BANKSETA STRATEGIC PLAN

2020-2025

ENABLING SKILLS DEVELOPMENT IN THE BANKING AND MICROFINANCE SECTOR

INVESTORS IN PEOPLE

List of Acronyms

AET	Adult education and training
CBDA	Co-operative Bank Development Agency
FAIS	Financial Advisory and Intermediary Services Act
FET	Further Education and Training
FSCA	Financial Sector Conduct Authority
HEI	Higher Education Institutions
HET	Higher education and training
AB	Alternative Banking
IT	Information technology
MFI/s	Micro Finance Institution/s
MFSA	Micro Finance South Africa
MTSF	Medium Term Strategic Framework
MTEF	Medium Term Expenditure Framework
NEET	Not in Employment, Education or Training
NGO	Non-Government Organisations
NQF	National Qualifications Framework
NSDP	National Skills Development Plan
NSF	National Skills Fund
NVC	New Venture Creation
PIVOTAL	Professional, Vocational, Technical and Academic Learning
RE	Regulatory Exam
RPL	Recognition of prior learning
QCTO	Quality Council for Trade and Occupations
SAQA	South African Qualifications Authority
SETA	Sector education and training authority
SMEs	Small and micro enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WSP	Workplace Skills Plan

Foreword by the Chairperson of the Board

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 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 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 2020/21 to 2024/25). 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. BANKSETA adopts a results-based planning model aligned to the Balanced Scorecard 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. BANKSETA's focus is on achieving outcomes, implementing output measurement, learning from past experiences, benchmarking best practice, and reporting on performance.

The BANKSETA recognises the need to be proactive in developing a clear skills 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 ensures 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 2020/2021 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

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 2020/2021 to 2024/2025.
- Has responded to DHET recommendations of 16 October 2019 and reflects these changes.

Tendai Sithole Signature: _____

Manager: Finance

Christine Fritz Signature: _____

GM: Operations (Planning)

Lefaso Motsoeneng Signature: _____

Chief Executive Officer (Acting)

Nosipho Mia Makhanya Signature: _____

BANKSETA Board (Chairperson)

Approved by:

_____ Signature: _____

Executive Authority

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Part A: Our Mandate

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; 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 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 market and employers find qualified employees in a fair and equitable framework

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 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
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; to integrate those strategies within the National Qualifications Framework contemplated in the South

	African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-financing scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
Skills Development Levies Act, 1999 (Act No 09 of 1999)	Provides for the imposition of a skills development levy; and for matters connected therewith.
South African Qualifications Authority Act, 1995 (Act No 58 of 1995)	Provides for the development and implementation of a National Qualifications Framework and for this purpose to establish the South African Qualifications Authority; and to provide for matters connected therewith.
The National Qualifications Framework Act, (Act No. 67 of 2008)	Provides for the National Qualifications Framework; to 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; and to provide for matters connected therewith.
Employment Equity Act, 1998 (Act No 55, 1998)	The main purpose of the Employment Equity Act is to achieve equality in the workplace by: 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.
Public Finance Management Act (Act No 29 of 1999)	Regulates financial management in the national government; to ensure 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; and to provide for matters connected therewith. In terms of section 76(4) (c), to empower the National Treasury to determine regulations for procurement.
Supply Chain Management Policy	There are four major objectives in the policy adopted by Cabinet. These are to: • Transform government procurement and provisioning practices into an integrated SCM function; • Introduce a systematic approach for the appointment of consultants;

	• Create a common understanding and interpretation of the preferential procurement policy; and • Promote the consistent application of 'best practices' throughout the government's supply chain.
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.
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. It sketches the policy context for supporting frameworks, such as National Treasury's Framework for Managing Programme Performance Information and Statistics South Africa's South African Statistics Quality Assurance Framework. It is further supplemented by an outline of the legislative mandates of the various stakeholders charged with its implementation. It also provides a section on principles which will guide future implementation initiatives. This Policy Framework is applicable to all entities in the national, provincial and local spheres of government.
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.

Strategy and Policy Mandate

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

Strategy/Policies	Applicability
National Development Plan (NDP)	The National Development Plan commonly known (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.
White Paper for Post-School Education and Training	The White Paper sets out strategies to improve the capacity of the post-school education and training system to meet South Africa's needs. It outlines policy directions to guide the DHET and the institutions for which it is responsible in order to contribute to building a developmental state with a vibrant democracy and a flourishing economy. Its main policy objectives are: • 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; • expanded access, improved quality and increased diversity of provision; • a stronger and more cooperative relationship between education and training institutions and the workplace; • 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.
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'.
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.
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 incentives on 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 FET Colleges
Youth Employment Accord	The parties to this Accord agree to implement a coordinated youth employment strategy (YES) from 2013, aimed at bringing significantly larger numbers of young people into employment, using a combination of measures.
7 priorities to take South Africa forward	Education, skills and health;

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 was 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%.

3. Institutional Policies and Strategies over the Five Year Planning Period

For the next five years the BANKSETA implementation will be guided by the following policies and strategies:

- National Development Plan
- National Skills Development Plan
- National Skills Accord

Part B: Our Strategic Focus

The BANKSETA strategic focus is on the following:

- The identification of priority skills in the sector through a credible skills planning process
- The distribution of mandatory grants to qualifying registered companies
- The distribution and management of discretionary grants that will benefit the sector at large as well as beneficiaries within the sector
- The implementation of quality assurance processes that will enhance and ensure quality provision of training that falls within the scope of the BANKSETA
- Supporting the implementation of applicable national strategic objectives as identified in the National Skills Development Plan (NSDP).

4. The BANKSETA Vision

The BANKSETA is recognised as a Centre of Excellence and innovation for Human Resource Development in the banking sector.

5. BANKSETA Mission

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

6. Values

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

- treat all people with respect;
- strive to constantly up our game and perpetual dissatisfaction with the status quo is our mantra;
- treat the customer as “king”;
- strive to upgrade our information base by benchmarking and following world-class principles;
- celebrate diversity as it strengthens our cultural fabric;
- act with integrity towards all stakeholders, and support clients that uphold the same values; and
- we are a seamless team in the service of our customers

7. Situational Analysis

The scope of coverage of the BANKSETA, as approved and set out in the Government Gazette Notice No. 265 of 20 March 2000 and the SETA re-establishment scope for the period 2020 – 2030 is as follows:

- Central Banking;
- Other Monetary Intermediation;
- Activities of holding companies;
- Trusts, funds and similar financial institutions;
- Financial leasing;
- Other credit granting and micro-lending;
- Other financial service activities, except insurance and pension funding activities

Environmental challenges associated with BANKSETA Performance

Fourth Industrial Revolution (4IR)

According to the World Economic Forum (WEF), the Fourth Industrial Revolution is changing the way we live, work and think. It is bringing with it the rapid advancement of technologies, especially those related to advanced robotics, artificial intelligence, and machine learning. As technology becomes invisible it shapes the lives of young adults and workers across the globe, erasing borders and allowing people to work from anywhere. Work is no longer a place you go and requires interdisciplinary thinkers that can be creative, think critically and solve problems as they arise. These are just some of the top 10 skills the World Economic Forum has identified as being essential for success over the next decade. The 4th industrial revolution is here to stay.

The Skills Gap

As the need for the future skills economy evolves to become more interdisciplinary with critical soft skills becoming essential, organizations will need to adopt a new approach to learning. The public sector needs to consider how to better prepare students for future work-integration based on skills-of-the-future today.

Higher education and organizations both need to prepare the next generation for the mindset of lifelong learning. Lifelong learning can take many forms including attending events such as conferences, team workshops, innovation challenges, as well as taking skills courses and certifications.

This shift also needs to take into account how we assess a prospective employee's qualifications. No longer is a degree sufficient, now the future employer will recognise the individual's portfolio of work, which may include start-up pitches, code projects or creative designs that can take on many forms from data visualizations to illustrations.

What happens with employment?

The characteristics of the fourth Industrial Revolution are destined to bring about different impacts on employment, which are no longer confined to one industry, but all industries. At the same time, a lot of jobs will disappear, but there will be a lot of new job requirements. It is expected that more than 65% of children entering primary school today will end up working in completely new jobs that currently do not exist when they enter the workplace 15 years from now. As the changes brought by social media, digital publications and e-commerce, the most

in-demand occupations did not exist 10 or even five years ago. According to the Future of Employment report, around 47 per cent of total US employment is in the high-risk category. People may be more concerned about what types of jobs are at high risk? What jobs will be safe in the future?

Retrenchments by banks in South Africa

Major banks in South Africa have been retrenching employees due to the closure of branches. Banks have attributed their retrenchment process to the emergence of the Fourth Industrial Revolution (4IR).

Surprisingly, the major drivers of the retrenchment at the banks are digitalisation and automation which are key elements of the 3rd Industrial Revolution. Therefore, there is an argument that states that banks are using the 4IR as a scapegoat.

This argument further states that banks have been aware for years, if not decades, of the digitization trends in the banking industry around the world and how those impact certain jobs. As such, they could have prepared their employees for this long before it was necessary to retrench staff.

Sensitizing their staff in time could have facilitated exploring various re-skilling opportunities and in some cases, the employees could have made alternative plans and preparations being fully aware that their jobs are soon to be redundant.

Implications of retrenchment to the BANKSETA and mitigation mechanisms

The Retrenchment of employees by banks has serious implications for the BANKSETA as this may have serious implications on the amount of levy BANKSETA receives from the employers.

As a mechanism to deal with this challenge, BANKSETA has ring-fenced R59.5 million for its reskilling programme that will particularly focus on retrenched employees.

Funding for 4IR related programmes

Appointment of BANKSETA Research Chairs

In 2018, the BANKSETA appointed three Research Chairs that are as follows:

- Durban University of Technology (DUT)
- University of Witwatersrand (Wits)
- Rhodes University

In appointing the Research Chairs, BANKSETA aims to provide cutting-edge research that will bring about feasible solutions to the challenges facing the banking and alternative banking sector

Durban University of Technology (DUT) Research Chair.

The main focus of the DUT as a Research Chair was to conduct the impact of the 4IR on skills development. So far, the Research Chair has produced the following research reports:

- Report 1: Drivers of Change Report
- Report 2: Aligning the Banking Sector to National and Sectoral Priorities
- Report 3: 4IR Skills Forecast Report

- Report 3: 4IR Skills Forecast Report
- Influences of the 4th Industrial Revolution on the Banking landscape in South Africa: Skills Forecast for the banking sector in South Africa
- Fintech Development in South Africa
- Post School Education and Training and 4IR
- GIS Mapping

Wits Research Chair
Wits has conducted the following 4IR projects for the BANKSETA:

- Occupational Analysis in Banking: Jobs for Occupations
- Develop a Set of Occupations in Cybersecurity
- Just Transitioning of the banking sector with a focus on digitalisation and sustainability on the nature of jobs
- Analytical and Conceptual Alignment of Skills, Jobs, Occupations, Knowledge and Work

7.1 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, Micro-financiers 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 the 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 holds 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 household 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 expenditure 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 following Standard Industrial Classification Codes:

Table 1: SIC Code Classification

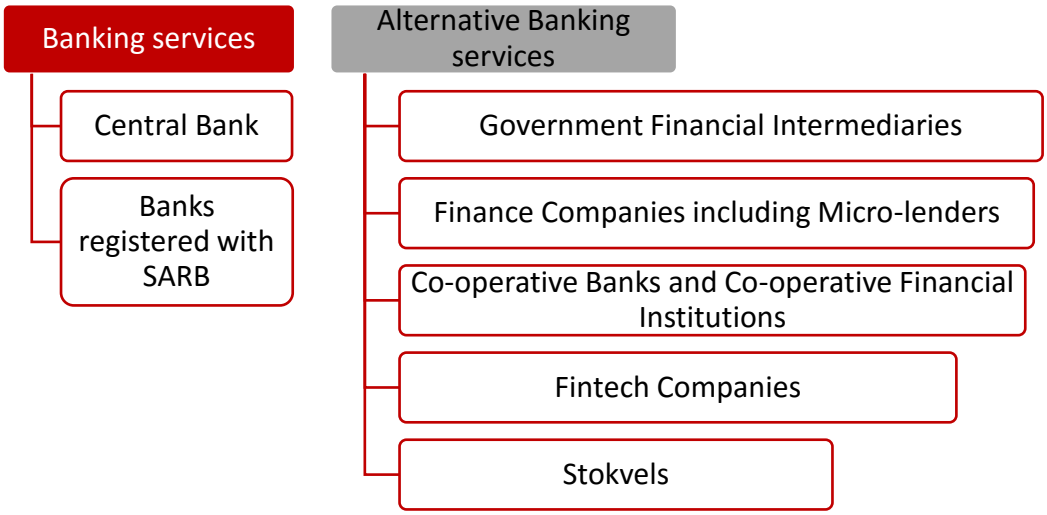
Code	Type	Description
64110	Central Banking	This class includes: • issuing and managing the country's currency, • monitoring and control of the money supply, • taking deposits that are used for clearance between financial institutions, • supervising banking operations, • holding the country's international reserves, and • acting as banker to the government.
64190	Other monetary intermediation	This class includes the receiving of deposits and/or close substitutes for deposits and extending of credit or lending funds. The granting of credit can take a variety of forms, such as loans, mortgages, credit cards, etc. These activities are generally carried out by monetary institutions other than central banks, such as: • banks, • savings banks, • credit unions, • postal giro and postal savings bank activities, • credit granting for house purchase by specialised deposit-taking institutions, and • money order activities.
64200	Activities of holding companies	This class includes the activities of holding companies, i.e. units that hold the assets (owning controlling-levels of equity) of a group of subsidiary corporations and whose principal activity owns the group. The holding companies in this class do not provide any other service to the businesses in which the equity is held, i.e. they do not administer or manage other units.
64300	Trusts, funds and similar financial entities	This class includes legal entities organised to pool securities or other financial assets, without managing, on behalf of shareholders or beneficiaries. The portfolios are customised to achieve specific investment characteristics, such as diversification, risk, rate of return and price volatility. These entities earn interest, dividends and other property income, but have little or no employment and no revenue from the sale of services. This class includes: • open-end investment funds,

		• closed-end investment funds, • trusts, estates or agency accounts, administered on behalf of the beneficiaries under the terms of a trust agreement, will or agency agreement, and • unit investment trust funds.
64910	Financial leasing	This class includes leasing where the term approximately covers the expected life of the asset and the lessee acquires substantially all the benefits of its use and takes all the risks associated with its ownership. The ownership of the asset may or may not eventually be transferred. Such leases cover all or virtually all costs including interest.
64920	Other credit granting	This class includes financial service activities primarily concerned with making loans by institutions not involved in monetary intermediation, where the granting of credit can take a variety of forms, such as loans, mortgages, credit cards etc., providing the following types of services: • granting of consumer credit • international trade financing • provision of long-term finance to the industry by industrial banks • money lending outside the banking system • credit granting for house purchase by specialised non-depository institutions • pawnshops and pawnbrokers.
64990	Other financial service activities, except insurance and pension funding activities, NEC	This class includes: • other financial service activities primarily concerned with distributing funds other than by making loans including factoring activities, writing of swaps, options and other hedging arrangements and activities of viatical settlement companies • own-account investment activities, such as by venture capital companies, investment clubs, etc.

Source: BANKSETA SSP 2019

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 it's 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.

Figure 1: Sub-Sectors in Banking



Source: BANKSETA SSP 2019

The functions of the BANKSETA under the Skills Development Act as outlined in its Constitution include the following:

- Develop a sector skills plan within the framework of the National Skills Development Plan for the BANKSETA;
- Implement the sector skills plan by:
  - approving workplace skills plans;
  - establishing learning programmes;
  - allocating grants in the prescribed manner to employers, education and training providers and employees; and
  - monitoring education and training in the sector.
- Promote workplace-based learning by:
  - identifying workplaces for practical work experience;
  - support the development of learning materials;
  - improving the facilitation of learning; and
  - assisting in the conclusion of learning programme agreements.
- Disburse the skills development levies in the banking and alternative banking sector in terms of the Act and the Skills Development Levies Act;
- Liaise with the National Skills Authority as well as other SETAs
- Report to the Director-General on the implementation of its sector skills plan and its income and expenditure;
- Liaise with employment services of the Department of Labour and any educational body established in terms of educational laws of South Africa to improve the quality of information about employment opportunities; and between education and training providers and the labour market.
- Appoint office bearers and staff necessary for the performance of its functions;
- Facilitate the involvement of the relevant government departments in the activities of the Authority to:
  - address the competency requirements for social delivery;
  - address the learning needs of the most vulnerable segments of the sector;
  - promote training SMEs to enable them to qualify for public contracts.

- Perform any other duties imposed by the Act or any other function not specifically mentioned, to fulfil the objectives of the BANKSETA and the Act;
- Notwithstanding the above functions and objectives, the Authority must at all times give effect to the purposes of the Act, being:
    - to develop the skills of the South African workforce;
    - to increase the levels of investment in education and training in the labour market and to improve the return on that investment;
    - to encourage employers:
        - to use the workplace as an active learning environment;
        - to provide employees with opportunities to acquire new skills;
        - to provide opportunities for new entrants to the labour market to gain work experience; and
    - to encourage workers to participate in learning programmes and other training programmes;
- to improve the prospects of persons previously disadvantaged by discrimination and to redress those advantages through training and education; to ensure the quality of education and training in and for the workplace;
- to provide and regulate employment services;
- to assist:
    - work-seekers to find work;
    - retrenched workers to re-enter the labour market;
    - employers to find qualified employees.
- to forge links with stakeholders and bodies in the banking sector;
- account for the effective and efficient use of public monies received from levies collected from employers, in line with the provisions of the Public Finance Management Act; and
- Report to the Minister through the Director-General of the Department on matters related to the BANKSETA.

7.1.1 Key Role-players (Service Providers)

(a) Central Bank

In South Africa, the South African Reserve Bank (SARB) plays the role of the central bank. It fulfils both the functions of a monetary authority as well as a regulatory body. The central bank, among other things, issues banknotes and coin, conducts monetary policy, provides credit to banks, manages South Africa's foreign exchange reserves, supervises and regulates the banking sector, and acts as the lender of last resort to the banking system. The Corporation for Public Deposits accepts call deposits from the public sector and invests the funds in short-term money market instruments, including Treasury bills.

(b) Banks

A bank is a public company (Limited) registered as a bank in terms of the Banks Act 94 of 1990. The business of a bank is the solicitation and advertising for, and the acceptance of, deposits from the general public on a regular basis and the utilisation of deposits accepted. Banks are classified as follows:

- South African Registered Banks: Locally Controlled
- South African Registered Banks: Foreign Controlled

- South African Registered Mutual Banks: A mutual bank is a juristic person that is registered as a mutual bank in terms of the Mutual Banks Act 124 of 1993.
- South African Branches of Foreign banks

The core banking services offered by most banks include:

- Retail banking services for individual clients in their personal capacity from current accounts, credit cards, personal loans, home loans, vehicle finance and savings and investments
- Business banking services assist businesses with business current accounts, business credit cards, business loans, tailored products and services, business relationship management, small business support including mentorship and network outreach
- Corporate banking supports large-scale organisations both locally and abroad with a range of banking services

(c) Government Financial Intermediaries

This classification includes any subsidiary or entity under the ownership or control of public entities that are engaged in financial intermediation. This classification includes any subsidiary or entity under the ownership or control of the national, provincial or local government that is engaged in financial intermediation. The Public Investment Corporation (PIC) as an example invests funds on behalf of public sector entities, including the Government Employees Pension Fund.

(d) Finance Companies including Micro-lenders

Finance companies are companies established in terms of the Companies Act 71 of 2008, with the specific purpose of obtaining funds in the form of loans, debentures or notes, and with the sole objective of lending or investing these funds again in the form of mortgage loans, hire-purchase and leasing finance. Microlenders (if incorporated) are included in this category.

(e) Co-Operative Banks and Co-operative Financial Institutions (CFIs)

Co-operative banks are member-owned banks based on the co-operative principles of voluntary and open membership, democratic member control, member's economic participation, autonomy and independence, education, information and training, co-operation between co-operatives and concern for the community. The Prudential Authority is responsible for the supervision of all registered co-operative banks, whilst the CBDA is responsible for the training needs of the sector. The Co-operative Banks Act as amended by the Financial Services Regulatory Act 2017 provides that a "co-operative financial institution" means a co-operative that takes deposits and chooses to identify itself by use of the name Financial Co-operative, Financial Services Co-operative, Credit Union or Savings and Credit Co-operative.

(f) Fintech Companies

Financial technology companies, also known as FinTechs are companies that use new technology and innovation with available resources in order to compete in the marketplace of traditional financial institutions and intermediaries in the delivery of financial services. Financial technology companies consist of both start-ups and established financial and technology companies trying to replace or enhance the usage of financial services.

(g) Stokvels and Savings Clubs

Exemption Notice No. 2173 allows informal member-based groups to pool funds and utilise the funds for the benefit of their members on condition that a common bond exists between members within the group, relying on self-imposed regulation to protect the interests of their members. The focus of this exemption notice is on stokvels, CFIs, and employee savings clubs. Such deposit-taking institutions must be affiliated with NACFISA or the National Stokvel Association of South Africa (NASASA), being the self-regulating bodies of the deposit-taking financial institutions operating under this exemption notice. NASASA represents the interests of the stokvels movement in South Africa, and NACFISA is a registered co-operative that represents the interests of CFIs in South Africa.

7.1.2 Key Role-players Groupings

Role-players in the banking sector fall into one of the following groups: Regulatory, Employers, Associations, Professional Bodies and Trade Unions. The table below reflects the role each of these organisations plays in the banking sector.

Table 2: Role-player Groupings (Including other key stakeholders)

Groups	Key Role-players	Role they play
Monetary Authority and Regulatory	South African Reserve Bank	SARB is the central bank of South Africa. It is an organ of statute 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 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.
Regulatory	Financial Services Conduct Authority (FSCA)	The FSCA is tasked with protecting financial customers through supervising market conduct.
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.

Regulatory	Co-operative Banks Development Agency	The CBDA is responsible for the training and support of co-operative banks and co-operative financial institutions
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
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.
Alternative Banking - Associations	Micro-Finance 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.
Alternative Banking - Associations	NACFISA	NACFISA operates as a national representative body and support organisation for all CFIs in all nine Provinces of South Africa.
Alternative Banking - Associations	DMASA/ AMFISA	A non-profit organisation that supports the development of Micro-finance institutions in South Africa.
Alternative Banking - Associations	National Stokvel Association of South Africa (NASASA)	NASASA represents the interests of the stokvels movement in South Africa.
Professional Bodies	Various	Professional Bodies provide members with professional designations, networking, educational, training and information opportunities.
Trade Unions	SASBO - The Finance Union	SASBO - The Finance Union, represents employees in all the major banks and hence serves as the voice of labour within the finance sector.

Source: BANKSETA SSP 2019

7.1.3 Drivers of Change in the Banking Sector

The fourth industrial revolution is at the heart of five key drivers of change impacting the banking sector. The five major change drivers are Digitalisation and Technology; Changing Customer Expectations; Regulation, Risk and Cybercrime; Disruptors in banking and Political, Economic and Societal Shifts.

Driver 1: Digitalisation and Technology

Digital banking is 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 their products and services. Digital technology is rapidly influencing the way customers engage in banking activities.

'Digital' is a collective term which 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 so as to better engage with them is an area that the banks are expected to continue to invest in with a view to strengthening their capabilities through smarter and deeper use of predictive data 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 crypto-currency, which skips banks in the payment process. The four technological advances that are changing the face of banking, for better or for worse are social media, mobile banking, cloud technology and crypto-currency.

Banks traditionally operated in silo channels, with different business areas operating independently of each other. The introduction of open banking will see a new way of banking emerge. It will allow 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. To overcome this, banks must invest in technological capabilities and incorporate the right architecture to respond quickly and drive an agile culture throughout the business. In South Africa, there are reports that some banks have reduced headcount and closed some of their branches this largely being influenced by the deployment of new technologies.

Driver 2: Changing Customer Expectations

In his article, 'Technology: Hunting the Big Four' (2019), Mark Brown argues that the global banking industry is evolving in response to economic pressures, digital innovation and most importantly the changing way their customers use banking and financial services. While their platforms are changing, banks remain relevant. Referring to Bill Gates's famous comment in which he stated, "We need banking, not banks", Mark Brown suggested that Bill Gates should rather have said: "We need efficient, digital banking platforms that focus on clients, not expensive bureaucracies focused on products."

Today's connected consumers have embraced technology to such an extent that it has become an extension of them. Influence of mobile technology, social media, rising customer experience and service expectations and lower switching costs for customers to take their business elsewhere have dramatically changed the competitive landscape for banks. With ready access to information, the influence of online retail experiences and adoption of new technologies, customer expectations are rapidly changing. This is driving a shift in the market and forcing organisations to develop new interaction models that deliver deeper personalised service and improved customer care.

Banks need to put the customer at the heart of the design process and take new products to market quickly. They also need to be more attuned to their customers' needs, determine how they can better engage with their clients, know the products they want and predict what's needed rather than wait and react. This means embracing social media, giving customers more ways to interact with the business, rethinking traditional marketing tactics and mastering analytics. Tech-savvy customers are increasingly seeking a user experience that aligns to their individual needs.

Central to a bank's success in the digital economy is, therefore, the data they accumulate about customers and intelligent ways of processing it. Data is only useful if banks can use it effectively. Banks must ensure they have easily accessible, high-quality data. It is not about the volume of data but its application that will make banks successful. By gathering meaningful insights, they can create audience segmentation and deliver innovative, customised products in a way that appeals to customers. Banks need to reach a point where they understand the needs of the customer, without taking any direct feedback.

Driver 3: Regulatory Changes, Risk and Cybercrime

The 2019 Deloitte Report on Banking and Capital Markets Outlook that cites a growing divergence in global regulatory standards. With such a dynamic regulatory landscape, banks should buckle down and make compliance modernisation a priority focusing particularly on making regulatory systems already in place more efficient for business strategy. Throughout all compliance efforts, banks should prioritise soundness and safety. Regulatory divergence seems to be encouraging experimentation by fintechs and welcoming them to the fold. The OCC announced in July 2018 that it would begin accepting fintech bank charter applications. South Africa is also following the same path and the following regulatory bodies play a critical role in South Africa's regulatory system.

(a) The South African Reserve Bank

The South African Reserve Bank is the central bank of the Republic of South Africa. The primary purpose of the Bank is to achieve and maintain price stability in the interest of balanced and sustainable economic growth in South Africa. The primary function of the Reserve Bank is to protect the value of South Africa's currency. In discharging this role, it takes responsibility for:

- Ensuring that the South African money, banking and financial system as a whole is sound, meets the requirements of the community and keeps abreast of international developments;
- Assisting the South African government, as well as other members of the economic community of southern Africa, with data relevant to the formulation and implementation of macroeconomic policy; and
- Informing the South African community and all stakeholders abroad about monetary policy and the South African economic situation.

(b) Co-operative Banks Development Agency (CBDA)

The Co-operative Banks Development Agency was established to regulate, promote and develop co-operative banking, including deposit-taking and lending co-operatives
The institution was created for the following tasks:

- To register, regulate and supervise co-operative banks
- To promote, register and regulate representative bodies
- To facilitate, promote and fund education and training to enhance the work of co-operative financial institutions
- To accredit and regulate support organisations
- To provide liquidity support to registered co-operative banks through loans or grants, and
- To manage a deposit insurance fund

(c) National Credit Regulator

The National Credit Regulator (NCR) was established as the regulator under the National Credit Act No. 34 of 2005 (The Act) and is responsible for the regulation of the South African credit industry. It is tasked with carrying out education, research, policy development, registration of industry participants, investigation of complaints, and ensuring the enforcement of the Act. The Act requires the Regulator to promote the development of an accessible credit market, particularly to address the needs of historically disadvantaged persons, low-income persons, and remote, isolated or low-density communities. The NCR is also tasked with the registration of credit providers, credit bureaux and debt counsellors; and with the enforcement of compliance with the Act.

(d) The Financial Sector Conduct Authority (FSCA)

The FSCA is the market conduct regulator of financial institutions that provide financial products and financial services, financial institutions that are licensed in terms of a financial sector law, including banks, insurers, retirement funds and administrators, and market infrastructures. The FSCA is responsible for market conduct regulation and supervision. FSCA aims to enhance and support the efficiency and integrity of financial markets and to protect financial customers by promoting their fair treatment by financial institutions, as well as providing financial customers with financial education. The FSCA will further assist in maintaining financial stability.

Driver 4: Disruptors in Banking

Mark Brown (2019) revealed that new competitors in the banking sector have generally begun by targeting niche markets. More recently, competition has evolved from traditional competitors to Fintech disruptors to "big tech" disruptors. These disruptors are revolutionising the banking experience for clients and, if traditional players do not respond, they will continue to capture more of the banking value chain. Many Fintech players have found it difficult to scale up and are increasingly partnering with traditional banks. But "big tech" disruptors have both the financial muscle and ability to grow, presenting a greater threat to traditional banks that do not embrace change and innovation.

Driver 5: Political, Economic and Societal Shifts

The May 2019 election victory by African National Congress (ANC) under the leadership of President Cyril Ramaphosa brought about stability in South Africa and in the Southern African Development Community (SADC) as a whole. Many analysts and major corporations operating in SA's financial services space have expressed positive reactions over the appointment of Cyril Ramaphosa as president of the ANC and the country. Ramaphosa's election as President of the ANC came amidst a crisis in confidence in both the business and consumer sectors. Ramaphosa is well regarded by financial markets and has championed fighting corruption and enhancing policy certainty in a bid to revive economic growth. His personal interest is to secure a stabilising social compact akin to the one he negotiated in 1994 given developments that have left the country economically and socially weaker. Challenges for the new dispensation include allegations that parts of the state have been taken over by corrupt civil servants and some private sector interests, high levels of unemployment and increasingly fractious public debates. During his campaign trail, he moulded his image on the sanctity of the rule of law and on the dictum that social stability hinges on respect of the rule of law. His election as both a President of the ANC and the country was therefore viewed as positive by financial markets (Daily Maverick, 11 June 2019)

7.1.4 Implications for Skills Planning

The key skills change drivers have very serious implications for the skills demand. Drivers of change mean that the skills demanded will also change.

Digitisation and technology - The implications for skills planning are that the skills that will be in demand will be for high skills in computing technology, software development, artificial intelligence, robotics, etc. There will be a need for reskilling employees to meet the changes brought about by digitisation and technology.

Changing Customer Expectations - The implications for skills will focus on the appropriate ways to deal with customer queries and challenges. Customers are changing their expectations of banks and banking services and employees who work with customers must possess skills to communicate effectively with customers and resolve their queries in the shortest possible time.

Regulatory changes, risk and cyber-crime - The implications for skills planning is a greater focus on the new regulatory framework for prudential and conduct authorities, cyber security as a risk that all banks must address by ensuring they have the appropriate skills to manage these risks.

Disruptors in banking The implications for skills planning is that agility skills and skills to develop a multi-disciplinary employee is important. It is also important to develop skills for the fintechs within the banking sector in order for them to provide effective service to the banks.

Political, economic and societal shifts - The implications for skills is mostly within management and leadership ensuring that leaders possess skills to manage their teams in turbulent times ensuring they are capable of leading change within their work environments and to advance transformation in the banking sector.

The change drivers listed above indicate that a change in the occupational landscape is emerging. Many new occupations with a strong technological flair like data management, data analytics and data scientists are emerging in the sector. In addition, the soft skills required are changing to include skills like agility, innovation, creativity, problem-solving, etc. Career fit seems to be the focus in terms of the skills needed in the banking sector where re-skilling and upskilling for new job roles is currently underway.

Based on the change drivers and national priorities, BANKSETA identifies the following as the five key skills change drivers for the 2020/2021 to 2024/25 period:

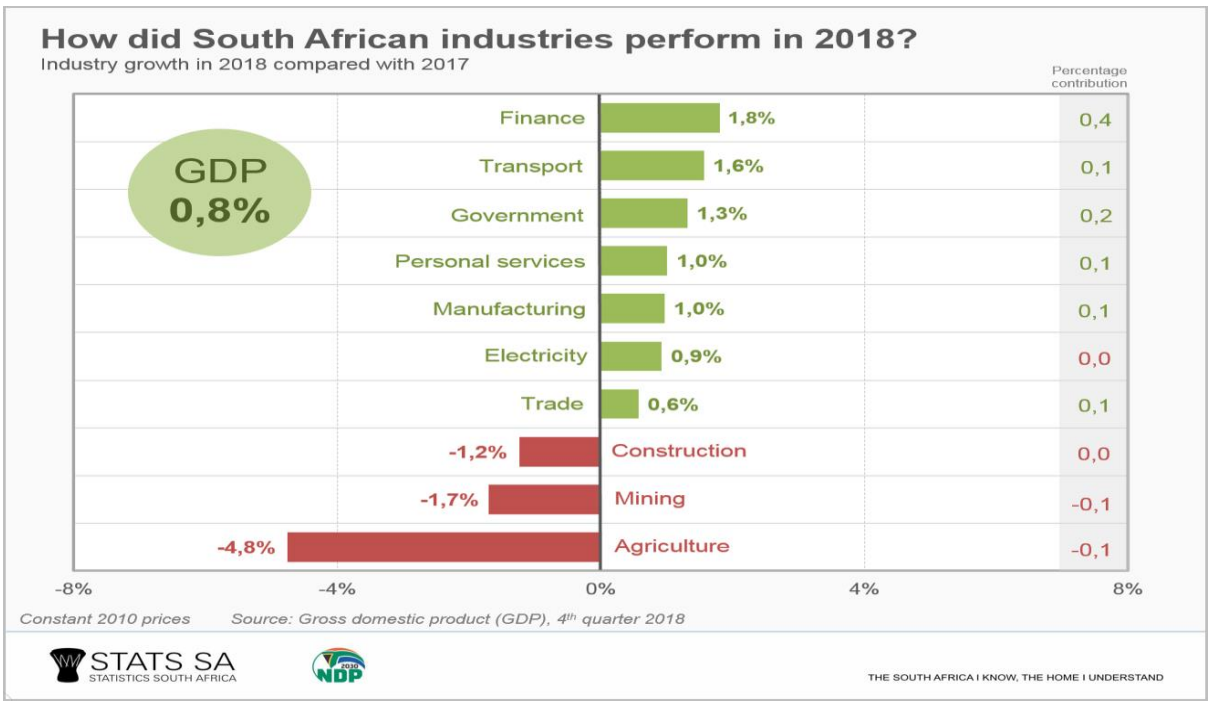
- Technology, Digitisation and Innovation
- Regulation, Compliance and Risk Management
- Management and Leadership Development
- Markets, Products and services
- Customer centricity

7.1.5 Performance Environment

The South African economy grew by 1,4% in the fourth quarter of 2018, contributing to an overall growth rate of 0,8% for the entire year. The latest set of gross domestic product (GDP) figures released by Stats SA provides an overview of economic performance in 2018. South Africa found itself in an economic recession in 2018, it's second since the early 1990s. The 2018 recession spanned the first two quarters of the year, with the economy shrinking by 2,7% in the first quarter and contracting further by 0,5% in the second. Despite the recession, positive growth in the third (2,6%) and the fourth (1,4%) quarters were just enough to push overall growth for the year into positive territory, with the real annual growth rate coming in at 0,8%. This is down from 1,4% in 2017 but up from 0,4% in 2016.
The finance, real estate and business services industry was a strong supporter of overall growth in 2018, increasing by 1,8% during the year. The second-largest contributor to positive growth

was government, which expanded by 1,3%. These two industries contributed 0,4 and 0,2 of a percentage point to the overall growth. Agriculture, mining and construction all stumbled, however. Agriculture, in particular, had a difficult year, registering a contraction of 4,8%. A slowdown in the production of field crops and horticultural products stunted growth in the first two quarters. Mining activity fell by 1,7%. Gold, copper and iron ore were the biggest drags on production in 2018, according to Stats SA's Mining: Production and sales release. Gold production fell by 14,5% in 2018, the biggest annual slump since 2008. Copper production tumbled by 28,5% in the same year, the biggest fall on record since 1981, the year Stats SA started publishing the current series of monthly mining data. The construction industry had its worst year in two decades in 2018, according to the GDP figures. Production slumped by 1,2%, the industry's biggest annual fall since 1999 when activity fell by 1,4%. The industry has struggled to keep its head above water, experiencing its second consecutive year of economic decline in 2018. The mining and construction industries are in a recession. Both industries recorded negative growth in the third and fourth quarters of 2018.

Figure 1: % Contribution to GDP per industry in 2018



Source: Statistics SA QLFS 2018

The World Economic Forum Global Competitiveness Report (2018-2019) states that South Africa ranks 67th globally—with a score of 60.8—and attains the second spot in Sub-Saharan Africa. Among its strengths, South Africa is home to large market size (68.4), goods infrastructuring (68.6) and a well-developed financial system (82.1, 18th). More specifically, South Africa's financial sector offers relatively balanced access to various sources of finance, including credit (100.0, 11th), venture capital (33.0, 63rd), equity (100.0, 2nd) and insurance (100.0, 3rd). In addition, South Africa's innovation capability is relatively advanced (44.3, 46th), although limited by insufficient research and development (37.5).

Among its weaknesses, South Africa's performances on the Health pillar (43.2, 125th) and Security (43.7, 132nd) sub-pillar are among the worst in the world. Driven by a high incidence

of communicable diseases and high rate of homicides (34 per hundred populations,135th), these factors are major challenges for the economic and human development of the country.

Low ICT adoption (46.1, 85th) is another important restraint on South Africa's competitiveness. Only 54% of the adult population has access to the internet, and only 70 out of 100 people have subscribed to mobile-broadband services (66th). Similarly, the digital skills (116th) and critical thinking skills (78th) of the current workforce are inadequate for the progress of a successful economy in the Fourth Industrial Revolution.

In his article, 'Twin Peaks: Filling the gaps, published in Bank Matters: 2019 and Beyond (2019), Kuben Naidoo states that the financial sector affects each and every South African. Banks, in particular, play an important intermediation role in the economy, allocating capital from lenders to borrowers, managing financial risks, facilitating trade and offering access to the payment system. It is critically important that the sector, which contributes about 20% to gross domestic product and employs about 154 000 people, is adequately regulated. The 2008 global financial crisis highlighted the extent to which the financial sector and problems in banks can negatively affect the real economy. The losses associated with the financial crisis were devastating in some developed economies– costing up to an entire year's gross domestic product in some cases. Many banks had to be bailed out by their governments.

The South African financial sector weathered the global financial crisis relatively well, with no major banks or other financial institutions having failed. But this does not mean policymakers and regulators can be complacent, particularly in light of the weaknesses identified in financial sector regulation in the lead up to the crisis and the lessons learnt thereafter.

The 18 registered banks reflect 2018 annual growth as follows:

Table 1: Annual Growth Rates of Registered Banks

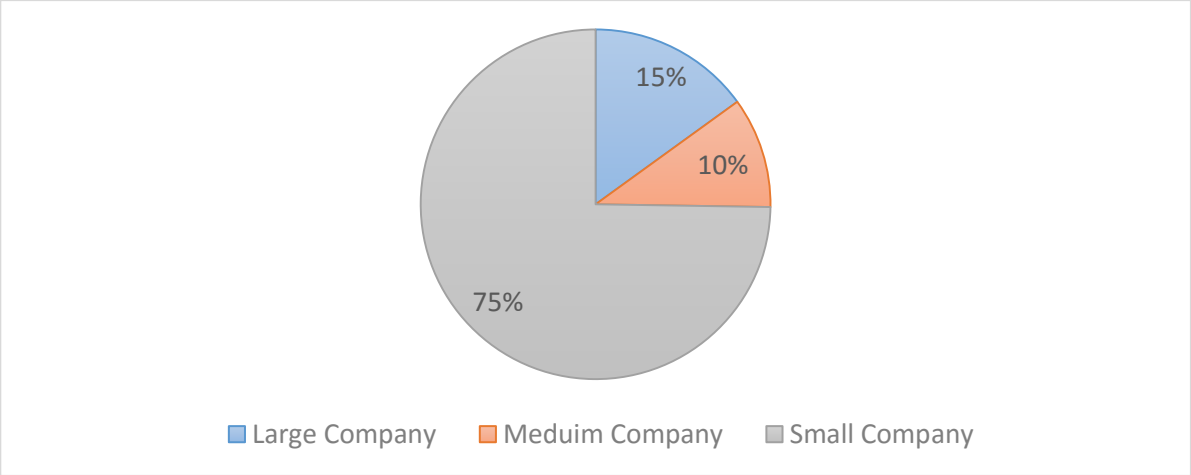
Name of Bank	Annual growth
ABSA BANK LTD	13%
AFRICAN BANK LIMITED (N)	-6%
ALBARAKA BANK LTD	17%
BIDVEST BANK LIMITED	11%
CAPITEC BANK	18%
CITIBANK N.A	-9%
DISCOVERY BANK LIMITED	434%
FIRSTRAND BANK LIMITED	7%
GRINDROD BANK	-34%
HABIB OVERSEAS BANK LTD	31%
HBZ BANK LTD	18%
INVESTEC BANK LTD	8%
MERCANTILE BANK LTD	13%
NEDBANK LTD	6%
SASFIN BANK LTD	4%
THE STANDARD BANK OF S A LTD	10%
TYME BANK LIMITED	27%

SOCIETE GENERALE JOHANNESBURG BRANCH	10%

Source: BANKSETA SSP 2019

According to the SARS Levy data, 764 companies pay skills levy to the BANKSETA. The analysis below is based on the companies that submitted their Annexure 2 data to for 2019, BANKSETA Workplace Skills Plans were received from 499 companies made up of 373 small companies (both levy paying and non-levy paying), 51medium companies and 75 large companies. It must be noted that even though Figure 3 below shows that the majority of employers (75%) come from small companies large companies (15%) still employ 96% of employees in the sector.

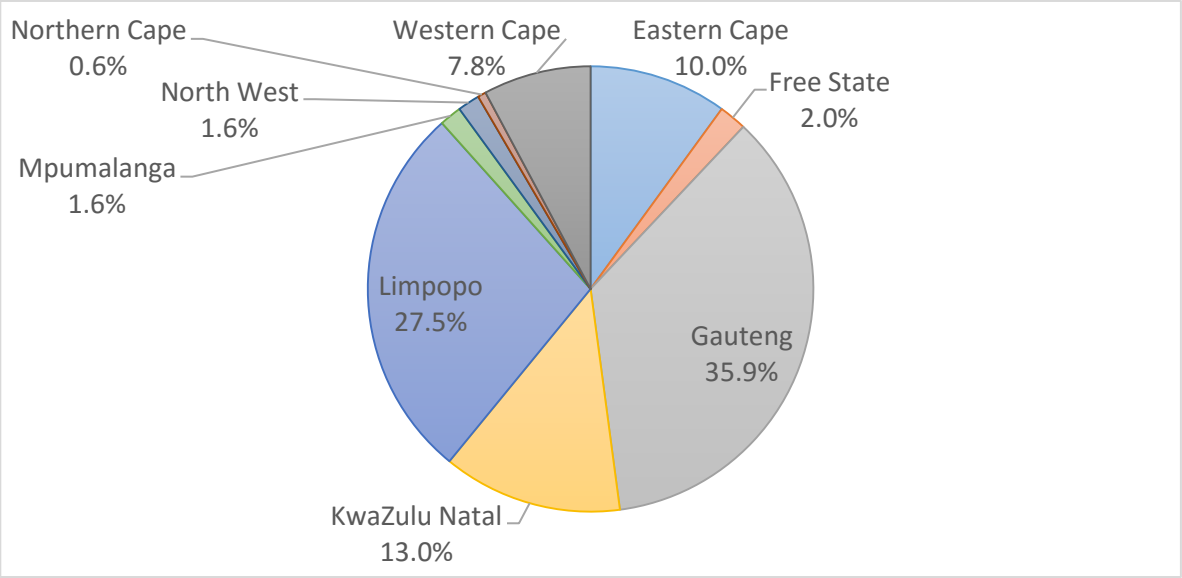
Figure 2: Employer Distribution by to size



Source: BANKSETA SSP 2019

In terms of the geographic distribution of employers across the nine provinces, figure 4 indicates that most employers are based in Gauteng, which is 36%. 27% are in Limpopo while 13% are based in KwaZulu-Natal. This is expected as the big four banks have their head offices in the Gauteng. The province with the least number of employers is the Northern Cape, 0.6%.

Figure 3: Provincial Distribution of Employers

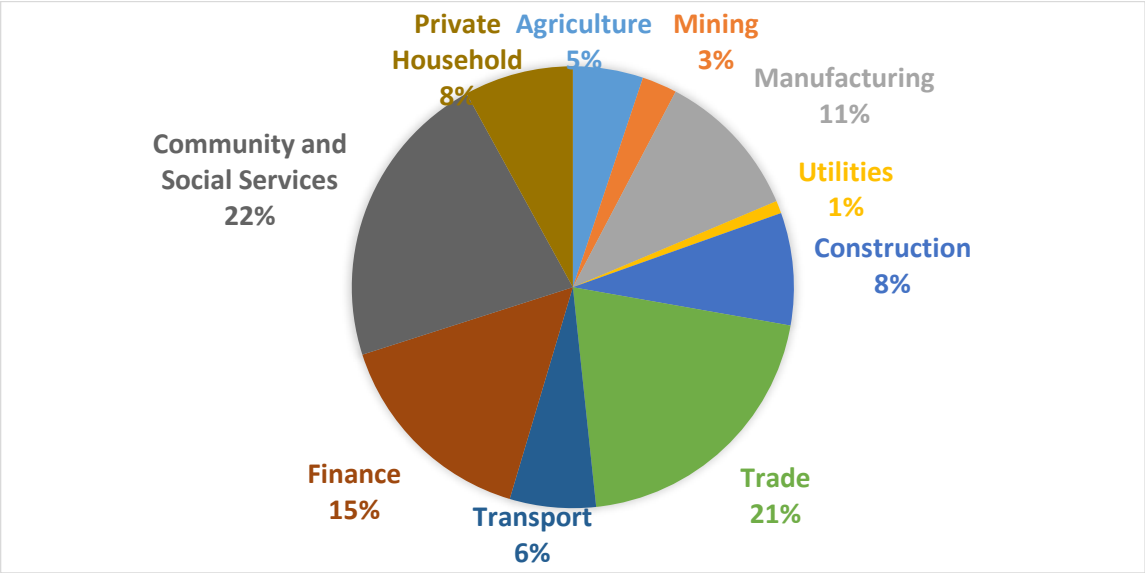


Source: BANKSETA SSP 2019

Labour market profile

In terms of employment on a national scale, the finance sector employed a total of 2, 51 million employees as reported in the 2019 Q1 Quarterly Labour Force Survey (QLFS). The chart below shows the 15% employed by the finance sector.

Figure 4: QLFS Employment Data Q1: 2019

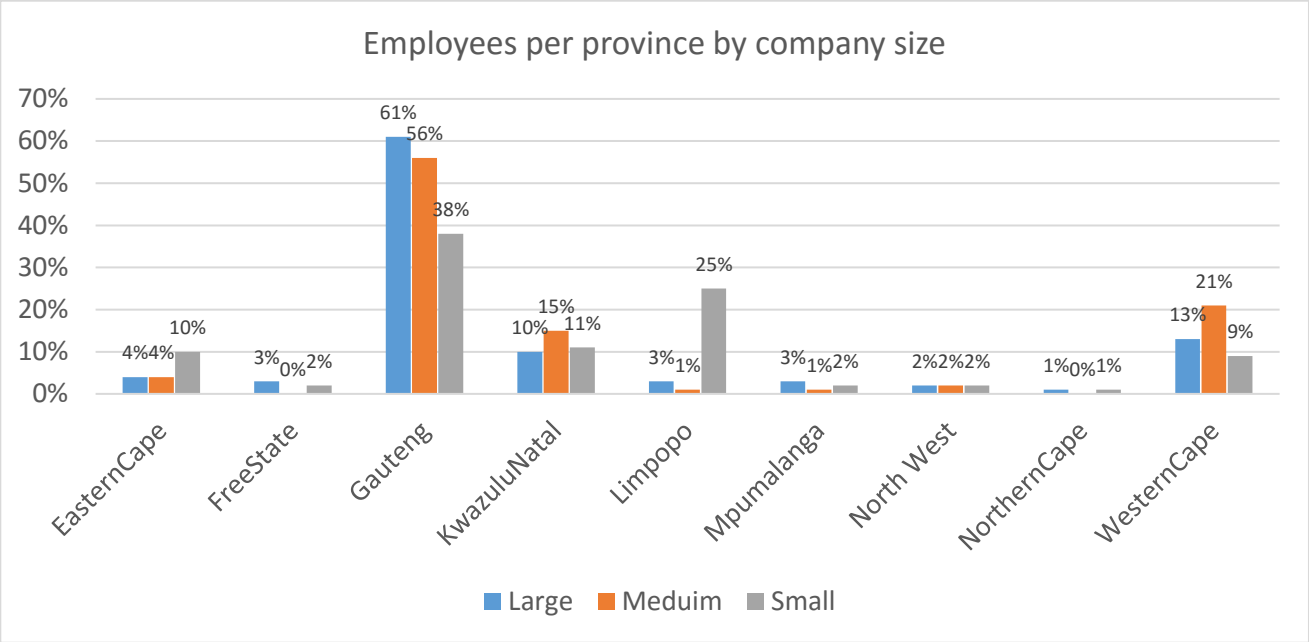


Source: Statistics South Africa, 2019

Profiling of employment in the banking sector requires an analysis of the geographic spread of employees. The largest share of employees is found in the Gauteng province. This is particularly true for large companies (61%), medium (56%) and small (38% which generally would comprise of a high concentration of employees in the head offices located in the large cities of Gauteng. Other provinces representing significant shares of employees include 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 the Limpopo (25%). For Limpopo, this is a dramatic increase as compared to 17% reported in 2018 as this may be attributed to the fact that BANKSETA has a regional office in Limpopo. The 2019 data shows 10% of employees of small companies located in the Eastern Cape provinces. This is a huge decline for the Eastern Cape as compared to the 15% reported in 2018. The causal factors for this dramatic decline will need further investigation.

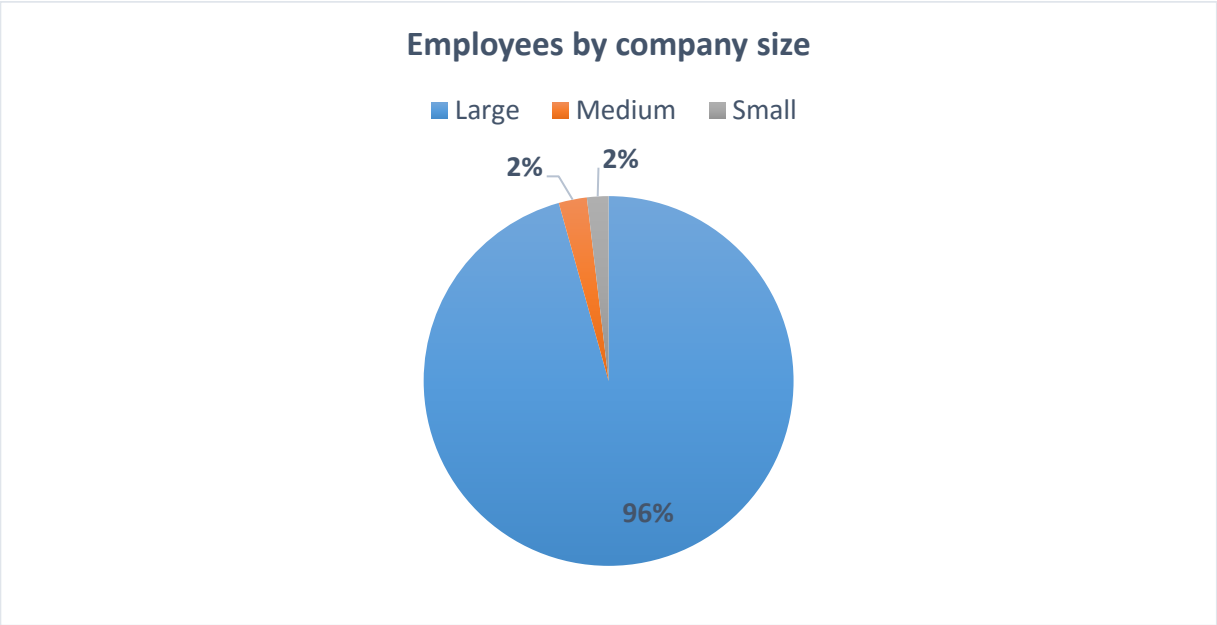
Figure 5: Provincial employer size by the geographical spread of employees.



Source: BANKSETA SSP 2019

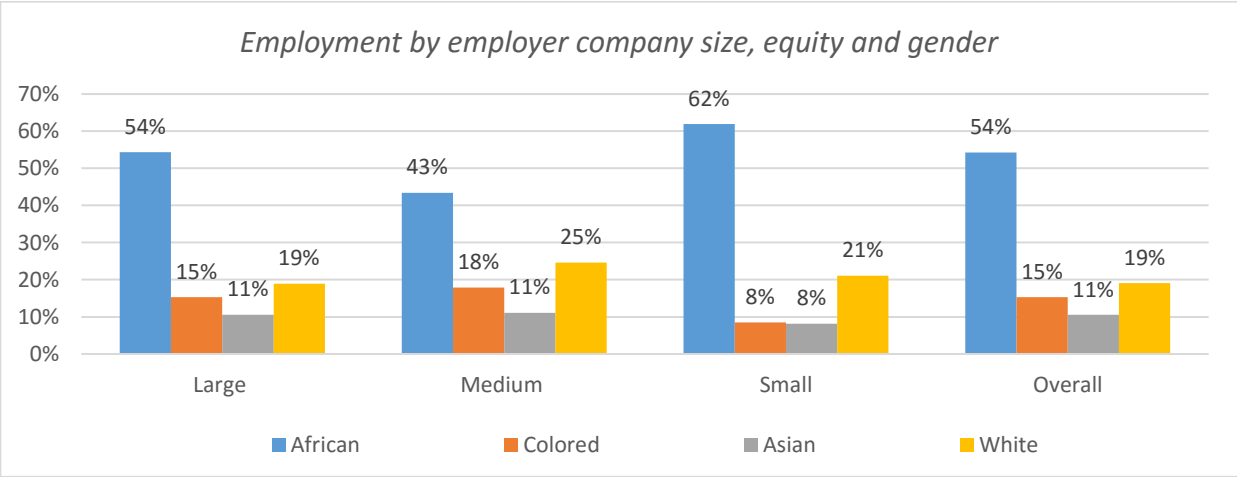
The Workplace Skills Plans (WSP) received for 2019 reflect that the sector currently employs 197 288 and this shows an increase compared to 196 421 reported in 2018. The top five large banks, ABSA, Nedbank, First Rand, Standard and Capitec collectively employ approximately 96% of the labour force. While medium and smaller companies employ 2% respectively.

Figure 6: Employees by company size



Source: BANKSETA SSP 2019

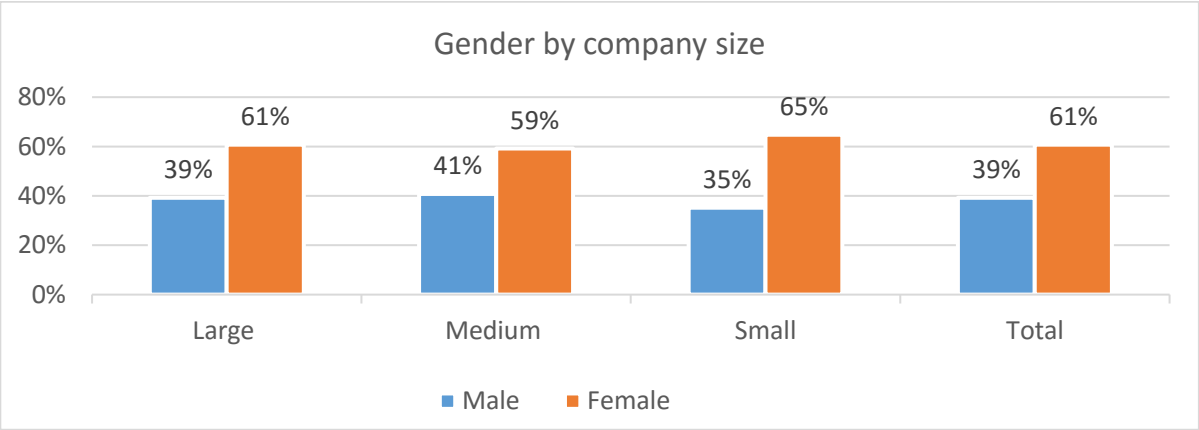
Figure 7: Employment by employer company size, equity and gender



Source: BANKSETA SSP 2019

WSP submissions also allow for the profiling of employees with respect to race. For instance, the histogram above shows that large companies employ 54% Africans (males and females combined, while 15% is Coloured males and females, 11% Asian males and females and 19% White males and females. Both 2019 and 2018 statistics of Africans employed in large companies show 54% and this is an indication that the situation is constant. Statistics show that smaller companies also showed a significant increase in the number of employed Africans while medium companies showed an increase in the number of Whites employed.

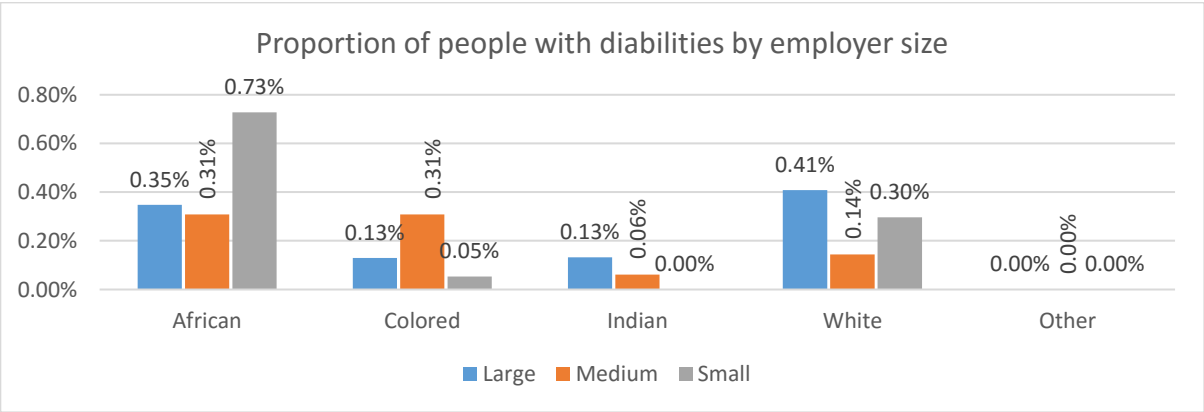
Figure 8: Employment by gender



Source: BANKSETA SSP 2019

WSP submissions also allow for the profiling of employees with respect to gender. Small companies reported significant levels of transformation with 65% females, while large companies reported 61% of females employed and 59% of females employed by medium companies. This brings the number of females employed by all companies to 61% as opposed to the 39% of males employed by all companies (please see Table 4 above).

Figure 9: Employment of people with disabilities by company size



Source: BANKSETA SSP 2019

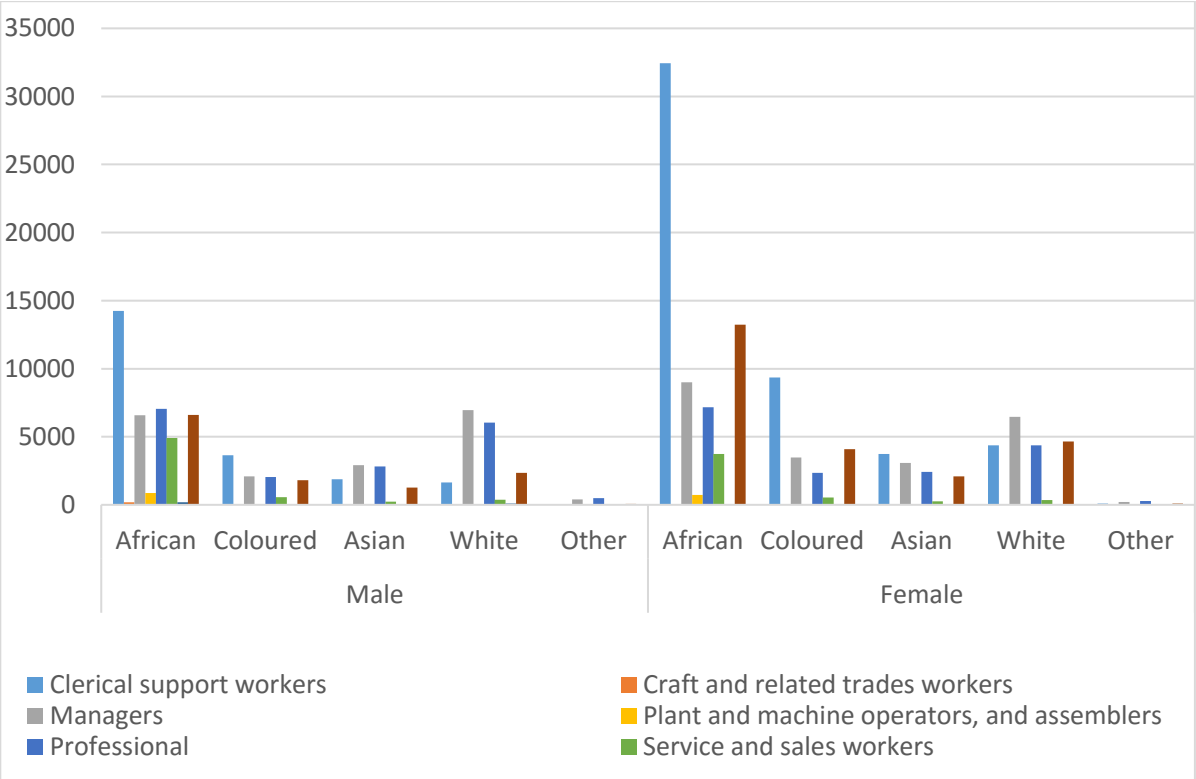
The histogram above depicts the employment status of people with disabilities in different company sizes. The data shows that 0.73% of Africans with disabilities are employed by small companies while 0.41% of Whites are employed in large companies. A proportion of 0.31% Coloureds reportedly employed by medium companies. The data shows a proportion of 0.06% employed by medium companies. The WSP data reflects the levels of education of people with disability as follows: 98% Asians have a post-matric qualification, 98% Whites have a post-matric qualification, 95.5% Coloureds have a post-matric qualification and 97.9% Africans have a post-matric qualification. The sector employs a total of 2 065, a decline as compared to 2018 reported 2 138 people with disabilities. This translates to approximately 1.05% of the total employment population in the sector. This shows a decline as statistics in 2018 reported 1.09%.

This number is small compared to the recommended 4% of national norms. In the 2017/18 reporting period, disabled persons accounted for some 0.36% of all employees in small companies. The largest share of disabled employees is African males (0.2%), followed by White males (0.07%). In medium companies, the largest share of disabled individuals was found in the African (0.34%) and Coloured (0.26%). In large companies, people with disabilities were largely found in the Whites (0.44%) and African (0.39%).

Employment by occupational group

An analysis of employment by broad occupational groups is reflected in the table below. Approximately 71 431 (36%) employees are in the clerical support major occupational group and this is a slightly higher than the 70 000 reported in 2018. Managers also comprise a large number of employees at approximately 41 201 (21%) across a range of management functions and this is slightly higher than the 40 000 reported in 2018. The sector also employs a large number of technicians and associate professionals 36 239 that cuts across racial groups. This is slightly decline compared to the 37 211 reported in 2018. The statistics depict 35 015 professionals employed by the sector. This is a huge increase compared to the 32 363 reported in 2018. The statistics show 10 983 are employed at services and sales and this demonstrates a huge increase compared to 9 670 reported in 2018. The majority of people employed in the services and sales are African males and females. Please see Figure 11 below on employment by occupational groups (based on international standards classification of occupations).

Figure 10: Employment by occupational groups (based on international standards classification of occupations)



Source: BANKSETA SSP 2019

Figure 11 above illustrates the major occupational groups from a demographic perspective. Principle 3 of the National Development Plan, that is, advancing an equitable and integrated labour system put emphasis on contributing towards transformational and developmental imperatives such as gender, race, class, youth, disability and geography. The 2019/2020 data depicts low levels of transformation that has occurred within the banking sector. The data indicate that across occupations, 54% of Africans, 19% of Whites, 15% Coloureds and 10.5% Asians are employed by the sector in 2018/2019.

Out of 118 776 (60%) women employed by the sector, only 22 296 (11%) women across racial groups are in managerial positions. Out of the 22 296 (11%) women in managerial positions only 9008 (5%) of African women in managerial positions, the other 6% cuts across the other races. This is concerning considering that the sector employed 66 382 (34%), African women.
The data depicts that the sector employed 78 512 (40%) males out of 197 288 total population employed. The data also depicts that the sector employed 18 932 (10%) males across races in managerial positions. Out of 18 932 (10%) males in managerial positions only 6 575 (3%) African males are in managerial positions. This is very low considering that 40 621 (21%) African males are employed by the sector. 7% of males in managerial positions cuts across Whites, Coloureds and Asians with white males holding 4% even though their entire population employed in the sector is 17 480 (9%). Out of the 9%, 40% of white males are in managerial positions.

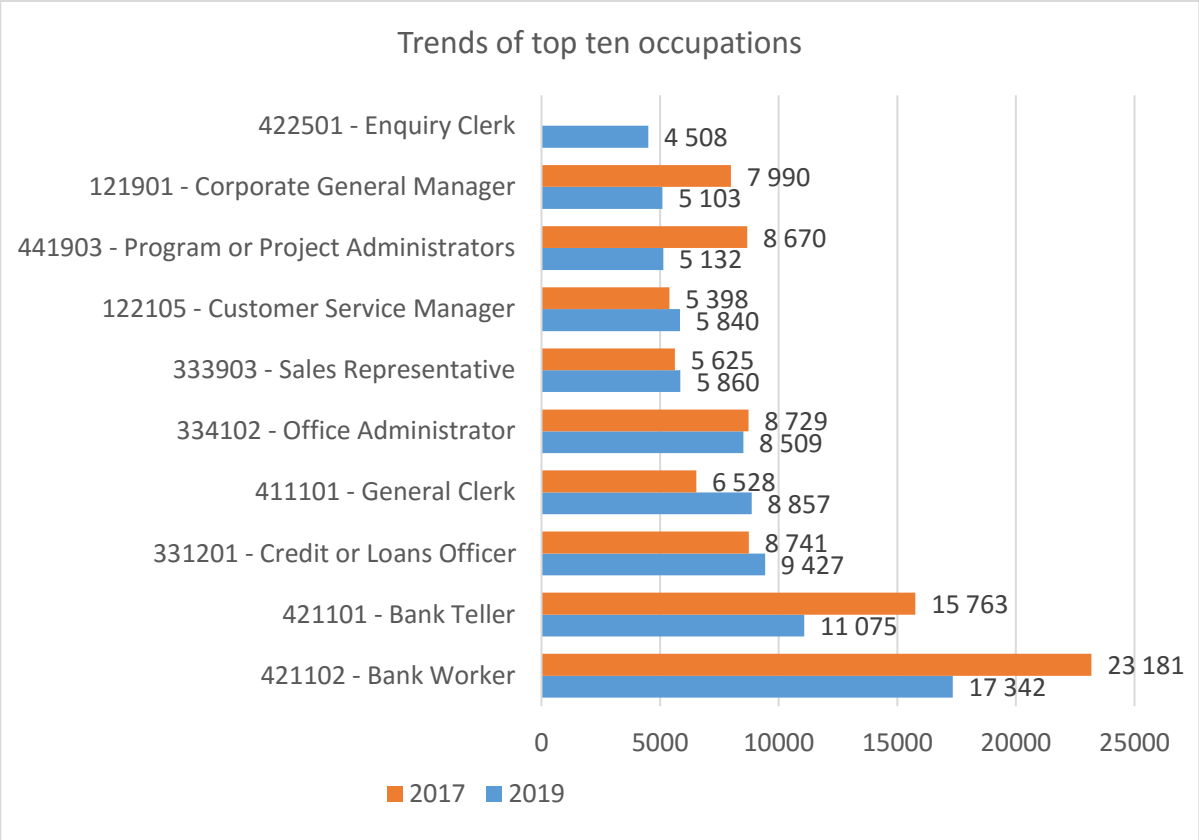
The WSP data reflects the levels of education amongst racial groups as follows: 99.6% Asians have a post-matric qualification,98.8% Whites have a post-matric qualification, 98.7% Coloureds have a post-matric qualification and 97.9% Africans have a post-matric qualification. It is debatable whether the low level of post-matric education amongst Africans is a causal factor for the low number of Africans in managerial positions or whether this is a transformational dilemma.

Professionals

The data depicts that 12 999 (74%) of white males are managers or professionals in the entire banking sector. This means out of 17 480 (9%) of the entire white male population employed only 4 481 is non-professional nor managers and about half of those fall under technician and associate professionals. The data depicts male Asians at 31% at professional, 20 % male coloureds and 17% male African.
The entire female population in the professional category is 16 574 (8%) with 4361 (22%) Whites, (7175) 11% Africans, 2409 Asian (21%) and 2354 (12%) Coloureds. It is imperative that BANKSETA encourage the skills development of these major groups to support the supply of skills in line with the demographic transformation targets laid down in the NSDP.

The examination of occupations within the sector is limited to the top ten occupations to which employees belong. In total, the sector employs its workforce in over 373 different occupations. The full list of occupations and the number of employees in each occupation is available from the SETA. The occupation that employs the largest workforce is the Bank Worker, followed by the Bank Teller. The 2017-2019 data comparison depicts a decline in employment for the top ten occupations but demonstrates an increase in the overall sector employment. This calls for further research to establish the determining factor for the reduction in employment.

Figure 11: Top ten occupations.



Source: BANKSETA SSP 2019

Conclusion

In summary, the banking sub-sector comprises the large organisations that possess a banking licence whilst the Alternative banking sub-sector comprise smaller organisations. The banking sector profile provides an indication that the alternative banking sector is relatively small in terms of revenue generation and GDP contribution but is an important component in the financial services sector. As the sector is highly regulated, a substantial number of role-players exist to ensure compliance to both local and international banking regulations. Other role-players provide support services and represent smaller organisations. The economic performance of the sector provides an indication of a strong well-developed banking sector with local banks performing well on both the top 100 African Banking list as well as globally. This is largely due to a strong asset base. However, the banks have been exposed to downgrades in the past year. The employer and labour market profile provides key learnings on opportunities for skills development. Low levels of transformation based on race, gender occupational discrepancies in managerial and professional positions within the banking sector have been observed. This calls for the skills development of these major groups to support the supply of skills in line with the demographic transformation targets as articulated in the NSDP.

7.2 Internal Environment

BANKSETA is located in Midrand in Gauteng with a regional footprint in Limpopo, Eastern Cape and Free State. It comprises the following core divisions: Skills Planning and Research; Finance incorporating Supply Chain Management and Internal Audit, Governance, Corporate

Services incorporating Communications, Information Technology and Human Resources and the Operations Division that 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.

(a) Service Level Agreement with DHET

On an annual basis, BANKSETA negotiates a set of targets and deliverables to be agreed with DHET. The Service Level Agreement forms the foundation for the development of the Annual Performance Plan as most activities within the SETA is aimed at meeting/exceeding the targets set. The targets provide the benchmark for planning whilst the skills development needs/demands provide guidance in terms of the interventions/programmes/qualifications 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.

(b) 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 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, Executive Committee and Governance and Strategy Committee which assists 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.

(c) Establishment of Committees

In addition to Board Committees, several advisory committees exist to provide expert advice on various aspects to support the delivery mandate. The Sector Skills Planning is supported by the Skills Planning Committee comprising senior managers from the various employer organisations and provides human resource development expertise to inform skills planning. The Skills Development Sub-Committee comprises Skills Development Facilitators/Managers who serve as a link with the various employer organisations and advises 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.

(d) 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 on quarterly. The annual stakeholder satisfaction survey is conducted to evaluate and to ensure continuous improvement and to identify mechanisms to strengthen stakeholder participation and relations.

(e) Balanced Scorecard and Performance Management

To assist in strategy execution, the BANKSETA has introduced a Balanced Score Card, which is directly linked to the approved strategy and the annual performance plan. The Balanced Score Card is proving invaluable assistance in ensuring that all resources are mobilised towards achieving the strategic themes and targets set for the year.

The Balanced Score Card has a dashboard consisting of four key themes and specific measures to map progress. The themes are as follows:

- Stakeholder Perspective: A professional centre of excellence for skills development in the banking and alternative banking industry
- Financial Accountability and Governance Perspective: A cost-effective, well-governed and compliant organisation striving for an optimal return on investment in skills development
- Internal Business Processes Perspective: Seamless, best practice business processes that enable high-quality skills development and credibility
- Learning and Growth Perspective: Performance is driven through a capable and resilient BANKSETA

(f) Human Resources

The approved staff complement of the SETA is 64 persons (currently with 3 vacancies). The recruitment strategy and process ensures that the appropriate expertise is sourced in line with the approved Employment Equity Plan. The table below shows the demographic composition of the BANKSETA employees. The BANKSETA employs 34 (56%) female and 27 (44%) male employees. The majority of staff members are at skilled level positions (33 or 54%). Of the total four senior managers at the BANKSETA, three are female. Currently, there are no employees with disabilities. 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 up-skilled and capable to advise 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 3: The BANKSETA Employment Equity

Level	Male				Female				Total		Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	Male	Female	
Senior Management	1	0	0	0	2	0	0	1	1	3	4
Professionals	4	2	1	0	5	0	1	2	7	8	15
Skilled	15	0	1	0	14	1	1	1	16	17	33
Semi-Skilled	3	0	0	0	4	0	0	0	3	4	7
Unskilled	0	0	0	0	2	0	0	0	0	2	2
Disabled	0	0	0	0	0	0	0	0	0	0	0
Total Permanent	**23**	**2**	**2**	**0**	**27**	**1**	**2**	**4**	**27**	**34**	**61**

BANKSETA Gender-Based Violence (GBV) Status

Currently, BANKSETA does not have GBV Policy nor Framework. All GBV related challenges are addressed through Human Resources policies. BANKSETA will consult with the Department of Higher Education (DHET) in order to take the process forward.

(g) Internal Business Processes and Systems

The BANKSETA has several systems to support its operations including a SETA Management System, a Finance and Purchase Order System, as well as HR and Payroll System. The SETA Management 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 and Purchase Order System 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.

(h) 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 to the Chief Executive Officer.

(i) Materiality and Significance Framework

The Accounting Authority has prepared a materiality and significance framework in terms of the PFMA and Treasury Regulations. BANKSETA is of the view that criminal conduct should not be tolerated within the SETA environment and hence has not included any amount resulting from criminal conduct in the materiality and significance framework. In terms of fruitless and

wasteful expenditure caused by gross negligence or any other circumstance, BANKSETA has taken a very strong view in that fruitless and wasteful expenditure of any kind should not be tolerated within SETA environment and hence BANKSETA has not included any amount arising from fruitless and wasteful occupation-based in the materiality and significance framework. Based on the materiality and significance framework, BANKSETA has set its materiality and significance amount to 0.35% of gross revenue for the 2020/2021 Financial Year based on audited financial results for the previous year.

(j) ICT Governance

IT governance exists to inform and align decision making for Information Technology planning, policy and operations in order to meet business objectives, ascertain that risks are managed appropriately and verify that resources are being used responsibly and strategically. IT Governance continues to feature highly on the agenda within many organisations as Corporate Governance increasingly realises that IT touches every area of the organisation and contributes as an essential enabler of future business opportunities. IT Governance covers the culture, organisation delivery platforms, policies and practices that provide this kind of oversight and transparency of IT. BANKSETA adopted COBIT 5 as the governance framework for effective implementation of IT Governance, and the organisation culture and size are also drivers that need to be considered for governance. IT governance is not an isolated discipline but it is an integral part of overall corporate governance.

(k) 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 National Treasury in accordance with SETA performance management requirements. BANKSETA adheres to the annual compliance calendar requirements and timelines. On an annual basis, the Annual Report is prepared, submitted to Department of Higher Education, Training, Science and Technology, National Treasury and Parliament before it being tabled at the BANKSETA Annual General Meeting.

(l) Monitoring and Evaluation

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. Monitoring and evaluation at a strategic level measure 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.

7.2.1 Financial Environment

The main driver to the revenues and the funds available to BANKSETA is financial performance within the major banks which determines the employee costs on which skills development levy is paid. The banking sector has had solid growth and good performance and all the major banks results show growth above inflation in employee costs. Factors such as payment of bonuses, attrition, new entrants to banks among others impact on levy income leading to levy income differences from month to month.

Inflation Scenario on Revenue and Expenditure

The budget is based on delivering of skills development mandate per the Skills Development Act using similar delivery methods as currently used. The BANKSETA has not budgeted for any special requests for contribution to infrastructure funds.

1. The budget was prepared using a mixture of activity-based and traditional historic cost budgeting methods.
    a. Generally, cost inflation used in this budget has been set at 5.0% for 2019/20 and 5.0% thereafter.

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 p.a. The levy will continue to be allocated as mandatory grants levies - 20%, discretionary grants - 49.5%, and admin at 10% levies and QCTO levies at 0.5% as per legislation.

The collection method through which SARS collects the SDL monthly remains unchanged. There is also no expectation of major changes in the number of big or medium stakeholders in the banking sector except that new banks may enter the market.

The seven-year levy trend is shown below.

Rand millions	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Budget	2019/20 draft
Skills Development levy	568.30	598.69	673.76	660.01	716.92	755.53	790.40
growth	-1.0%	5.3%	12.5%	-2.0%	8.6%	5.4%	4.6%

I. Penalties and interest

The BANKSETA does not traditionally budget for income from penalties

ii) Investment Income

The BANKSETA will continue to invest funds not immediately needed to settle liabilities in the short-term money market. Budgeted return is expected to be 6%. All investment income will be swept to the discretionary reserves for use in discretionary grant projects.

iii) Other income

The BANKSETA does actively search for co-funding for projects. Where opportunities arise for co-funding the SETA will explore such opportunities, especially where collaboration with other SETAs apply.

iv) Admin budget

The main driver is inflation pegged at 5.0% for 2019/20 and 5.0% thereafter except for salary and audit costs. All admin activity will be capped within the admin 10% budget allowed. The QCTO budget will not exceed 0.5% allowed. The main element of administration budget is salaries at 55.8% of the administration budget. Salary increases will be inflation-linked. The BANKSETA currently has 61 employees and plans to reach the approved 64-person staff compliment in 2020/21 and remain at that level going forward. A performance bonus is also payable. While the full 10.5% including QCTO allocation has been allocated to administration expenditure the BANKSETA will strive to remain a lean admin structure and any unused admin budget will be swept into the discretionary grant pool.

v) Mandatory Grants

Mandatory grants expenditure budget is based on 20% of levies. Mandatory grants will continue to be paid quarterly and the claim ratio is expected to remain at 97%.

vi) Discretionary Grants

Discretionary budget is based on 49.5% of levies plus all other income including investment income and unused admin and mandatory grants levies. The BANKSETA will budget for net nil deficit or surplus position.

vii) Capital Expenditure

As per the BANKSETA policy, computer equipment is replaced every three years and certain software licences are renewed on an annual or two-year rotation.

The 2019/2020 Capex costs will be R1.52 million and is expected to increase within inflation in the next year and to be reviewed regularly.

The budget presented will enable the SETA to implement its activities to enhance skills development in the banking sector.

viii) Cost-saving measure

Admin budget was prepared to be within the 10% legislated requirement. Cost containment measures were applied as per the National Treasury directives and the economy is exercised at all levels.

ix) 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 basically 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 2020 -2025 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 counter-parties 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 counter-party exposure by only dealing with well-established financial institutions approved by the National Treasury and the Board. The BANKSETA has an approved investment policy which 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 counter-party. The SETA's concentration of credit risk is limited to the industry (Banking and Financial Services) in which the SETA operates. Due to the negative economic climate, a number of the BANKSETA's stakeholders' credit status' have been downgraded by international rating agencies. 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, Science and Technology. This concentration of risk is limited as SARS and the Department of Higher Education, Science and Technology are government entities with 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.

x) BANKSETA Infrastructure Projects

Direct contribution to the Infrastructure programme is not applicable to the BANKSETA however, the BANKSETA continues to offer entrepreneurship programme that is part of the Systematic Investment Plan-(SIP).

xi) BANKSETA Spatial Plan

The BANKETA Research Chair on Digitalisation and Technology, Durban University of Technology (DUT) has been commissioned to conduct research on a Geographical Information System (GIS). A geographic information system is a system designed to capture, store, manipulate, analyse, manage, and present all types of geographical data. The keyword to this technology is Geography – this means that some portion of the data is spatial. In other words, data that is in some way referenced to locations on the earth.

GIS can be used as a tool in both problem solving and decision-making processes, as well as for the visualization of data in a spatial environment. Geospatial data can be analysed to determine (1) the location of features and relationships to other features, (2) where the most and/or least of some feature exists, (3) the density of features in a given space, (4) what is happening inside an area of interest (AOI), (5) what is happening nearby some feature or phenomenon, and (6) and how a specific area has changed over time (and in what way).

GIS can do the following mapping:

- Mapping where things are: GIS is used to map the spatial location of real-world features and visualize the spatial relationships among them.
- Mapping quantities. GIS is used to map quantities, such as where the most and least are, to find places that meet their criteria or to see the relationships between places.
- Mapping densities. Sometimes it is more important to map concentrations, or a quantity normalized by area or total number.
- Finding what is inside. GIS is used to determine what is happening or what features are located inside a specific area/region. We can determine the characteristics of "inside" by creating specific criteria to define an area of interest (AOI).
- Finding what is nearby. GIS can find out what is happening within a set distance of a feature or event by mapping what is nearby using geoprocessing tools like BUFFER. The Buffer tool is often used in geoprocessing workflows. It is a tool that is particularly sensitive to the coordinate system. Buffer operates in two modes depending on whether the coordinate system is projected (defined by a flat, two-dimensional surface) or geographic (defined by a three-dimensional spherical surface).
- Mapping change. GIS can map the change in a specific geographic area to anticipate future conditions, decide on a course of action, or to evaluate the results of an action or policy.

Once the project is completed, DUT will submit the GIS data for input to the Remote-net, a BANKSETA Management Information System (MIS) that will be used for planning purposes to address transformational matters.

7.3 Description of the Strategic Planning Process

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 guides the Strategic Planning Process. An analysis of the change drivers, national priorities and sectoral

priorities are key to the development of strategies for BANKSETA. Research is conducted in full consultation with BANKSETA's stakeholder constituency. The consultation takes the form of one-on-one meetings, various committees, focus group workshops and information sharing sessions.

The Board plays a crucial role in providing strategic guidance to the BANKSETA management team during the development of the Strategy. A balance of both employer and employee representation ensures that a balanced view is achieved to manage both the demand and supply perspectives to developing the strategy.

Part C: Measuring Our Performance

8. Institutional Performance Information

8.1 Measuring Impact

Impact statement	Relevant sector skills development interventions that are aligned to identified skills priority actions designed to address occupational shortages and skills gaps

8.2 Measuring Outcomes

Outcome	Outcome Indicator	Outcome Indicator Baseline [1]	5 year target
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Overall monitoring and evaluation of Programme (1 to 4) implementation	Strategic Plan 2015/16 – 2019/2020 Annual Performance Plan 2019/2020 Annual Report 2019	Production of BANKSETA strategic and annual plans, quarterly performance reports and annual performance reports
	Average % of funded posts which are vacant	Organogram Workplace Skills Plan 2019 Performance Management System EE Plan 19/20	Approved HR Plan in alignment with the BANKSETA Strategy supported by HR implementation reports
	Communication Strategy in place	Communicatio n strategy in place	Approved Communication plans and reports to drive stakeholder engagement activities ensuring a 3/5 stakeholder satisfaction rating is achieved overall
	% achievement of ICT systems standards as stipulated in the	Infrastructure and business applications	Achieve an average of 90% systems availability and 100% ICT governance

[1] The baselines for the outcomes were determined based on the aligned objectives of the 2015-2020 Strategic Plan and the outcomes of the revised Strategic Plan

	standards document	and systems in place	compliance on an annual basis measured by reports produced quarterly as generated by the system
	The unqualified audit opinion on financial statements	Clean audit outcome on financial management and unqualified on non-financial management (AOP)	100% Compliance with Legislative frameworks relating to finance and supply chain management Clean audit outcome (Financially unqualified; no material finds on AOPO and non-compliance with legislation)
	Approved risk plan and risk management reports and Approved Internal Audit Plan and quarterly monitoring reports	Clean audit report on internal controls	Approved Risk Management Plans and reports submitted to the Board.
A credible sector skills planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	% of the pay-out rate of mandatory grants	95% pay-out rate of mandatory grants	Approve employer WSP/ATR submissions to ensure 95% pay-out rate of mandatory grants
	Number of research reports and working papers put on the knowledge portal	Board approved Research Agenda	Publication of all research reports and working papers made available on the knowledge portal. Skills development interventions are in alignment with research findings
	Approved SSP, SP and APP	SP, APP and SSP approved by DHET	Production of BANKSETA SSP, SP and APP that meets the requirements of DHET and aligned to the SP and APP as well as alignment of skills development programmes to the

			needs identified in the SPP
Linking Education to Work	Number of learners completing the programme successfully	636	Number of enrolments: 5 300 Number of completion: 3180 Women: 54% African: 85% Disabled: 4%
Increase access to occupationally directed programmes	Number of MOUs signed with UOTs, TVET and HEI	49	49
Support career development services	Number of career awareness workshops conducted	27	135
Improving the level of skills in the South African workforce	Number of workers completing the programme successfully	2023	10115 Women: 54% African: 85% Disabled: 4%
Skills development support for entrepreneurship and cooperative development	Number of institutions trained	186	930 Women: 54% African: 85% Disabled: 4%
Identify and increase the production of occupations in high demand	Number of learners completing the programme successfully	1116	5580 Women: 54% African: 85% Disabled: 4%
Occupation based qualifications registered through QCTO is available to the sector	Number of occupation-based qualifications registered to address skills gaps/occupational shortages	2	Qualifications are available to address occupational shortages in response to the sector needs
Quality management of training provision against legacy qualifications	Number of training providers accredited (new and current re-accreditations)	None	All qualifying training providers are certificated on programmes

8.3 Explanation of Planned Performance Over the Five Year Planning Period

Outcome	Outcome choice rational	Provincial priorities	Priorities of women, children and people with disabilities	Explanation of enablers to achieve the five-year targets	Outcome Contribution to the impact	The Monitoring Framework for the NDP Five Year Implementation Plan
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Governance and Accountability	N/A	Women: 58% African: 75% Disabled: 4%	Compliance with all organisational and national policies (PFMA and Supply Chain) Effective Risk Management	Progressive realisation of the BANKSETA outcomes as they relate to NDP and NSDP	The outcome contributes to Governance and Accountability of the NDP Implementation Plan
A credible sector skills planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	Improving Education, Training And Innovation	N/A	Women: 54% African: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships	Relevant skills developmen t programmes	The outcome contributes to Medium Term Development Planning of the NDP Implementation Plan
Occupation based qualifications registered through QCTO is available to the sector	Access to occupation based qualifications registered through QCTO	N/A	N/A	Strategic partnerships and robust engagement with stakeholders	Relevant occupations that address occupational	This outcome contributes to Improving Education,

					shortages and skills gaps	Training And Innovation of the NDP
Quality management of training provision against legacy qualifications	Access to occupation-based qualifications registered through QCTO	N/A	N/A	Strategic partnerships and robust engagement with stakeholders	Relevant occupations that address occupational	This outcome contributes to Improving Education, Training And Innovation of the NDP
NSDP Specific Outcomes						
Linking Education to Work	Improving Education, Training And Innovation	N/A	Women: 54% African: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes	This outcome contributes to Improving Education, Training And Innovation of the NDP
Increase access to occupationally directed programmes	Improving Education, Training And Innovation	N/A	Women: 54% African: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and	Relevant skills development programmes	This outcome contributes to Improving Education, Training And Innovation of the NDP

				strategic partnerships (TVETs, UOTs, HEIs, Employers)		
Support career development services	Improving Education, Training And Innovation	N/A	N/A	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers) partnerships	Relevant careers for skills development	This outcome contributes to Improving Education, Training And Innovation of the NDP
Improving the level of	Improving Education	N/A	Women: 54% African: 85%	Cutting edge SSP	Relevant skills	This outcome contributes to

skills in the South African workforce	, Training And Innovation		Disabled: 4%	Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	development programmes	Improving Education, Training And Innovation of the NDP
Skills development support for entrepreneurship and cooperative development	Improving Education, Training and Innovation Inclusive Rural Economy	N/A	Women: 54% African: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Booming Entrepreneurial skills that boost the economy	This outcome contributes to Improving Education, Training and Innovation Inclusive Rural Economy of the NDP
Identify and increase the production of occupations in high demand	Improving Education, Training and Innovation Economy And Employment	N/A	Women: 54% African: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant occupations that address occupational shortages	The outcome contributes to Improving Education, Training and Innovation

					and skills gaps	Economy And Employment of the NDP

9. Key Risks

Outcome	Key Risk	Risk Mitigation
To co-ordinate planning, monitoring and reporting on the implementation of BANKSETA plans	Possible decline in levy revenue BANKSETA keeps constant contact with big employers to confirm payments declared.	BANKSETA maintain a buffer for admin expenditure in case levies drop below the budgeted amount. Application to the National Treasury to carry over surplus funds received. Review shortfalls within programmes and re-allocate surplus funds.
To recruit, develop and retain the right people, in the right positions and implement an effective performance management system throughout the licensing period of the BANKSETA	Unconducive/negative organisational culture	Relevant HR policies and practices Existing company structure and united leadership supported by culture assessments and relevant interventions
To promote internal and external communication on the work of BANKSETA	Lack of key stakeholder engagements	Fragmented engagement with respective stakeholders groups by project owners (For example Youth, Training Providers) Annual marketing and communication strategy and plan
	Brand dilution by projects service providers and strategic partners	Provision of CI Manual to providers through project custodians to internal stakeholders Brand Management workshops Monthly Inter-departmental Meetings
To implement and realise benefits from ICT solutions in doing the work of BANKSETA	Ineffective information security	Policies that need review Endpoint security (antivirus) Firewall and certain parameters security measures Access controls 5. back-up processes that need improvement
	Ineffective disaster recovery and business continuity(site, testing, DML)	DR plan that needs to be updated Backup procedures that need to be the review
Overall Organisational Performance evaluated and Impact of BANKSETA Programmes measured	Misaligned and delayed interventions which are relevant to sector needs	Current engagement with the key stakeholders Sector skills committee International benchmarks Research partners
To achieve unqualified audit opinion on financial statements	Poor records management system	Secure record-keeping system

10. Public Entities

Not applicable to the BANKSETA

Part D: Technical Indicator Description (TID)

Performance Indicators

Indicator Title	Overall monitoring and evaluation of Programme (1 to 4) implementation
Definition	Co-ordinate the development of BANKSETA Strategic and Annual Performance Plans and co-ordinate monitoring of the implementation of plans and report progress on their implementation
Source of data	Strategic Plan, Implementation Framework and M&E Plan
Method of Calculation	Verification of the compliance of Strategic Plan, Annual Performance Plan and Annual Report with NT guidelines, approval by EA and proof of submission to Parliament by the due date
Assumptions	Strategic Plan and Management structures are in place
Calculation Type	Cumulative for the year
Reporting Cycle	Annually
Indicator Responsibility	Chief Executive Officer

Indicator Title	Average % of funded posts which are vacant
Definition	Recruitment of appropriately skilled staff and maintenance of appropriate skills levels through training and development
Source of data	HR manual databases
Method of Calculation	Number of vacancies divided by the number of approved posts expressed as a percentage, showing 5% vacancy rate
Assumptions	
Calculation Type	Cumulative (Year End)
Reporting Cycle	Annual
Indicator Responsibility	GM: Corporate Services

Indicator Title	Percentage achievement of ICT systems standards as stipulated in the standards document
Short Definition	Minimum required standards as set by DPSA for systems usability, data recovery and security
Source/Collection of data	Monthly departmental systems health report from service providers and ICT system
Method of calculation	A simple count of the number of reports produced and a system-generated and analysis report done on data generated showing 85%
Assumption	

Type of indicator	Performance
Calculation type	Non-cumulative
Reporting Cycle	Monthly
Indicator Responsibility	GM: Corporate Services

Indicator Title	To promote overall financial efficiency as measured by prudent financial management and compliance with prescripts and policies governing public finance by strengthening financial management practices in the areas of budgeting, expenditure monitoring and reporting
Definition	To achieve a clean audit opinion/outcome on financial statements with findings
Source of data	Financial statements and reports on payment of suppliers
Method of Calculation	Unqualified financial statements
Assumptions	
Calculation Type	Cumulative for the year
Reporting Cycle	Annually
Indicator Responsibility	Chief Financial Officer

Indicator Title	Monitor the implementation of the risk management plan and produce risk register to identify accessible risks and mitigating actions
Definition	To identify and mitigate risks that might hamper the achievement of departmental objectives
Source of data	Risk management plan, quarterly risk reports, risk registers and minutes of Risk Management Committee
Method of Calculation	Verification of the existence of quarterly reports against Risk management plan, updated risk register and proof of submission to Risk Management and Audit Committee
Assumptions	
Calculation Type	Non-cumulative (plans) and cumulative (reports)
Reporting Cycle	Quarterly and Annually
Indicator Responsibility	Company Secretary

Indicator Title	% of the pay-out rate of mandatory grants
Definition	The number of employers participating in the compilation of the sector skills plan and updates as measured by WSP submission rates needs to be maintained for large and medium organisations and increase for small organisations
Source of data	WSP
Method of Calculation	Number of submissions made
Assumptions	
Calculation Type	Cumulative for the year

Reporting Cycle	Annually
Indicator Responsibility	Head: Skills Planning and Research

Indicator Title	Number of research reports completed and posted on the BANKSETA Knowledge Bank
Definition	A credible sector skills plan can only be developed if adequate data is available on various aspects of the labour market, national skills priorities, etc. are available.
Source of data	Employers, training providers
Method of Calculation	Number of reports available on knowledge bank
Assumptions	
Calculation Type	Cumulative for the year
Reporting Cycle	Annually
Indicator Responsibility	Head: Skills Planning and Research

Indicator Title	Approval of the SSP SP and APP by DHET
Definition	On an annual basis, the SETA must prepare a Sector Skills Plan, Annual Performance Plan and Strategic Plan in line with the DHET requirements and submit timeously for evaluation and approval.
Source of data	Employers, training providers, stakeholders
Method of Calculation	Approval notification received
Assumptions	
Calculation Type	Cumulative for the year
Reporting Cycle	Annually
Indicator Responsibility	Head: Skills Planning and Research

Indicator Title	Number of MoUs signed with TVETs, UOTS, Higher Education Institutions
Definition	As part of the BANKSETA mandate, partnerships must be entered into with TVET, UoTs and universities to support learners. To achieve this, MOUs are signed with qualifying learning institutions.
Source of data	MoUs

Method of Calculation	The indicator is counted by the receipt of the above documents
Assumptions	The MOUs have an end date and addenda to extend is not signed timeously
Calculation Type	The reported performance is non-cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Manager: WIL

Indicator Title	Learners/Workers completing the programme successfully
Definition	Refers to the successful completion of the programme (passing)
Source of data	MoUs, Learner agreements, MIS, Training Providers, statement of results
Method of Calculation	The indicator is counted by the receipt of the above documents
Assumptions	The receipt of documents is out of the SETA's control and will only be reported on once received even if that is some time after the programme ended or after the document has been issued
Calculation Type	The reported performance is non-cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Each Department manager as indicated by the Sub-Programmes and overall the GM: Operations

Indicator Title	Number of career awareness workshops conducted
Definition	Workshops are required for the training of LO teachers and the distribution of the career guides
Source of data	Event Reports, Attendance registers
Method of Calculation	The indicator is counted by the receipt of the above documents
Assumptions	
Calculation Type	The reported performance is non-cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Marketing and Communications Manager

Indicator Title	Number of institutions (SMEs and Cooperatives) trained
Definition	Co-operative Financial Institutions are the first level to growing the number of co-operative banks. This is part of the national mandate to encourage the growth of co-operatives. In an effort to grow the economy, SME development is important for job creation. BANKSETA targets SME development to support these organisations with the required skills
Source of data	MoUs, Project reports, attendance registers, close out reports
Method of Calculation	The indicator is counted by the receipt of the above documents
Assumptions	Sufficient number of fully completed applications

Calculation Type	The reported performance is non-cumulative
Reporting Cycle	Quarterly
Indicator Responsibility	Manager: Alternative Banking and overall the GM: Operations

Indicator Title	Percentage of women in the BANKSETA programmes
Definition	This indicator measures the percentage of women beneficiaries in the BANKSETA implemented programmes.
Source of data	Database of beneficiaries
Method of Calculation	Total number of women beneficiaries divided by the total number of all beneficiaries in the implemented programmes multiply by 100
Assumptions	Accurate beneficiary information
Calculation Type	Cumulative (Year End)
Reporting Cycle	Quarterly
Indicator Responsibility	GM: Operations

Indicator Title	Percentage of people living with disability beneficiaries in the BANKSETA programmes
Definition	This indicator measures the percentage of people living with disability beneficiaries in the BANKSETA implemented programmes
Source of data	Database of beneficiaries
Method of Calculation	Total number of people living with disability beneficiaries divided by the total number of all beneficiaries in the implemented programmes multiply by 100
Assumptions	Accurate beneficiary information
Calculation Type	Cumulative (Year End)
Reporting Cycle	Quarterly
Indicator Responsibility	GM: Operations

Indicator Title	Percentage of African beneficiaries in the BANKSETA programmes
Definition	This indicator measures the number of African beneficiaries in the BANKSETA implemented programmes
Source of data	Database of beneficiaries
Method of Calculation	Total number of African beneficiaries divided by the total number of all beneficiaries in the implemented programmes multiply by 100
Assumptions	Accurate beneficiary information

Calculation Type	Cumulative (Year End)
Reporting Cycle	Quarterly
Indicator Responsibility	GM: Operations