

Culture, Arts, Tourism, Hospitality and Sport
Sector Education and Training Authority (CATHSSETA)

Strategic Plan

for the fiscal years 2014/15 to 2018/19



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

FOREWORD

I have the pleasure to present the Strategic Plan for the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) for the period 1 April 2014 to 31 March 2019, which is presented in terms of the Skills Development Act which established and governs the SETA, and in terms of the Public Finance Management Act (Act 56 of 1999, as amended).

In July to October 2013, the Board and Management Team of CATHSSETA convened to review its progress and performance to date, culminating in the development of this Strategic Plan. In so doing, the CATHSSETA considered both successes and challenges experienced in delivery against its strategic intent; and reflected extensively on its alignment to the national and provincial priorities reflected in the National Skills Development Strategy 3 (NSDS3), the National Development Plan (NDP) and the Medium Term Strategic Framework (MTSF), with particular focus on the Outcome of “a skilled and capable workforce to support an inclusive growth path” (Outcome 5).

In this regard, this Strategic Plan and aligned Annual Performance Plan of the CATHSSETA reflects an intent to live up to its vision and mission by closely aligning to the *eight key developmental and transformational imperatives of the NSDS III and the imperatives outlined in the MOU with the Department of Higher Education*.

This intent will be supported as the CATHSSETA actively responds to the national priorities and government wide development agenda of improving the middle and high skills levels to close the skills gaps in the workplace and to create employment opportunities for the youth, and specifically:

- Contributing to the effectiveness of the Quality Council for Trade and Occupations (QCTO);
- Improving the quantity and quality of labour market information received;
- Promoting the National Qualifications Framework (NQF);
- Registering and quality assuring PIVOTAL programmes within the framework of expanding usage of the public education and training providers; and
- Improving stakeholder relations and the formation of strategic partnerships at all levels.

In this context, managing the operations and projects of the CATHSSETA in a manner that creates long-lasting economic and social benefit for the sectors in which it operates is a critical focus; so as to ensure that the highest quality, safety and service standards are maintained.

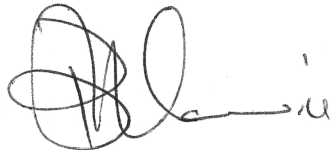
The Board further acknowledges the importance of a sound Monitoring and Evaluation Framework to ensure the quality of performance reporting against targets in the strategic plan and to ensure that the intended impact of the investment in skills development programmes and interventions is realised. The need to capacitate CATHSSETA with the right resources to strengthen its M&E capabilities is prioritised in this Strategic Plan in the short to medium term.

In this Strategic Plan, the CATHSSETA has revised and updated a roadmap to ensure the attainment of its 2018/19 goals and sets out high-level service delivery commitments and targets that will be used by the Board to monitor and oversee the organisation’s performance in the period. Whilst building on certain achievements of the past, the Strategic Plan reflects a commitment to the realisation of the full mandate and strategic intent of the Entity. In this regard, the CATHSSETA is confident that it will enhance its

capability and capacity and will continue with its ongoing efforts to improve its governance systems and outcomes-based reporting in the period.

I would like to take this opportunity to express the CATHSSETA Board's commitment to support the organisation as it continues to concentrate on excellent service delivery to our sector and its people through the performance focus and intent outlined in this Strategic Plan for the period to 2018/19.

I would also thank our stakeholders for their valuable contribution to the information and data contained in and informing, this Strategic Plan. The CATHSSETA will seek to leverage these engagements to further our positive contribution to society into the future.



Advocate Brenda Madumise

Chairperson of the Board

Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority

January 2014

OFFICIAL SIGN OFF

It is hereby confirmed that this Strategic Plan for the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA):

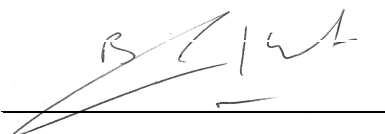
- was developed by the management team of CATHSSETA under the guidance of the Board;
- takes into account all the relevant legislation, policies and other mandates for which CATHSSETA is responsible; and
- accurately reflects the strategic goals and objectives which CATHSSETA will endeavour to achieve over the period 2014/15 – 2018/19.

This Strategy Framework is hereby presented as the guiding document for CATHSSETA for the period 2014/15 – 2018/19.

Recommended by:

Mr Ben Keet

Signature:



Chief Financial Officer (CFO)

Date:

31/01/2014

Mr Muzi Mwandla

Signature:



Executive Manager: Skills Development, Planning and Research

Date:

31/01/2014

Mr Mike Tsotetsi

Signature:



Chief Executive Officer

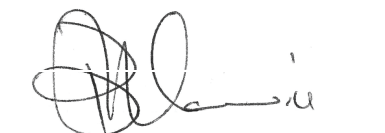
Date:

31/01/2014

Approved by :

Advocate Brenda Madumise

Signature:



Chairperson of the Board

Date:

31/01/2014

ABBREVIATIONS AND ACRONYMS

AET	Adult Education and Training
AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Performance Plan
ATR	Annual Training Report
BBEE	Broad-based Black Economic Empowerment
BCRCAT	Bargaining Council for the Restaurant, Catering and Allied Trades
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority
CATRA	Catering and Restaurant Allied Trade Association
DAC	Department of Arts and Culture
DEA	Department of Environmental Affairs
DHET	Department of Higher Education and Training
FEDHASA	Federated Hospitality Association of Southern Africa
FET	Further Education and Training
HEI	Higher Education Institution
HIV	Human Immunodeficiency Virus
HOTELLICA	Hotel, Liquor, Catering Commercial and Allied Workers Union of South Africa
HRDSSA	Human Resource Development Strategy for South Africa
ISOE	Institute of Sectoral Excellence
IPAP	Industrial Policy Action Plan
M&E	Monitoring and Evaluation
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTEF	Medium-term Expenditure Framework
MTSF	Medium-term Strategic Framework
NACTU	National Council of Trade Unions
NAFCOC	National African Federated Chamber of Commerce and Industry
NAMB	National Artisan Moderating Body
NCV	National Certificate (Vocational)
NDP	National Development Plan
NDT	National Department of Tourism
NICP	National Industrial Policy Framework
NSDS	National Skills Development Strategy
NGO	Non-governmental Organisation
NQF	National Qualifications Framework
NSF	National Skills Fund
OFO	Organising Framework for Occupations
PCHET	Portfolio Committee on Higher Education and Training
PIVOTAL	Professional, Vocational, Technical and Academic Learning

QCTO	Quality Council for Trades and Occupations
SACCAWU	South Africa Commercial, Catering and Allied Workers Union
SAQA	South African Qualifications Authority
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium and Micro-sized Enterprises
SP	Strategic Plan
SRSA	Sport and Recreation South Africa
SSP	Sector Skills Plan
the dti	The Department of Trade and Industry
THETA	Tourism, Hospitality and Sport Sector Education and Training Authority
WSP	Workplace Skills Plan

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PART A: STRATEGIC OVERVIEW

1. INTRODUCTION AND BACKGROUND

At the apex of the mandate of the Department of Higher Education and Training (DHET) and in turn the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA), lies the Constitution of the Republic of South Africa (Act No 108 of 1996). The Constitution is the supreme law of the Republic of South Africa and forms the legal foundation of a democratic South Africa and sets out the rights and duties of its citizens and defines the structure of the government. All laws of the country must be consistent with the Constitution and it further requires that all spheres of government work together to address poverty, underdevelopment, marginalisation of individuals and communities and other legacies of apartheid and discrimination. In this light, all Government Institutions, Entities and Municipalities ultimately derive their mandate from the Constitution.

Among other sections, of specific relevance to the mandate of CATHSSETA is then Section 29 of the Constitution which provides all people in South Africa the basic right to education. Everyone has the right-

- a) to a basic education, including adult basic education; and
- b) to further education, which the state, through reasonable measures, must make progressively available and accessible.

1.1. THE ESTABLISHMENT AND LEGISLATIVE MANDATE OF CATHSSETA

In order to give effect to the constitution, the Skills Development Act (No 97 of 1998) (SDA) makes provision for the establishment of SETA's for each national economic sector and thereby aims to develop the skills of the South African workforce by increasing the investment in education and training in the labour market; and encouraging employers to play a meaningful role in developing employees, particularly the previously disadvantaged. The Skills Development Levies Act of 1999 (SDLA) and the revised Grant Regulations (December 2012) then provide for the programmes and funding policies and regulations, which are intended to stimulate investment in skills development and learning interventions.

The following pieces of legislation (and their amendments) determine the establishment mandate, scope, operating procedures and reporting requirements of the Sector Education and Training Authority (SETA).

Table 1: CATHSSETA Establishment Legislation

LEGISLATION or REGULATIONS	PURPOSE
The Skills Development Act of 1998	SETA Institutional Establishment legislation
South African Qualifications Authority Act of 1995	Provides for the development and implementation of a National Qualifications Framework and establishment of the South African

LEGISLATION or REGULATIONS	PURPOSE
	Qualifications Authority
Education and Training Quality Assurance Bodies Regulations of 1998	To guide the accreditation of bodies responsible for monitoring and auditing the provision and achievement of NQF registered standards and qualifications
Skills Development Levies Act of 1999,	To impose the payment of skills levies by employer organisations to motivate investment in skills development
Learnership Regulations of 2006	Guidelines to regulate the establishment and implementation of learnerships in the workplace
National Qualifications Framework Act of 2008	To provide for NQF, SAQA and Quality Councils
New Grant Regulations, came into effect on 1 April 2013 (Government Gazette no. 35940, published on 3 December 2012).	The guidelines are intended to assist the Sector Education and Training Authorities (SETAs) in the development of internal policies and procedures in response to the Grant Regulations.

Together, these pieces of legislation form the foundation of an institutional framework for the SETA to develop and implement national, sectoral and workplace strategies. Such strategies are intended to improve workforce skills, productivity and employee employability.

Specifically, the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA), is the Sector Education and Training Authority (SETA) established under the Skills Development Act (SDA) for the culture, arts, heritage, conservation, tourism, hospitality and sport and recreation sub-sectors.

The arts, culture and heritage and the conservation sub-sectors have been combined within the scope of the historical Tourism, Hospitality and Sport Sector Education and Training Authority (THETA). The reason for this inclusion was to align all the logical sub-sectors that are inter-related and inter-dependant to the tourism sector; and to allow for improved skills planning so that the full value of the arts, culture, environment, tourism, hospitality, heritage and sport value-chain can be derived for both the benefit of the South African economy and its citizens.

The CATHSSETA has been in operation since April 2011 and is responsible for the:

- Development of a sector skills plan;
- Implementation of the sector skills plan;
- Development and administration of learnerships;
- Support of the implementation of the National Qualifications Framework;
- Undertaking of quality assurance of sector learning interventions;
- Disbursement of levies collected from employers in their sector; and
- Reporting to the Minister and to the South African Qualifications Authority.

The CATHSSETA is a schedule 3(a) listed public entity in terms of the Public Finance Management Act (Act 1 of 1999 as amended) (PFMA), and is accountable to the National Department of Higher Education and Training (DHET). Its current license, provided by the Minister of Higher Education and Training, expires on 31 March 2016, but it is incumbent of the CATHSSETA to be proactive in approaching this deadline and the period beyond.

The Section 3(a) listing confers on the CATHSSETA a limited degree of autonomy as well as the fiduciary and other responsibilities reflected in section 9 of the Companies Act. These provisions state that any provision of the Companies Act that applies to a private company applies also to a state-owned company, including those provisions defining the fiduciary and “due care” duties and responsibilities of “directors” of a company.

To this end, the CATHSSETA operates under the supervision of an independent Board of Directors, whose non-executive members are appointed by the shareholder (DHET); and strives at all time to comply with the principles contained in the King Code on Corporate Governance in South Africa (2009) (King 3).

The Board of CATHSSETA is the Accounting Authority in terms of the PFMA. The Board provides strategic direction and leadership so as to enhance shareholder value and ensure CATHSSETA’s long-term sustainable development and growth. In fulfilling its responsibilities, the Board is supported by the Chief Executive Officer and Executive Management Team in implementing the approved strategic and corporate plans and policies.

While established and mandated in terms of the provisions of the above legislation and its Service Level Agreement (SLA), there is also a myriad of other national and provincial legislation, policies and strategies pertaining to public entities generally and to SETA’s specifically to which the CATHSSETA must align. Of particular importance is the Public Finance Management Act of 2013 and from a policy and strategy perspective, the latest National and sectoral development plans and strategies.

The legislation which gives legitimacy to the CATHSSETA then forms the foundation of a strategic and institutional framework for the CATHSSETA which, as a public entity, must produce a 5-year Strategic Plan and an Annual Performance Plan (APP) in accordance with Treasury Regulations emanating from the PFMA.

1.2. THE STRATEGIC PLANNING PROCESS OF CATHSSETA

In 2013, the Board and the CEO have identified the need to critically assess, review and develop afresh the strategic plan, and not just conduct a roll-over of the existing strategic plan for a further period. This was so as to fully align the strategy with the revised Grant regulations, recent sectoral policy developments and with the framework for strategic planning and annual performance plans. There was a need to examine, synthesise and assimilate the various strategic, policy and related documents, consider the changes in the performance environment and policy intent and to develop a strategic plan that is progressive in nature and practical to implement.

The planning process was necessarily iterative and focused on critically examining the strategic framework, goals, objectives and performance metrics; to ensure that they are specific, measurable, achievable, realistic and time bound – in accordance with “SMART” principles. It was necessary to ensure that the performance data was devised in accordance with the definitions stipulated by the National Treasury requirements on performance information (2010). Extensive focus was placed on the consistency, integrity and accuracy of data provided by CATHSSETA through the process.

This document then outlines the methodology that was followed in conducting the strategic planning process and reflects the outcome of the process in the form of the Revised Strategic Plan of the CATHSSETA for the 2014/15 – 2018/19 period.

This Strategic Plan document outlines:

- i) A strategic framework for the CATHSSETA that aims at defining the character of the organisation, including a response to the performance delivery environment and an articulation of its mandate in response to establishment, regulatory and policy frameworks;
- ii) A consideration of the aim and purpose and value proposition of the SETA;
- iii) An articulation of the vision, mission and values of the SETA, in light of a carefully considered and defined mandate;
- iv) The SETA business model and service offerings;
- v) A balanced and aligned set of business goals, focus areas and strategic objectives, and aligned performance metrics;
- vi) Organisational design considerations and a recommended high-level organisational structure to be capacitated in order to give effect to the strategy;
- vii) The identification of gaps in the policy and operating environment; and
- viii) A prioritised list of critical success factors linked to implementation plans.

The CATHSSETA Strategic Plan, approved by the Board, will then serve as inputs to the management team as they work to finalise the Annual Performance Plan and supporting institutional arrangements; and actively pursue implementation of the approved Strategic Plan.

2. THE CATHSSETA STRATEGIC FRAMEWORK FOR 2014/15 TO 2018/19

Based on the establishment mandate discussed above, the CATHSSETA vision, mission and values have then been formulated to provide overall direction and inspiration in meeting and exceeding the objectives of the mandate.

2.1. VISION

In delivering on its mandate and in support of the National Skills Development Strategy 3 (NSDS III); the CATHSSETA describes the following vision:

Sustainable people development for prosperity

2.2. MISSION

In achieving its vision, the CATHSSETA defines its mission as follows:

To facilitate skills development of our people through creating strategic partnerships to ensure a meaningful contribution to economic growth within our sector

2.3. VALUES

To support and drive its core strategy, the CATHSSETA articulates its institutional values as follows:

Table 2: CATHSSETA Institutional Values

VALUE	WHAT IT MEANS
Service Excellence	<p>Living this value means that CATHSSETA will seek to:</p> <ul style="list-style-type: none"> ▪ Understand customer needs, respond timeously, efficiently and effectively to customer queries and requests; ▪ Display an image of professionalism and accountability; and ▪ Drive quality and high performance.
Commitment to Transformation	<p>Living this value means that CATHSSETA will seek to:</p> <ul style="list-style-type: none"> ▪ Prioritise the participation of previously disadvantaged groups in all skills development opportunities; ▪ Promote demand-driven skills development programmes ; and ▪ Measure impact of interventions on transformation.
Ubuntu (care and concern for our people)	<p>Living this value means that CATHSSETA will seek to:</p> <ul style="list-style-type: none"> ▪ Work with care, empathy, respect and consideration for the well-being of staff, customers and stakeholders; ▪ Maintain a safe and healthy work environment and promote care and concern for assets and people; and ▪ Focus on people development, growth and work / life balance.
Accessibility	<p>Living this value means that CATHSSETA will seek to:</p> <ul style="list-style-type: none"> ▪ Develop and promote skills development programmes to ensure equal access to opportunities by all; and ▪ Develop skills development programmes aimed at improving opportunities for people in rural areas.
Integrity	<p>Living this value means that CATHSSETA will seek to:</p> <ul style="list-style-type: none"> ▪ Value openness, honesty, consistency and fairness; ▪ Act in good faith in all our day to day activities; ▪ Display humility in our actions; and ▪ Ensure transparent funding policies and practices.
Partnership and Stakeholder Focused	<p>Living this value means that CATHSSETA will seek to:</p> <ul style="list-style-type: none"> ▪ Build partnerships with relevant government departments, public and private training providers and organisations; and ▪ Offer quality education and skills development opportunities

VALUE	WHAT IT MEANS
	and experiences to learners to ensure ultimate employability and reduce inequality in sector.

The discussion noted that the above values remain relevant for the period of this strategic plan, but specifically emphasised that the values require targeted management intervention to ensure they are visible and lived, and they should be assessed as part of the performance management approach of the CATHSSETA.

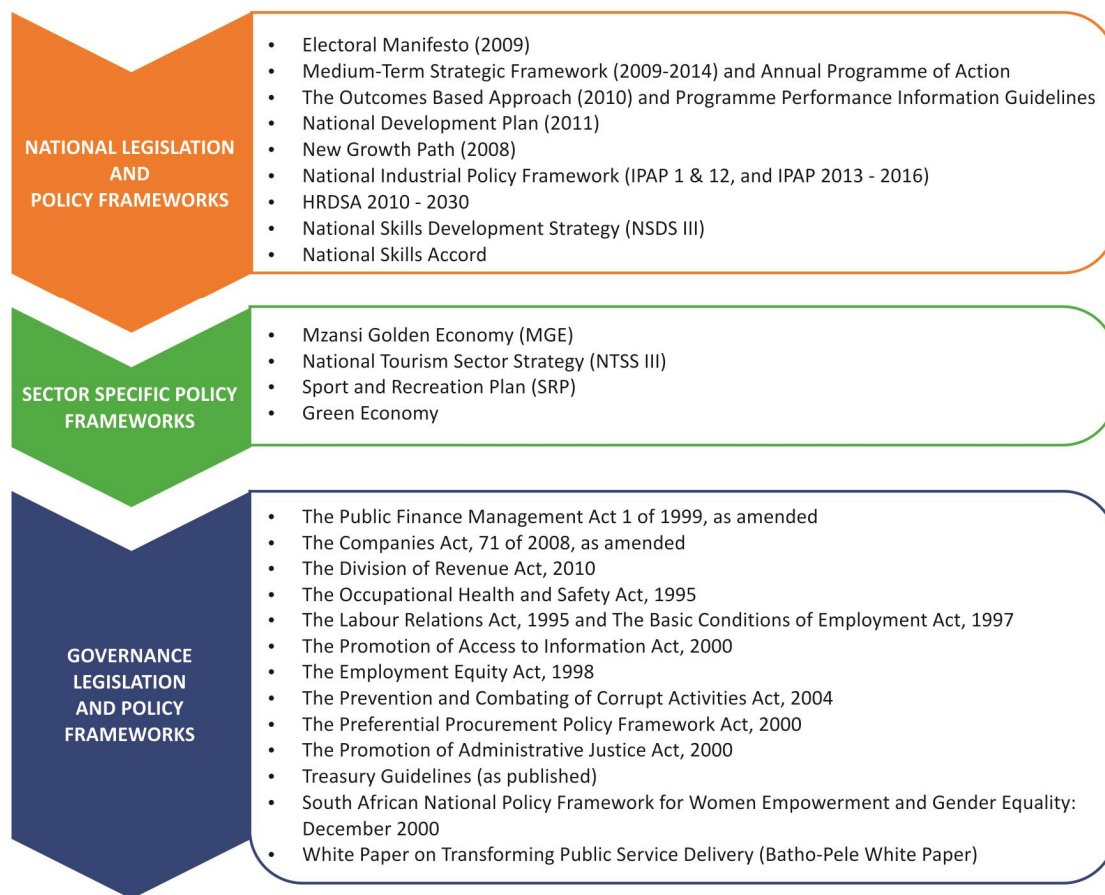
2.4. SUPPORTING LEGISLATIVE AND POLICY CONTEXT

Whereas the Constitution and establishment legislation establishes CATHSSETA and clarifies its mandate, there are various other pieces of legislation and national and sectoral policies, frameworks, regulations and strategies which give effect to how the mandate should be implemented.

The CATHSSETA Mandate defines what it is formally and informally required to do, or not to do, by its shareholder. Annually, a Service Level Agreement (SLA) is agreed upon and approved by the Director General of the Department of Higher Education and Training with the CATHSSETA. In its strategic planning, it is then incumbent on the CATHSSETA to examine the broader government policy and strategy framework and articulate its aligned response.

The diagram below depicts the key guiding policies, frameworks, regulations and strategies that contextualise and specifically inform the work and focus of CATHSSETA.

Figure 1: CATHSSETA High level Policy and Strategy Context



The National Development Plan (Vision 2030) and 5-Year Medium-Term Strategic Framework (MTSF)

The highest-level policy context for all spheres of government is articulated in the medium-term strategic framework of national government for the electoral period (currently 2009-2014). This document guides all government activities and, amongst others, outlines key strategic priorities related to creating decent jobs and sustainable livelihoods; building a developmental state and improving the quality of public services. Key to this policy directive is the need to improve the capacity and efficacy of the State and to entrench a culture of an efficient, transparent, honest and compassionate public service that works towards building partnerships with society and strengthening democratic institutions.

Equally important to consider, The National Development Plan (2012) to which the National Skills Development Strategy 3 (NSDS 3) is aligned, seeks to create a "virtuous cycle of growth and development" by removing the most pressing constraints to investment and job creation in order to eliminate poverty and sharply reduce inequality in the country by 2030. It prioritises improving the country's infrastructure while integrating the rural economy and transitioning to a lower-carbon economy; to improving the quality of education; achieving quality universal health care; building safer communities; reforming the public service and beating corruption.

The NDP reflects a new development paradigm that seeks to involve communities, youth, workers, the unemployed and business in partnership with each other, and with a more capable state. It further stresses the need for jobs to be located where people live, for informal settlements to be upgraded, and for housing market gaps to be closed. The plan suggests that public infrastructure investment be set at 10% of the country's gross domestic product (GDP).

The central challenges and priority areas of the National Development Plan vision for 2030 closely mirror the 7 Key Developmental and Transformational Imperatives of NSDS III and some are also directly linked to NSDS Goals, in particular:

- Too few people work;
- The standard of education of most Black learners is poor;
- Spatial patterns exclude the poor from the fruits of development;
- Public Services are uneven and often of poor quality; and
- South Africa remains a divided society.

The NDP places emphasis on the fact that the failure by South Africa to increase employment through quality education would signal almost certain failure for the country. This is closely linked to the new role of SETAs defined in NSDS III - of creating employment opportunities through enhancing the skills of the workforce, both employed and unemployed.

The Outcomes Based Planning Approach

The Medium Term Strategic Framework (2009 – 2014) and the ensuing Outcomes Based Approach of government have then introduced Outcome 5 which is: **“A skilled and capable workforce to support an inclusive growth path”**; and are the primary responsibility of the Department of Higher Education and Training and therefore the CATHSSETA. The specific government-wide outputs under outcome 5 are:

- Establish a credible institutional mechanism for skills planning;
- Increase access to programmes leading to intermediate and high level learning;
- Increase access to occupationally-directed programmes in needed areas; thereby expand the availability of intermediate level skills (with special focus on Artisan Skills);
- Increase access to high level occupationally directed programmes in needed areas;
- Enhance research development and innovation in human capital for growing a knowledge economy.

CATHSSETA, through its work in the various sub-sectors, also contributes to and supports the following outcomes:

- Outcome 4: Decent employment through inclusive economic growth;
- Outcome 10: Environmental assets and natural resources that is well protected and continually enhanced; and
- Outcome 12b (future Outcome 14): An empowered, fair and inclusive citizenship.

National Industrial Policy Action Plan (IPAP2 and IPAP3 – 2013-2016)

The evolving IPAP framework represents a significant step forward in scaling up efforts to promote long term industrialisation and industrial diversification. Its purpose is to expand production in value-added sectors with high employment and growth multipliers that compete in export markets as well as compete in the domestic market against imports.

In so doing, the action plan also places emphasis on more labour absorbing production and service sectors and the increased participation of historically disadvantaged people and regions in the economy. It seeks to facilitate, in the medium term, South Africa's contribution to industrial development in the African region.

It is estimated that the IPAP will result in the creation of 2 477 000 direct and indirect decent jobs over the next ten years. It will diversify and grow exports, improve the trade balance, build long term industrial capability, grow our domestic technology and catalyse skills development.

The IPAP advances the work of the Economic Sectors and Employment Cluster in a number of respects. In the CATHSSETA sector it calls for rural development through tourism related economic development and strengthening linkages between Tourism and Creative industries. The IPAP intends to create stronger integration between sector strategies, skills development plans and the commercialisation of publicly funded innovation. The second key action programme relevant to CATHSSETA is Tourism export development and promotion through the cultural and creative industries.

The Broad Based Black Economic Empowerment Act No 53 of 2003

One of the objectives of the Broad Based Black Economic Empowerment Act is to empower rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills.

The National Skills Accord of 2011

The Skills Accord's aim is to form a partnership between DHET, Communities, Organised Business and Labour to identify common areas in training and skills development that can be committed to and implemented, in order to achieve the broad goals of the New Growth Path and NDP. The Accord has 8 commitments and commitments 4, 6 and 7 have specific focus on skills planning and the operations of SETAs.

- Commitment 4 – partners commit to ensure that part of the Mandatory grant (10%) is used for funding workplace training for University of Technology students as well as FET College graduates.
- Commitment 6 – partners commit to improving the seniority of their delegations to SETA Board and that organised labour must approve Sector Skills Plans (SSPs) and Workplace Skills Plans (WSPs) on the shop floor. Therefore, Workplace Training Committees must ensure that their companies plan properly and address the skills needs of workers. SETAs will not release the Mandatory Grants for WSPs and Annual Training Reports (ATRs) unless it is signed off by organised labour in the particular workplace and protocols will be developed to ensure this process improves the quality of the skills plans.

- Commitment 7 – partners commit to ensuring that the funding of training through the SDL is directed towards the training that meets the skills needs of the economy, including the training of professionals and training programmes that leads to qualifications.

Human Resources Development Strategy of South Africa

Human Resource Development has been identified as a vital instrument in all government strategies to accelerate development. The HRD-SA is aimed at reducing poverty and unemployment, promoting social cohesion through improved equity in the provision and outcomes of skills development programmes and improving economic growth and development through improved competitiveness.

The over-arching framework for all the work in the Higher Education and Training and Sector Education space is the Human Resource Development Strategy for South Africa (HRDSA).

National Skills Development Strategy III

The key driving force of this strategy is improving the effectiveness and efficiency of the skills development system that effectively responds to the needs of the labour market and social equity. The strategy seeks to establish and promote closer links between employers and training institutions and between both of these and the SETAs. It represents an explicit commitment to encouraging the linking of skills development to career paths, career development and promoting sustainable employment and in-work progression.

Sector Specific Policy Frameworks

CATHSSETA conducts its activities within the following economic sub-sectors:

- Culture, Arts and Heritage,
- Tourism and Travel Services,
- Hospitality, gaming and lotteries,
- Conservation,
- Sport, Recreation and Fitness.

The global economic meltdown in 2008 affected growth in these sub-sectors, and although many countries are showing signs of recovery, South Africa's slow growth rate continues to have a negative impact on these sectors.

The key departments that CATHSSETA is aligned to, have developed a number of strategies geared towards stimulating growth in these sectors. CATHSSETA's situational analysis is largely influenced by these strategies with the key emphasis being on skills development to ultimately improve the employability of people. The need to develop increasingly more accurate, high quality and demand-driven Sector Skills Plans requires CATHSSETA to build partnerships with the respective sector role players, ensure close alignment with Sector Strategies and develop an in-depth and sound understanding of the actual skills development needs and challenges of the Sector.

a) Department of Tourism

Tourism is a priority economic sector identified in government's Medium-Term Strategic Framework (MTSF) and 2009 election manifesto, and Cabinet approved South Africa's New Growth Plan at a special meeting held in October 2010. The plan identifies tourism as one of the six core pillars of growth, with the other pillars being infrastructure development, the agricultural value chain, the mining value chain, the green economy, and manufacturing sectors in the Industrial Policy Action Plan (IPAP2).

Against this background, the National Department of Tourism (NDT), initiated an inclusive process to draft the **National Tourism Sector Strategy (NTSS)** in 2010, to inspire and accelerate the responsible growth of the tourism industry from 2010 to 2020. It aims to address creation of wealth within the tourism sector and its sub-sectors. This puts emphasis on three themes that proposes new thinking - to grow the tourism economy, enhance visitor experiences and to strive for sustainability and good governance. More encouraging is the fact that, NTSS sets bold new benchmarks for the sector through unprecedented focus on the facilitation of support for rural tourism development, small medium and macro-enterprises (SMMEs) access to markets and funding.

b) Department of Sports and Recreation South Africa

The Department of Sport and Recreation continues to contribute towards transformation, mass participation, rural development, job creation, a healthy life style, peace and security, and economic growth. However the most significant contribution remains within the sphere of social cohesion. **Outcome 12 (b) is a key deliverable of SRSA - "An Empowered, Fair and Inclusive Citizenship"**.

The strategy captured in the **National Sport and Recreation Plan (NSRP)** is focused on increasing levels of participation in sport and recreation, as well as achieving success in international sport. The 2012-2016 SRSA Strategy expresses the ambition to drive South Africa into the competitive world of sport as a unified and transformed sector.

The NSRP refers to the following key imperatives, relevant to CATHSSETA, to **build an enabling environment** for Sport and Recreation:

- To support and empower South African coaches.
- To support and empower South African administrators and technical officials.
- To support the development of South African sport through a coordinated academy system.
- To empower the human resource base through the provision of accredited education and training programmes.
- To empower volunteers to adequately support the South African sports system.

A number of SRSA programmes are carried by various sports federations and lead by SASCOC. CATHSSETA has partnered with SASCOC in addressing the skills shortage facing these sectors and in 2012; the partners developed the **National Coaching Framework** which seeks to improve the coaching standards as well as recognition of prior learning of sport coaches.

c) Department of Arts and Culture

The National Department of Arts and Culture is the custodian of cultural heritage in South Africa. DAC continues to make significant strides in positioning the cultural and creative industries as one of the main drivers of economic growth and job creation in our country. The Department's approach is informed by the realisation that societies with greater social cohesion tend to be the ones that are economically prosperous.

For the arts, culture and heritage (ACH) sector specifically, a similar policy emphasis is evident. As far back as 1998, the Cultural Industries Growth Strategy (CIGS) reflected the early beginning of policy articulation based on recognition of the economic growth contribution of ACH, and how government, especially through stimulating SMME growth in the sector, could support economic growth and socio-economic development.

The **Mzansi Golden Economy Strategy** (MGE) and Building a Socially Cohesive and Caring Society Strategy represent the most recent advances in policy development in the ACH sector, culminating in and informing the DAC response to the MTSF, the Revised White Paper on ACH, the National Development Plan and IPAP2. This strategy seeks to establish a skilled and capable workforce to support inclusive growth and to develop requisite human capital to manage the resources in the art, culture & heritage sectors.

d) Department of Environmental Affairs

CATHSSETA has **partnered and signed MoUs with a number of conservation bodies and agencies such as the SANBI, SANParks**, mandated to conserve biodiversity (wildlife, indigenous plants and ecosystems including those feeding water resources and commercial marine systems) in protected areas and on private land, in terrestrial, freshwater, coastal and marine ecosystems. About 50% of workers in these sectors are employed by the state and the remainder by Private sector organisations and NPOs.

Conservation and ensuring the maintenance of a balance in the ecosystem, including the green economy is one of the key areas of focus of DEA and its agencies. These areas however, require a set of skills which many of the currently employed workers do not have. In the **partnerships that CATHSSETA has with these agencies, the focus is mainly on catching up on critical and scarce skills.**

There are significant new development opportunities associated with green growth and sustainability. Issues such as climate change, energy shortages, natural resource degradation and high energy prices are driving the emergence of a sustainable development paradigm, and in an African context, sustainable development must be tied to poverty alleviation, job creation and new development opportunities, while also ensuring that resources are not over-exploited in ways that undermine future development options and choices.

South Africa has a good track record of using its protected areas and natural resources for tourism. This important component of the national economy is particularly valuable for creating employment and enterprise opportunities in rural areas, with positive potential for extension, but sufficient management capacity for protected areas is low and requires stepped up skills development. The green economy has made it vital that skills are developed for protected areas and biodiversity management.

The Development Bank of South Africa, in its Green Jobs Report of 2011, has estimated that the greening of the South African economy has the potential to create more than 460 000 new direct jobs by 2025. It is therefore critical for **CATHSSETA to partner with the relevant agencies such as the South African National Biodiversity Institute, GreenMatter and the World Wildlife Fund to ensure that this potential is realised in the sector.**

3. SITUATIONAL ANALYSIS TO INFORM 2014/15 – 2018/19 STRATEGIC PLANNING

The above perspectives set the tone and context in which the CATHSSETA creates its impact. In addition to the review of the context, policy and strategic frameworks highlighted above, it is important to critically reflect on the sub-sectors within the CATHSSETA scope, its performance to date in relation to its operating and organisational environment; and to identify emerging stakeholder considerations.

3.1. ANALYSIS OF THE CATHSSETA SUB SECTORS

The Department of Higher Education and Training (DHET) utilises the Standard Industrial Classification (SIC) codes to determine the jurisdiction of a SETA. SIC codes describe the employer’s core business and therefore describe who the stakeholders of each SETA are. The SETA Landscape Process for NSDS III announced by the Minister and confirmed in the Government Gazette of November 2010, placed 62 SIC codes in CATHSSETA’s scope. CATHSSETA has clustered or grouped the SIC codes in its scope into logical areas of overlap or similarity of business focus that collectively make up a sub-sector. These sub-sectors are: Arts, Culture and Heritage; Conservation; Gaming & Lotteries; Hospitality; Sport, Recreation and Fitness and Tourism and Travel Services.

Table 3: CATHSSETA Sub-Sector Summary

SUB SECTOR	BACKGROUND AND DESCRIPTION
CONSERVATION AND TOURISM GUIDING	The Conservation sub-sector increased from 11 181 employees in 2012 to 11 422 employees in 2013 which represents a 2% increase in employees . This increase can be directly attributed to the increase in “green” jobs in the sector, particularly in natural resource management and is reflective of the potential to create jobs in this sub-sector .
(4 SIC Codes)	Hunting and Trapping including related services; Game parks, reserves incl. but not limited to wildlife, parks, zoological or animal parks and botanical gardens; Activities of conservation bodies; Wildlife conservation incl. wildlife, game, parks, game reserves, zoological establishments, botanical gardens etc.
ARTS, CULTURE AND HERITAGE	The South African Arts, Culture and Heritage sectors are vibrant and dynamic and they are one of the largest sectors in South Africa . It is however difficult to measure the economic contribution as well as the labour market analysis in terms of skills requirements within the sector due to lack of historically accurate and valid data .

SUB SECTOR	BACKGROUND AND DESCRIPTION
(15 SIC Codes)	Production of Craft Art; Traditional Art; Designer Goods; Functional Wares; Souvenirs; Activities of Artists and Entertainers; Theatre and Entertainment Technicians; Arts Councils and other Related Institutions; Dramatic Arts, Music and other Arts Activities; Production of 'Live' Theatrical and Artistic Events; Museum Activities and Preservation of Historical Sites and Buildings; Provision for management and operation of Monuments, Historical Sites and Buildings; Management and operation of museum, cultural and heritage; The Activities of Casting for Motion Pictures, Television and Theatre Productions.
GAMING AND LOTTERIES	The Gaming and Lotteries chamber is second smallest chamber in the CATHSSETA scope. As the sub-sector grows, it is necessary to ensure that skills development interventions in the form of qualifications and skills programmes are sufficient and current to ensure that skills gaps are addressed. However it is the second largest employer with 21 727 employees . It is interesting to note that employment in this sub-sector is gradually recovering from its decline in 2012 as indicated by the growth of 3.3% from 21 018 in 2012 to 21 727 in 2013.
(2 SIC Codes)	Operation and management of Horse Racing Events and Clubs and Academies; Gambling, licensed Casinos & the National Lottery and but not limited to Bookmakers, Totalisators, Casinos, Bingo Operators.
HOSPITALITY	The hospitality sub-sector is the largest sub-sector and is a several billion dollar industry that is dependent on the availability of leisure time and disposable income . It is the most labour intensive and therefore the biggest employer (Employment in the Hospitality sub-sector increased by 4.4% from 122 464 in 2012 to 127 811 in 2013). However 96% of the enterprises in the sub-sector are SMMEs , which are exempt from paying skills levies.
(16 SIC Codes)	Hotels, motels, boatels and inns registered with the SA Tourism Board; Caravan Parks and Camping Sites; Guest Houses and Guest Farms; Hotels, motels, boatels and inns not registered with the SA Tourism Board; Bed and Breakfast; Management and operation of game lodges; Restaurants or tearooms with liquor license; Restaurants or tearooms without liquor license; Take-Away Counters; Caterers; Take-Away Restaurants; Fast Food Establishments; Other Catering Services n.e.c. including Pubs, Taverns, Night Clubs; Timesharing; Bioscope Cafes.
SPORT, RECREATION AND FITNESS	The Sport, Recreation and Fitness sub-sector's direct contribution to GDP, was R 41 billion, which equated to approximately 2%. Sports Tourism currently accounts for approximately 10% (R 6.4 billion) of the tourism sector's contribution the South African GDP. It has shown a spike in the number of employees and recorded a 29% growth in the number of employees in the sub-sector between 2012 and 2013. This increase is indicative of both growth in this sub-sector and improved capturing and reporting in the WSPs and ATRs received from employers, which has been a focus area of the Sport, Recreation and Fitness Chamber.

SUB SECTOR	BACKGROUND AND DESCRIPTION
(12 SIC Codes)	Operation and management of Health and Well-Being Centres including but not limited to Hydros, Spas, Fitness Centres etc.; Recreational, Cultural and Sporting activities; Recreational, leisure and outdoor adventure activities including management and operation of facilities, Government departments; Amusement Parks; Sporting activities; Operation and management of sporting facilities and clubs; Operation and management of sport academies; Promotion and management of sporting events and activities; Management and operation of non-motorized sporting activities; Sporting activities incl. but not limited to Sport Federations etc.; Management and operation of motorized sporting activities; The Operation and Management of recreation parks & beaches, fairs and shows of a recreational nature and recreational transport activities.
TOURISM AND TRAVEL SERVICES	The tourism sub-sector makes a substantial contribution to the South African economy and in 2012 the revenue generated by tourist arrivals increased by 7.6% (R5, 4 billion) compared to 2011, with the key drivers of the growth being the increase in foreign arrivals and average spend per tourist. The Tourism and Travel services sub sector offers significant employment opportunities. Direct employment in the sector as a percentage of overall employment in the country went up from 4.3% to 4.5% between 2010 and 2011. This resulted from the increase of about thirty one thousand direct jobs in the sector from 2010 to a total direct employment of 598,432 in 2011.
(13 SIC Codes)	Tour operators (Inbound and Outbound Tour Operators); Safaris and Sight Seeing Bus Tours; Safaris and Sightseeing Trip Operators; Inbound International Flights; Travel agency and related activities; Renting of Land Transport Equipment; Renting of Land Transport Equipment including Car Rentals; Event and Conference Management; Operation and Management of Convention Centres; Tourist Info Centres; Car Hire; Tourism Authorities incl. but not limited to Tourism Marketing, Tourist Information Centres, Publicity Associations; Guides incl. tourist river, mountain etc.

The following section is intended to be a brief summary of salient points extracted from the 2014/15 Sector Skills Plan (SSP) in order to provide some context of the scope of the sector falling within CATHSSETA's scope. The Sector Skills Plan is available as a separate document and in no means are we duplicating the SSP here

The nature, scope and size of the CATHSSETA sector are extremely vast and varied and a labour market analysis of the skills requirements of the sector is complex due to the lack of accurate and valid data.

The sector is dominated by SMMEs who by the very nature of their size and modus operandi, operate "below the radar" and thus evade many official national databases, such as the South African Revenue Service. This is further compounded by the fact that Workplace Skills Plan (WSP) and Annual Training Report (ATR) data for the sector is very limited as most employers are Small, Medium and Micro Enterprises (SMMEs) and are therefore exempt from paying skills levies and submitting WSPs and ATRs.

The table below provide an overview of the number and size of registered enterprises with CATHSSETA.

Table 4: Number and Size of Enterprises Registered with CATHSSETA

Sub-sector	Size of Enterprise			Number of enterprises registered with CATHSSETA	% in the Sector
	0-49	50-149	150+		
Arts, Culture & Heritage	807	19	12	838	3.27%
Conservation	1 096	33	19	1 148	4.48%
Gaming & Lotteries	455	20	49	524	2.04%
Hospitality	17 436	510	212	18 158	70.86%
Sport, Recreation & Fitness	1 969	57	17	2 043	7.97%
Travel & Tourism	2 816	52	47	2 915	11.38%
TOTAL	24 579	691	356	25 626	100%

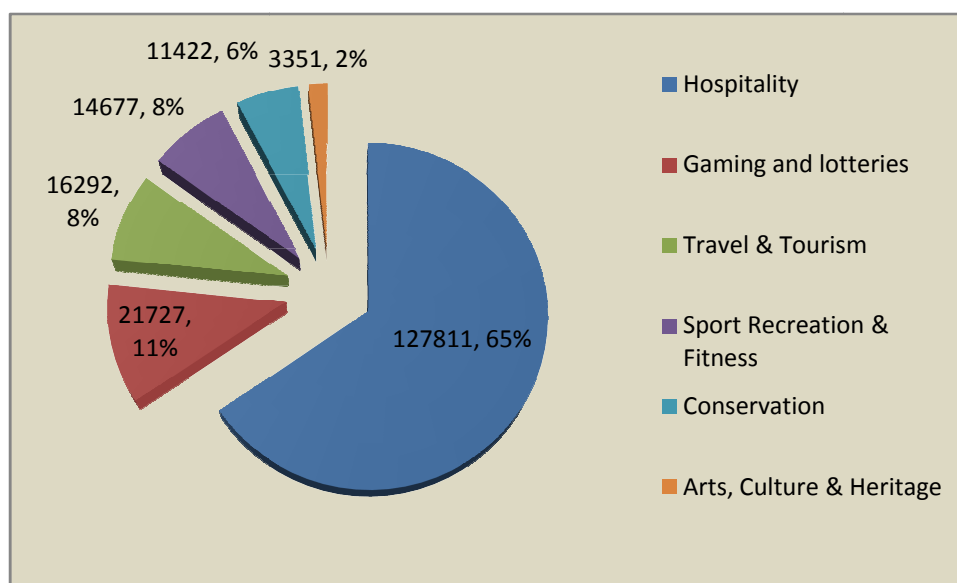
Source: CATHSSETA SMS 2013

In light of the above, CATHSSETA have been challenged to collect accurate, comprehensive and quality information on the true extent of the sector demand for skills development. To counteract and overcome these challenges CATHSSETA together with relevant National and Provincial Government Departments in the sector have initiated various research projects to ensure that there is sufficient data for the sector to conduct an accurate labour market and skills needs analysis. In addition, CATHSSETA has also been actively engaging with stakeholders in the sector to ascertain the demand for skills in the sector, understand blockages and delays in skills development implementation and also to engage in robust debate regarding new legislation and regulation in the sector. Key debates centred on NSDS III, the National Skills Accord, Revised SETA Funding Regulations and the implementation of Professional, Vocational, Occupational, Technical & Academic Learning (PIVOTAL) Grants.

Globally the sector is extremely labour intensive and is a major source of employment, requiring various degrees of skill and often provides women, youth and migrant labour with a relatively easy access point into the workforce. In 2010 the sector globally accounted for 235 million jobs, which is equivalent to 8% of the total employment, or 1 in 12.3 jobs.

The following diagram depicts the employees per sub-sector:

Figure 2: Employees per Sub-Sector



Source: CATHSSETA SMS 2013

3.2. PERFORMANCE ENVIRONMENT

The CATHSSETA sector plays a key role in unlocking economic growth and stimulating employment to reduce poverty in the country. CATHSSETA continues to see growth in the uptake of Skills Development interventions by stakeholders and will strive to become as efficient and effective in delivering services in order to ensure qualitative impact within all subsectors. Skills transfer, workplace training and learning remains at the forefront of CATHSSETA's objectives. The current Performance Environment of CATHSSETA has positives and Challenges and it is important to build on the strengths and to put processes in place to overcome the challenges.

An organisational Design and Development process was undertaken during the 2013/14 financial year. As a result, the management team has been strengthened with the appointment of the Chief Operations Officer and the Stakeholder Relationship Management capacity of CATHSSETA has been strengthened with the appointment of the Stakeholder Relationship Manager.

CATHSSETA has worked hard at establishing and building Research partnerships with HEIs, such as but not limited to, the Environmental Learning and Research Centre of the Rhodes University; Department of Recreation and Tourism of the University of Zululand; GreenMatter; Department of SRSA. The SETA has successfully entered into a number of MOUs between the SETA, Employer organisations and the Private sector to drive skills development programmes.

A number of qualification reviews have been undertaken, in partnership, such as the Tourism and Travel programmes at high school and FET levels; Heritage qualifications and NC general Travel qualifications. CATHSSETA will continue to play a critical role in ensuring that qualifications offered are of the quality and relevance that the sector requires important and have prioritised as critical and scarce skills.

Below is a list of CATHSSETA projects that can be highlighted as recent achievements

Table 5: Summary of CATHSSETA Success stories

HIGHLIGHT	DESCRIPTION
AFCON Project	<p>CATHSSETA capacitated a group of youth by placing them on a skills development project with the Local Organising Committee during the 2013 AFCON tournament. Volunteers were capacitated on the “Introduction to Customer Service NQF level 4” and the hospitality graduates were trained and served as bar attendants in the AFCON suites. The project also placed French and Portuguese translators to assist the team liaison officers, guest relations and media at the LOC headquarters</p>
Skills Outreach and Career Guidance Bus	<p>Skills transfer goes hand in hand with career advice and guidance. However, a lot of South Africa’s youth particularly those in rural areas miss out on critical career development information due to a lack of access to such services, which are normally concentrated in urban areas. CATHSSETA launched a career development bus that will be on the road until 2016</p>
Stakeholder Relationships/ Partnerships	<p>Partnerships were established with Higher Education Institutions to conduct labour market research and analysis within specific subsectors. These partnerships have been concluded with the Environment Learning and Research Centre at Rhodes University, Department of Recreation and Tourism of the University of Zululand, GreenMatter and the Department of Sports, Recreation South Africa. Opportunities for 14 PhD and 20 Masters Students, whose research topics and outputs will directly contribute to achieving the CATHSSETA Research Strategy and address the Research Capacity and Innovation of the Strategy Objectives of Goal 2 of the NSDS III.</p> <p>A number of stakeholder workshops, to interact with the levy payers and the training providers, to acquaint CATHSSETA stakeholders with the developments and advancements made within the organisation.</p> <p>The biggest challenge remains the lack of a coordinated and integrated approach between CATHSSETA and its respective sector line departments to ensure alignment in focus and interventions – This will remain a key focus area for this year.</p> <p>Working sessions have already been scheduled for the next year to educate and workshop the impact of the amended Grant Regulations with the role players in the sector.</p>
SETA FET Office Launch	<p>CATHSSETA is one of the lead SETAs appointed by the DHET to oversee the opening and functioning of SETA offices at FET colleges. The opening of the two SETA offices in the KwaZulu Natal province was facilitated by CATHSSETA on 12 March 2013 at the official opening of the SETA offices at the Mthashana FET College in Nongoma and at the Mnambithi FET.</p>
Bursary Grant Project	<p>231 learners been granted bursaries, to study towards a qualification classified as scarce and critical.</p>

HIGHLIGHT	DESCRIPTION
ABET Project	Employees from Peermont Global, Riviera Vaal, Radisson Blu Hotels and Virgin Active were trained on ABET level 1-4. A total of 134 learners were declared competent and certified, with the remaining 8 learners expected to complete in this financial year.
Content Review Project	In partnership with UMALUSI and National Department of Tourism we conducted a study into the review of services subjects content; namely hospitality and tourism. The objective of this study was to ensure the review of Public FET curriculum in Hospitality and Tourism to ensure that the curriculum provides a sound foundational basis for building labour market relevant skills; to recognized by employers as important base qualifications through which young people can obtain occupational skills and work experience allowing them to enter the labour market with marketable skills, and be able to obtain employment. This project enabled the input of industry specialists to ensure that FET colleges produce graduates who have adequate knowledge and understanding for the sectors the learners are to work in.

Whilst it is celebrated that CATHSSETA achieved an unqualified audit for the second year since the NSDS III, which indicates a strong commitment to sound governance principles and practices, the Auditor General listed the following Matters of Emphasis that require urgent attention:

- **Achievement of Targets – 38% of targets planned were not achieved during the year under review (2012/13);**
- Compliance with Laws and Regulations;
- The Financial Statements do not comply with PFMA regulations;
- The SETA did not take the necessary steps to collect all money due i.t.o. PFMA and Treasury Regulations;
- There is a lack of sufficient M&E by Management and the Accounting Authority in the areas of monitoring contractual discretionary grant commitments; compliance with laws and regulations; and complete and accurate financial information.

It is critical that CATHSSETA implements improved financial, governance, compliance and Monitoring and Evaluation processes and procedures to address the matters of emphasis for the 2014/15 financial year.

Further challenges facing CATHSSETA are identified as:

- Increasing the number of registered employers who are paying levies and who are willing to partake in sector skills development initiatives;
- Most registered employers are SMMEs and exempt from paying skills levies, yet have skills shortages that need to be supported by CATHSSETA;
- Some sectors contribute more levies, yet the grant payments do not necessarily reflect similar proportions, due to geographic location and composition of the sectors – CATHSSETA is required

to carefully manage and become innovative and creative in managing the balance between economic drivers and socio economic development, without alienating the paying employers.

- The nature of the sector is ever changing therefore requiring continuous review of all qualifications through the QCTO process with priority on FET College support;
- The need for ever improving research capacity to better understand the Sector needs and skills development gaps – especially the hospitality sector;
- Clarify the CATHSSETA mandate and role in the sector to ensure a sound understanding of CATHSSETA by all its stakeholders;
- Training and educating all staff on changed Grant Regulations and other legislative, regulatory and policy changes affecting the CATHSSETA business;
- Capacitating CATHSSETA to implement the required policies, processes and systems to effectively manage the discretionary grant application and disbursements;
- Transformation of the sector - Although 71% (130 832) of the total employees employed in the sector is African, most are employed at the lower and intermediate levels and the majority are male. Of the total employees, a mere 0.32% is people with disabilities. This indicates that the CATHSSETA sub-sectors are some of the least transformed industries in the country, in particular at higher tiers of employment in management and professional categories, accommodating people with disabilities and company ownership;
- Attracting youth into the sector – limited by relative unattractiveness of the sector due to uncompetitive remuneration frameworks at the lower and intermediate levels;
- Replacement of experienced and highly qualified skills due to retirement - particular the need for professionals in the Conservation sub-sector, mostly due to retirement;
- High turnover rates in some sectors such as Hospitality and Sports requires prioritisation of training needs in these sectors.

Alignment to the Amended Grant Regulations

The National Skills Development system strives to achieve a balance between the often competing demands and objectives on national, sector, organisational and individual levels, such as improving workplace productivity, increasing employment, addressing inequalities, promoting Black Economic Empowerment, social upliftment, providing workplace exposure and mentorship to inexperienced graduates, and strengthening competitiveness to grow companies and the economy.

The revised SETA Grant Regulations will give the National Skills Accord “teeth” as the commitments of the accord now become enforceable through these regulations. However, it is questionable whether the amended regulations sufficiently recognise the diverse needs of various beneficiaries and stakeholders and the complex interplay between the factors that contribute towards the achievement of the country’s skills development objectives.

The new SETA Grant Regulations passed in December 2012 are very good in addressing specific challenges in the funding of skills development, such as:

- Improving the focus, management, and effectiveness of SETA grant spending, in the:

- Regulation of the proportion of funds available for skills development on administration of the SETA;
 - Discouragement of the accumulation of surpluses at the end of each financial year;
 - Improving the quantity and quality of the labour market information received by the SETAs.
- Provision of the SETAs to contribute to the cost of the work of the Quality Council for Trade and Occupations (QCTO).
 - Promote NQF registered and quality assured PIVOTAL programmes that address priority and critical scarce skills needs identified in the sector skills plans.
 - Create a framework within which expanded use is made of public education and training providers for the provision of skills development programmes.

However, there are a number of, perhaps unintended, outcomes that may have a significant negative impact on the effective skills development in the Sector. The following table highlights the Key changes in the regulations and the perceived positive and negative impact it may have on skills development.

Table 6: A Summary of Key Changes Contained in the Amended Grant Regulations and its Perceived Impact on Skills Development in South Africa

KEY CHANGES	PERCEIVED POSITIVE IMPACT FOR SKILLS DEVELOPMENT	PERCEIVED NEGATIVE IMPACT FOR SKILLS DEVELOPMENT
The total spend of the SETAs' administration is capped at 10.5% of Levies received.	Pressure is on SETAs to strengthen their operation and administration to become more efficient and effective –“Work smarter”.	May result in unaffordability of skills required for the administration of the SETAs.
The mandatory grant paid to employers for submitting their Workplace Skills Plans and Annual Training Reports is reduced from 50% to 20% of their levy contribution.	More money is available to CATHSSETA to fund skills development projects aligned to objectives of the SSP.	Lower incentive for employers to participate in providing quality and accurate information regarding skills development needs – may instil a compliance mentality rather than active participation in addressing the skills shortages in the country. Employers will have less money to partake in skills development initiatives. It will result in refocused priority of own skills development needs rather than fulfilling social responsibility of developing unemployed learners.

KEY CHANGES	PERCEIVED POSITIVE IMPACT FOR SKILLS DEVELOPMENT	PERCEIVED NEGATIVE IMPACT FOR SKILLS DEVELOPMENT
		<p>The government has signed a skills accord with key business players, but it is unlikely that SMMEs will be motivated to support this accord – especially now that they will be receiving significantly less funding from SETA grants, which constituted a substantial part of their training budget.</p> <p>SETAs at risk of obtaining less and lower quality information regarding sector needs due to compliance mentality.</p>
<p>SETAs will fund PIVOTAL and other skills development programmes aligned with SSP as discretionary grants.</p>	<p>CATHSSETA can plan and target funding of skills development programmes aligned to achieving SSP and national priorities (e.g. WIL).</p>	<p>Discretionary funding application procedures and window periods are not clearly understood by the industry.</p> <p>Additional eligibility requirements and standards have been introduced, that may discourage smaller organisations from participating.</p> <p>Discretionary grants may be redirected to achieve political agendas which may not align with addressing the needs of the sector.</p>
<p>80% of the discretionary grants must be used to fund PIVOTAL programmes (professional, vocational, technical and academic learning) programmes that result in qualifications or part qualifications registered on the NQF).</p>	<p>Opportunity exists for funding work integrated learning programmes for student interns from discretionary grant portion.</p>	<p>The focus on pivotal programmes at the cost of short courses disregards many needs of the informal sector and the labour market.</p> <p>Talent management is critical to business success, and employers who fail to provide their most skilled employees with specialised top-up skills will lose out in the competitive global workplace – with the consequent negative impact on economic growth and employment levels.</p>

KEY CHANGES	PERCEIVED POSITIVE IMPACT FOR SKILLS DEVELOPMENT	PERCEIVED NEGATIVE IMPACT FOR SKILLS DEVELOPMENT
While the Regulations do not directly prevent the use of private training providers there is a definite shift towards the expanded use of public education and training providers for the provision of skills development programmes.	<p>SETAs must clearly indicate in their Annual Performance Plans how they will allocate discretionary grants to prioritise programmes that address sector needs through public education.</p> <p>SETAs will have to set out in their Discretionary Grant Policy 'how PIVOTAL programmes can be delivered through public education and training institutions.</p>	<p>Possible inability for Public Institutions to address the diverse skills need.</p> <p>Possible closure of smaller private training providers that currently make significant contributions to skills development.</p> <p>A one-dimensional approach to driving the skills revolution may not make adequate provision for mechanisms to address the diverse training needs of a wide range of key stakeholders.</p> <p>This may result in contradicting the national priority that skills development should be demand driven to address the real skills gaps of the sector.</p>

Stabilising Levy Income

Small Medium and Micro Enterprises (SMMEs) are exempt from paying skills levies. This has a direct impact on the amount of levies received from the employer organisations for the discretionary funding. CATHSSETA has limited financial resources. In 2013, 25 626 companies were registered with CATHSSETA but only 5 318 paid the skills development levy, amounting to about R200 million per annum. The Levy Paying organisations claim their levies back through the mandatory grant scheme as stipulated in the Skills Development Act. The only amount available to fund all the remaining training interventions is the Projected CATHSSETA income over the next 5 years indicates that only a third (1/3) of the sector skills development needs will be met. The table below provides the expected income.

The following skills development levies were disbursed in the past years for training purposes:

Table 7: Skills Levies disbursed

YEAR	TOTAL REVENUE (80%) (RM)	NUMBER OF ORGANISATIONS REGISTERED WITH CATHSSETA	TOTAL NUMBER OF LEVY PAYERS	MANDATORY GRANT (50%) (RM)	DISCRETIONARY GRANT (20%) (RM)
2012	197	25 626	5318	123	48
2011	165	25 615	5203	103	41

YEAR	TOTAL REVENUE (80%) (RM)	NUMBER OF ORGANISATIONS REGISTERED WITH CATHSSETA	TOTAL NUMBER OF LEVY PAYERS	MANDATORY GRANT (50%) (RM)	DISCRETIONARY GRANT (20%) (RM)
2010	155	22 272	5154	97	38
2009	168	21 940	4764	87	68
2008	141	21 370	4526	81	54

CATHSSETA's Income over the Past 5 Years (2008–2012)

A total of 195 280 employees in the sub-sectors are expected to benefit from this small fraction of levy income and the number continues to grow. The non-levy payers within the sub-sectors further expects funding from CATHSSETA for training costs, which exacerbates the funding challenges of the SETA under the current skills levy system. The hospitality industry for example, constitutes over 70% of the CATHSSETA population and yet it pays fewer levies, due to the nature of employment. The sport and the conservation sectors also pay minimal levies due to their employment structures. The gaming sector forms the smallest population of the sector, yet it pays the largest amount of levies.

In addition to the majority of the sector's employers being SMMEs, a large number of employees are employed on a casual, temporary or contract basis resulting in close on half the employees not being included in the payroll of these employers. Another factor for reduced levies in the Sector is the outsourcing of certain functions to employers who do not fall within the sector.

Further and more significant investment in skills development remains a priority for the future as current analysis indicates that CATHSSETA requires a minimum of **R1,5 billion** a year¹ in order to make a significant impact on raising the skill levels in the sector. The lack of Levy income has a significant impact on CATHSSETA's ability and capacity to deliver on its mandate. CATHSSETA has a critical role to play in identifying and mobilising other sources of funding to support the sector with the ever increasing unfunded skills development needs.

¹ According to the PIVOTAL Projects application CATHSSETA submitted to DHET and the NSA in 2011, to raise the sector's skills level to international standards

Table 8: Medium term revenue/expenditure estimates with amounts in R'000 (excluding Catalytic Grants)

STATEMENT OF FINANCIAL PERF	AUDITED OUTCOME			REVISED ESTIMATE	MEDIUM-TERM ESTIMATE			
	R THOUSAND	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue								
Tax revenue		–	–	–	–	–	–	–
Non-tax revenue		3 162	5 938	7 632	6 530	6 857	7 199	7 559
<i>Other non-tax revenue</i>		3 162	5 938	7 632	6 530	6 857	7 199	7 559
Transfers received		166 030	205 269	224 399	251 200	280 800	294 344	309 061
Total revenue		169 192	211 207	232 031	257 730	287 657	302 544	316 620
Expenses								
Current expenses		19 691	33 279	43 416	46 718	52 190	54 708	57 444
Compensation of employees		9 394	21 670	28 643	32 519	34 144	35 838	37 844
Goods and services		9 943	11 436	13 458	12 806	16 569	17 304	17 940
Depreciation		205	170	1 315	1 394	1 478	1 566	1 660
Interest, dividends and rent on land		149	3	–	–	–	–	–
Transfers and subsidies		123 775	133 515	186 546	211 012	235 467	246 836	259 176
Total expenses		143 466	166 794	229 962	257 730	287 657	301 544	316 620
Surplus / (Deficit)		25 726	44 413	2 069	–	–	–	–

Twenty Per cent (20 %) of the discretionary grant and levies not claimed back by the levy payers amounted to about R40M. According to the new Grant Regulations, SETAs can only carry forward 5% to

the next financial year. The balance of surpluses will have to be paid to the NSF and will potentially be lost to the SETAs.

Resource Considerations

1. Stakeholder Capacity

The buy-in from CATHSSETA stakeholders is one of the most important factors in expediting accurate sector information for a demand driven SSP, decision-making and implementation of the SSP Projects. Regular monthly Executive Committee meetings, to ensure continuity and well-informed decision-making, are paramount in the number of projects that CATHSSETA initiates. National road shows to inform stakeholders, specifically employers, of the accelerated delivery strategies, are necessary for employers' buy-in to recognising the value of skills development to their businesses. CATHSSETA is required to conduct a variety of capacity building workshops, ranging from Seta-specific themes to financial topics. A Stakeholder Relationship Manager has been appointed recently to ensure internal capacity to provide an elevated strategic focus to the management of stakeholders and develop a

2. Operational Capacity

The 10.5% administration portion of available levies remains a challenge for CATHSSETA, as capacity is restricted by the unavailability of sufficient funds. CATHSSETA's permanent staff complement is currently 24, with 48 contracted staff. CATHSSETA has established a training matrix in line with its implementation plan and the training and mentoring initiatives are in progress to develop staff to their full potential and to the benefit of the organisation.

CATHSSETA is planning different discretionary funded projects towards achieving all NSDS III targets and will be utilising this process in the following years. The project management approach of controlling and managing all projects is part of the CATHSSETA induction and is a natural extension of all CATHSSETA staff competencies.

3. Operating Policies and Procedures

All major policies are in place and are reviewed annually or more frequently if required. Service level agreements are in place where required and are also reviewed regularly and formally. The employment equity (EE) plan is being reviewed annually and an employment equity committee will be established as oversight body to the implementation of the EE Plan. A quality management system (QMS) is operational and CATHSSETA is also subjected to external quality assurance by the South African Qualifications Authority (SAQA) to ensure compliance with relevant guidelines.

4. Financial Management

The organisation has implemented and maintains strict financial policies and procedures, which have improved financial management throughout the organisation. The CATHSSETA financial division's structure has been overhauled and provision has been made for a supply chain management unit within the financial department. Comprehensive financial management reports are submitted to and reviewed monthly by the executive committee. The former, as well as an independent audit committee, will review financial policies and procedures on an annual basis. Finance capacity building workshops for stakeholders and staff will take place to enhance the knowledge base within the organisation. An inclusive budgeting process formed part of this business plan process and is used effectively as a management tool.

5. Information Management Systems

CATHSSETA's information management systems are functional and hardware and software are updated where appropriate, cost effective and in line with budget. The organisation has embarked on a systematic development of its SETA management system database to meet its growing needs. These include development to cater for online mandatory and discretionary grant applications, electronically accessible remittance advices and electronic communication to companies on grant applications. CATHSSETA providers and employers have upload access to the system which facilitates online Learnership applications and learner progress monitoring. IT policies and procedures ranging from a disaster recovery plans to password protocol have been adopted.

Risk Management

A Risk Management Strategy and policy has been adopted and implemented in CATHSSETA. Regular awareness programmes, reporting and independent verification of the risk status of internal controls, incidents, risks and counter measures are provided as an integral part of risk management system.

In order to manage risks effectively, a structure has been drawn up to generically group risks into a manageable framework. The following general risk reference framework is used in CATHSSETA:

- a) Financial Risks,
- b) Policy & Strategic Risks,
- c) Human Resources,
- d) Legal Compliance,
- e) Marketing & Communication Risks,
- f) Business Risks, and
- g) Operations Risks.

These risks are applicable in most environments where management takes direct responsibility for all these categories of risks. However they are assisted in managing these risks in the CATHSSETA by the support functions that provide infrastructure and support.

a) Financial Risks: The finance division must manage the financial risks of CATHSSETA however, each manager who has the delegated accountability to manage budgets and make financial commitments on behalf of the SETA shares a joint responsibility with the CFO. The efforts to manage financial risks are primarily directed in four areas:

- i) Internal Controls: Effective control procedures and related systems to ensure that all financial transactions are complete, accurate, authorised and valid.
- ii) Financial Management: Implementing effective procedures that ensure that an accurate budget is drawn up, that effective monitoring of actual results against budget is accomplished, and that timely corrective action is taken where necessary.
- iii) Cash Flow and Fund Management: Implementing effective cash flow and fund management procedures designed to optimise CATHSSETA's liquidity position.

- iv) Asset Management: Implementing asset insurance and asset management procedures that protect CATHSSETA against losses.
- v) Financial governance is critical in the achievement of a clean audit at the end of the financial year.

b) Policy & Strategic Risks: Policies and standards are defined to translate the strategic objectives into practical and usable rules to ensure total awareness and understanding of the organisational aims. CATHSSETA has adopted a broad Policy Framework to govern the day-to-day operations and the achievement of Strategic Objectives.

CATHSSETA's biggest strategic risk is the incorrect cascading of strategic objectives into operational plans. It remains a challenge to create a planned, co-ordinated, controlled and monitored business environment with the potential risk of not being able to optimise organisational results.

Human Resources must support the organisation in identifying, attracting, motivating and retaining adequately skilled employees for CATHSSETA to achieve its business objectives. In a high technology industry the quality of the skills recruited will determine the success or failure of the CATHSSETA. Recruitment is a high risk process and determining the quality of the personnel before employment requires specialised screening to ensure that CATHSSETA does not end up with employees who are not fit for positions they have been appointed in – this will have a negative effect on the SETA's ability to deliver high performance. The retention of good business and technical skills requires CATHSSETA to create and maintain an environment that is challenging and serves to retain talent for the organisation. CATHSSETA has a defined social responsibility to develop previously disadvantaged persons and it is important to provide entry level technical support positions. As the industry seldom invests in entry level employment and training, it has resulted in shortages of qualified and experienced, previously disadvantaged employees. The current labour laws require CATHSSETA to have specialised skills to guide labour relations practices to ensure a motivated and content labour force.

c) Legal Compliance: CATHSSETA aims to comply with a number of laws, regulations and contractual arrangements, which govern business processes. The lack of contract administration procedures and capacity to manage contracts effectively poses a key risk to the SETA at this time.

d) Marketing & Communication Risks: CATHSSETA must be sensitive to the needs of the stakeholders (employers, employees, government, community, unions, etc.). It must create a favourable climate for business with participating and non-participating stakeholders. The following potential risks exist:

- i) Insufficient Market Intelligence can lead to the adoption of incorrect business strategies.
- ii) An ineffective communication strategy can lead to market confusion and a lack of clarity as to the role of the SETA.
- iii) The corporate image of CATHSSETA determines how CATHSSETA is recognised in the sector as a key role player in skills development and provides the organisation with an ability to attract highly skilled people.

- e) **Business Risks:** CATHSSETA has revised its strategic objectives with clear and smart measurement criteria to measure performance in building a sustainable organisations whilst ensuring alignment with national priorities and its strategic framework.
- f) **Operations Risks:** These are risks associated with the business processes, controls, skills, and other resources that are required to provide services that will meet the client's expectations. CATHSSETA's biggest risks in this regard are the shortage of technical skills and ensuring a sound and well governed Supply Chain Management Process.

Monitoring and Evaluation

To date, there has been insufficient focus on effective Monitoring and Evaluation practices in CATHSSETA. Internally, organisations are expected to have a comprehensive M&E Framework to effectively monitor, evaluate and report on performance against its strategic and annual performance plans, especially in light of the Auditor General's regulations in this regard.

CATHSSETA is further required to account for the return on its investment in skills development initiatives. It is imperative that SETAs make a significant impact on closing the skills gaps and minimising the shortages in its respective sectors. CATHSSETA is therefore accountable to ensure that the impact of its skills development programmes and investments are monitored, measured and duly reported on.

CATHSSETA has recently developed a clear framework and strict institutional measures to undertake effective monitoring, evaluation and support of its strategic plans. Key focus will be placed on quantitative and qualitative indicators that evaluate the impact of initiatives and ensure that the programmes provided, meet the required quality and relevance.

The M&E unit is involved in all projects, from commencement through to completion, to ensure the level of quality is not compromised. This will intensify the fight against corruption and minimise non-compliance with guidelines and policies, as approved by the accounting authority. The aim is to foster a culture of continuous improvement and tackling challenges and blockages, as it is identified, to ensure speedy problem solving and action to mitigate risks and minimise challenges. On-going and regular reporting of the above will take place to enhance transparency, accountability and oversight.

Monitoring and Evaluation will be the central point for recording CATHSSETA performance against core objectives, for easy access by all stakeholders; and for encouraging the standardisation of performance within CATHSSETA sectors. The M&E unit will evaluate and assess all programmes in this strategy in a systematic manner, with the aim of determining its relevance, efficiency, effectiveness, impact and sustainability with regard to overall use of the grants. The M&E Unit will play a leading role in defining the project management methodology, standards, processes and systems for the planning, implementation, reporting performance progress and communication of results to our internal and external stakeholders.

The issues highlighted in the performance environment analysis above, are then summarised into both a PESTEL and SWOT analysis table, which reflect actions that may address threats and weaknesses, whilst also indicating possible actions and activities that might optimise on the strengths and opportunities available to the CATHSSETA in support of its strategic orientation in the period of this strategic plan.

3.3. PESTEL AND SWOT ANALYSIS

The PESTEL model portrays information of external factors, such as: Political, Economic, Social, Technological, Environmental and Legal factors, which have an impact on the business of CATHSSETA. The SWOT analysis aims to portray the internal strengths and weaknesses that need to be strengthened or minimised to make the organisation more effective and the external opportunities and threats that need to be considered in optimising organisational results.

3.3.1 CATHSSETA Summary “PESTEL” Analysis

The following table outlines the emerging macro-environmental issues and trends which inform planning.

Table 9: PESTEL Analysis

	EMERGING ISSUE	IMPLICATIONS FOR CATHSSETA
Political	National and Provincial. Government elections in 2014	Possible change in strategic priorities and institutional arrangements post elections.
	MTSF, National Development Plan, HRD-SA, NSDSIII	<ul style="list-style-type: none"> ▪ Strategic and programatic alignment to National policy priorities. ▪ Enhanced focus on rural communities. ▪ Partnerships with public sector FET’s and HET’s and employer organisations.
<p><i>CATHSSETA, under licence from DHET, inherently has political support to vigorously pursue programs that are associated with the skills development priorities of government. Opportunities exist to fully grasp, align to and implement learning and skills priorities of each of the sub-sectors within its scope.</i></p>		
Economic	Low growth economy	When times are tough, the focus on skills development may reduce, due to cost saving initiatives.
	SMMEs exempt from paying skill levies	<ul style="list-style-type: none"> ▪ Continued low levels of levy income ▪ Research and focused use of funding. ▪ Marketing and communication.
	Changes in policies and strategies, e.g. NSDSIII	Reduced membership due to reduction in mandatory grants payments from 50% – 20%.
	Increased unemployment	Greater demand for skills development and learning interventions focused on employability.
<p><i>Although still strained, the global economic outlook is somewhat better than it was a year ago and the economic climate in South Africa is favourable for investment. CATHSSETA has the opportunity to</i></p>		

	EMERGING ISSUE	IMPLICATIONS FOR CATHSSETA
<i>capitalise on the opportunities that exist for partnerships with employers, learners and skills development providers and employer organisations.</i>		
Social	High % of population requiring skills development located in rural communities- limited access	Develop strategies on how to provide learning interventions and skills development in rural areas.
	Urbanisation	Higher need for FET/ HET and skills programmes.
<i>The activities of CATHSSETA should be expanded towards the provision of learnership and skills development programmes in rural and disadvantaged communities.</i>		
Technological	New technologies	Optimised and integrated IT systems. Systematic development of the SETA management system database to meet growing needs - developments to cater for online mandatory and discretionary grant applications, electronically accessible remittance advices and electronic communication to companies on grant applications.
<i>CATHSSETA has the opportunity to improve productivity and institutional efficiencies through the optimisation of available technology</i>		
Environmental	Climate change	New, relevant, learning interventions.
	Green economy	New, relevant, learning interventions. 'Green' jobs.
	Work Integrated Learning Programmes	Support facilitation of placement of student interns to allow them to qualify (GreenMatter)
<i>CATHSSETA to pursue the continual process of alignment to green objectives and partnering with employer organisations and public sector employers to develop skills in this area.</i>		
Legislative	Amendments to relevant Acts.	<ul style="list-style-type: none"> ▪ Compliance - ensure policies and procedures are aligned as legislation is changed / enhanced. ▪ Staff training.

	EMERGING ISSUE	IMPLICATIONS FOR CATHSSETA
	Changes in Grant Regulations	Modify process related to mandatory and discretionary grants (pivotal programs) payments.
<i>CATHSSETA must comply with all applicable legislation, must be accountable to its principals and the community at large.</i>		

3.3.2. CATHSSETA’s Summary “SWOT” Analysis

The table below reflects a summary SWOT analysis of CATHSSETA strengths, weakness, opportunities and threats:

Table 10: SWOT Analysis

STRENGTHS (What internal strengths can be leveraged?)	WEAKNESSES (What internal weaknesses are undermining our efforts and should be managed?)
<ul style="list-style-type: none"> ▪ Compliance to legislation in terms of SDL Act. 	<ul style="list-style-type: none"> ▪ Research and Stats Analysis within sub sectors – especially the understanding of the Hospitality Sub-Sector. ▪ Insufficient understanding of the true sector demand in terms of skills gaps and needs due to insufficient quality, quantity and timing of information received.
<ul style="list-style-type: none"> ▪ Invested in skills development (A growing number submissions on yearly basis). 	<ul style="list-style-type: none"> ▪ Lack of a comprehensive Communication strategy to guide participation in various events.
<ul style="list-style-type: none"> ▪ Knowledgeable staff with experience and skills. 	<ul style="list-style-type: none"> ▪ No framework to assist the CATHSSETA to analyse information coming from WSP and ATR.
<ul style="list-style-type: none"> ▪ WSP & ATR Submission system in place. 	<ul style="list-style-type: none"> ▪ Lack of understanding CATHSSETA’s critical stakeholders, stakeholder relations base and an integrated Stakeholder Relationship Management Framework.
<ul style="list-style-type: none"> ▪ Levies policies in place – but need to be reviewed in light of the amended Grant Regulations. 	<ul style="list-style-type: none"> ▪ Inadequate Inter-Seta Transfer guidelines and policies and procedures are not integrated with that of the Dept. of Labour and DHET.
<ul style="list-style-type: none"> ▪ Electronic System for the application and monitoring of Learnerships. Learner Agreement retrievable for audit purposes. 	<ul style="list-style-type: none"> ▪ Lack of data analysis tools.

STRENGTHS (What internal strengths can be leveraged?)	WEAKNESSES (What internal weaknesses are undermining our efforts and should be managed?)
	<ul style="list-style-type: none"> ▪ Lack of quality monitoring of WSP's and ATR's impacting on the effectiveness of planning.
	<ul style="list-style-type: none"> ▪ Insufficient M&E systems, processes and structures to ensure achievement of CATHSSETA Strategic Objectives.
	<ul style="list-style-type: none"> ▪ Shortage of Technical skills in the SETA.
	<ul style="list-style-type: none"> ▪ Organisational structure does not adequately enable the achievement of strategic objectives.
	<ul style="list-style-type: none"> ▪ CATHSSETA not seen or viewed as an authority in the sectors we serve.

OPPORTUNITIES (What external opportunities can we exploit?)	THREATS (What External threats must we mitigate?)
<ul style="list-style-type: none"> ▪ Redesign of the CATHSSETA Website. 	<ul style="list-style-type: none"> ▪ Inability to obtain the requisite body of knowledge to develop a clear understanding of supply and demand in the various sub-sectors.
<ul style="list-style-type: none"> ▪ Build an integrated Brand – Single Brand. 	<ul style="list-style-type: none"> ▪ Change in legislation and the impact of reduced mandatory grants payments.
<ul style="list-style-type: none"> ▪ Develop a framework and criteria to identify critical and scarce skills in the sector and to better understand the real demand of the sector (short, medium and long-term). 	<ul style="list-style-type: none"> ▪ Continued lack of skills development programs for rural communities.
<ul style="list-style-type: none"> ▪ Develop strategy for capacity building for FET College educators. 	<ul style="list-style-type: none"> ▪ Continued underfunding and over-demand in the Sector.
<ul style="list-style-type: none"> ▪ Develop a framework to identify niche interventions across the sectors. 	<ul style="list-style-type: none"> ▪ Inability to implement an effective M&E approach to measuring the impact of funding policy on the improvement on skills development in the sector.
<ul style="list-style-type: none"> ▪ Review of the relevance and quality of qualifications in the Sub- Sectors. 	<ul style="list-style-type: none"> ▪ Change in Grant Regulations – e.g. reduction in mandatory grant %, elevated focus on Pivotal programmes and extended utilisation of Public Training Providers in delivering SD Interventions.

OPPORTUNITIES (What external opportunities can we exploit?)	THREATS (What External threats must we mitigate?)
<ul style="list-style-type: none"> Grow the stakeholder base from a participation point of view (non-levy paying companies participating in our interventions). 	<ul style="list-style-type: none"> The CATHSSETA's Discretionary Grant disbursement model is not taking into consideration the sectors contributing the greatest amount of levies versus those sectors contributing the least.
<ul style="list-style-type: none"> Partnerships with stakeholders to grow submission numbers for WSP/ATRs. - Building effective Public-Private Partnerships. 	
<ul style="list-style-type: none"> Optimisation of ICT infrastructure and systems. 	

3.4. STAKEHOLDER ANALYSIS INFORMING THE STRATEGIC PLAN

It is of critical importance that CATHSSETA is able to effectively manage stakeholder relations and collaborative partnerships to achieve its strategic intent. The stakeholder relationship management plan must include both stakeholders, identified in terms of the CATHSSETA's operating license and mandate, and others, that may influence the achievement of the organisation's vision and mission. Focus must also be given to enhance relations with Academia and Private Sector partners.

With the above consideration in mind, CATHSSETA places its stakeholders at the centre of its strategic thinking and planning and stakeholder priorities were clearly considered in the development of this Strategic Plan.

The following table reflects key stakeholder considerations and programmes considered in the planning discussions:

Table 11: Stakeholder Analysis

KEY STAKEHOLDERS	KEY PROJECTS / PROGRAMMES REQUIRED TO MEET THE EXPECTATIONS OF THE STAKEHOLDER GROUP
EXTERNAL STAKEHOLDER GROUPS	
Beneficiaries- Learners	<ul style="list-style-type: none"> Create platforms for learners (both employed and unemployed) to learn of Seta funded programme addressing our needs. Learning interventions are aimed at people with disabilities; women, youth and HDI; rural communities. Learning programmes made accessible to rural learners. Skills development of employed and unemployed people.

KEY STAKEHOLDERS	KEY PROJECTS / PROGRAMMES REQUIRED TO MEET THE EXPECTATIONS OF THE STAKEHOLDER GROUP
Beneficiaries- Employers (Organised Business)	<ul style="list-style-type: none"> ▪ Learning interventions according to employer skills needs. ▪ Well communicated policies, processes and procedures for engaging with the Seta. ▪ Collaboration with employer organisations to enhance Work integrated learning programmes.
Beneficiaries- Organised Labour	<ul style="list-style-type: none"> ▪ Learning interventions according to unions skills needs. ▪ Well communicated policies, processes and procedures for engaging with the Seta. ▪ Collaboration with unions to enhance the delivery of skills development programmes in the workplace.
Beneficiaries- Skills Development Providers	<ul style="list-style-type: none"> ▪ Provide direct support, monitoring and evaluation on learning interventions.
Department of Higher Education and Training (DHET)	<ul style="list-style-type: none"> ▪ Clean audit and good corporate governance. ▪ Alignment to government priorities, including NSDSIII. ▪ Achievement of strategic objectives and performance indicators. ▪ Performance discussion meetings.
Department of Trade and Industry	<ul style="list-style-type: none"> ▪ Collaboration with regards to the capacitation and support to SMMEs.
Emerging enterprises in rural communities	<ul style="list-style-type: none"> ▪ Rural skills development aligned programmes. ▪ Skills development of owners and managers of small businesses.
Secondary Schools (Grade 11 and 12)	<ul style="list-style-type: none"> ▪ Career guidance programmes.
Public Sector FET's and HET's	<ul style="list-style-type: none"> ▪ Partnerships created between HET, sector employers and FET's to enhance the skills of FET lecturers. ▪ Expanded use of public sector HET's and FET's – development of partnerships. ▪ Partnerships with Universities of Technology in each province.
NGO's and CBO's	<ul style="list-style-type: none"> ▪ Learning interventions for rural communities and PWD.
SDF's and Industry associations	<ul style="list-style-type: none"> ▪ Partnerships- local industry associations. ▪ International cooperation agreements.
Professional service providers,	<ul style="list-style-type: none"> ▪ Accreditation, monitoring and evaluation, equitable use. ▪ Nurturing and promoting the use of small businesses.

KEY STAKEHOLDERS	KEY PROJECTS / PROGRAMMES REQUIRED TO MEET THE EXPECTATIONS OF THE STAKEHOLDER GROUP
contractors and suppliers	
Media	<ul style="list-style-type: none"> ▪ Media campaigns to create awareness on specific programmes and success stories. ▪ Public relations - radio and print.
INTERNAL STAKEHOLDER GROUPS	
Board	<ul style="list-style-type: none"> ▪ Sound Governance. ▪ Risk Mitigation. ▪ Fulfilling the overall strategic mandate of CATHSSETA.
Employees and employee representatives	<ul style="list-style-type: none"> ▪ Skills development and training. ▪ Sound Employer-Employee Relationship. ▪ Fairness, equity and objectivity in management practices. ▪ Effective attraction, development, motivation and retention of employees.
	<ul style="list-style-type: none"> ▪ Workshops created for staff to understand the regulations, policies and processes that govern the operation of the Seta.

In summary, the above stakeholder analysis reflects that CATHSSETA must become competent and capable of creating value to its stakeholders by:

- Building and strengthening collaborative partnerships in ensuring the alignment of Sector Supply and Demand;
- Standardising and ensuring quality of skills development programmes and qualifications;
- Supporting the identification of funding sources and facilitating the flow of funds to support skills development and PIVOTAL programmes;
- Promoting and communicating its services and achievements to create brand visibility, brand equity and more satisfied customers/ membership organisations;
- Clearly defining its role in the skills development value chain and ensure that systems and processes are established that ensures the efficacy of learnerships, work integrated Learning / Internships to improve the employability of workers and learners;
- Utilising best available research combined with accurate WSP's and ATR's in developing learning interventions aimed at designated groups such as women, people with disabilities, rural communities and HDI;
- Quickly, adapting to the increase in the allocation of funding to the pivotal programme by developing demand-driven skills programmes/ learnership interventions.

3.5. ORGANISATIONAL ENVIRONMENT

The CATHSSETA is led by an Accounting Authority, consisting of fourteen Board members, who provide strategic leadership to Executive Management and Senior Managers, responsible for managing day to day operations of the organisation. The CATHSSETA constitution stipulates a maximum of fifteen (15) Board Members, with three (3) members being Ministerial appointments.

The Accounting Authority has recognised the challenges within the current structure to enable the optimal performance of CATHSSETA against its strategic objectives and has noted the silo mentality that exists between departments of CATHSSETA. It has commissioned an organisational review and strengthening process. However any structure needs to be informed by strategy and the board have therefore only given in principle agreement of the proposed structure, pending the outcome of the strategic review process.

The recommendations of the OD Intervention therefore needs to be reviewed and aligned to the outcomes of this strategic review process and can only be finalised once the strategy is formally approved by the Board.

Certain appointments have been made in new positions in anticipation that additional capacity is required in both Stakeholder Relationship Management and Monitoring and Evaluation going forward. The practice of appointing people against new positions prior to final approval of a structure can be risky and should therefore be restricted to key positions only. These appointments are to be reconfirmed once CATHSSETA aligns to a formally approved structure.

PART B: THE CATHSSETA STRATEGIC OUTCOME ORIENTATED GOALS AND STRATEGIC OBJECTIVES TO 2018/19

Part A has discussed the CATHSSETA mandate and strategic intent - the “impact” that CATHSSETA wishes to create in response to the policy and situational environment which frames its work.

In the context of the hierarchy of performance information utilised to construct this document (a “theory of change” logic model), where vision and mission describe “longer term impact”; the next level in the hierarchy is to describe the result areas necessary to deliver against the desired impact - “how this will be achieved” in the period to 2018/19. These are reflected as Strategic Goals and are described as “outcomes” - specific and measureable statements describing what CATHSSETA seeks to achieve by 2018/19, as it pursues its strategic intent.

However, before defining CATHSSETA specific outcomes (goals), it is important to more fully discuss the role and contribution of the CATHSSETA to the national outcomes as articulated in the MTSF and the relevant sectoral delivery agreements and aligned the sectoral strategies.

4. THE CATHSSETA RESPONSE TO THE NATIONAL OUTCOMES, ALIGNED SECTORAL STRATEGIES AND THE OBLIGATIONS OF ITS SERVICE LEVEL AGREEMENT

Although introduced in section 2.4 above, it is important to discuss the specific role and contribution (line of sight) of the CATHSSETA to the national outcomes and priorities as articulated in the MTSF and the NSDS 3. Understanding its alignment to the national outcomes also enables CATHSSETA to reflect its support to specific sectoral strategies and policies, themselves aligned to the national outcomes.

In its planning and unpacking its mandate, vision and mission, CATHSSETA has paid specific attention to Outcome 5: a **skilled and capable workforce to support an inclusive growth path**, in support of which the Department of Higher Education and Training plays a lead role, and to which the 8 goals of the NSDS 3 are therefore closely aligned.

The CATHSSETA Service Level Agreement with DHET then further identifies certain key strategic drivers which are framed as obligations in the Service Level Agreement – against which CATHSSETA must provide information and report and which must be reflected in the Strategic Plan and Annual Performance Plan. Accordingly, the Board has directed that in order for CATHSSETA to achieve its desired outcomes, the organisation needs to re-examine its strategic plan and ensure concerted focus on the following critical issues, which then form strategic drivers for the work of the CATHSSETA:

- i) Assessment of skills required for each sector and the identification of scarce skills;
- ii) Develop a plan to improve education levels and address skills needs and shortage in the sectors that the SETA operates within;
- iii) Partnerships between CATHSSETA and Public FET Colleges;
- iv) The number of bursaries awarded/to be awarded to deserving SA citizens in critical skills at the 23 Universities and 50 FET colleges;

- v) Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved;
- vi) Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement which should also reflect the number of learners to be trained, types of training programmes and the programmes that are in place for the current financial year;
- vii) Targets as reflected in the Strategic Plan and Annual Performance Plan must be credible and linked to a “Baseline”;
- viii) Placement of students in industry as part of the agreement between CATHSSETA and companies;
- ix) A comprehensive plan on making the public service a training space should be developed, with targets per annum to change the lives of the youth;
- x) Rural Development Programmes and how it will be implemented;
- xi) Progress in the implementation of Recognition of Prior Learning;
- xii) Presence of CATHSSETA in rural areas and townships, and how and by when will it be implemented;
- xiii) Number of Public FET Colleges and University students placed in companies to obtain work experience; and
- xiv) Facilitating the exposure and placement of FET College lecturers to industry.

However, the very nature of its mandate for sectoral support means that the CATHSSETA plays a significant role in supporting the other Government Outcomes as well, and in so doing supports other lead departments and institutions, notably:

- Outcome 4: Decent employment through inclusive economic growth;
- Outcome 10: Environmental assets and natural resources that is well protected and continually enhanced; and
- Outcome 12b (future Outcome 14): An empowered, fair and inclusive citizenship.

In turn, the above outcomes have informed the development of aligned sectoral policy and strategy frameworks by lead departments and clusters responsible for their delivery.

The table below then summarises the above CATHSSETA “line of sight” and reflects how the programmatic focus of the CATHSSETA aligns fully with National Outcome 5 and importantly the aligned 8 Goals of the NSDS3 and SLA strategic drivers; and then CATHSSETA’s line of sight in support of other National Outcomes through its support to the sub sectors. The table therefore reflects how CATHSSETA, in this Strategic Plan, has considered its contribution to and support of these outcomes through the alignment of its strategic goals, programmes and strategic objectives.

Table 12: CATHSSETA Line of Sight to National Outcomes and aligned Sectoral Policy and Strategy

<p>NATIONAL OUTPUTS REFLECTED UNDER OUTCOME</p>	<p>ALIGNED SECTORAL STRATEGY / POLICY SUPPORTED</p>	<p>DHET SERVICE LEVEL AGREEMENT OBLIGATION (CATHSSETA Strategic Driver)</p>	<p>CATHSSETA PROGRAMMATIC RESPONSE (Informing CATHSSETA Strategic Goals / Outcomes)</p>
<p>CATHSSETA SUPPORT TO DHET IN LEADING NATIONAL OUTCOME 5: A skilled and capable workforce to support an inclusive growth path.</p>			
<p>Establish a credible institutional mechanism for skills planning.</p>	<p>NSDS 3 Goal 1: Establishing a credible institutional mechanism for skills planning.</p>	<p>Assessment of skills required for each sector and the identification of scarce skills. Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved.</p>	<p>Needs in relation to skills development are researched, documented and communicated to enable effective planning across all economic sectors. Sector specific Research and labour market analysis undertaken to update the SSP. Establish MoU with relevant university faculties including bursaries to fund research projects by Masters, PhD and post-doctoral students. Assessment of skills need of the six sub-sectors, and findings captured in the Scarce and Critical Skills List which currently lists 61 occupations as scarce and critical. These scarce and critical skills are then escalated to Chamber Strategies, which are sub-sector specific and form the basis from which discretionary grant projects are developed and implemented.</p>

<p>NATIONAL OUTPUTS REFLECTED UNDER OUTCOME</p>	<p>ALIGNED SECTORAL STRATEGY / POLICY SUPPORTED</p>	<p>DHET SERVICE LEVEL AGREEMENT OBLIGATION (CATHSSETA Strategic Driver)</p>	<p>CATHSSETA PROGRAMMATIC RESPONSE (Informing CATHSSETA Strategic Goals / Outcomes)</p>
<p>Increase access to programmes leading to intermediate and high level learning.</p>	<p>NSDS 3</p> <p>Goal 3: Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs, and priorities.</p>	<p>Develop a plan to improve education levels and address skills needs and shortage in the sectors that the SETA operates within.</p> <p>Partnerships between CATHSSETA and Public FET Colleges.</p> <p>Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement, which should also reflect the number of learners to be trained, types of training programmes and the programmes that are in place for the current financial year.</p> <p>Number of Public FET Colleges and University students placed in companies to obtain work experience.</p> <p>Facilitating the exposure and placement of FET College lecturers to industry.</p> <p>The number of bursaries awarded/to be awarded to deserving SA citizens in critical skills at the 23 Universities and 50 FET colleges.</p>	<p>The National Certificate (Vocational) and N-courses are recognised by employers as important base qualifications through which young people are obtaining additional vocational skills and work experience, entering the labour market with marketable skills, and obtaining employment.</p> <p>Partnerships between DHET, SETAs, employers, private providers and public FET colleges are resulting in increased capacity to meet industry needs throughout the country.</p> <p>The academic staff at colleges are able to offer relevant education and training of the required quality.</p> <p>College staff are capacitated on capacity building programmes.</p> <p>Provide support to employers and learners to ensure workplace readiness and quality of work integrated learning experiences.</p>

NATIONAL OUTPUTS REFLECTED UNDER OUTCOME	ALIGNED SECTORAL STRATEGY / POLICY SUPPORTED	DHET SERVICE LEVEL AGREEMENT OBLIGATION (CATHSSETA Strategic Driver)	CATHSSETA PROGRAMMATIC RESPONSE (Informing CATHSSETA Strategic Goals / Outcomes)
	<p>NSDS 3</p> <p>Goal 4: Addressing the low level of youth and adult language and numeracy skills to enable additional training.</p>	<p>Placement of students in industry as part of the agreement between CATHSSETA and companies.</p>	<p>A sector strategy is in place to provide young people leaving school with an opportunity to engage in training or work experience, and improve their employability.</p>
<p>Increase access to occupationally-directed programmes in needed areas; thereby expand the availability of intermediate level skills (with special focus on Artisan Skills).</p>	<p>NSDS 3</p> <p>Goal 2: Increasing access to occupationally-directed programmes.</p>	<p>A comprehensive plan on making the public service a training space should be developed, with targets per annum to change the lives of the youth.</p>	<p>Artisans qualify with relevant skills and find employment.</p> <p>Middle level skills needs are identified and addressed in all sectors.</p> <p>Signing MoUs with both National and Provincial Government Line Departments in the sector to identify areas of overlap to provide youth with the opportunities to gain workplace experience and training opportunities within these departments. Key interventions such as bursaries, internships and learnerships have been identified and will be implemented.</p> <p>PSETA has also been identified as a key partner both to assist in terms of the placement of learners in cross-SETA learnerships and also in the development of qualifications for potential employees in government</p>

NATIONAL OUTPUTS REFLECTED UNDER OUTCOME	ALIGNED SECTORAL STRATEGY / POLICY SUPPORTED	DHET SERVICE LEVEL AGREEMENT OBLIGATION (CATHSSETA Strategic Driver)	CATHSSETA PROGRAMMATIC RESPONSE (Informing CATHSSETA Strategic Goals / Outcomes)
			<p>departments.</p> <p>CATHSSETA Artisan Development.</p> <p>Project implemented through Sectoral partnerships (e.g. NAMB).</p>
	<p>NSDS 3</p> <p>Goal 5: Encouraging better use of workplace-based skills development.</p>	-	<p>Training of employed workers addresses critical skills, enabling improved productivity, economic growth and the ability of the work force to adapt to change in the labour market.</p>
	<p>NSDS 3</p> <p>Goal 6: Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives.</p>	<p>Presence of CATHSSETA in rural areas and townships, and how and by when will it be implemented;</p> <p>Rural Development Programmes and how it will be implemented.</p>	<p>Cooperatives supported with skills training and development, expand and contribute to sector economic and employment growth.</p> <p>Partnership projects to provide training and development support to small businesses are established in all sectors and their impact reported on.</p> <p>Worker, NGO and community-based education programmes are supported and their impact measured and reported on</p>

NATIONAL OUTPUTS REFLECTED UNDER OUTCOME	ALIGNED SECTORAL STRATEGY / POLICY SUPPORTED	DHET SERVICE LEVEL AGREEMENT OBLIGATION (CATHSSETA Strategic Driver)	CATHSSETA PROGRAMMATIC RESPONSE (Informing CATHSSETA Strategic Goals / Outcomes)
<p>Increase access to high level occupationally directed programmes in needed areas.</p>	<p>NSDS 3 Goal 8: Building career and vocational guidance.</p>	<p>Progress in the implementation of Recognition of Prior Learning.</p>	<p>Career paths are mapped to qualifications in all sectors and sub-sectors and communicated effectively, contributing to improved relevance of training and greater mobility and progression.</p> <p>RPL is key intervention required to recognise the potential already achieved by employees in the sector. CATHSSETA is in the process of developing an RPL assessment toolkit for all training providers to assist in the “RPLing” of suitable candidates.</p> <p>CATHSSETA has partnered with both SASCOC and SRSA to develop “The South African Coaching Framework”, which will result in new coaching qualifications being developed and that sports coaches will need to be “RPLed” against these new qualifications.</p>
	<p>NSDS 3 – Transversal focus.</p>	<p>-</p>	<p>High level national scarce skills needs are being addressed by work ready graduates from higher education institutions.</p>

NATIONAL OUTPUTS REFLECTED UNDER OUTCOME	ALIGNED SECTORAL STRATEGY / POLICY SUPPORTED	DHET SERVICE LEVEL AGREEMENT OBLIGATION (CATHSSETA Strategic Driver)	CATHSSETA PROGRAMMATIC RESPONSE (Informing CATHSSETA Strategic Goals / Outcomes)
Enhance research development and innovation in human capital for growing a knowledge economy.	NSDS 3 – Transversal focus.	-	Relevant research and development and innovation capacity is developed and innovative research projects are established.
CATHSSETA SUPPORT TO DHET IN SUPPORTING NATIONAL OUTCOME 12: A Developmental State and an Effective Public Service			
Sound Governance and Public Accountability.	NSDS 3 Goal 7: Increasing public sector capacity for improved service delivery and supporting the building of a developmental state.	Targets as reflected in the Strategic Plan and Annual Performance Plan must be credible and linked to a “Baseline”.	All targets reflected in CATHSSETA’s Strategic Plan and Annual Performance Plan have been developed according to National Treasury’s framework, requirements and templates (including the “SMART” principle) thus all the targets are Specific, Measurable, Achievable, Relevant and Time-bound. Baselines were derived from CATHSSETA’s NSDS II achievements and where new strategic objectives have been put in place, new baselines will be derived from current achievements and included in subsequent Strategic Plan and Annual Performance Plan updates.

NATIONAL OUTPUTS REFLECTED UNDER OUTCOME	ALIGNED SECTORAL STRATEGY / POLICY SUPPORTED	DHET SERVICE LEVEL AGREEMENT OBLIGATION (CATHSSETA Strategic Driver)	CATHSSETA PROGRAMMATIC RESPONSE (Informing CATHSSETA Strategic Goals / Outcomes)
CATHSSETA ALIGNMENT TO OTHER NATIONAL OUTCOMES THROUGH ITS SUPPORT TO TARGETED SUB-SECTORS			
<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Targeted support to labour intensive sectors.</p>	<p>IPAP and the Aligned Targeted Growth Sector Strategies:</p> <ul style="list-style-type: none"> ▪ Mzansi Golden Economy Strategy (DAC) ▪ Tourism Development Strategy (NDT) ▪ Sports and Recreation Plan (SRP) 	-	<p>Participation in relevant Outcome Delivery Forums.</p> <p>CATHSSETA support to the broad goals of NSDS3 targeted to the specific sectors.</p> <p>CATHSSETA, through its chamber strategies, align with the respective sector strategies per sector and build partnerships to improve skills shortages and scarce skills in the sectors</p>
<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Preferential Procurement supporting the decent work agenda.</p>	Governance and Supply Chain policies.	-	<p>CATHSSETA targeted procurement policies.</p> <p>Regional and localised procurement strategies.</p>
<p>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced.</p>	Green Economy Strategy.	-	<p>Participation in relevant Outcome Delivery Forums.</p> <p>CATHSSETA support to the broad goals of NSDS3 targeted to the specific sectors.</p> <p>CATHSSETA to partner with agencies (such as GreenMatter; WWF) to</p>

NATIONAL OUTPUTS REFLECTED UNDER OUTCOME	ALIGNED SECTORAL STRATEGY / POLICY SUPPORTED	DHET SERVICE LEVEL AGREEMENT OBLIGATION (CATHSSETA Strategic Driver)	CATHSSETA PROGRAMMATIC RESPONSE (Informing CATHSSETA Strategic Goals / Outcomes)
			promote, facilitate and develop learners to ensure employability of skilled students and grads
Outcome 12b (New Outcome 14).	Social Cohesion Strategy. Revised White Paper on Arts and Culture.	-	Participation in relevant Outcome Delivery Forums. Partner with stakeholders to employ especially the unemployed youth, in contract positions for international events

The major programmatic interventions required to address the strategic drivers, identified above, then inform the development of a high-level Delivery Model or view of the delivery Value-Chain of the CATHSSETA. Such a model in turn will assist to describe the outcomes (goals) of the CATHSSETA arising from its programmatic focus.

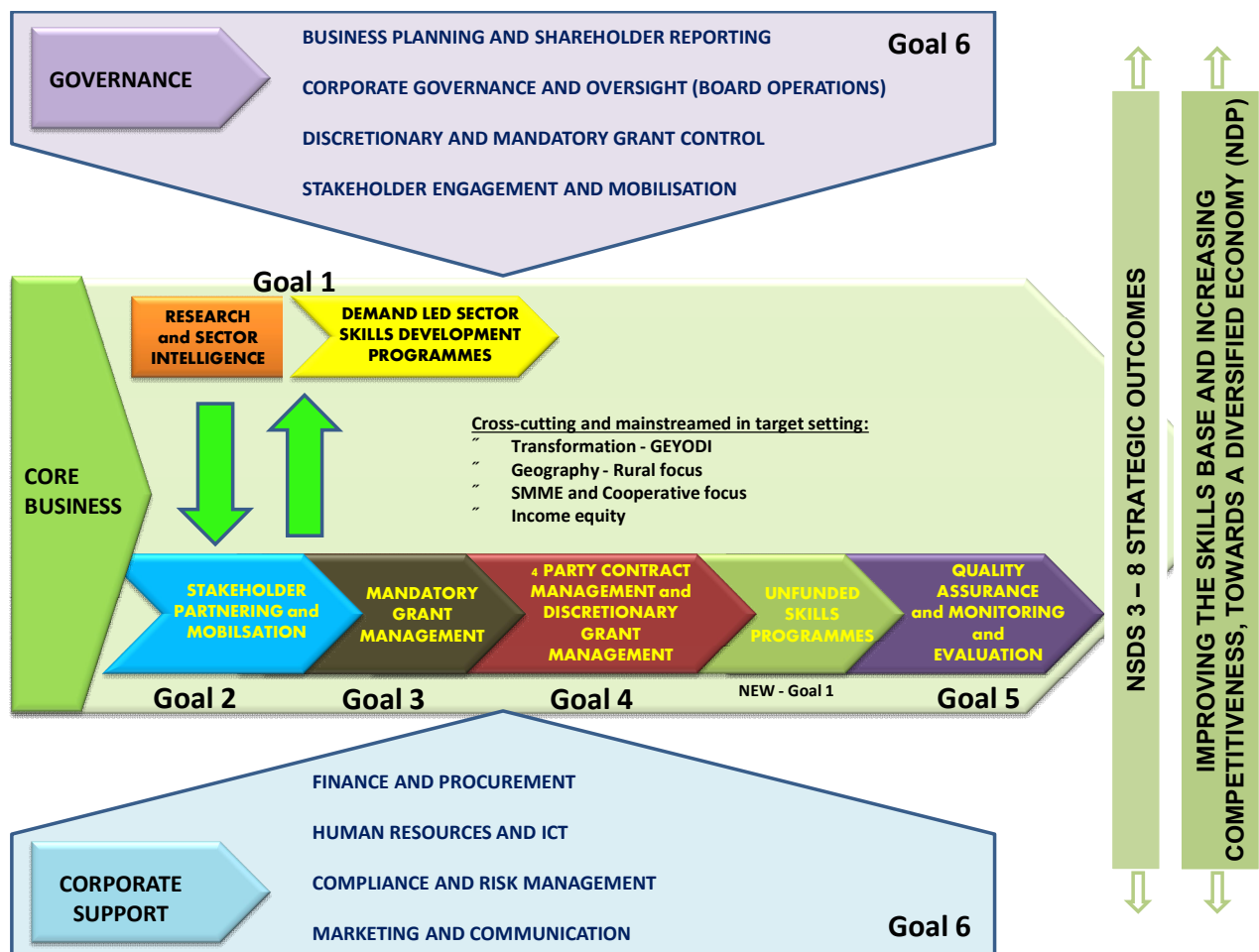
5. THE CATHSSETA HIGH-LEVEL DELIVERY MODEL AND VALUE CHAIN

In framing the strategic outcome orientated goals of the CATHSSETA in support of its intended impact, it is useful to understand the High-Level Business model as a guide to unpacking the focus and resultant goals of the organisation.

In broad terms, a business / delivery model is a simplified representation of an organisation’s business logic. It describes what a company offers its customers, how it reaches them and relates to them, through which resources, activities and partners it achieves this and finally, how it secures its funding or revenue. An operational model, on the other hand, is an abstract representation of how an organisation operates across process, organisation and technology domains in order to accomplish its function and deliver its business model.

The following figure outlines the integrated delivery model and /or value chain of the CATHSSETA, as it pursues its strategic intent and performs its mandated functions:

Figure 3: CATHSSETA Delivery Model and Value-Chain



The model reflects the total alignment of the CATHSSETA to the attainment of Vision 2030 articulated in the National Development Plan and unpacked via the National Outcomes and specifically the 8 Strategic Outcomes (Goals) of the NSDS3.

In this regard, the “core business” of the CATHSSETA is orientated on two levels towards:

- i) Ensuring sound sector research and intelligence, and that the required institutional mechanisms are in place, to inform demand led sectoral skills development and learning interventions, that are fully aligned to and meet sector needs. It is appreciated that as a SETA, the CATHSSETA delivery model must be focussed on meeting the needs of employers in the six sub-sectors; where:
 - The Sector Skills Plan (SSP) is the driving strategy for the sector – and as such is credible, sound and evidence-based;
 - There exists a real and iterative two way relationship between the SSP and sub-sector (chamber) development plans;
 - The CATHSSETA Strategic Plan and aligned Annual Performance Plans then define the specific targets and budget of the CATHSSETA – but are themselves informed by and aligned to specific chamber and project plans; and

- Scarce and critical skills are in real terms the key focus informing the allocation of available funds and programme resources.
- ii) Ensuring that stakeholder engagement and partnering (via chamber structures) is the foundation for the delivery of the programmes and functions of the CATHSSETA, culminating in the quality assurance and monitoring and evaluation of implemented programmes to ensure that such programmes indeed met their transformational and developmental intent. It is appreciated that the CATHSSETA delivery model must ensure that:
- CATHSSETA policies and procedures are crafted to be more than simply paper policies - member employers need to buy in to the policies and their implementation;
 - The CATHSSETA is seeking to take project management back from providers and labour brokers: project managing programme implementation means building new capacity in the CATHSSETA;
 - CATHSSETA is seeking to no longer fund intermediaries to then contract providers and “place learners in workplaces” – CATHSSETA seeks to deal directly with employers at their workplaces. This entails a change from a “tender” approach to an approach which seeks to help employers to access defined researched and funded programmes.

In turn, the core business of the CATHSSETA is supported by sound governance and institutional arrangement focussed on ensuring:

- Enhanced governance oversight and public accountability;
- Lobbying and advocacy for issues pertaining to the CATHSSETA and the sector through relevant forums and structures;
- An optimally resourced, capacitated and sustainable organisation;
- A visible, credible and recognised CATHSSETA.

The above logic model then informs the crafting of the Strategic Goals (outcomes) of the CATHSSETA in response to its mandate and strategic intent.

6. THE CATHSSETA STRATEGIC GOALS TO 2018/19

The Strategic Goals are crafted in response to the situational analysis, the national priorities and the strategic drivers, and describe the outcomes expected from the delivery of the programmatic focus of the CATHSSETA. The approach sought to ensure that the strategic goals are both reactive to the environment and development priorities and are also proactive in describing the desired future state, in support of the intent of the CATHSSETA mandate, vision and mission.

Informed by the Delivery Model discussed in Section 7 above, six (6) CATHSSETA systemic outcomes/strategic goals have been framed for the period to 2018/19, as follows:

- i) Demand led sector skills development programmes informed by sector research and intelligence;
- ii) Informed, empowered and actively engaged CATHSSETA stakeholders increase the capacity and capability of the SETA to meet sectoral skills needs;

- iii) Employers participating in the Mandatory Grant process provide quality information regarding the training of employed workers;
- iv) Appropriately targeted programmes and funding that address current and emerging skills requirements and improved learner employability;
- v) CATHSSETA programmes and interventions are continuously assessed and enhanced in terms of their relevance, quality and effectiveness; and
- vi) An accountable, well governed and optimally resourced organisation.

Individually, each goal represents an aspiration CATHSSETA seeks to achieve as it pursues its mission (aim). Collectively, the goals define the full range of CATHSSETA's role and focus as reflected in the delivery model. The Goals are therefore necessarily pitched at an organisational level. In other words, the attainment of each goal will require CATHSSETA specific focus as well as, importantly, support and collaboration from both internal and external stakeholders and various CATHSSETA divisions and/or business units will contribute to their achievement.

The table below then reflects the six CATHSSETA strategic goals and further unpacks them in terms of a broader description of the goal, the programmatic focus of the goal and the linkages of the goal to the National Outcomes, NSDS3 Goals and the obligations of the CATHSSETA Service Level Agreement with DHET.

Table 13: CATHSSETA Strategic Goals to 2018/19

CATHSSETA STRATEGIC GOAL	GOAL STATEMENT (Description)	CATHSSETA PROGRAMMATIC FOCUS OF THE GOAL
<p>1. Demand led sector skills development programmes informed by sector research and intelligence.</p>	<p>To position CATHSSETA as a credible and authoritative voice on skills demand and on interventions and solutions that are required to address skills needs within the sector.</p> <p>To build CATHSSETAs understanding of labour market issues in the sector and to document and communicate recent and emerging trends, as well as to develop solid baseline indicators for the sector so as to inform planning and guide decision making on investment in education and training provision.</p>	<ul style="list-style-type: none"> ▪ Sound sector knowledge informing sectoral strategy and plans. ▪ Support the sector through conducted research to addressing skilling needs - Needs in relation to skills development are researched, documented and communicated. ▪ Scarce and critical skills are escalated to Chamber Strategies, which are sub-sector specific and form the basis from which discretionary grant projects are developed and implemented. ▪ Qualifications identified to address sector needs and sources of education and training supply identified. ▪ Enhanced data, information and knowledge management systems – Collection, Compilation, Storage, Analysis, Reporting – CREDIBILITY requires VERIFICATION. ▪ Establish MoU's to fund and capacitate research projects by Masters, PhD and post-doctoral students.

CATHSSETA STRATEGIC GOAL	GOAL STATEMENT (Description)	CATHSSETA PROGRAMMATIC FOCUS OF THE GOAL
	<p>SUPPORTING NATIONAL OUTCOME 5; and SECTORAL SUPPORT TO OUTCOMES 4, 10, 12b.</p> <p>SUPPORTING NSDS3 GOAL 1: Establishing a credible institutional mechanism for skills planning.</p>	
	<p>SUPPORTING SLA OBLIGATION:</p> <p>Strategic Driver 1: Assessment of skills required for each sector and the identification of scarce skills.</p> <p>Strategic Driver 5: Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved.</p>	
<p>2. Informed, empowered and actively engaged CATHSSETA stakeholders increase the capacity and capability of the SETA to meet sectoral skills needs.</p>	<p>Effective stakeholder management and partnering initiatives between the SETA, employers, private providers, government, other SETAs and sectoral bodies and relevant institutions are resulting in increased capacity to meet industry skills needs throughout the country.</p>	<ul style="list-style-type: none"> ▪ Interacting and partnering with stakeholders to address sector needs. ▪ Oversight and coordination of effective Chamber structures. ▪ Strategic partnerships with other SETAs and Government Entities to monitor and evaluate all learning interventions within the scope of the CATHSSETA. ▪ Enhance the experience of stakeholders and customers interacting with CATHSSETA. ▪ Effectively communicate and promote the work and programmes of CATHSSETA.
	<p>SUPPORTING NATIONAL OUTCOME 5; and SECTORAL SUPPORT TO OUTCOMES 4, 10, 12b.</p> <p>SUPPORTING NSDS3 GOALS: Stakeholder engagement and partnership in support of all 8 NSDS3 goals.</p>	
	<p>SUPPORTING SLA OBLIGATION:</p> <p>Strategic Driver 3: Partnerships between CATHSSETA and Public FET Colleges.</p> <p>Strategic Driver 6: Number of agreements signed with Public FET Colleges, Universities and other Training Providers as well as the amount approved for each agreement which should also reflect the number of learners to be trained, types of training programmes and the programmes that are in place for the current financial year.</p> <p>Strategic Driver 8: Placement of students in industry as part of the agreement between CATHSSETA and companies.</p> <p>Strategic Driver 12: Presence of CATHSSETA in rural areas and townships, and how and by when will it be implemented.</p>	

CATHSSETA STRATEGIC GOAL	GOAL STATEMENT (Description)	CATHSSETA PROGRAMMATIC FOCUS OF THE GOAL
<p>3. Employers participating in the Mandatory Grant process provide quality information regarding the training of employed workers.</p>	<p>Assess the quality and consistency of plans and reports received so as to enhance the effectiveness of the mandatory grant processing, payment and reporting process.</p>	<ul style="list-style-type: none"> ▪ Capacitating employers for an increase in the quality of labour market information submitted, received and analysed through the Mandatory Grant process. ▪ Evaluate and verify to ensure plans and reports meet CATHSSETA requirements. ▪ Effective management of the Mandatory Grant process.
<p>SUPPORTING NATIONAL OUTCOME 5. SUPPORTING NSDS3 GOAL 5: Encouraging better use of workplace-based skills development.</p>		
<p>SUPPORTING SLA OBLIGATION: Strategic Driver 5: Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved. Strategic Driver 9: Placement of students in industry as part of the agreement between CATHSSETA and companies.</p>		
<p>4. Appropriately targeted programmes and funding that address current and emerging skills requirements and improved learner employability.</p>	<p>To ensure the effective management of four-party agreements resulting in the disbursement of Discretionary Grants for learning interventions and PIVOTAL programmes, with a specific focus on SMMEs, Cooperatives and Rural development.</p>	<ul style="list-style-type: none"> ▪ PIVOTAL Programme Implementation. ▪ Discretionary Grant disbursements to be managed effectively and informed by the critical and scarce needs of the industry. ▪ Quality career guidance and learner support programmes implemented. ▪ Effective contract and four party management. ▪ Effective Skills Development Facilitators support. ▪ Effective management of Inter-SETA transfers. ▪ Use Skills Development as a tool to advance and transform the small business sector (SMME's, NGO's and Cooperatives).
<p>SUPPORTING NATIONAL OUTCOME 5; and SECTORAL SUPPORT TO OUTCOMES 4, 10, 12b. SUPPORTING NSDS3 GOALS:</p> <ul style="list-style-type: none"> ▪ Goal 2: Increasing access to occupationally-directed programmes. ▪ Goal 3: Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities. ▪ Goal 4: Addressing the low level of youth and adult language and numeracy skills to enable additional training. 		

CATHSSETA STRATEGIC GOAL	GOAL STATEMENT (Description)	CATHSSETA PROGRAMMATIC FOCUS OF THE GOAL
	<ul style="list-style-type: none"> ▪ Goal 6: Encouraging and supporting cooperatives, small enterprises, worker initiated, NGO and community training initiatives. ▪ Goal 7: Increasing public sector capacity for improved service delivery and supporting the building of a developmental state. ▪ Goal 8: Building career and vocational guidance. 	<p>SUPPORTING SLA OBLIGATION:</p> <p>Strategic Driver 2: Improving and addressing the levels of education in the sector.</p> <p>Strategic Driver 3: Partnerships between CATHSSETA and Public FET Colleges.</p> <p>Strategic Driver 4: The number of bursaries awarded/to be awarded to deserving SA citizens in critical skills at the 23 Universities and 50 FET colleges.</p> <p>Strategic Driver 5: Scarce and critical skills needed in the sector, how it will be addressed, the number of learners that will be trained and placed as well as the companies that will be involved.</p> <p>Strategic Driver 8: Placement of students in industry as part of the agreement between CATHSSETA and companies.</p> <p>Strategic Driver 9: A comprehensive plan on making the public service a training space should be developed, with targets per annum to change the lives of the youth.</p> <p>Strategic Driver 10: Rural Development Programmes and how it will be implemented.</p> <p>Strategic Driver 11: Progress in the implementation of Recognition of Prior Learning.</p> <p>Strategic Driver 13: Number of Public FET Colleges and University students placed in companies to obtain work experience.</p> <p>Strategic Driver 14: Facilitating the exposure and placement of FET College lecturers to industry.</p>
<p>5. CATHSSETA programmes and interventions are continuously assessed and enhanced in terms of their relevance, quality and effectiveness</p>	<p>Stakeholder confidence in the SETA is enhanced through effective full value-chain analysis and evaluation of the quality and soundness of the implementation of learning interventions, and transparent benchmarking with applicable norms and standards.</p>	<ul style="list-style-type: none"> ▪ Education and Training Quality Assurance provided to qualifications under CATHSSETA scope to both public and private training providers. ▪ Monitoring and Evaluation strengthens the contract management capabilities of CATHSSETA. ▪ Full-value chain monitoring and evaluation informs the continuous enhancement of CATHSSETA programmes and interventions.

CATHSSETA STRATEGIC GOAL	GOAL STATEMENT (Description)	CATHSSETA PROGRAMMATIC FOCUS OF THE GOAL
	<p>SUPPORTING NATIONAL OUTCOME 5.</p> <p>SUPPORTING NSDS3 GOALS:</p> <p>Goal 1: Establishing a credible institutional mechanism for skills planning.</p> <p>Goal 7: Increasing public sector capacity for improved service delivery and supporting the building of a developmental state.</p>	<p>SUPPORTING SLA OBLIGATION:</p> <p>Strategic Driver 7: Targets as reflected in the Strategic Plan and Annual Performance Plan must be credible and linked to a “Baseline”.</p>
<p>6. An accountable, well governed and optimally resourced organisation.</p>	<p>To promote public accountability and achieve high standards of corporate governance and efficient resource utilisation so as to ensure optimal organizational performance and service delivery.</p>	<ul style="list-style-type: none"> ▪ Financial management, control and reporting and master budget management. ▪ A transparent, cost effective and efficient supply chain management and procurement system. ▪ Adherence to policies and legislative frameworks and compliance with relevant statutory requirements. ▪ Governance, risk management and compliance. ▪ Accountability and reporting. ▪ Internal business excellence and system and process optimisation. ▪ Effective knowledge management systems and institutional memory. ▪ An optimally capacitated and capable organisation. ▪ A high performance culture underpinned by an effective performance management and development system and approach.
	<p>SUPPORTING NATIONAL OUTCOME 5; and Outcome 12: Good Governance and an Effective Public Service.</p> <p>SUPPORTING NSDS3 GOALS: Governance and corporate services in support of all 8 NSDS3 goals.</p>	
	<p>SUPPORTING SLA OBLIGATION: Governance and corporate services in support of all obligations of the Service Level Agreement.</p>	

In turn, the six strategic goals have been unpacked into Strategic Objectives which define the key result areas or elements which constitute that strategic goal. The focus is on ensuring that the specified goals are therefore specific and measurable; and implementation programmes can be delivered and reported upon.

As a Public Entity and SETA, the CATHSSETA does not have Treasury approved Budget Programmes against which to reflect its high-level tactical and performance data. Rather, the approach has sought to unpack the CATHSSETA strategic goals in terms of the outputs and performance metrics that constitute delivery against a specific goal, and then the alignment to the delivery structure of the CATHSSETA in that regard.

7. THE STRATEGIC OBJECTIVES AND PERFORMANCE METRICS PER STRATEGIC GOAL (TACTICAL PLAN)

The CATHSSETA tactical scorecard reflects a continued focus on the alignment and integration of the business of CATHSSETA with its mandate, vision, mission and values. The Organisation's planning architecture, as well as the execution and reporting cycle are progressing towards maturity and through leveraging the synergistic relationship between mandatory grant and discretionary grant focused services, the CATHSSETA will progress towards becoming a centre of excellence that services effectively the needs of all its stakeholders.

The ongoing strengthening of the management team and the utilisation of flagship projects to enhance the impact and visibility of the organisation is a key short and medium-term intervention that has already started to yield value. It is anticipated that within the period of this Strategic Plan, the CATHSSETA service offerings, human capital, organisational culture as well as processes and systems will place the organisation in a position to perform fully on its mandate, thus supporting its continued relevance and sustainability.

The following table reflects the tactical framework of CATHSSETA for the period to 2018/19 and sketches the strategic objectives (Outputs or Key Performance Areas) and reflects the performance metrics and 5-year targets for each strategic goal and programmatic focus area. These will be further unpacked into indicators, milestones, baselines and annual and quarterly targets in the aligned CATHSSETA Annual Performance Plans for 2014/15 and beyond.

Table 14: CATHSSETA Strategic Goals unpacked to Strategic Objectives and Indicative 5-Year Targets

NSDS3 GOAL SUPPORTED	LINK TO SSP PROGRAMME	CATHSSETA STRATEGIC GOAL	PROGRAMMATIC FOCUS AREA	STRATEGIC OBJECTIVES PER STRATEGIC GOAL	INDICATIVE 5-YEAR TARGET - INFORMING PERFORMANCE METRICS IN APP
<p>GOAL 1: Establishing a credible institutional mechanism for skills planning.</p>	<p>SSP Programme 1: Research and Skills Planning. SSP Programme 2: Address Sector Middle Level Skills. SSP Programme 3: Development of Artisans. SSP Programme 5: Address Sector High Levels Skills. SSP Programme 6: Research, Development and Generation of New Knowledge. SSP Programme 7: NCV & N-Courses Review. SSP Programme 8: Quality Assurance. SSP Programme 10: Skills</p>	<p>1. Demand led sector skills development programmes informed by sector research and intelligence.</p>	<ul style="list-style-type: none"> ▪ Sound sector knowledge informing sectoral strategy and plans. ▪ Support the sector through conducted research to addressing skilling needs - Needs in relation to skills development are researched, documented and communicated. ▪ Scarce and critical skills are escalated to Chamber Strategies, which are sub-sector specific and form the basis from which discretionary grant projects are developed and implemented. ▪ Qualifications identified to address sector needs and sources of education and training supply identified. ▪ Enhanced data, information and knowledge management systems – Collection, 	<p>1.1 A sound institutional framework for Sector Skills Planning and aligned CATHSSETA Strategic and Annual Performance Planning.</p> <p>1.2 Appropriate sectoral plans and strategies responding to identifies high, middle and low level scarce skills.</p>	<ul style="list-style-type: none"> ▪ Annually updated SSP that drives the strategy for the sector, and is a culmination of evidenced based chamber and sub-sector strategies. ▪ An APP that identifies aligned programmes, targets and budget for CATHSSETA support to the chambers as reflected in the SSP. ▪ Mandatory grant application forms inform scarce and critical skills list. ▪ Sub-sector strategies and programmes informed by critical skills research. ▪ CATHSSETA Artisan Training Strategy developed according to NAMB Artisan Policy. ▪ CATHSSETA Rural Development Strategy implemented.

NSDS3 GOAL SUPPORTED	LINK TO SSP PROGRAMME	CATHSSETA STRATEGIC GOAL	PROGRAMMATIC FOCUS AREA	STRATEGIC OBJECTIVES PER STRATEGIC GOAL	INDICATIVE 5-YEAR TARGET - INFORMING PERFORMANCE METRICS IN APP
	<p>Development for Low Level Literacy and Numeracy.</p> <p>SSP Programme 12: Cooperatives Skills Development.</p> <p>SSP Programme 13: Skills Development Support for Small and Emerging Businesses.</p> <p>SSP Programme 14: Trade Unions, NGOs and CBOs Skills Development Support.</p>		<p>Compilation, Storage, Analysis, Reporting – CREDIBILITY requires VERIFICATION.</p> <ul style="list-style-type: none"> ▪ Establish MoU's to fund and capacitate research projects by Masters, PhD and post-doctoral students. 	<p>1.3 Promotion of Sector driven Research and cited research publications.</p> <p>1.4 Relevant courses and qualifications that provide a sound foundational basis for building targeted labour market skills.</p> <p>1.5 Enhanced information and knowledge management systems - integrated with other departments.</p>	<p>Research Papers published and uploaded on the CATHSSETA research portal.</p> <ul style="list-style-type: none"> ▪ Career paths researched and developed. ▪ Career and vocational guidance to employees and prospective learners. ▪ Updated CATHSSETA qualifications under the QCTO process. ▪ NCV and N - Courses and curriculum revised to ensure that they provide a sound foundational basis for building labour market relevant skills. ▪ Auditable and verifiable learner records. ▪ Reliable and credible data to identify and address sector needs captured on CATHSSETA databases.

NDS3 GOAL SUPPORTED	LINK TO SSP PROGRAMME	CATHSSETA STRATEGIC GOAL	PROGRAMMATIC FOCUS AREA	STRATEGIC OBJECTIVES PER STRATEGIC GOAL	INDICATIVE 5-YEAR TARGET INFORMING PERFORMANCE METRICS
<p>GOALS: Stakeholder engagement and partnership in support of all 8 NDS3 goals.</p>	<p>SSP Programme 1: Research and Skills Planning. SSP Programme 2: Address Sector Middle Level Skills. SSP Programme 3: Development of Artisans. SSP Programme 4: Marketing, Communication and Stakeholder Management. SSP Programme 6: Research, Development and Generation of New Knowledge. SSP Programme 9: FET Capacity Building. SSP Programme 15: Public Sector Education and Training.</p>	<p>2. Informed, empowered and actively engaged CATHSSETA stakeholders increase the capacity and capability of the SETA to meet sectoral skills needs.</p>	<ul style="list-style-type: none"> ▪ Interacting and partnering with stakeholders to address sector needs. ▪ Oversight and coordination of effective Chamber structures. ▪ Strategic partnerships with other SETAs and Government Entities to monitor and evaluate all learning interventions within the scope of the CATHSSETA. ▪ Enhance the experience of stakeholders and customers interacting with CATHSSETA. ▪ Effectively communicate and promote the work and programmes of CATHSSETA. 	<p>2.1 Broad-based partnerships that increase CATHSSETA's capacity and capability to meet industry needs.</p> <p>2.2 Enhanced visibility and credibility of CATHSSETA through effective marketing, communication and stakeholder management.</p>	<ul style="list-style-type: none"> ▪ Alignment and relevance of all institutional MOU's to the Labour Market Analysis and sector research expected outcomes. ▪ Partnerships with employers, public FET colleges and Universities of Technology to place middle level skills learners in Work Integrated Learning. ▪ Partnerships with PSETA and Government departments to develop programmes to capacitate public servants and improve service delivery to the sector. ▪ Optimal marketing campaigns and initiatives implemented. ▪ Optimal stakeholder communication. ▪ Improved levels of customer satisfaction. ▪ Effective resolution of stakeholder queries.

NDS3 GOAL SUPPORTED	LINK TO SSP PROGRAMME	CATHSSETA STRATEGIC GOAL	PROGRAMMATIC FOCUS AREA	STRATEGIC OBJECTIVES PER STRATEGIC GOAL	INDICATIVE 5-YEAR TARGET INFORMING PERFORMANCE METRICS
				2.3 Stakeholders informed and educated on skills development benefits and the policies and processes of the SETA.	Sectoral institutions and bodies actively engaged in relevant CATHSSETA programmes.
GOAL 5: Encouraging better use of workplace-based skills development.	SSP Programme 11: Employer Grants.	3. Employers participating in the Mandatory Grant process provide quality information regarding the training of employed workers.	<ul style="list-style-type: none"> ▪ Capacitating employers for an increase in the quality of labour market information submitted, received and analysed through the Mandatory Grant process. ▪ Evaluate and verify to ensure plans and reports meet CATHSSETA requirements. ▪ Effective management of the Mandatory Grant process. 	3.1 CATHSSETA receives accurate information on the labour market for inclusion in the Sector Skills Plan.	<ul style="list-style-type: none"> ▪ Received and submitted electronic submissions of Mandatory Grant Applications. ▪ Mandatory Grant Applications meet CATHSSETA requirements.
Goal 2: Increasing access to occupationally-directed programmes Goal 3: Promoting	SSP Programme 2: Address Sector Middle Level Skills. SSP Programme 3: Development of Artisans.	4. Appropriately targeted programmes and funding that address current and	<ul style="list-style-type: none"> ▪ PIVOTAL Programme Implementation. ▪ Discretionary Grant disbursements to be managed effectively and informed by the critical and 	3.2 Enhanced Mandatory Grant processing, payment and reporting processes. 4.1 Enhanced implementation of targeted learning interventions and PIVOTAL programmes for employed and unemployed workers.	<ul style="list-style-type: none"> ▪ Employers participating in the Mandatory Grant applications process are capacitated. ▪ A seamless Mandatory grant application process for employers.
					<ul style="list-style-type: none"> ▪ Approved sector specific PIVOTAL projects. ▪ Employed middle level Learners completing PIVOTAL programmes. ▪ Employed learners trained

NDS3 GOAL SUPPORTED	LINK TO SSP PROGRAMME	CATHSSETA STRATEGIC GOAL	PROGRAMMATIC FOCUS AREA	STRATEGIC OBJECTIVES PER STRATEGIC GOAL	INDICATIVE 5-YEAR TARGET INFORMING PERFORMANCE METRICS
<p>the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities.</p> <p>Goal 4: Addressing the low level of youth and adult language and numeracy skills to enable additional training.</p> <p>Goal 6: Encouraging and supporting cooperatives, small enterprises, worker initiated, NGO and community training initiatives.</p> <p>Goal 7: Increasing public sector capacity for improved service delivery and supporting the</p>	<p>SSP Programme 5: Address Sector High Levels Skills.</p> <p>SSP Programme 9: FET Capacity Building.</p> <p>SSP Programme 10: Skills Development for Low Level Literacy and Numeracy.</p> <p>SSP Programme 11: Employer Grants.</p> <p>SSP Programme 12: Cooperatives Skills Development.</p> <p>SSP Programme 13: Skills Development Support for Small and Emerging Businesses.</p> <p>SSP Programme 14: Trade Unions, NGOs and CBOs Skills Development</p>	<p>emerging skills requirements and improved learner employability.</p>	<p>scarce needs of the industry.</p> <ul style="list-style-type: none"> ▪ Quality career guidance and learner support programmes implemented. ▪ Effective contract and four party management. ▪ Effective Skills Development Facilitators support. ▪ Effective management of Inter-SETA transfers. ▪ Use Skills Development as a tool to advance and transform the small business sector (SMME's, NGO's and Cooperatives). 	<p>4.2 Bursaries, internships and experiential learning programmes for learners and graduates.</p>	<p>through PIVOTAL Programmes.</p> <ul style="list-style-type: none"> ▪ Unemployed middle level Learners completing PIVOTAL programmes. ▪ Unemployed middle level Learners completing bursary programmes. ▪ Unemployed learners completing Bursaries at Higher Education Institutions. ▪ Employed learners completing Bursaries at Higher Education Institutions. ▪ Middle level Learners benefiting from Work-Integrated Learning. ▪ Qualified learners placed in work experience / internship opportunities. ▪ Bursaries to Masters, PhD and post-doctoral students in the sector.

INDICATIVE 5-YEAR TARGET INFORMING PERFORMANCE METRICS	STRATEGIC OBJECTIVES PER STRATEGIC GOAL	PROGRAMMATIC FOCUS AREA	CATHSSETA STRATEGIC GOAL	LINK TO SSP PROGRAMME	NSDS3 GOAL SUPPORTED
<ul style="list-style-type: none"> ▪ Employed Artisans completing training programmes. ▪ Unemployed Artisans completing training programmes. 	<p>4.3 Implemented Artisan strategy, aligned with the Generic National Artisan Learner Grant Funding strategy.</p> <p>4.4 ETPSETA to fund and collaborate with CATHSSETA in assisting identified FET colleges.</p>			<p>Support.</p> <p>SSP Programme 16: Career Guidance.</p>	<p>building of a developmental state.</p> <p>Goal 8: Building career and vocational guidance.</p>
<p>FET staff completing training programmes.</p>	<p>4.5 Targeted interventions supporting sectoral SMIMEs, cooperatives, NGO's, CBO's and Trade Unions.</p>				
<ul style="list-style-type: none"> ▪ Direct support to sectoral Cooperatives. ▪ Direct support to sectoral SMIMEs. ▪ Direct support to sectoral Trade Unions, NGOs and CBOs. 					
<ul style="list-style-type: none"> ▪ Quality Assurance of training provision by CATHSSETA accredited providers. 	<p>5.1 Education and Training Quality Assurance provided to qualifications under CATHSSETA scope, to both public and private training providers.</p>	<ul style="list-style-type: none"> ▪ Education and Training Quality Assurance provided to qualifications under CATHSSETA scope to both public and private training providers. ▪ Monitoring and Evaluation 	<p>5. CATHSSETA programmes and interventions are continuously assessed and</p>	<p>SSP Programme 1: Research and Skills Planning.</p> <p>SSP Programme 6: Research, Development and Generation of New</p>	<p>Goal 1: Establishing a credible institutional mechanism for skills planning.</p> <p>Goal 7: Increasing public sector</p>

NSDS3 GOAL SUPPORTED	LINK TO SSP PROGRAMME	CATHSSETA STRATEGIC GOAL	PROGRAMMATIC FOCUS AREA	STRATEGIC OBJECTIVES PER STRATEGIC GOAL	INDICATIVE 5-YEAR TARGET INFORMING PERFORMANCE METRICS
<p>capacity for improved service delivery and supporting the building of a developmental state.</p>	<p>Knowledge. SSP Programme 8: Quality Assurance.</p>	<p>enhanced in terms of their relevance, quality and effectiveness.</p>	<p>strengthens the contract management capabilities of CATHSSETA.</p> <ul style="list-style-type: none"> ▪ Full-value chain monitoring and evaluation informs the continuous enhancement of CATHSSETA programmes and interventions. 	<p>5.2 Full-value chain monitoring and evaluation informing the continuous enhancement of CATHSSETA programmes and interventions.</p>	<ul style="list-style-type: none"> ▪ Quality workplace and provider evaluations conducted. ▪ The outcomes and impact of CATHSSETA learning interventions tracked and assessed.
<p>GOALS: Governance and corporate services in support of all 8 NSDS3 goals.</p>	<p>SSP Programme 17: SETA Administration.</p>	<p>6. An accountable, well governed and optimally resourced organisation.</p>	<ul style="list-style-type: none"> ▪ Financial management, control and reporting and master budget management. ▪ A transparent, cost effective and efficient supply chain management and procurement system. ▪ Adherence to policies and legislative frameworks and compliance with relevant statutory requirements. ▪ Governance, risk management and compliance. ▪ Accountability and reporting. ▪ Internal business excellence and system and process optimisation. 	<p>6.1 An effective, efficient and transparent system of financial management and internal control.</p> <p>5.3 Compliance and sound corporate governance.</p> <p>5.4 Enhanced business integration and organisational effectiveness.</p> <p>5.5 A high performing and optimally capacitated organisation.</p>	<ul style="list-style-type: none"> ▪ Enhanced financial management control and performance. ▪ A transparent, cost effective and efficient procurement system. <p>Unqualified audit opinion for previous year – Both Financial and Performance information).</p> <p>Relevant and aligned organisational policies and procedures</p> <ul style="list-style-type: none"> ▪ An optimally capacitated, capable and sustainable organisation. ▪ A high performance culture underpinned by an effective

NSDS3 GOAL SUPPORTED	LINK TO SSP PROGRAMME	CATHSSETA STRATEGIC GOAL	PROGRAMMATIC FOCUS AREA	STRATEGIC OBJECTIVES PER STRATEGIC GOAL	INDICATIVE 5-YEAR TARGET INFORMING PERFORMANCE METRICS
			<ul style="list-style-type: none"> ▪ Effective knowledge management systems and institutional memory. ▪ An optimally capacitated and capable organisation. ▪ A high performance culture underpinned by an effective performance management and development system and approach. 		<p>performance management and development approach.</p> <ul style="list-style-type: none"> ▪ A healthy and productive work force.

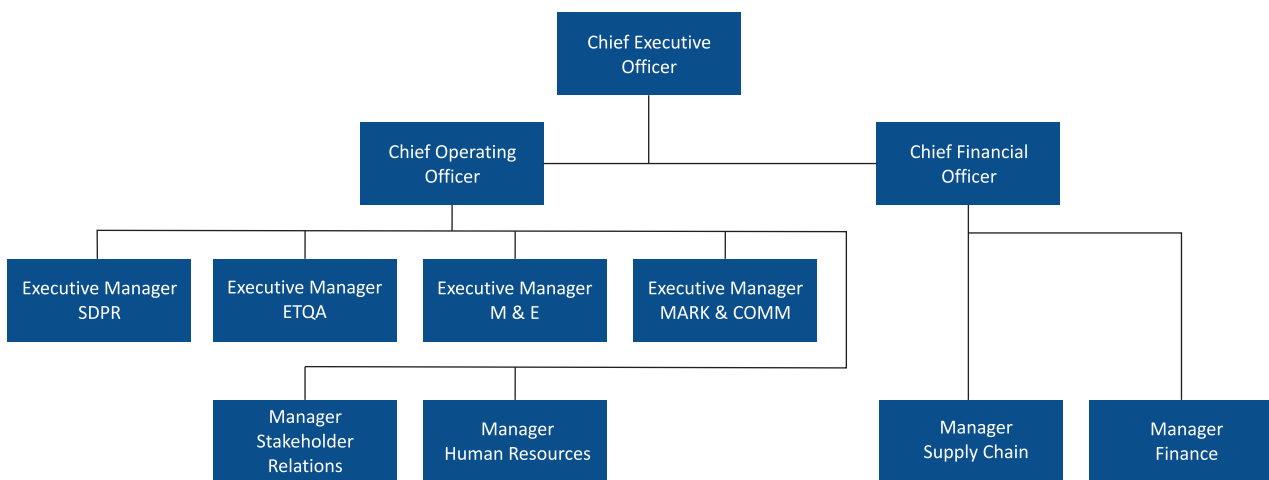
The above Strategic Objectives and indicative 5-Year Targets have then informed the resource considerations, CATHSSETA budget and MTEF projections outlined in the aligned CATHSSETA 2014/15 Annual Performance Plan.

The above considerations, together with the CATHSSETA Delivery Model outlined in Section 7, then also inform the approach to organisation design. While continuity is an important consideration, it is critical that the required capabilities find their expression in the organisation design and job profiles of the CATHSSETA moving forward.

PART C: THE PROPOSED ORGANISATIONAL DESIGN TO SUPPORT THE ACHIEVEMENT OF STRATEGY

A key principle of organisation design is that structure follows strategy and the following section then discusses the CATHSSETA design considerations which are aimed at capacitating the SETA (at reporting levels 1-2) to provide an effective strategic and operational service, in an integrated manner.

8. THE STRUCTURE



PART D: LINKS TO OTHER PLANS

9. LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

CATHSSETA will support number of persons to become qualified Environmental Managers, Programme or Project Administrators Assistants, Truck drivers and Handypersons through Work Integrated Learning programmes to support the Strategic Integrated Projects (SIPs).

10. CONDITIONAL GRANTS

The matter of conditional grants is not applicable to the CATHSSETA at this stage.

11. PUBLIC-PRIVATE PARTNERSHIPS

There are currently no Public-Private Partnerships in place.

12. PUBLIC ENTITIES

The CATHSSETA has no Public Entities.

13. MATERIALITY FRAMEWORK

In terms of Treasury Regulation 30.1.3; it is hereby stated that the CATHSSETA has a Materiality Framework in place. CATHSSETA has developed a materiality and significance framework which outlines materiality and significance as follows:

TREASURY REGULATION 28.1.5

“For purposes of “material” [sections 50(1), 55(2) and 61(1) (c) of the Act] and “significant” [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”

		Materiality approach adopted
Section 50 (1)	(1) The accounting authority for a public entity must - (a) Exercise the duty of utmost care to ensure reasonable protection of the assets	Appropriate systems of control and risk management are maintained as well as a corporate risk management policy which is reviewed annually for effectiveness and

	<p>and records of the public entity;</p> <p>(b) Act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity;</p> <p>(c) On request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way influence the decision or actions of the executive authority or that legislature; and</p> <p>(d) Seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.</p>	<p>a high level of compliance.</p> <p>CATHSSETA sets high standards for good governance and ethical behaviour. The best interest of the public entity is always relevant and reflected in the business plan as approved by the Chairperson of the Council (accounting authority) and the implementation of the business plan is of the utmost importance.</p> <p>CATHSSETA is committed to an open and transparent culture and in revealing any relevant information to its stakeholders. Materiality can only be determined if the nature of the information which will affect the decision of the stakeholder is known.</p> <p>CATHSSETA employs risk management plans and reviews. Identified processes are aimed at preventing any prejudice to the financial interest of the state.</p>
Section 55 (2)	<p>(2) The annual report and financial statements referred to by PFMA Subsection 55 (1)(d) must –</p> <p>(a) Fairly present the state of affairs of the public entity, its business, its financial results, its performance against pre-determined objectives and its financial position as at the end of the financial year concerned;</p>	<p>CATHSSETA makes use of independent finance service providers and is involved with disclosure forums for the presentation of annual financial statements to ensure that the AFS fairly present the affairs of the SETA.</p>
	<p>(b) include particulars of –</p> <p>(i) Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(ii) Any criminal or disciplinary steps</p>	<p>All losses are disclosed in the AFS.</p>

	taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;	All activities are disclosed in the AFS.
	<p>(iii) Any losses recovered or written off;</p> <p>(iv) Any financial assistance received from the state and commitments made by the state on its behalf; and</p> <p>(v) Any other matters that may be prescribed; and</p> <p>(c) Include the financial statements of any subsidiaries.</p>	<p>All losses are disclosed in the AFS.</p> <p>All financial assistance received or committed is disclosed.</p> <p>CATHSSETA will apply any other matters that become prescriptive.</p> <p>Not applicable.</p>
Section 54 (2)	<p>(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction</p> <p>(a) Establishment or participation in the establishment of a company;</p> <p>(b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement</p> <p>(c) Acquisition or disposal of a significant shareholding in a company</p> <p>(d) Acquisition or disposal of a significant asset</p> <p>(e) Commencement or cessation of a significant business activity; and</p> <p>(f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p> <p>CATHSSETA attains the approval of AA.</p> <p>Not applicable.</p> <p>Not applicable.</p>

Section 61(1)(c)	<p>1. The report of an auditor appointed in terms of section 58(1)(b) must be addressed to the executive authority responsible for the public entity concerned and must state separately in respect of each of the following matters whether in the auditor's opinion –</p> <p>(c) The transactions that had come to the auditor's attention during auditing were in all material respects in accordance with the mandatory functions of the public entity determined by law or otherwise.</p>	<p>Materiality of 0.25% of the total value of the sum of the revenue received for the year is applied. See annexure A for consequence scale.</p>
Section 66 (1)	<p>(1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction –</p> <p>(a) Is authorised by this Act; and</p> <p>(b) In the case of public entities, is also authorised by other legislation not in conflict with this Act; and</p> <p>(c) In the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act, 1996 (Act No 48 of 1996).</p>	<p>CATHSSETA operates within the ambit as set by this clause and its related Act's.</p>

This Materiality Framework is re assessed and adjusted on an annual basis with the Audit Committee, Internal and External Auditors and assessed and approved by the Accounting Authority.

ANNEXURE A: SERVICE LEVEL AGREEMENT



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Culture
Arts
Tourism
Hospitality
Sport

Sector Education and Training Authority



SERVICE LEVEL AGREEMENT

entered into by and between

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

(hereinafter referred to as the "DHET" represented by GF Qonde, duly authorized thereto by virtue of his capacity as the Director-General),

and

CULTURE, ARTS, TOURISM, HOSPITALITY AND SPORT SECTOR EDUCATION AND TRAINING AUTHORITY (CATHSSETA)

(hereinafter referred to as "CATHSSETA" represented by Advocate Brenda Madumise duly authorised thereto in her capacity as Chairperson of the Accounting Authority)

1. PURPOSE OF THE SERVICE LEVEL AGREEMENT

This service level agreement is entered into between the above mentioned parties to agree on the minimum service levels required by CATHSSETA in performing its statutory functions, meeting the National Skills Development Strategy targets and implementing its strategic plan and annual performance plan.

2. DURATION OF THE SERVICE LEVEL AGREEMENT

The service level agreement is entered into for the period of 1 April 2014 to 31 March 2015.

3. OBLIGATIONS OF THE SETA

3.1 CATHSSETA undertakes to :

- 3.1.1 perform its functions as required by the Skills Development Act;
- 3.1.2 meet the targets in the National Skills Development Strategy;
- 3.1.3 implement the approved Strategic Plan and Annual Performance Plan;
- 3.1.4 submit all documentation and reports as may be required by the Department on the times specified; and
- 3.1.5 adhere to the requirements of the Public Finance Management Act and Treasury Regulations.

3.2 Perform and provide the information and/or reports on the activities listed below:

- 3.2.1 assessment of the skills required for each sector and to identify scarce skills;
- 3.2.2 how the levels of education will be improved in the sector;
- 3.2.3 partnerships between SETAs and public Further Education and Training (FET) colleges, Universities, training providers and industry;
- 3.2.4 the number of bursaries awarded/to be awarded to deserving South African citizens in critical skills at 23 Universities and 50 FET colleges;

- 3.2.5 scarce and critical skills needs in the sector, how it will be addressed and reflected in the number of learners that will be trained and placed, as well as the companies involved;
- 3.2.6 number of agreements signed with public FET colleges , Universities and other training providers as well as the amount approved per agreement which should also reflect the number of learners that will be trained, types of training programmes and programmes that are in place;
- 3.2.7 targets as reflected in the Strategic Plans and Annual Performance Plans must be credible and linked to a “Baseline ”;
- 3.2.8 placement of lecturers in industry as part of theService Level Agreement;
- 3.2.9 a comprehensive plan on making the public service as a training space should be developed with targets per annum;
- 3.2.10 rural development programmes and how it will be implemented;
- 3.2.11 progress in the implementation of Recognition of Prior Learning;
- 3.2.12 presence of SETAs in rural areas and townships and how and by when will it be implemented;
- 3.2.13 establish working relationships with FET colleges, Universities and industry for the purpose of placement of students and graduates;
- 3.2.14 ensure the placement of N3, N6 and NC(V) Level 4 FET graduates and University of Technology students requiring Work Integrated Learning (WIL) in the relevant sector;
- 3.2.15 quarterly reporting on the placement of N3, N6 and NC(V) Level 4 FET graduates and University of Technology students requiring Work Integrated Learning (WIL) in the relevant sector;
- 3.2.16 annual targets for registered and completed artisan learners by listed trade as agreed with the Chief Directorate: INDLELA to address HRDC ATD-TTT Bottleneck 1;
- 3.2.17 monthly reports in a format determined by the Chief Directorate: INDLELA of the actual number of registered and completed artisan learners to address HRDC ATD-TTT Bottleneck 1;

- 3.2.18 implementation of the Policy on Generic National Artisan Learner Grant Funding and Administration System to address HRDC ATD-TTT Bottleneck 2;
- 3.2.19 the number of persons supported to become qualified artisans within the national artisan learner Recognition of Prior Learning system determined by the Chief Directorate: INDLELA to address HRDC ATD-TTT Bottleneck 3;
- 3.2.20 the number of persons supported to become qualified Environmental Managers, Programme or Project Administrators Assistants, Truck drivers and Handypersons through Work Integrated Learning programmes to support the Strategic Integrated Projects (SIPs);
- 3.2.21 meet minimum targets as reflected in the table below:

No.	LEARNING PROGRAMMES	TARGETS	SECTOR TARGET	TOTAL CATHSSETA TARGET
1	Workers Entering Learnerships	750	400	1150
2	Workers Entering Bursaries	100	-	100
3	Workers Entering Skills Programmes	530	400	930
4	Workers Certificated in Learnerships	350	150	500
5	Workers Certificated in Bursary	80	-	80
6	Workers Certificated in Skills Programmes	430	2000	2430
7	Unemployed Entering Learnerships	500	700	1200
8	Unemployed Entering Bursaries	150+92 = 242	-	242
9	Unemployed Entering Internships/Workplace Experience	150	-	150
10	Unemployed Entering Skills Programmes	500	300	800
11	Unemployed Certificated in Learnerships	300	250	550
12	Unemployed Certificated in Bursaries	125+64 = 189	-	189
13	Unemployed Certificated in	125	-	125

No.	LEARNING PROGRAMMES	TARGETS	SECTOR TARGET	TOTAL CATHSSETA TARGET
	Internships/Workplace Experience			
14	Unemployed Certificated in Skills Programmes	400	1000	1400
15	Artisans Entered	204	-	204
16	Artisans Certificated	150	-	150
17	FET Graduate Placement	1000	-	1000
18	Work Integrated Learning (Universities)	Refer to target 9	-	Refer to target 9
19	FET College Partnerships	35 MoA's with employers, public FET Colleges and UoTs	-	35 MoA's with employers, public FET Colleges and UoTs
20	AET Programmes Entered	-	-	-
21	AET Programmes Certificated	-	-	-
22	Cooperatives Supported	8	-	8
23	Small Business Supported	2300 owners and entrepreneurs	-	2300 owners and entrepreneurs
24	Trade Unions, NGOs & CBOs	29	-	29
25	NLPE	-	-	-
26	Career Guidance Provided	15 events	-	15 events

4. OBLIGATIONS OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

4.1 The Department undertakes to:

- 4.1.1 consult CATHSSETA on policy and strategic matters that may affect the functioning of CATHSSETA;

4.1.2 provide CATHSSETA with guidance on sector skills plans, strategic plans and any matter that may be requested by CATHSSETA in relation to its functions; and

4.1.3 assist CATHSSETA where applicable in performing its functions and responsibilities.

5. GENERAL

Any amendments to the Service Level Agreement shall be in writing and sign by both parties.

SIGNED AT _____ ON THIS ___ DAY OF _____ 2014

ACCOUNTING AUTHORITY

(represented by Advocate Brenda Madumise who warrants that she is duly authorised to this agreement)

SIGNED AT _____ ON THIS ___ DAY OF _____ 2014

DIRECTOR-GENERAL

(represented by GF Qonde, duly authorized thereto)



Culture
Arts
Tourism
Hospitality
Sport
Sector Education and Training Authority



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