

INSETA Weekly Review

The latest news, off the press, to you

Friday 10 March 2006



In this week's issue, we cover:

INSETA helps to realise a vision which sees the establishment of the Black Brokers Council, Funding of Learnerships, Mandatory Grant Payments, Talking qualifications, giving you the lowdown on the rules as adopted by SAQA, Demystifying the confusion regarding Mathematics & Communications and FAIS, and rising stars!

The Editor

INSETA helps realise a vision which sees the establishment of the Black Brokers Council

On 3 March 2006 a vision was realised through the establishment of a coordinated Council representing the majority of black brokers in South Africa. At a breakfast hosted by Mike Abel, the Chief Executive Officer of the Insurance Sector Education and Training Authority (INSETA), the three largest Black Broker members' associations and bodies, unanimously accepted the vision, "brokered" by INSETA, to establish the Black Brokers Council of South Africa.

The breakfast, was attended by the Presidents/Chairpersons, Vice Chairpersons and Executives of the three largest Black Broker Associations in South Africa, namely, the Black Brokers Forum (BBF), the Association of Black Insurance Brokers (ABIB), and the Black Insurance Professional of Southern Africa (BIPSA).

In an inspired presentation, Mike Abel presented the vision of a united Broker Council, which would include all the Associations representing Black Brokers, in order to present a united voice and negotiating body for all Black Brokers, to drive Skills Development for Black Brokers, and to advance and negotiate Broad Based Black Economic Empowerment deals, for black brokers.

Those present unanimously accept the proposals, which covered the basic Terms of Reference for the Council, and its initial membership and brief. The "founding members" of the Black Brokers' Council of South Africa (BBCSA), agreed to have an interim Council, interim Chairperson, and secretariat for 6 months, until all legal aspects are finalised. Artwell Hlengwa, Deputy President of the Black Brokers Forum was elected, as the interim Chairperson and Shirley Steenekamp, of INSETA will perform interim secretariat functions on behalf of the BBCSA.

“What characterises the new BBCSA is that this Council will actively promote BBEEE deals, through which black brokers will be able to participate in traditional brokerages. The Council will also ensure that a core focus will be on the skills development for black brokers and intermediaries who need to be licensed in accordance with the FAIS Act, and especially the Fit and Proper component of the Act’, says Mike Abel.

Mike Abel emphasized the fact that it is through a skilled, confident and competent network of black brokers and intermediaries that the “opening up”, to a far greater extent, of the largely uninsured black market, would take place. The BBCSA would be a major contributor to bring this about.

Funding of Learnerships

INSETA received an unprecedented number of requests for funding of Learnerships with 424 Grant Applications being received totalling R131, 770,002.00, towards the latter half of 2005.

In terms of its Service Level Agreement and Memorandum of Understanding with the Department of Labour, INSETA Council made available an additional amount of R12, 5 million in Discretionary Funds for Learnerships. Clearly therefore, the challenge has been to conclude the distribution of limited funding with the most impact potential.

For some time now, both in verbal discussions, and in written communications, INSETA has reiterated the funding policy, as well as clearly stating in response to numerous queries, that companies who chose to proceed with Learnerships prior to the allocation of funding by INSETA, would be doing so without approved funding support from INSETA.

We have also indicated that the FSC funding could similarly not be guaranteed to meet all the demands, and any anticipation by companies to convert from Standard to FSC Learnerships, would be a matter entirely internal to the organization wishing to do so. For its part, we have however indicated that such “conversions” would be subject to INSETA’s approval.

INSETA makes R28,5 million available for Learnerships

In this financial year, an initial amount of R16 million was ring-fenced for Learnerships which was topped up by an additional R12,5 million, which accounts for some R28,5 million of a R42 million pot of discretionary funds available. INSETA is obliged by the Service Level Agreement (SLA) it signed with the Department of Labour, to also direct funds to numerous other National Skills Development Strategy (NSDS) related projects, to achieve SLA Targets.

INSETA has advised individual companies regarding the allocation of the R12,5 million available from discretionary funding and these funds were released on the 15th December 2005.

Are Learnerships adding value to organisations?

The value of a Learnership, as a means of achieving a qualification must never be underestimated; learners receive funding for theory and funding for monthly remuneration. The company in turn has a learner who they can train in accordance with their company ethos and philosophy and who is an additional resource (funded from INSETA) and for whom they can claim significant tax rebate in the form of pre-tax profit deductions.

The added advantage is that the learning is not only theoretical but has an applied, hands-on work-based component, under full mentorship of dedicated staff members within the organisation. The true principles of skills transfer, coaching and mentoring play themselves out in a mutually beneficial environment, with the added benefit of external funding support to offset training costs.

Seeking funding from the National Skills Fund

INSETA is very partner-focused and is well aware of the huge demand placed on the sector to achieve their Financial Sector Charter targets. The new INSETA proposal to the National Skills Fund (which was submitted as per NSF requirements on the 19th January 2006) comprises the full top-up amount required to meet sector needs, as per the applications received. The National Skills Fund has advised that they will respond to all SETA applications by the end of March 2006. Stakeholders will be kept fully apprised of developments.

We value and appreciate the excellent partnership we have had with our sector to date and we will continue to provide the best service and support to our stakeholders, so that your needs can be met in terms of the Financial Sector Charter and FAIS Fit & Proper.

Misquote for the Week:

You can please some of the people some of the time, but you can't please all the people all of the time.

Skills Development Mandatory Grant Payments for Workplace Skills Plans Year 6



Companies who submitted their correctly completed Workplace Skills Plans to INSETA by the 30th September 2005 would have received notification of the first instalment payment and would have received payment in December 2005.

Future payment dates for mandatory grants are as follows:

28 February 2006	2 nd Workplace Skills Plan Year 6 Grant Payment
31 May 2006	Final Workplace Skills Plan Grant Payment
31 August 2006	1 st Annual Training Report and Workplace Skills Plan Year 7 Grant Payment
30 November 2006	2 nd Annual Training Report Year 6 and Workplace Skills Plan Year 7 Grant Payment

Each company is notified electronically of the fact that their Workplace Skills Plan has been received and that payment has been made.

NEWSFLASH: Stakeholders are reminded that applications can still be submitted for INSETA's Leadership Programmes (ELDP, LAP & WIN) and that bursaries are on offer! Please visit INSETA's website at www.inseta.org.za for more information on the programmes and the bursaries!

★ Shooting Stars! People on the Move!



Congratulations to ETQA Consultant, Neesha Naidoo, who has been promoted to Senior Consultant with effect from 1 February 2006.

Neesha is also no stranger to the insurance sector, especially the short-term side. She worked in a claims environment for eight years and three years as a technical trainer for Guardian National Insurance Company Limited before joining INSETA on 1st September 2000. Neesha is currently enrolled on INSETA's Leadership Advancement Programme (LAP) which is administered by the University of Cape Town's Graduate School of Business.

Mathematics and Communication standards for FAIS Requirements

Some confusion and concerns regarding the mathematics and communication standards for FAIS requirements have been raised with INSETA by stakeholders where some industry employees may be “non-compliant” in terms of the legislation as they do not possess either a National Senior Certificate (NSC) 40% pass in mathematics or a NSC 30% pass in a second official South African language. In this article we will attempt to clarify the confusion and erase these concerns.

The mathematics, mathematical literacy, and language/communications requirement is a requirement set by the South African Qualifications Authority (SAQA). At NQF Levels 1, 2, 3 and 4 a certificate shall “...consist of fundamental learning, of which at least 20 credits are from the field of Communication Studies and Language, and in addition 16 credits from the Sub-field of Mathematics including numeracy in the case of certificates at level 1.”

By the year 2002 at least 16 of the 52 credits shall be from the sub-fields focussing on Mathematical Literacy” (SAQA Regulation 452 of 28 March 1998). At NQF Level 4, the qualification additionally requires at least 20 credits from the field of Communication Studies and Language, in a second Language ((which can be taken at NQF Level 3). The second language can only be one, which is specified, in terms of the official South African Languages i.e. not French or Portuguese.

The Standards Generating Body (SGB) is obliged to align qualifications, and the unit standards that make up a unit-standard based qualification, with the SAQA requirement. In this context, the SGB is a follower and not an initiator.

Qualifications at NQF Level 5 and above shall have the number of credits required for Fundamental, Core and elective learning specified, “ and these credits “...shall be appropriate to the qualification” (SAQA Regulation 452, 28 March 1998). Thus they have different requirements for fundamental unit standards, which are subject matter related, and not necessarily specifically from the sub field of Mathematics and Mathematical Literacy, and Communications and Language Studies, as specified in the NQF level 1 to 4 qualifications.

Even though all qualifications registered on the NQF are whole qualifications, the SAQA Act of 1995, and the SAQA regulation 452 of March 1998, further differentiate between unit standard based qualifications and qualifications not based on unit standards (SAQA regulation 452, Section 5 (1) (a) (b) and (c). Financial Advisors with other qualifications such as the AIIISA have completed a non-unit standard based qualification, and are not required to comply with the requirements of unit standard based qualifications as far as the Mathematics/Mathematical Literacy and Communication Studies and Language components are concerned. Qualifications such as the AIIISA, are not unit standard based, a qualified AIIISA therefore needs no further qualifications to retain his/her licence. *All qualifications (such as AIIISA) and parts thereof, that are*

acceptable to the Financial Services Board for licensing under the FAIS legislation are listed on the Qualifications Equivalence Matrix on INSETA's website at www.inseta.org.za, click on FAIS icon.

Regarding GCSE and "A" Levels, INSETA has consulted with SAQA, which has a division which focuses on the equivalence of foreign qualifications, with South African qualifications. Should Financial Advisors need further clarification about, or verification of their foreign qualifications, they can visit the SAQA website, at www.saqa.org.za, and look under the section called CEEQ Financial Advisors with foreign qualifications may however, wish to pursue a process of Recognition of their Prior Learning (RPL), especially for the Fundamental components of the qualifications, and you would need to contact INSETA, or an accredited education and training provider to do this.

Discussions and debate are on-going between SAQA, INSETA and other interested parties, and regulators are kept apprised of the impact of the regulations. ETQA Manager, Glen Edwards, will readily discuss this matter with any enquirer should such a meeting be required.

Talking Qualifications: Rules for registered and de-registered unit standards

At a recent meeting held with representatives from the South African Qualifications Authority (SAQA) the consequences of reviewed qualifications (especially where the review has resulted in the unit standards being de-registered) was discussed. In this week's **INSETA Weekly Review** we confirm the rules for registered and de-registered unit standards as specified in the SAQA regulation 452 of 28 March 1998.

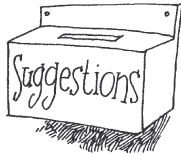
The rules concerning a registered qualification are as follows:

- No one can permit the addition or substitution of unit standards to a registered qualification. Should a need arise to amend a qualification through the addition of unit standards, then such a request will be forwarded in writing to SAQA, by the ETQA division, and the normal development, gazetting and registration process will be followed for additional unit standards, to a qualification.
- A learner has to complete all the fundamental and core standards and sufficient elective standards, as specified in that qualification, to make up the full number of credits, to obtain the qualification. Unit standards from other qualifications cannot be substituted for those registered in the qualification.
- Should a learner wish to complete other unit standards, he/she would have to do them over and above the credits necessary for qualifying and so would end up with more than the specified number of credits. This is permissible.

- If it is identified that a qualification is unsuitable for the sector, a request can be made to SAQA to amend the unit standards registered, but this has to be done through the process described above, whereby the ETQA division formally places the request to SAQA. In this case, the amended qualification would apply to everyone.

The rules concerning de-registered unit standards are as follows:

- If a learner is already enrolled into the system and is studying towards a qualification that gets reviewed during his/her studies, that learner is permitted within a period of two years to complete any of the unit standards that might have become de-registered in the process and to complete the old qualification.
- However, once a unit standard becomes de-registered, no new learners may be enrolled for the old unit standard.



We welcome your suggestions, feedback or comments, please contact:

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