learners to gain valuable workplace experience and are pre-requisites for the completion of a learning programme
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Count of completions
Assumptions	None
Disaggregation of beneficiaries	N/A
Spatial transformation	N/A
Desired Performance	Actual performance that is higher than targeted performance is desirable because that will indicate that more learners are completing WIL successfully
Indicator Responsibility	Manager: Bursaries and Work-Integrated Learning

Indicator Title	3.9 Number of transformational targets achieved for unemployed beneficiaries: Black=85%, Female=54%, Youth= 60%, People with Disabilities =4%,
Definition	The indicator measures the number of transformational targets met by the BANKSETA. This is calculated based on the total number of all beneficiaries of unemployed programmes.

Source of data	Quarterly Performance Information Report
Method of calculation or assessment	A simple count: • 1 if Black >=85%, • 1 if Female >=54%, • 1 if Youth >= 60%, • 1 if People with disabilities >=4% The number of transformational targets achieved equals the sum of the above
Assumptions	None
Disaggregation of beneficiaries	N/A
Spatial transformation	N/A
Desired Performance	Achieve all the targets
Indicator Responsibility	CEO's Office

Indicator Title	3.10 Number of enterprises (small and emerging) and cooperatives benefited from alternative banking interventions
Definition	To ensure that enterprises (small and emerging) and cooperatives have the necessary business skills to sustain their businesses. The training is meant to benefit the institutions.
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Simple count
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	Increased number of beneficiaries
Indicator Responsibility	Manager Alternative Banking

Indicator Title	3.11 Number of companies registered by unemployed learners that benefited from entrepreneurship training
Definition	To measure the success of entrepreneurship training, beneficiaries who register businesses will be reported
Source of data	Quarterly Performance Information Report
Method of calculation or assessment	Simple count
Assumptions	None
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	MoU is implemented successfully, and skills of the sector are enhanced
Indicator Responsibility	Manager: Alternative Banking

Indicator Title	4.1 Number of submissions to QCTO for Occupational Qualifications/ Part-Qualifications/Skills Programmes
Definition	The development and submission of Occupation-based Learning Programmes.

Source of data	Curriculum and qualification documents for Occupational Qualification/Part-qualifications/ Skills Programme
Method of calculation or assessment	A simple count of submissions
Assumptions	Business needs from the sector for the development of Occupational Qualification/Part-qualifications/ Skills programme
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired Performance	The minimum number is achieved by the end of Q4.
Indicator Responsibility	Manager: Quality Management

Indicator Title	4.2 Number of learners certificated on BANKSETA qualifications
Definition	To measure the number of learners who receive BANKSETA registered qualifications.
Source of data	Certification report from MIS
Method of calculation or assessment	Simple Count of the certificates issued
Means of verification	Certificates
Assumptions	Learners will continue to register for legacy qualifications with the last date of enrolment of 30 June 2026
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly
Desired Performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Manager: Quality Management