

MEMBERS OF THE BOARD

Organisation Representing	Nominated Representative
Association of South African Travel Agents	Mr Kananelo Makhetha
Bargaining Council for the Restaurant, Catering & Allied Trades	Mr Kostas Maroudas
Board of Airline Representatives of Southern Africa	Mr Bruce Mac Farlane
National Department of Environmental Affairs & Tourism	Dr Tanya Abrahamse
National Department of Environmental Affairs & Tourism	Mr Willem Fick
Entertainment, Commercial Catering & Allied Workers Union	Mr Michael Tsotetsi
Federated Hospitality Association of South Africa	Mr Tony Beart
Food & Allied Workers Union	Mr Thomson Ramanala
Gauteng Tourist Guide Association	Ms Anne Lawrance
Hospitality Industries & Allied Workers Union	Mrs Leela Reddy
Hotel Industry Liason Group	Mr Nick Martin
National Council of Trade Unions	Mr Joseph Maqhekeni
Sport & Recreation of South Africa	Ms Marilynn Rapakuana
National Department of Sport & Recreation	Ms Lynne Lourens
Restaurant & Food Services Association of South Africa	Mr Jimmy Michaelides
South African Chefs Association	Mr Allan Elias
South African Commercial Catering & Allied Workers Union	Mr Thabo Mahlangu
South African Tourism Services Association	Ms Gail Mc Cann
Tourism Business Council	Ms Boni Dibate
Travel Agents Employee Association	Ms Donna Mc Cartney
THETA	Mr Tony Ansara
THETA	Mr Vincent Hays
Members selected for their expertise	Prof Saheed Bayat
Members selected for their expertise	Mr Phillip Thompson
Members selected for their expertise	Mr David Wigley
Outstanding Nominations	
Department of Education	
Department of Sport and Recreation	
Education, Training and Development SETA	
National African Federated Chamber of Commerce & Industry	



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QUALIFICATIONS REGISTERED WITH SAQA

	NQF Level
HOSPITALITY	
National Certificate in Accommodation Services	2
National Certificate in Hospitality Reception	4
National Diploma in Accommodation Services	5
National Certificate in Food and Beverage Services	4
National Diploma in Food and Beverage Management	5
National Certificate in Fast Food Services	3
National Diploma in Fast Food Services	5
National Certificate in Professional Cookery	4
National Diploma in Professional Cookery	5
GAMBLING & LOTTERIES	
National Certificate in Gaming: Cashiering	3
National Certificate in Gaming: Slots operations	3
National Certificate in Gaming: Surveillance operations	3
National Certificate in Gaming Dealing	3
TOURISM AND TRAVEL	
National Certificate in General Travel	5
National Diploma in Retail Travel	5
National Diploma in Wholesale Travel Consultancy	5

QUALIFICATIONS SUBMITTED TO SAQA

	NQF Level
CONSERVATION & GUIDING	
National Certificate in Conservation: Natural Resource Guardianship	2
National Certificate in Tourism: Guiding	4
National Certificate in Tourism: Guiding	2
TRAVEL & TOURISM	
National Certificate in Tourism: Car Rental	4
National Certificate in Tourism: Cabin Crew	5
National Certificate in Tourism: Event Support	4
National Certificate in Tourism: Reception	4
GENERAL	
National Diploma in Service Management	5
National Degree in Service Management	7

STRUCTURE OF THETA

THETA covers five sub-sectors, each of which has a corresponding Chamber to deal with specific issues and needs. They are:

- Hospitality
- Tourism and Travel Services
- Gambling and Lotteries
- Conservation and Guiding
- Sport, Recreation and Leisure

The THETA Board comprises representatives from a range of constituencies including organised labour, organised employers, private training and related service providers, an interested professional body, a bargaining council and representatives of the Ministers of Environmental Affairs and Tourism and of Education.

It is chaired by Mr Kananelo Makhetha who is a board member of the Association of South African Travel Agents (ASATA) and Mrs Leela Reddy of the Hospitality Industries and Allied Workers Union (HIAWU) is the Deputy Chairperson. Membership of the Board is listed in Appendix E.

“The necessity for a quality education and training system cannot be over emphasized.”

MEMBATHISI MDLADLANA:
MINISTER OF LABOUR



Two of the people who were involved in a recent SMME workshop are Connie Kakana from the Stutterheim Business Advice Centre and Thami Klassen of Ubuntu Kraal.



The informed tourism sector at its lively best in Soweto



Small to medium business enterprises (SMMEs) at a recent workshop, one of many held around South Africa facilitated by the Tourism Learnership Project.



Tourists purchasing hand crafted gifts in Soweto

CHAIRMAN'S REVIEW

*The world can only be grasped
by action, not by contemplation.*

*The hand is the cutting edge of
the mind.*

JACOB BRONOWSKI

It is recognised that South Africa has the potential to become a leading global tourist destination – and that this offers significant opportunities for economic growth. The gearing of the industry to meet the additional demands of this projected growth and the need to transform the profile of ownership and management within the sector, are challenges that face THETA.

In common with others in South Africa, the Tourism, Hospitality and Sport sector is defined by its apartheid history. That transformation at higher levels is required is widely accepted. Training and skills development is one powerful strategy to make progress in this endeavour.

In addition to this need, research has identified an insufficient skills base to support the anticipated development and growth of the industry. As the sustainability and growth of jobs is of prime concern, the viability of this sector is dependent on substantially improving the skills of both current and prospective employees, so that the service levels support the strategies for making South Africa a competitive destination. The increasing impact of HIV/AIDS is making the need for greater training initiatives even more pressing.

It is within this context however, that an unforeseen challenge for THETA – and the sector in general – is presenting itself. During the year under review, the anticipated growth in tourism has not materialised and more recent statistics point to early signs of a slow down in growth.

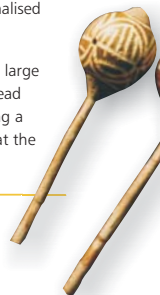
This will inevitably shape employers' perceptions and priorities. While the habit of reducing training budgets in times of stress may not follow old patterns, employers' willingness to expand and experiment with new training systems is likely to be coloured by their concerns for the profitability of their enterprises.

OVERVIEW OF SUB-SECTORS

The field served by THETA is defined by five fairly diverse sub-fields: conservation, gambling and lotteries, hospitality, sport and travel and tourism. These present a range of issues regarding ownership and access, as well as of differing practices.

GAMBLING and LOTTERIES have been 'officially' defined by large capital intensive operations. The law has marginalised smaller operations, making their activities illegal.

HOSPITALITY, on the other hand, is characterised by a large SMME constituency. These operations are widely spread geographically and this makes the provision of training a challenge. However, it is among these enterprises that the greatest training needs lie.



(SETAs). These employers had been allocated to a suspense SETA, called SETA zero. Contributions made by these employers were then allocated to SETA zero. At the time of writing this report regarding the matter allocation of employers allocated to the said SETA had not yet been finalised.

- (ii) Due to allocation errors of the employers within the various sectors material misallocation of levies had occurred between SETAs. At the time of writing this report, these misallocations had not yet been finalised.
- (iii) Levies collected by the South African Revenue Services (SARS) and distributed by the Department of Labour (DOL) did not differentiate between skills levies, interest or penalties for the 2000-2001 financial year.

(b) Fixed assets

The following differences concerning fixed assets were identified:

- (i) Material differences as a result of inconsistent calculations of depreciation on the THETA asset register had been identified.
- (ii) Depreciation had not always been calculated in terms of the THETA accounting policy.
- (iii) It had been noted that the opening balances of 1 April 2000 (cost price), depreciation for the year and the accumulated depreciation disclosed on the AFS differed materially with the asset register.
- (iv) The property plant and equipment note to the balance sheet differed materially with the amounts disclosed in the cash flow statement regarding the purchases and disposals of assets for the year.

2.2.2 Qualification: Compliance audit

Exceeding of 20% threshold

The 20% threshold of R7 441 490 for administrative expenditure, according to regulation 2(1) of Government Gazette 20865 of 7 February 2000, had been exceeded by R2 324 129.

2.3 AUDIT OPINION

2.3.1 Qualified opinion: Financial audit

In my opinion, except for the effect on the financial statements of the matters referred to in subparagraph 2.2.1, the financial statements fairly present, in all material aspects, the financial position of the Tourism, Hospitality & Sport Education & Training Authority at 31 March 2001 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice.

2.3.2 Qualification: Compliance audit

Based on the audit work performed, except for the matters referred to in subparagraph 2.2.2, nothing has come to my attention that causes me to believe that material non-compliance with laws and regulations, applicable to financial matters, has occurred.

3. APPRECIATION

The assistance rendered by the staff of the Tourism, Hospitality & Sport Education & Training Authority during the audit is sincerely appreciated.

Signed

DORIS L.T. DONDUR
for Auditor-General
Johannesburg 30/11/2001

OPERATIONAL REVIEW

Education made us

what we are.

HELVETIUS

ESTABLISHING THE FOUNDATIONS

The task given to SETAs is an immense one – and in the arena of educational reform, measurement paradigms of 10 to 15 years are more appropriate than annual reviews.

During its first year of operation, however, THETA has established most of the infrastructure necessary for its main functions and roles. Much of the second year will be taken up in testing and refining both structures and processes.

Considerable progress has been made in reaching alignment within the wide range of stakeholders who are central to the design, provision and implementation of qualifications. The extraordinary contributions made by members of standards generating bodies (SGBs) in the year under review is most commendable. Over 1 000 hours were voluntarily contributed by employers, employees, researchers and subject-matter experts.

Frameworks of qualifications and unit standards have been developed for four sub-sectors. Sixteen qualifications were registered by the South African Qualifications Authority (SAQA), nine more were submitted and a further fifteen are in the process of development.

This rapid progress was significantly due to the establishment of the Tourism Learnership Project which considerably increased the pace at which THETA could work, condensing perhaps ten years of development into two. This will significantly

aid long-term skills development in the sector, as well as its ability to respond to the economic expectations being placed on it.

THETA has participated in the legislative process this year, having an opportunity to provide input to the Tourism Amendment Act. The main focus of THETA's intervention was on the issue of guiding registration. Poor access to training has meant that more than two-thirds of South African guides have been unregistered, and are therefore operating illegally. THETA has proposed a mechanism entailing the re-registration of all guides on the basis of proved competence within a two-year period. This includes the establishment of an SGB which formulated national industry standards that had previously not existed.

THE SECTOR

A key focus area of THETA's operations is to encourage employers to train and develop their employees as well as to provide opportunities for work experience for unemployed people.

Black people are under represented in the industry at management and ownership level. Black managers are in short supply in the corporate environment, presenting challenges for actively recruiting and developing these staff. Growth will encourage the further training of these participants at higher levels and assist further transformation.

The incentive – in the form of grants – provided for employers to implement skills development is yet to be fully appreciated. Some employers paying the compulsory skills development levies are not fulfilling the basic requirements to qualify for grants and are merely writing off the levy as an additional tax. Some are not paying levies at all, and incentives/penalties to enforce compliance are yet to be implemented.

The profile of organisation size within the sector is the major reason for the small number of Workplace Skills Plans received. From an employer base of approximately 40 000 employers, only 347 plans were submitted. The low rate of return may also be attributed to the newness of the system and a lack of clarity about the benefits of participating in it. The large employers provided extensive plans for entire organisations which contributed significantly to the content of the Sector Skills Plan which THETA produced from a range of sources to guide skills development.

As the success of the strategy depends greatly on the capacity of training providers, THETA is assessing the development needs of trainers and will be supporting their further training

ANNUAL FINANCIAL STATEMENTS CASH FLOW STATEMENT FOR THE YEAR ENDING 31 MARCH 2001

	Note	R '000
Cash flow from operating activities		4 797
Cash generated from operations	12	3 303
Net interest		1 494
Cash flow from investing activities		(736)
Acquired property, plant and equipment		(235)
Proceeds of disposal		64
Increase in investments		(565)
Cash flow from financing activities		1 657
Decrease in long term liabilities		(198)
Cash transferred from Hospitality Industries Training Board		1 855
Cash and cash equivalents at year end	6	5 718

QUALITY ASSURANCE



EDUCATION AND TRAINING QUALITY ASSURANCE FUNCTION

On 6 December 2000 the SAQA Board accredited THETA as an Education and Training Quality Assurance (ETQA) body. As such, THETA is responsible for:

- promoting and monitoring the quality of training provision by practitioners and providers
- accrediting providers for specific standards and qualifications on the NQF
- checking consistency across providers
- registering assessors
- certifying learners
- maintaining a database of learners' qualifications
- recommending new and modifying existing qualifications.

ACCREDITATION

Providers of training and assessment are applying to THETA for accreditation to offer SAQA-registered qualifications and skills programmes.

156 providers were accredited in Hospitality, Tourism and Travel, and Gambling and Conservation sub-sectors. The Sport, Recreation and Leisure sub-sector has not yet accredited any providers as they are still developing qualifications.

CERTIFICATION

THETA issues certificates of competence for skills programmes and qualifications registered on the NQF.

During the period under review, learners achieved 6 517 certificates in five functional areas. These equate to more than 40 000 individual unit standards.

"Our tourism sector is in need of skills training and recognition. We need to elevate the skills, service and productivity levels in the tourism industry."

MOHAMMED VALLI MOOSA: MINISTER OF ENVIRONMENTAL AFFAIRS AND TOURISM.

Meetings	184
Office costs	207
Rent	600
Travel	435
TOTAL	4537

6. CASH & CASH EQUIVALENTS 25 084

Cash and bank	5 718
Investments	19 366

7. DEBTORS 9 116

Department of Labour: outstanding levies for February and March 2001	5 154
Levies not paid over by other SETAs	2 662
Other	1 300

8. GRANTS 14 991

Grants	A	4 368
	B	2 912
	C	5 823
	D	1 438
Voluntary grants		450
Grants funds carried forward		14 991

At year-end grants provided for have not yet been paid out. Not all levies were received, and grants C and D payable to employers could not be fully calculated because compliance can only be determined after the end of the financial year. The estimate of the total grants to be paid out after year-end was made in terms of the Regulation Gazette number 6729 dated 7 February 2000 issued by the Minister of Labour. Clause 8 (4) determines how any unclaimed grants must be dealt with.

9. ACCOUNTS PAYABLE 824

Receiver of Revenue	824
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10. COMPARATIVES

No comparative figures are disclosed as the Authority was formed on 20 March 2000 and this is therefore the first year of operation.

11. PUBLIC FINANCE MANAGEMENT ACT

No material losses through criminal conduct, or irregular, fruitless or wasteful expenditure were incurred during the year ended 31 March 2000.

SPORT, RECREATION AND LEISURE CHAMBER

This chamber represents sport, recreation and fitness services, event management, indoor and outdoor sports, sporting events and activities, hunting, recreational fairs and shows.

The challenge within the sport, recreation and leisure sector is to build well-rounded managers and administrators, skilled umpires and excellent referees, coaches and players who can use their skills and training on or off the field. This will assist in building a new kind of ambassador, improving our national image, creating a new unity and effectively utilising the potential we have to become an international sporting force to be reckoned with.

The Skills Development Act and NQF are new concepts to the sub-sector and considerable work needs to be done to inform employers and employees of the implications of this legislation as well as build capacity in workplaces.

A working partnership has been established with the South African Sport Commission. THETA has provided assistance with their National Conference and with the development of a strategic four-year plan for Sport and Recreation education and training.

CONSERVATION AND GUIDING CHAMBER

This chamber represents all forms of tourist guiding, wildlife conservation, trekking and safari operators, museums, cultural and natural heritage sites and botanical gardens.

Most of the provincial conservation agencies have been affected by changes in priorities at provincial government level, where the focus is on health, education and housing rather than on conservation of the environment. This has resulted in insufficient budgets to manage natural resources adequately, and in recent large-scale restructuring and retrenchments.

In organisations that have gone into 'survival' mode, staff development is not prioritised. Ironically, it is at this time that assistance is desperately needed with the development and empowerment of those who remain behind. The creation of transfrontier parks has produced a range of opportunities as well as extensive scope for conservation and nature-based tourism throughout the African continent.

The number of unregistered guides currently working within the industry has been a major concern - but this has been receiving considerable attention from THETA, as reported under the "Operational Review".

Conservation and Guiding qualifications framework

NQF Level	Conservation	Guiding
8	Masters degree: Conservation	
7	Degree: Natural Resource Management Degree: Marine and Coastal	
6	Dip: Natural Resource Management Dip: Marine and Coastal Dip: Social Ecology	
5	Cert: Natural Resource Management Cert: Fisheries Resource Management Cert: Social Ecology	
4	Cert: Natural Resource Guardianship Cert: Fisheries Resource Guardianship	Cert in Tourism: Guiding
2	Cert: Natural Resource Guardianship Cert: Social Ecology	Cert in Tourism: Guiding

Cert = Certificate: A qualification at any level consisting of a minimum of 120 credits.

Dip = Diploma: A qualification at any level consisting of 240 credits.

Degree = Undergraduate degree consists of 480 credits and a Masters degree of 240 credits

ANNUAL FINANCIAL STATEMENTS BALANCE SHEET AS AT 31 MARCH 2001

	Note	R'000
ASSETS		
Non-current assets	13	818
Property, plant and equipment		818
Current assets		34 200
Cash and cash equivalents	6	25 084
Levy	7	9 116
Total current assets		34 200
Total assets		35 018
EQUITY AND LIABILITIES		
Non-current liabilities		557
Long term liabilities		557
Current liabilities		18 569
Grant disbursement fund	8	14 991
Accounts payable	9	824
Other		2 754
Total current liabilities		18 569
Funds employed		15 892
Total equity and liabilities		35 018

TOURISM AND TRAVEL CHAMBER

This chamber represents retail and general travel operations, inbound tourism services, destination management, airlines and car rental.

The chamber for this more established sub-sector has:

- managed the change from Cotac travel examinations (Certificate of Travel Agency Competence) to a new National Travel and Tourism Certificate to meet the evolving needs of the travel industry;
- formed an alliance with the Universal Federation of Travel Agents Association which facilitated input into training programmes on international travel and tourism and access to international trends;
- conducted a pilot project for assessors to test the workability of the new standards; and
- developed qualifications for car rental, cabin crew, event support and reception which were submitted to SAQA for registration.

Tourism & Travel Qualifications Framework

NQF Level	Travel	Tourism
8		Masters Degree in Tourism
6		Dip: Tourism Development
5	Dip: Retail Travel Dip: Wholesale Travel Cert: General Travel	Cert: Tourism: Cabin Crew Cert: Tourism: Grading & Classification
4		Cert: Tourism: Car Rental Cert: Tourism: Reception Cert: Tourism: Event Support Cert: Tourism: SMME Accommodation
2		Cert: Tourism: SMME Accommodation

Cert = Certificate: A qualification at any level consisting of a minimum of 120 credits.

Dip = Diploma: A qualification at any level consisting of 240 credits.

Masters degree comprises 240 credits.



THE TOURISM LEARNERSHIP PROJECT

Of the thousands of South Africans who enter the job market each day, fewer than 100 find work in the formal economy. It is within this context that the Business Trust – a partnership between private enterprise and government which began operating on 1 July 1999 – launched an ambitious tourism promotion and education development programme. The intention is to address key socio-economic issues in South Africa through this programme which is being described as the biggest human resource initiative on the African continent.

This project is one of eight in this programme. It was established within THETA – which is responsible for its implementation and management – on 1 February 2000, on the strength of THETA's experience in training facilitation in the Hospitality industry. The Project will receive R80 million from the Business Trust and R35 million from the Department of Labour during its four-year lifespan.

The project is enabling THETA to develop qualifications and promote learnerships at a pace that would otherwise not be possible. Its target is to upgrade the skills of 10 000 current employees and 5 000 unemployed learners. This will be achieved in three phases over four years:

Phase 1

The generation of qualifications and unit standards for the Tourism and Travel and Hospitality sub-sectors, for the purpose of providing the basis for learnership implementation.

Phase 2

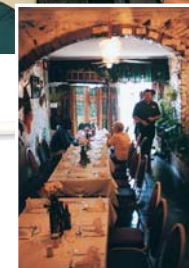
The motivation and facilitation of learnership programmes for the currently employed.

Phase 3

The development and implementation of learnerships for the unemployed.



Janet Landey, managing director of Party Design with learners from South Africa's first learnership in event support



Wandie's Place, Soweto, a well-known venue to tourists from around the world

ANNUAL FINANCIAL STATEMENTS
INCOME STATEMENT FOR THE YEAR ENDING 31 MARCH 2001

INCOME	Note	R'000
SKILLS DEVELOPMENT LEVY		22 454
Gross levy	2	29 117
Less: National Skills Fund		5 824
Less: Vat		839
OTHER		12 515
Levies	3	10 167
Interest	4	1 573
Profit on sale of fixed assets		64
Sundry		711
TOTAL INCOME		34 969
DISBURSEMENTS		
GRANTS		17 742
Skills development		14 559
Other		3 183
EXPENSES		12 730
Personnel costs		5 351
Set-up expenses		2 764
Interest		78
Other	5	4 537
TOTAL DISBURSEMENTS		30 472
ACCUMULATED FUNDS FOR THE YEAR		4 497

While no qualifications had been finally registered by SAQA by the end of the period under review, the following extensive work had been done:

- Two conservation and two guiding qualifications were lodged with SAQA and submitted to the Department of Labour for registration as learnerships.
- A further 65 unit standards across NQF Levels one to seven have been developed and qualifications written for Natural Resources Management at Levels two and five.
- The Guiding SGB has developed 41 unit standards across Levels one to five, and more elective standards are being developed.

GAMBLING AND LOTTERIES CHAMBER

This chamber represents all gambling which includes casinos, bookmakers, lotteries and betting on horse races.

This is a dynamic and highly regulated industry, which the government and the relevant boards are determined to set up as an example to the rest of the world.

Within this demanding context there is a wide range of professional disciplines – from administrative to hospitality and technical – which often fall within the realm of more than one SGB. This requires flexibility, constructive interaction and an innovative approach as stakeholders grapple with the realities of developing qualifications.

Four qualifications at Level three – in gambling cashiering, slot operations, surveillance and dealing – were developed and registered on the NQF. This forms the qualifications framework. A proposal has been submitted to the National Gambling Board and nine provincial boards, for the development of a qualification for gambling regulators.

Gambling qualifications framework

NQF Level	
3	Cert in Gaming: Cashiering
3	Cert in Gaming: Slots operations
3	Cert in Gaming: Surveillance operations
3	Cert in Gaming: Dealing

Cert = Certificate: A qualification at any level consisting of a minimum of 120 credits.



NOTES TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2001

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies which have been consistently applied:

- 1.1 Income and expenditure are recognised on the accrual basis.
- 1.2 Although the portion of levy income paid to the National Skills Fund is deducted by the Department of Labour from the amount paid to THETA, the total levy paid by the Sector is reflected in the financial statements.
- 1.3 THETA is registered for Value Added Taxation.

2. GROSS LEVY INCOME	R'000
Actual and accrued levies	22 034
Provision for levies receivable	9 770
Provision for levies payable	(2 687)
Total levy income	29 117
Less: transfer to National Skills Fund	(5 824)
VAT	(839)
Net levies due to THETA	22 454
Accounted for as follows:	
Grant disbursement fund (50%)	14 559
General fund (20%)	5 824
Set-up fund (10%)	2 071
	22 454

The provision for levies receivable to 31 March 2001 included above is based on the levy payments received subsequent to year end from Department of Labour and estimates of amounts due to and from other Sector Education and Training Authorities (SETAs).

3. OTHER LEVY INCOME	10 167
Voluntary levies	3 183
Hospitality Industries Training Board levies	6 984

4. INTEREST
Part of interest earned was capitalised.

5. EXPENSES	R'000
Other expenses comprises:	
Audit fees	115
Communications	503
Computer maintenance	75
Consultancy	110
Contractors	489
Depreciation	849
Examinations	236
Financial services	317
Collections	148
Legal	15
Marketing	254

CHAMBER ACHIEVEMENTS

Chambers comprise employers, employees and other people who represent the views, interests and expertise within each sub sector. They provide practical advice and strategic information to THETA, and contribute to the identification of training needs and the plans to address these.

HOSPITALITY CHAMBER

This Chamber represents accommodation services, food preparation, catering, food and beverage services, restaurants and fast foods.

During the year under review, qualifications were developed and registered on the NQF in four functional areas:

- Accommodation Services
- Professional Cookery
- Food and Beverage Services
- Fast Food Services

Hospitality Qualifications Framework

NQF Level	Accommodation Services	Professional Cookery	Fast Food Services	Food and Beverage Services
5	Dip: Accommodation Services	Dip: Professional Cookery	Dip: Fast Food Services	Dip: Food and Beverage Management
4		Cert: Hospitality Reception	Cert: Professional Cookery	Cert: Food and Beverage Services
3		SP: Receptionist	SP: Assistant Chef	Cert: Fast Food Services SP: Fast Food/Counter Attendant SP: Table Attendant SP: Bar Attendant
2	Cert: Accommodation Services SP: Room Attendant SP: Laundry Assistant SP: Public Area Cleaner	SP: Porter	SP: Cook – Convenience Food SP: Kitchen Cleaner	SP: Cook – Fast Foods SP: Food Service Assistant SP: Drink Service Assistant

SP = Skills Programme: A limited set of competencies required for a specific job. Contributes credits to larger qualifications such as certificates.

Cert = Certificate: A qualification at any level consisting of a minimum of 120 credits.

Dip = Diploma: A qualification at any level consisting of 240 credits.

- Over 100 high schools are offering the hospitality studies subject, 12 of which are testing the new curriculum which is based on unit standards registered on the NQF.
- A national analysis of technical colleges revealed the geographical spread and quality of hospitality industry vocational education. The training capacity, developmental needs and facilities available were identified, as were gaps in provision which will be used to focus attention for development.
- The ETQA assisted the Council on Higher Education to evaluate 19 providers and 34 programmes offered by private higher education institutions.

12. RECONCILIATION OF NET PROFIT TO CASH GENERATED FROM OPERATIONS

Surplus before interest	3 145
Adjustments:	
Depreciation	849
Profit on sale of assets	(64)
Increase in debtors	(8 594)
Increase in creditors and provision	7 967
Changes in working capital	3 303

13. PROPERTY PLANT AND EQUIPMENT

	Cost	Accumulated depreciation	Net carrying value
Capatilised leased assets	1 433	781	652
Furniture and equipment	122	38	84
Computer equipment	113	31	82
Balance at end of period	1 668	850	818

	Value 2000	Purchase	Disposals	Depreciation	Value
Capatilised leased assets	-	1 433	-	781	652
Furniture and equipment	-	122	-	38	84
Computer equipment	-	113	-	31	82
Net book value	-	1 668	-	850	818

14. LEASES

Interest for the year	Total debt	Short term portion	Long term portion	Total
-	15	15	-	15
-	49	39	10	49
18	123	24	100	-
-	72	-	-	-
	195			195
-	24	22	2	24
-	24	22	2	24
-	91	60	30	91
7	158	53	105	158
25	556	235	249	556

where possible. This includes encouragement of the formation of partnerships between established and emerging providers.

HIGHLIGHTS DURING OUR FIRST YEAR OF OPERATION

- The establishment of the infrastructure for this new organisation with its own constitution, the submission of a five year Sector Skills Plan and of the Business Plan.
- Frameworks for qualifications – and a range of actual qualifications themselves – developed and registered with SAQA.
- Excellent groundwork done by the Tourism Learnership Project acknowledged by the funders – the Business Trust and the Department of Labour – who agreed to fund the project into its second year and implementation phase.
- THETA becoming an active and integral part of the industry it represents. The open door and consultative manner has resulted in more than 7 000 calls handled by the Call Centre, together with over 2 000 e-mails and fax enquiries.
- Foundations laid to ensure that the training needs of outlying areas are more adequately met through liaison with organisations such as the Mpumalanga Regional Training Trust.

MEETING THE CHALLENGES

The development priorities will be met by THETA especially through:

- Ensuring access to well-designed, market-led unit standards, national qualifications, and learnerships that stipulate the competence required for quality performance in various functions;
- promoting education, training and development that allow for low level (National Qualifications Framework one and two) entry into learning and career streams for those previously excluded from access to developmental opportunities;
- providing learning pathways
 - that create the potential for employees to break glass ceilings in the workplace, that allow employers to implement career pathing, multi-skilling and equity strategies; and

- that ensure learners have maximum flexibility to move within and across sub-sectors as job, economic and personal circumstances change
- developing a practical way of making relevant training available to SMMEs
- promoting a focus on a high level of customer service in all operations
- incentivising greater development of supervisory and managerial skills
- providing quality assurance of providers that
 - set examples and build towards excellence
 - provides public assurances about quality
 - 'closes down' sub-standard providers.

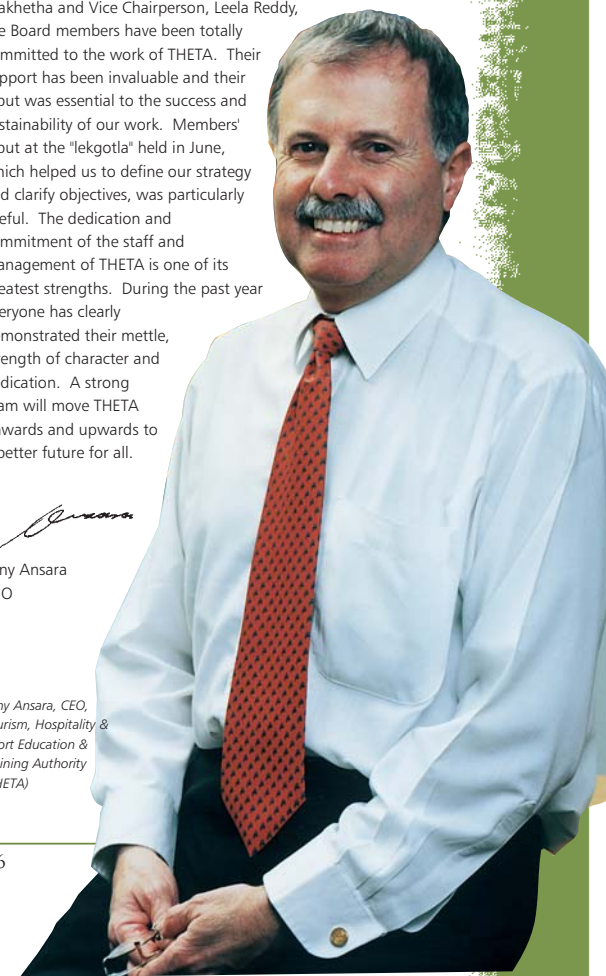
THANKS AND APPRECIATION

Under the leadership of Chairperson, Kananelo Makhetha and Vice Chairperson, Leela Reddy, the Board members have been totally committed to the work of THETA. Their support has been invaluable and their input was essential to the success and sustainability of our work. Members' input at the "lekgotla" held in June, which helped us to define our strategy and clarify objectives, was particularly useful. The dedication and commitment of the staff and management of THETA is one of its greatest strengths. During the past year everyone has clearly demonstrated their mettle, strength of character and dedication. A strong team will move THETA onwards and upwards to a better future for all.



Tony Ansara
CEO

Tony Ansara, CEO,
Tourism, Hospitality &
Sport Education &
Training Authority
(THETA)



REPORT OF THE AUDITOR - GENERAL
ON THE
FINANCIAL STATEMENTS OF THE TOURISM, HOSPITALITY AND
SPORT EDUCATION AND TRAINING AUTHORITY
FOR
THE YEAR ENDED 31 MARCH 2001



1. AUDIT ASSIGNMENT

The financial statements as set out on pages 13 to 18, for the year ended 31 March 2001 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with section 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with the relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements and compliance with relevant laws and regulations, applicable to financial matter, based on the audit.

2. REGULARITY AUDIT

2.1 NATURE AND SCOPE

2.1.1 Financial audit

The audit was conducted in accordance with generally accepted government auditing standards, which incorporate generally accepted auditing standards. These standards require the audit to be planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

2.1.2 Compliance audit

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

2.2 QUALIFICATION

2.2.1 Disclaimer: Financial audit

(a) Misstatement of levies

Although it was acknowledged that this matter had not been within the control of the Tourism, Hospitality & Sport Education & Training Authority (THETA), an uncertainty regarding the completeness of revenue as disclosed in the income statement; levies received and grant payments as disclosed in the balance sheet, existed for the year under review due to the following:

- (i) There was uncertainty regarding the allocation of employers to specific Sector Education Training Authorities

TRAVEL is facing difficulties arising from a changing revenue stream and direct bookings with airlines. This has resulted in the closure of some small agencies and a lack of new job opportunities. This is part of a worldwide restructuring process which is aimed at greater efficiencies in a very competitive environment.

CONSERVATION and GUIDING has different challenges. State operated parks and medium-sized business interests predominate. In recent years efforts have been made to overcome the perception of discrimination against black communities directly adjacent to conservation areas. New notions of relationships between people, and between people and the natural environments impact on the day-to-day functions of every conservationist. At the same time, these organisations, like all others in the sector, face a wave of modernising legislation to which they must respond.

SPORT, RECREATION and FITNESS federations and bodies confront two major issues that impact on education and training. International competition challenges our sports bodies in the area of competing and in logistical and technical support. Ongoing development of scientific knowledge and techniques increase the possible scope of practice for many in the industry, while a worldwide trend to more holistic notions of health and wellness affect the way the industry sees itself and its role.

FINANCE

THETA has made a strong case for review of the limitation on administration costs of 20% in year one and 10% thereafter. This regulation was made on a "one size fits all" for 25 SETAs serving very diverse sectors of the economy. In some of these, employer numbers are limited to several large companies paying relatively high wage rates. This facilitates efficient collection of a high value of levies and enables significant economies of scale in providing statutory services within these sectors.

Others have an inherently different structure. Tourism is comprised of a few large groups and a major SMME component characterised by low wage levels. Levies due are thus both of lesser value than in more affluent sectors and are much more difficult to collect. The services required from the SETA are more costly to implement in this sector due to the structure and wide geographical dispersion. There exists an irrefutable argument for differentiation between SETAs. This has been



brought to the attention of the Minister in written submissions. No response has been forthcoming. It is therefore with reluctance that THETA accepts the qualification 2.2.2 recorded in the report of the Auditor General. It is hoped that this situation will be resolved during the next financial year.

THETA'S LEGACY

With such diversity any attempt to synthesise overlapping trends is bound to stray into generalisation. Nevertheless, certain patterns are worth commenting on.

- Historically, training provision within travel and hospitality has been haphazard. In the other newer sub-sectors, it is yet to be fully developed.
- Across the sector the quality of training providers remains patchy with many operations basing their credibility on the fact that trainers were once practitioners. A worrying factor is the seeming complacency of many academic providers and an inability to recognise the imperatives of change.
- Training has ranged from exclusively in-house (gambling) to a combination of in-house and formal training (hospitality and conservation). Almost no recognition of prior learning has occurred and portability of credits or recognition has been sporadic and ad hoc. Within the hospitality sub-sector the provision of national qualifications with a quality assurance and accreditation system has gone some way to alleviating these problems.
- As training opportunities have generally been restricted to urban areas – and to cities specifically – people living in other areas of the country have battled to access this provision.
- There has been negligible provision for smaller and less formal businesses, where support is desperately needed.
- The sector makes significant use of part-time and casual employees, which is an international trend. This increases the need for continual training.

The new system of skills development and of qualifications outlined in the legislation and embodied in the National Qualifications Framework provides some ways to address these legacies. It is THETA's intention to put these mechanisms – like learnerships and rewarding skills development implementation – to work for the benefit of the economy, the sector and the people working in it.

Now is the time to act decisively in the interest of the future growth and sustainability of the South African tourism industry and the contribution it can make to our economy. The need for genuine transformation and the upgrading of skills are issues which can no longer be placed on the back burner.


Kananelo Makhetha
Chairperson

THE ESTABLISHMENT OF THETA

“To facilitate the achievement of excellent standards and growth through the development and recognition of people.”

Education and training in South Africa entered a new phase in March 2000 when 25 Sector Education and Training Authorities (SETAs) were established as part of a strategy to address the skills shortage in the country.

The role of THETA is to promote and facilitate training and skills development across the sector within the context of the skills development legislation promulgated in the latter half of the 1990s.

THETA'S VISION AND MISSION

The vision of THETA is "Training for growth" and its mission is "To facilitate the achievement of excellent standards and growth through the development and recognition of people".

THETA'S ROLES AND FUNCTIONS

- promoting skills development across the sector
- developing learnerships and supporting their implementation
- administering the levy-grant scheme
- facilitating the development of unit standards and qualifications
- accrediting employers and training providers and ensuring that quality assurance systems are established and maintained
- set annual targets for the skills development needs of the sector
- managing the Tourism Learnership Project
- operating the Tourism Marketing South Africa funding collection agency
- liaising with the Department of Labour, the National Skills Authority and the South African Qualifications Authority (SAQA).



QUALIFICATIONS UNDER DEVELOPMENT

NQF Level

TOURISM & TRAVEL

National Diploma in Event Co-ordination	5
Degree in Event Management	6
Masters Degree in Tourism	8
National Certificate in Tourism: Grading and Classification	5
National Diploma in Tourism Development	6
National Certificate in Tourism: SMME Accommodation	2
National Certificate in Tourism: SMME Accommodation	4

CONSERVATION & GUIDING

National Certificate in Natural Resource Guardianship	4
National Certificate in Fisheries Resource Guardianship	4
National Certificate in Fisheries Resource Management	5
National Diploma in Natural Resource Management (Terrestrial)	6
National Certificate in Social Ecology	2
National Certificate in Social Ecology	5
Professional Degree in Natural Resource Management (Terrestrial or Marine and Coastal)	7
Masters Degree in Conservation	8

APPENDIX D

STAFFING

	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Occupational Categories								
Senior Officials				2	1		1	
Senior Management				1				
Professionals				1				1
Managers								1
Assistant Managers						1		1
Administrative Staff						2		2
Clerical					4			
Elementary Occupations					2			
Total				4	7	3	1	5

Format Source: Department of Labour