



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

Strategic Plan

for Fiscal Years 2011/2012 to 2015/2016



higher education
& training
Department:
higher Education and Training
REPUBLIC OF SOUTH AFRICA

Culture
Arts
Tourism
Hospitality
Sport

Sector Education and Training Authority



Foreword

We value the opportunity to introduce the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority's Updated Strategic Plan for 2013/14. The first year of NSDS III has been completed and it is clear that we have embarked on a new skills development journey that has fundamentally changed both the skills development arena as a whole and the implementation of this in our sector. The National Skill Development Strategy III has already begun to realise its objectives and outcomes and the CATHSSETA sector has also benefitted from the profound opportunities to leverage on the full value chain of higher education and training as one of the key drivers behind tourism.

As we strive to ensure the continued creation of value for stakeholders, we are resolute in managing our operations and developing new projects in a manner that creates long-lasting economic and social benefit for the universe in which we operate, while ensuring that safety standards are maintained at the highest level. CATHSSETA recognises that the role and responsibility of each stakeholder and the formation of partnerships at all levels are pivotal in fast tracking the mandate and performance of our SETA. As such, are prepared to strengthen old and forge new partnerships and ensure that the concerns surrounding the quality of education, lack of critical skills, low placement of learners into areas of employment and the general lack of being the authority in the area of subject and field expertise are dissuaded through positive action. The accompanying strategy highlights CATHSSETA's goals and objectives which make an emphasis on targets that consider the 7 key developmental and transformation imperatives of NSDS III.

We are entering another electrifying period of growth, which will present opportunities to further contribute to much needed job creation and capacity building, skills and entrepreneurial development. Developing, attracting and retaining an adequate skills pool to meet our ambitious growth objectives is an ongoing challenge. This year we have made good progress by implementing a comprehensive National Skill Development Strategy, to assist in achieving these objectives.

This strategy challenges CATHSSETA to use pro active and innovative approaches that are in line with CATHSSETA values to inculcate a results oriented and targets driven culture. These include introducing mechanisms to accelerate support for SMME's, the strengthening of ETQA systems and the alignment to changes in qualifications. In recognition of the fact that none of these aspirations will come to fruition without the opinions and support of the academia and national leadership; we invite you to venture with us on a new five year path to skills improvement. This Strategic Plan forms part of a continuing process of channel of communication with our stakeholders and helps us to respond strategically to the risks and opportunities of sustainable development. We thank our stakeholders for their valuable contribution, and will seek to leverage these engagements, to further our positive contribution to society.

It is hereby certified that this Strategic Plan:

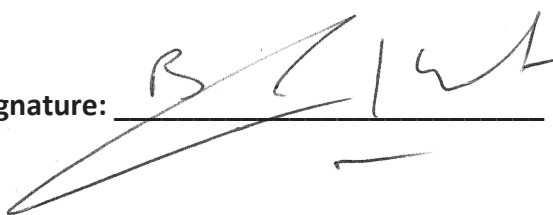
Was developed by the management of the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority under the guidance of *Advocate Brenda Madumise* and the *CATHSSETA Board*;

Takes into account all the relevant policies, legislation and other mandates for which the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority is responsible;

Accurately reflects the strategic outcome oriented goals and objectives which the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority will endeavor to achieve over the period 2011/2012-2015/2016

Ben Keet

Chief Financial Officer

Signature: 

Muzi Mwandla

Executive Manager: Skills Development, Planning and Research

Signature: 

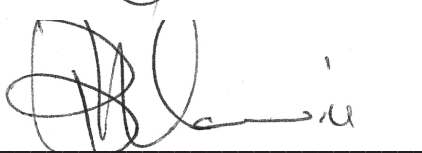
Mike Tsotetsi

Accounting Officer (CEO)

Signature: 

Adv Brenda Madumise

Executive Authority (Chairperson)

Signature: 

ACRONYMS

ABET	Adult Basic Education and Training
AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Performance Plan
ATR	Annual Training Report
BBBEE	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
DTI	Department of Trade and Industry
FEDHASA	Federated Hospitality Association of Southern Africa
FET	Further Education and Training
HEI	Higher Education Institution
HIV	Human Immunodeficiency Virus
HOTELICA	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
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
THETA	Tourism, Hospitality and Sport Sector Education and Training Authority
WSP	Workplace Skills Plan

Contents

PART A: STRATEGIC OVERVIEW	1
1. VISION	1
2. MISSION	1
3. VALUES	1
4. LEGISLATIVE AND OTHER MANDATES	1
4.1 The Sector Education and Training Authorities (Setas) Grant Regulations Regarding Monies Received by a Seta And Related Matters Published in Government Notice R. 990 in Government Gazette No. 35940 Of 3 December 2012	4
4.2 The National Planning Commission's National Development Plan – Vision for 2030.....	5
4.3 The Green Paper for Post School Education and Training.....	7
5. SITUATIONAL ANALYSIS	8
5.1 National Strategic Alignment.....	10
5.2 CATHSSETA Levy income versus Skills requirements demand	14
5.3 Performance environment	18
5.4 Organisational environment.....	19
CATHSSETA BOARD MEMBERS	19
CATHSSETA MANAGEMENT	21
5.5 Strategic Planning Process	23
6. STRATEGIC OUTCOME ORIENTATED GOALS OF CATHSSETA	24
PART B: STRATEGIC OBJECTIVES	27
7. PROGRAMMES.....	32
7.1 Strategic Objectives	32
7.2 Resource Considerations	45
7.3 Risk Management	46
ANNEXURE A: SERVICE LEVEL AGREEMENT	58

PART A: Strategic overview

1. Vision

Sustainable people development for prosperity

2. Mission

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

3. Values

- Service Excellence
- Commitment to Transformation
- People Development
- Accessibility
- Integrity
- Strengthening Partnerships

4. Legislative and other mandates

The **Skills Development Act** of 1998, **Skills Development Levies Act** of 1999, **South African Qualifications Authority Act** of 1995, **National Qualifications Framework Act** of 2008 and subsequent amendments of all these Acts as well as the **Learnership Regulations** of 2006, **Grant Regulations** of 2005 and the **Education and Training Quality Assurance Bodies Regulations** of 1998 determine the mandate, scope, operating procedures and reporting requirements of the Sector Education and Training Authority (SETA). The acts and regulations determine how Skills Development Levies (SDL) are collected and disbursed via the mandatory grant process and how discretionary grants may be utilised to improve skills in the sector. They determine how learnerships are registered and implemented and also set the parameters for the quality assurance of education and training in the sector. Other related legislative requirements include the following:

- The **Broad Based Black Economic Empowerment Act** of 2003, **Unemployment Insurance Act** of 2002, **Employment Equity Act** of 1998, **Labour Relations Act** of 1995, **Basic Conditions of Employment Act** of 1997, **Occupational Health and Safety** of 1993, and subsequent amendments of all these Acts as well as the Sectoral Determinations No. 5 for Learnerships and No. 14 for the Hospitality determine and regulate the benefits, deductions, equity, labour relations, health and safety standards, working conditions and payment of workers in South Africa. More specifically for CATHSSETA, Sectoral Determinations No. 5 establishes the conditions of employment and rates of allowances for learners participating in learnerships, and Sectoral Determinations No. 14 regulates wages, working hours and other basic conditions of employment for workers in the Hospitality sector. CATHSSETA needs to ensure

that all its skills development interventions, learnerships and projects comply with this legislation to ensure that none of its beneficiaries are prejudiced in any way.

- The **Promotion of Administrative Justice Act** of 2000, **Promotion of Access to Information Act** of 2000, **Preferential Procurement Policy Framework Act** of 2000, **Public Finance Management Act** of 1999 and subsequent amendments of all these Acts as well as the **National Treasury Regulations** of 1999 determine and regulate how all Government Departments both National and Provincial, including Public Entities of these Departments such as SETAs must conduct and manage their finances, including expenses, grants, investments and procurement. CATHSSETA therefore needs to ensure that it complies with National Treasury related legislation and regulations to ensure accountability for the public funds it disburses, manages and utilises for its operation.
- The **National Skills Development Strategy (NSDS) III for 2011 to 2016** follows the integration of higher and further education and skills development into a single Department of Higher Education and Training (DHET). The strategy promotes partnerships between employers, public education institutions (FET colleges, universities, universities of technology), private training providers and SETAs. Priority is given to strengthening the relationship between public colleges and universities and the SETAs, as well as with employers.
 - NSDS III ensures increased access to training and skills development opportunities and achieve the fundamental transformation of inequities linked to class, race, gender, age, geography, and disability in our society. It attempts to address the challenges of skills shortages and mismatches in the country and improve productivity in the economy. The strategy consists of 8 goals, 16 outcomes and 38 outputs to be achieved mainly by SETAs in collaboration with the DHET, FET Colleges, Universities, Universities of Technology and the NSF. The NSDS III goals are covered in the strategy in the sections that follow.
 - The **National Skills Accord** of 2011 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. The Accord has 8 commitments and commitments 4, 6 and 7 have specific focus on skills planning and 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.

The Department of Higher Education and Training has the lead responsibility for priority No. 4. This priority underpins all the other priorities and is the responsibility of the full spectrum of institutions under the umbrella of the Department.

The **Industrial Policy Action Plan (IPAP) 2011/12 – 2013/14** of 2011 builds on the National Industrial Policy Framework (NIPF) and the 2007/08 IPAP. It 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.

- The **Consumer Protection Act** of 2011 and the **Consumer Protection Regulations** 2010 both have a profound impact on how the sector currently conducts its business as the act and regulations significantly affect employees working in reception, sales and marketing and management as there are numerous restrictions on cancellation fees and penalty clauses, contracts, customer service, accuracy of promotion material, restrictions regarding the practice of overbooking, how franchise agreements are finalised, quoting of different rates, distribution of vouchers and responsibility of the service provider in terms of theft.
- In many circumstances employers are in the process of updating their contracts, day-to-day operating systems and point of sale software to ensure that they comply with this new legislation. Staff will also need to be trained to ensure that they comply with the act and regulations and do not infringe consumer's rights.
- The **Administrative Adjudication of Road Traffic Offences Amendment Act** 1998 and the **AARTO Regulations** of 2008 envisaged that will have a significant impact on the travel and tourism sub-sector and car and vehicle hire agencies in particular. Employers in the sector have to change their operating systems in order to comply with the legislation.
- Employees will require both training in the application of the regulations and retraining in the operating systems.
- The **Safety at Sports and Recreational Events Act** of 2010 governs all aspects regarding sport, recreational, religious, cultural, exhibitional, organisational or similar events held at stadiums, venues or along a route.
- The processes and rules that need to be complied with, in terms of the Act, have a significant effect on the training requirements of staff employed in both the Sports

& Recreation and Events subsector, which will require curriculum review and alignment as well as training for both existing staff and potential job seekers.

- The **National Sport and Recreation Act of 1998** and the **Recognition of Sport or Recreation Bodies Regulations** of 2010 determine which sport and recreation associations, federations and organisations may be officially recognised as sports and recreation bodies and therefore determine who the stakeholders of Sport and Recreation are and therefore speak directly to the mandate of CATHSSETA.
- The **Fitness Regulations** once in place will require staff working in gyms to have industry accredited qualifications.
- Accredited training will be required to ensure that qualifications and skills meet the regulated requirements.
- The White Paper on Sport and Recreation 2012 (Third Edition) articulates Government's policy regarding sport and recreation and sets out government's vision for sport and recreation detailing the impact it would like to achieve by investing in particular outcomes and strategic objectives. It provides clear policy directives for promoting and providing sport and recreation

4.1 THE SECTOR EDUCATION AND TRAINING AUTHORITIES (SETAs) GRANT REGULATIONS REGARDING MONIES RECEIVED BY A SETA AND RELATED MATTERS Published in Government Notice R. 990 in Government Gazette No. 35940 of 3 December 2012

The SETA Grant Regulations have been released by DHET to in order to (a) regulate the proportion of funds available for skills development that is spent on administration; (b) provide for SETAs to contribute to the cost of the work of the Quality Council for Trades and Occupations (QCTO); (c) discourage the accumulation of surpluses and the carry-over of unspent funds at the end of each financial year; (d) improve the quantity and quality of labour market information received by SETAs in the form of Workplace Skills Plans (WSP) and the Annual Training Reports (ATR) and Pivotal Training Reports (PTR), to inform planning; (e) promote National Qualification Framework (NQF) registered and quality assured PIVOTAL programmes that address priority scarce and critical skills needs identified in Sector Skills Plans (SSP); and (f) create a framework within which expanded use is made of public education and training providers for the provision of skills development programmes.

In short the revised SETA Grant Regulations will give the National Skills Accord "teeth" as the commitments of the accord now become enforceable through these regulations. The revisions to the SETA Grant regulations are summarised as follows:

- **Mandatory Grants**
 - a. Submission of WSP/ATR deadline will be the 30th June in 2013 and 30 April in 2014 and the subsequent years.
 - b. A total of 20 percent Mandatory Grant will be payable to approved WSP/ATR submission on quarterly bases effective 1st of April 2013.

- c. WSP/ATR to be signed-off by organized labour where applicable, particularly with those employers who have a recognition agreement with a trade union or unions in place; otherwise SETAs will not be able to approve payment.
 - d. Before making payments, the SETA must approve the WSP/ATR to ensure the levy paying employer meets quality standards set by the SETA.
- **Discretionary Grants**
- e. Only 10 percent of the levies paid will now be available for Discretionary Grants, which will be used by the SETA to address scarce and critical skills stipulated in the SETA Annual Performance Plan. Unclaimed mandatory funds will be transferred to discretionary fund. Unused funds will have to be paid to the National Skills Funds (NSF) by 1st October of each year.
 - f. Section 6 (1) to (15) stipulates the conditions and requirements for discretionary grants
- **Pivotal Grants**
- g. A total of 40 percent of the levies paid will be allocated to Professional, Vocational, Technical and Academic Learning Programmes (PIVOTAL).
 - h. A PIVOTAL training plan and report must be submitted to the SETA by the applicant.
- **Administration Fee**
- i. A total of 10.5 percent is allocated to the administration of the SETA and 0,5 percent of that is to be paid to the QCTO.

4.2 THE NATIONAL PLANNING COMMISSION'S NATIONAL DEVELOPMENT PLAN – VISION FOR 2030

The central challenges and priority areas of the National Development Plan – Vision for 2030 (NDP) 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
- Standard of education of most Black learners is poor
- Spatial patterns exclude the poor from fruits of development
- Public Services are uneven and often of poor quality
- South Africa remains a divided society

The NDP places emphasis on the fact that “too few people work” and “the poor quality of education”, as failure by South Africa to increase employment through quality education would signal almost certain failure for the country. Once again this is closely linked to the new role of SETAs in NSDS III, of creating employment opportunities through enhancing the skills of the workforce, both employed and unemployed.

The NDP also highlights the importance of improving Social Benefits for all South Africans. This is closely linked to the social benefits contemplated in the Decent Work Agenda of the International Labour Organisation and more specifically South Africa's Decent Work Country Programme. The four priorities of the South Africa's Decent Work Country Programme are:

- Priority 1 is to strengthen labour market governance and its 3 outcomes are (a) ratification and application of international labour standards (b) tri-partism and strengthened labour market governance contribute to both effective and sound industrial relations and social dialogue (c) labour administration institutions apply the latest labour legislation and services.
- Priority 2 is to promote employment and its 3 outcomes are (a) more women and men have access to productive and decent jobs through inclusive job-rich growth (b) skills development increases the employability of workers and inclusiveness of growth (c) sustainable and competitive enterprises create productive and decent jobs.
- Priority 3 is to strengthen and extend social protection coverage and its 2 outcomes are (a) more people have access to better managed and more gender equitable social security benefits (b) both enterprises and workers benefit from improved health and safety conditions at work.
- Priority 4 is to strengthen workplace responses to the HIV and AIDS epidemic and its single outcome is to ensure effective policies and programmes are in place to address the epidemic. The capacity of government and its social partners to monitor and evaluate HIV and Aids workplace programmes will also be increased.

The NDP aims to create 11 million jobs in next 20 years, which once again mirrors the employment goals and targets of the New Growth Path and the Education and Training Priorities of the NDP once again are closely linked to the priorities and goals of NSDS III, and the eight commitments of the Human Resource Development Strategy of South Africa.

The Education and Training section differentiates education into three spheres, namely;

- Early Childhood Education - to Basic Education
- Post School Education – the Further Education and Training Band
- Higher Education – Universities including Research, Innovation and Development

There is a strong focus on SETAs' role across all these spheres. The National Development Plan clearly redefines and emphasises the SETAs' mandate and scope as follows;

SETAs should focus on:

- Skills development for existing businesses (18.1 Learners), these are workers in the sector;
- Unemployed people (18.2 Learners) who wish to obtain employment in the sector and emphasis on internships; and)
- Training should cover levels of the National Qualifications Framework (NQF) required by the sector.

It appears that Skills Planning should be a centralized government function and SETAs should only be contributing by doing sectoral skills planning.

The plan directly opposes what is currently in the NSDS III in respect of involvement of SETAs in training of:

- Emerging businesses;
- Rural development;
- Adult Basic Education and Training (ABET); and
- Community Development (CBO, NGOs, etc)

Instead it places these functions to relevant government departments. The sooner this is implemented the better focused will be the work of SETAs. Funding modalities and career guidance and placement services need more clarification than currently stated. The timeframes and what need to happen within those timelines are also clearly defined.

The NDP also identifies Tourism and the Green Economy as having the potential to create jobs and employment as well as support the establishment, development and growth of SMMEs in the country.

4.3 THE GREEN PAPER FOR POST SCHOOL EDUCATION AND TRAINING

There are many challenges facing post-school education in South Africa. Despite the many advances and gains made since 1994, the system continues to produce and reproduce gender, class, racial and other inequalities with regard to access to educational opportunities and success. One of the greatest challenges facing the system is the large number of young people who face a very bleak future if major changes are not introduced. Equally important, the post school system is not meeting the needs of the economy and society as a whole. The Green Paper aims to align the post-school education and training system with South Africa's overall development agenda, with links to various development strategies such as the New Growth Path, the Industrial Policy Action Plan 2, the Human Resource Development Strategy for South Africa 2010-2030, and South Africa's Ten-Year Innovation Plan. This will allow it to contribute more effectively to the goal of inclusive economic growth and development, and to contribute to fundamentally reducing unemployment and poverty.

The Green Paper provides a vision for a single, coherent, differentiated and highly articulated post-school education and training system. This system will contribute to overcoming the structural challenges facing our society by expanding access to education and training opportunities and increasing equity, as well as achieving high levels of excellence and innovation. Key problem areas which prevent the system from playing its potential role are outlined, and solutions are proposed. In some cases options are presented for discussion. Of particular interest and importance to SDF's is the various options proposed for Skills Development and the SETAs as some of these options will radically change the way SETAs and SDFs currently operate.

5. Situational analysis

CATHSSETA is a schedule 3A listed public entity established in terms of an act of Parliament that receives funds through the Skills Development Levies Act. CATHSSETA is the SETA established under the Skills Development Act No. 97 of 1998 as amended, for the Culture, Arts, Tourism, Hospitality and Sport Economic Sector.

CATHSSETA conducts its activities within this economic sector, which comprises the following sub-sectors:

- Arts, Culture and Heritage;
- Tourism and Travel Services;
- Hospitality;
- Gaming and Lotteries;
- Conservation; and
- Sport, Recreation and Fitness.

CATHSSETA has from 1 April 2011 been responsible for the Arts, Culture and Heritage sector, in this instance a sixth chamber, for Arts, Culture and Heritage has been established.

In terms of its constitution, CATHSSETA's objectives are:

General objectives

The general objectives of the SETA are to—

- (a) facilitate, coordinate and monitor the implementation of the NSDS in the Sector
- (b) identify skills shortages in the Sector
- (c) support the development of the skills of employees in the Sector
- (d) support the improvement of the quality of life and labour market prospects of employees in the Sector
- (e) strengthen the institutional capacity of the SETA, in order to improve productivity and the quality of the services it provides to its stakeholders
- (f) through the skills development levy, increase the levels of investment in skills development and improve returns on such investment
- (g) support improved performance and productivity in the workplaces in the Sector, as well as the competitiveness of employers
- (h) support the improvement of the employment prospects of persons previously disadvantaged by unfair discrimination
- (i) in liaison with employment services, assist work seekers to gain access to work experience
- (j) in liaison with employment services, assist retrenched workers to re-enter the labour market
- (k) liaise with employers in respect of skills development programmes
- (l) promote the development of skills aimed at self-employment
- (m) support skills development in the informal sector, cooperatives and other income-generating initiatives for the unemployed

- (n) support and promote the development of artisans, technicians, professionals and persons in other categories
- (o) support, facilitate and promote the quality of occupation-based learning in the Sector
- (p) promote effective communication between, and participation by, bodies involved in skills development, both inside and outside the Sector
- (q) cooperate with and support the QCTO in matters relating to QCTO functions and operations referred to in section 10 of the Act; and
- (r) cooperate with and support the functions of other agencies in matters related to skills development

Objectives in relation to employers in Sector

The objectives of the SETA in relation to employers are to encourage them to—

- (a) identify skills needs in the workplace
- (b) provide employees with opportunities to acquire new skills
- (c) use their workplaces and facilities to create active learning environments
- (d) develop their capacity to manage and provide occupation-based learning
- (e) facilitate new entrants to the labour market by providing them with opportunities to learn through exposure to work experience during learnerships, internships, apprenticeships and other programmes that provide learning in the workplace
- (f) support occupation-based learning interventions, linked to the objectives and mechanisms of the Employment Equity Act, 1998 (Act No. 55 of 1998)
- (g) ensure occupation-based learning of quality in the workplace; and
- (h) to develop appropriate partnerships with other public, private and nongovernmental organisations in promoting skills development

Objectives in relation to employees in Sector

The objectives of the SETA in relation to employees are to encourage them to—

- (a) participate in learnerships, apprenticeships, professional training, skills development programmes and other learning programmes
- (b) take responsibility for their learning by utilising the learning opportunities offered to them; and
- (c) provide input in and feedback on occupation-based learning programmes that they undertake

To achieve its objectives, CATHSSETA must carry out a range of functions and duties. Its operations will be focused on:

- Performing its statutory obligations
- Providing excellent, responsive skills development services to the sector in general and its constituent employers and employees in particular. To do this CATHSSETA will:
 - Conduct sector research and establish reliable skills planning mechanism;
 - Develop sector skills plans in the framework of the national skills development strategy;
 - Develop annual performance plans and budgets to regulate its operations;

- Implement the NSDS III and its sector skills plans by establishing apprenticeships, learnerships, approving workplace skills plans, allocating grants to employers, providers and workers;
- Promote and facilitate partnership and use of public educational institutions such as FETs, UoTs and Universities in the provision of education and training;
- Provide and facilitate bursaries to both the employed and unemployed to obtain qualification from FETs, UoTs and Universities;
- Promote and facilitate the development and training of artisans of the sector in conjunction with the National Artisan Moderating Body;
- Promote and facilitate internships and work integrate learning opportunities between public providers and employers in the sector;
- Monitor education and training provision in the sector;
- Promote learnerships and register learnership agreements;
- Perform the functions of an ETQA as delegated by QCTO;
- Receive skills development levies and disburse them in terms of the Skills Development Levies Act
- Report to the Director-General of the Department of Higher Education on its operations and achievements
- Cooperate with the National Skills Authority and other Seta's on skills development policy and strategy, and on inter-sectoral education and training provision
- Cooperate with employment services and education bodies to improve information about employment opportunities
- Appoint staff necessary for the performance of its functions
- Promote and facilitate education and training provision for small, micro and medium enterprises and their employees in the sector.

Promote and facilitate education and training provision for Trade Unions, Co-operatives, NGOs and their employees in the sector.

The Culture, Arts, Tourism, Hospitality and Sport sector has been identified as a priority sector by the National Tourism Sector Strategy, Industrial Policy Action Plan and the New Growth Path as one of the sectors in the South African economy with both excellent growth and employment creation opportunities.

5.1 National Strategic Alignment

a. Alignment to National Economic Priorities Industrial Policy Action Plan

IPAP2 builds on the National Industrial Policy Framework and the 2007/08 IPAP. It 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 services sectors, the increased participation of historically disadvantaged people and regions in our economy and will 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, strengthening linkages between Tourism and Creative industries. The IPAP intends to create stronger integration between sector strategies, skills development plans and commercialisation of publicly funded innovation. In respect of Creative industries the IPAP identifies key action programmes; the crafts hub, The Mzansi Collection Concept Store and Development of a strategy for the music industry.

In respect of tourism, a Niche Tourism Development Framework is proposed. The developmental impact of niche tourism is often significant in that it stimulates creation of quality jobs that require specialized skills as opposed to the low or semi skilled jobs generally created in mainstream tourism. In addition, niche tourism activities are often community based and located outside of traditional tourist areas, which encourage geographic distribution of tourism benefits. More local spending takes place as niche tourism offerings attract independent travelers as opposed to pre-paid package tourists. The second key action programme relevant to CATHSSETA is Tourism export development and promotion briefly highlighted in the IPAP2 document.

b. National Tourism Sector Strategy (NTSS)

The South African government has recognized the tourism sector potential to bring about economic growth and employment creation. The tourism sector is one of the largest sources of employment in the country and has very high usage rate of unskilled labour. In his 2011 state of the nation address, President Jacob Zuma declared 2011 the year of job creation and through the NTSS, the tourism sector is committed to creating a total of 225 000 additional jobs by year 2020.

The NTSS aims to address issues of wealth, jobs, ownership, community beneficiation, rural tourism development, stimulating domestic tourism, accelerated job creation and creating a better society where all have an equal chance of success. The strategy is premised on three themes, which define the new way of doing things for our sector. These themes are to grow the tourism economy, to 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.

c. SRSA strategy

The Sport and Recreation South Africa has developed a 2010-2014 strategy which accommodates some of the government priorities reflected in the 2010 state of the Nation Address. The key focus areas of the strategy include Mass Participation, Sports Development, 2010 Legacy Projects, and via the National Federations ensure transformation in sport. These key focus areas are operationalised through sub-programmes which will have specific implications for skills development. The following sub-programmes have skills development implications:

1. The Club Development Sub-Programme aims to support the formation of new or the revitalisation of old sports clubs and leagues at local level in conjunction with the relevant sports federation.
2. The Education and Training Sub-Programme targets generic training manuals being developed or updated.
3. The Scientific Support Sub-Programme aims to provide scientific support to athletes by educating coaches, providing scientific support to community gyms and providing funding for sport specific scientific and medical research.
4. The Community Mass Participation Sub-Programme aims at increasing the number of participants in sport and recreation with emphasis on the disadvantaged and marginalised groups.
5. The Major Events Sub-Programme aims to assist to promote South Africa as a desirable sports tourism destination and aims to host major sporting events in our country.
6. The Technical Support Sub-Programme aims to provide technical support to local authorities and other stakeholders for the construction and effective management of sports facilities to ensure that all sports facilities comply with national norms and standards.

d. DAC Strategy

The National Department of Arts and Culture is the custodian of cultural heritage in South Africa. CATHSSETA has the following strategy regarding the department:

1. To collaborate with the Department in conducting research in order to identify pertinent issues and challenges in the sector such as defining the sector.
2. To get into partnership with the Department on issues of common interest with CATHSSETA such as training and development i.e. identification and implementation of relevant training interventions for the sector, including those identified in the IPAP2.
3. Identify and collaborate on strategic national projects in the sector such as the Standard Bank National Arts Festival and other major projects.
4. To work with the department to implement its own departmental training and capacity building.

e. DEA Strategy

CATHSSETA is tasked with skills development for conservation bodies and agencies such as the SANBI, SANParks, semi-independent provincial agencies and local government including the Department of Environmental Affairs and provincial departments. These agencies are mandated by the state 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. Just less than 50% of biodiversity staff is employed by the state; the remainder is employed in private agencies and in NPOs. All of them operate in a new conservation paradigm in which the protection of biodiversity and development planning must be integrated, yet few have been trained in this new paradigm.

Other aspects of new approaches include adoption of an ecosystem services approach, an international trend which the South African government is also supporting. These new paradigms are however, slow to make their way into the training systems and there is an urgent need for curriculum innovation and re-skilling of conservation educators and trainers. Conservation agencies are understaffed; have high levels of vacancies particularly among managers and technicians; with skills levels dropping in recent years; and many agencies, particularly at provincial level, struggling to meet their mandate.

f. Green Economy

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 will be 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.

5.2 CATHSSETA Levy income versus Skills requirements demand

CATHSSETA thrives on limited financial resources to meet the training requirements of the sector. The limited funds available are derived from only about 1000 levy payers who in turn claim back their levies 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 20 percent discretionary grant and any other levies not claimed back by the levy payers. The following skills development levies were disbursed in the past years for training purposes:

CATHSSETA's (Theta) income over the past 5 years 2008– 2012

Year	Total Revenue (80%) (Rm)	Mandatory Grant (50%) (Rm)	Discretionary Grant (20%) (Rm)
2012	197	123	48
2011	165	103	41
2010	155	97	38
2009	168	87	68
2008	141	81	54
TOTAL	826	491	249

Skills development remains the key challenge in the tourism related sectors. In order to address economic growth and unemployment challenges, it is crucial that investment in skills development is prioritised. The Tourism sub-sector is a service industry that thrives on customer servicing skills. The tourism sub-sector is the least transformed industry at all employment levels, particularly at higher tiers of employment in management and professionals, including ownership of tourism companies. The majority of Black people are employed in menial jobs such as cleaners, waiters, receptionists and attendants. CATHSSETA is the SETA responsible for uplifting skills levels in the industry. The key challenge is that while there are over 40 000 CATHSSETA registered tourism companies, only about 1000 pay the SDL which is about R200 million per annum of which 50 percent is claimed back by the same levy payers. This translates to just about 1 percent of the industry paying the skills levy. About 96 percent of the enterprises in the sector are SMMEs who are exempted from paying the SDL.

Over 400 000 employees in the sector are expected to benefit from this small fraction of levy income. The situation is worsened by the fact that not only do employees expect benefits, but the unemployed people in millions who inspire to enter the tourism industry expect to be trained, and CATHSSETA to cover their training costs. The non-levy payers within the tourism sector further expect that CATHSSETA funds their training costs, which becomes extremely difficult under the current skills levy system as the money first belongs to the contributors through the legislated mandatory grants.

Current analysis indicates that CATHSSETA requires a minimum of **R1,5 billion** a year in order to make a significant impact on raising the skills levels in the sector. This small amount of levy income

has a huge impact on CATHSSETA's capacity to deliver as it tries to allocate more funds into training itself. CATHSSETA is large in terms of its population but the income derived from its constituency is significantly small. The levy income is directly related to the nature of employment in the sector. The hospitality industry for example constitutes over 70 percent of the CATHSSETA population and yet it pays fewer levies due to the nature of employment in this sector as compared to the gaming sector which forms the smallest population yet it pays the largest levies. The sport and the conservation sectors pay trivial levies due to their employment structures. Most of these sectors employ casual, temporary workers or contract workers and outsource certain functions. Therefore close to half of the employees are not in the payroll of these employers hence the small levy paid.

The Tourism, Arts and Culture and Sport sub-sectors are currently the key sub-sectors in unlocking economic growth and stimulating employment to reduce poverty in the country. Failing to acknowledge the significance of these sub-sectors in the broad economy and the importance of the role that could be played by CATHSSETA in contributing to the economy through skills development will be failing the industry and the country as a whole.

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.

Table of medium term revenue/expenditure estimates with amounts in R'000 (excluding Catalytic Grants)

Financial Performance data		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
		Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Revised Budget Estimate	Revised Budget Estimate	Revised Budget Estimate
R Thousand								
Revenue								
Tax revenue		-	-	-	-	-	-	-
Entity revenue		4 688	3 239	5 938	96 505	6 530	6 855	7 199
Entity revenue other than sales		4 688	3 239	5 938	96 505	6 530	6 855	7 199
Fines penalties and forfeits		2 061	1 907	2 484	1 594	1 786	1 875	1 969
Gains from		-	76	-	-	-	-	-
Other		-	76	-	-	-	-	-
Interest, dividends and rent on land		1 147	1 244	3 454	4 236	4 744	4 980	5 230
Interest		1 147	1 244	3 454	4 236	4 744	4 980	5 230
Unclassified revenue		1 480	12	-	90 675	-	-	-
surplus funds from previous year		-	-	-	90 675	-	-	-
Other income		1 480	12	-	-	-	-	-
Transfers received		169 984	166 030	205 269	222 324	255 055	288 213	325 681
Skills development (SETAS only)		169 984	166 030	205 269	222 324	255 055	288 213	325 681
Skills development levies		155 458	165 018	197 702	222 324	255 055	288 213	325 681
Admin - 10%		19 773	20 996	26 052	28 277	31 882	36 027	40 710
Employer grant fund levy - 50% (20% from 13/14)		96 970	102 807	123 548	138 680	63 764	72 053	81 420
Discretionary grants - 20% (50% from 13/14)		38 715	41 215	48 102	55 367	159 409	180 133	203 551
National skills fund		14 526	1 012	7 567	-	-	-	-
Total revenue		174 672	169 269	211 207	318 829	261 585	295 068	332 880
Expenses								
Current expense		16 501	19 691	25 735	116 475	29 428	32 757	34 395
Compensation of employees		7 572	9 394	14 126	12 525	14 968	17 524	17 898
Salary & wages		7 002	8 657	13 032	12 074	14 465	16 911	17 123

Social contributions (employer contributions only)	570	737	1 094	451	503	613	775
Use of goods and services	8 363	9 943	11 436	103 447	13 958	15 233	15 995
Administrative fees	-	-	-	-	-	-	-
Advertising	581	546	1 511	912	1 004	1 104	1 159
Agency and support / outsourced services	705	-	-	576	634	696	731
Audit costs	1 436	2 307	1 716	1 837	1 929	2 026	2 127
Bank charges	32	64	65	83	92	101	106
Board costs	1 937	1 401	1 888	2 178	2 396	2 635	2 767
Catering: internal activities	140	-	-	370	407	448	470
Communication	126	260	156	277	305	325	341
Computer services	619	-	-	912	1 004	1 104	1 159
Consultants	-	429	481	184	202	223	234
Entertainment	65	629	227	-	-	-	-
Lease Payments	1 022	1 205	1 488	2 061	2 266	2 493	2 618
Legal fees	781	856	112	363	399	439	461
Non life insurance	-	71	81	242	266	293	308
Printing and publication	63	346	419	392	431	474	498
Repairs and maintenance	65	76	317	452	498	547	574
Research and development	-	115	150	121	133	134	141
Training and staff development	168	169	769	722	794	874	918
Travel and subsistence	198	263	685	363	399	439	461
Water and electricity	100	258	190	424	466	512	538
Venues and facilities	-	-	274	303	333	366	384
Other unclassified expenditure	325	948	907	-	-	-	-
Depreciation and amortisation	566	205	170	503	502	-	502
Interest	-	149	3	-	-	-	-
Transfers and subsidies	162 848	123 775	141 059	293 029	232 157	262 311	298 485
Employer grant (SETAs only)	80 180	55 388	54 533	91 528	42 084	47 555	53 737
Discretionary grant (SETAs only)	82 668	68 387	86 526	201 501	190 073	214 756	244 748
Total expenses	179 349	143 466	166 794	318 829	261 585	295 068	332 880
Surplus / (Deficit)	-4 677	25 803	44 413	-	0	0	0

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 of lack accurate and valid data. This is further compounded by the fact that WSP and ATR data for the sector is very limited as most employers are SMMEs and are therefore exempt from this process. 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 of the sector.

5.3 Performance environment

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. Recent research conducted over the past decade has suggested varying numbers of entities in the sector. However, the Tourism and Sports Skills Audit Report undertook a quantification exercise by identifying entities in the sector that were listed on one or more databases and estimated the number of entities in the tourism sector to be 41 740.

This rather fragmented or distorted nature of the sector has important implications for skills development, as the nature of the current legislation exempts the majority of SMMEs from registering for and paying the SDL. This exemption therefore inadvertently leads to SMMEs being excluded from most skills development initiatives by CATHSSETA as most levy payers claim back their mandatory grants and further dominate the distribution of discretionary funding. Consequently, there are little or no further funds remaining to support SMMEs. This structural landscape is a serious constraint to CATHSSETA’s performance as it hugely leaves the SETA with limited funds to address the broad range of the NSDS targets.

The five Government Line Departments; Department of Arts and Culture, Department of Environmental Affairs, National Department of Tourism, Department of Trade & Industry and Sport & Recreation South Africa, Medium Term Strategic Framework skills development targets have all been incorporated into the Sector Skills Plan. It is envisaged that CATHSSETA will sign both MOUs and MOAs with these departments for the implementation of appropriate projects to address these targets.

There is an urgent need for curriculum review in the sector as it would seem that there is a lack of congruency between skills supply and demand. The establishment of a functional QCTO is therefore an urgent requirement to help support the registration of new qualifications.

5.4 Organisational environment

CATHSSETA is governed by a Board of Directors whose instructions are implemented by executive management. Chambers have been established to attend to the specific needs of each industry sector represented by CATHSSETA and there are a number of internal departments, each responsible for a range of functions.

CATHSSETA BOARD MEMBERS

The CATHSSETA constitution stipulates that the total number of Board members be a maximum of fifteen (15) with three (3) persons being Ministerial appointments.

Advocate Brenda Madumise serves as the new Independent Board chairman.

The board is further constituted with Government Departments such as the National Department of Tourism, Sport Recreation South Africa, Department of Environmental Affairs, Department of Arts & Culture and Department of Trade & Industries.

Organised Labour, Organised Business and Bargaining Council members from the sub-sectors represented in the CATHSSETA's scope of coverage, Tourism, Hospitality, Sport, Arts, Culture and Heritage as determined and defined in terms of Section 9(2) of the Skills Development Act of 1998 (amended in 2008) as well as Notice No.316 published in the Government Gazette form the final component of the Board.

Sheila Sekhitla INDEPENDENT	Adv Brenda Madumise CHAIRPERSON	Judy Malqueeny INDEPENDENT
Margarita Wilson CATRA	Joseph Maqhekeni NACTU	Fihliwe Nkomo FEDHASA
Kentse Makgae NAFCOC	Caroline Rakgotsoka HOTELICCA	Leonore Beukes NDT
Thabo Mahlangu SACCAWU	Brian Magqaza BCRCAT	Glenn Ujebe Masokoane DAC
Sibongile Simelane Quntana DTI	Thomas Mathiba DEA	Sumayya Khan SRSA

BCRCAT	<i>Bargaining Council for the Restaurant, Catering and Allied Trades</i>
CATRA	<i>Catering and Restaurant Allied Trade Association</i>
DAC	<i>Department of Arts and Culture</i>
DEA	<i>Department of Environmental Affairs</i>
DTI	<i>Department of Trade and Industry</i>
FEDHASA	<i>Federated Hospitality Association of Southern Africa</i>
HOTELICCA	<i>Hotel, Liquor, Catering Commercial and Allied Workers Union of South Africa</i>
NACTU	<i>National Council of Trade Unions</i>
NAFCOC	<i>National African Federated Chamber of Commerce and Industry</i>
NDT	<i>National Department of Tourism</i>
SACCAWU	<i>South Africa Commercial, Catering and Allied Workers Union</i>
SRSA	<i>Sport and Recreation South Africa</i>

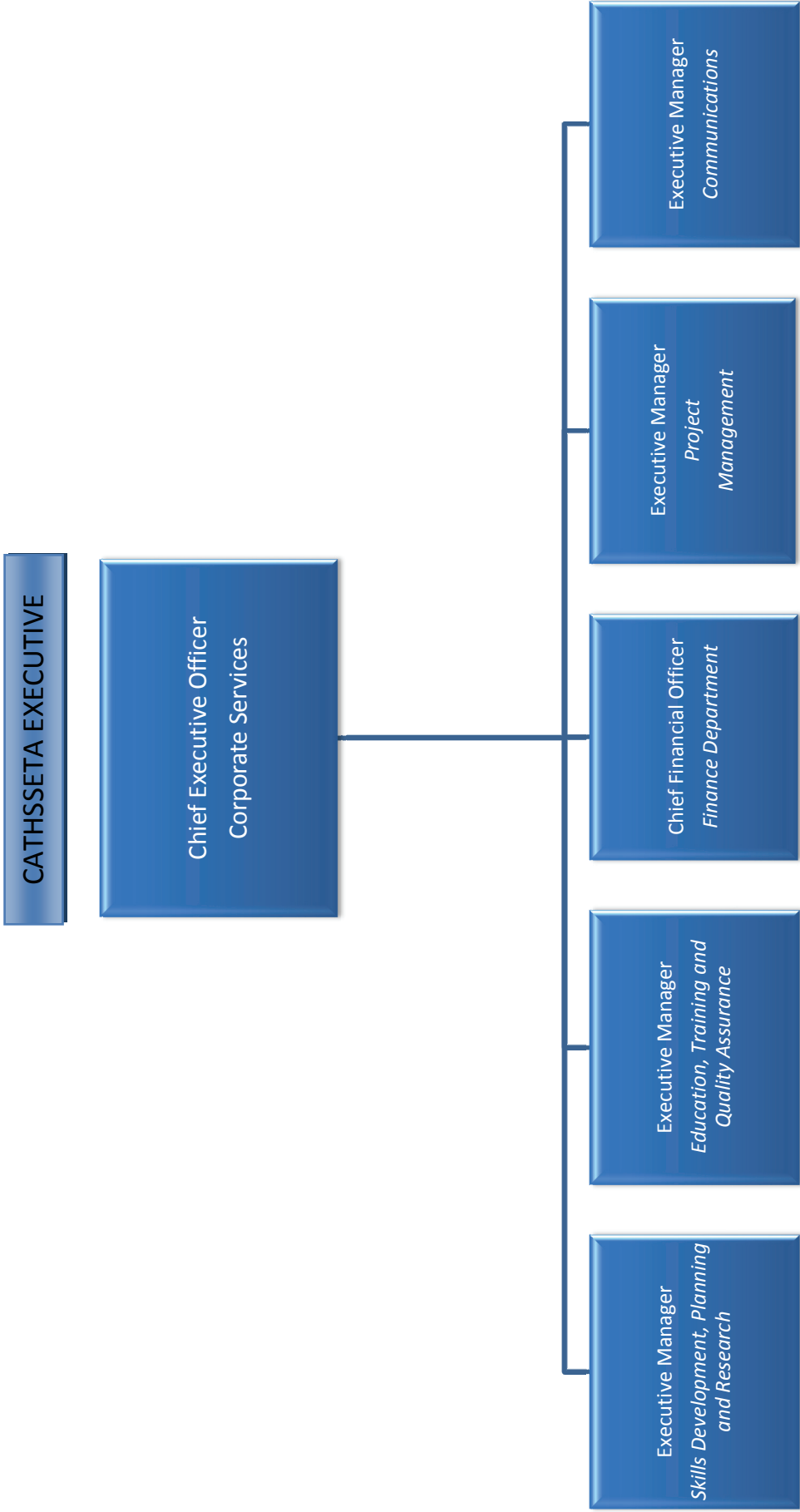
CATHSSETA MANAGEMENT

Chief Executive Officer	Responsible for the overall management of CATHSSETA.
Chief Financial Officer	Responsible for the overall financial management of CATHSSETA.
Executive Manager: ETQA	Responsible for CATHSSETA's accreditation and quality assurance functions, including accreditation as an ETQA, the issue of qualifications and assessment and CATHSSETA's Learnerships.
Executive Manager: Skills Development, Planning and Research	Responsible for the management of research, skills planning and reporting, including the activities of chambers.
Executive Manager: Programme Manager	Responsible for managing all CATHSSETA's projects.
Executive Manager: Communications	Responsible for all CATHSSETA communications, events and marketing.

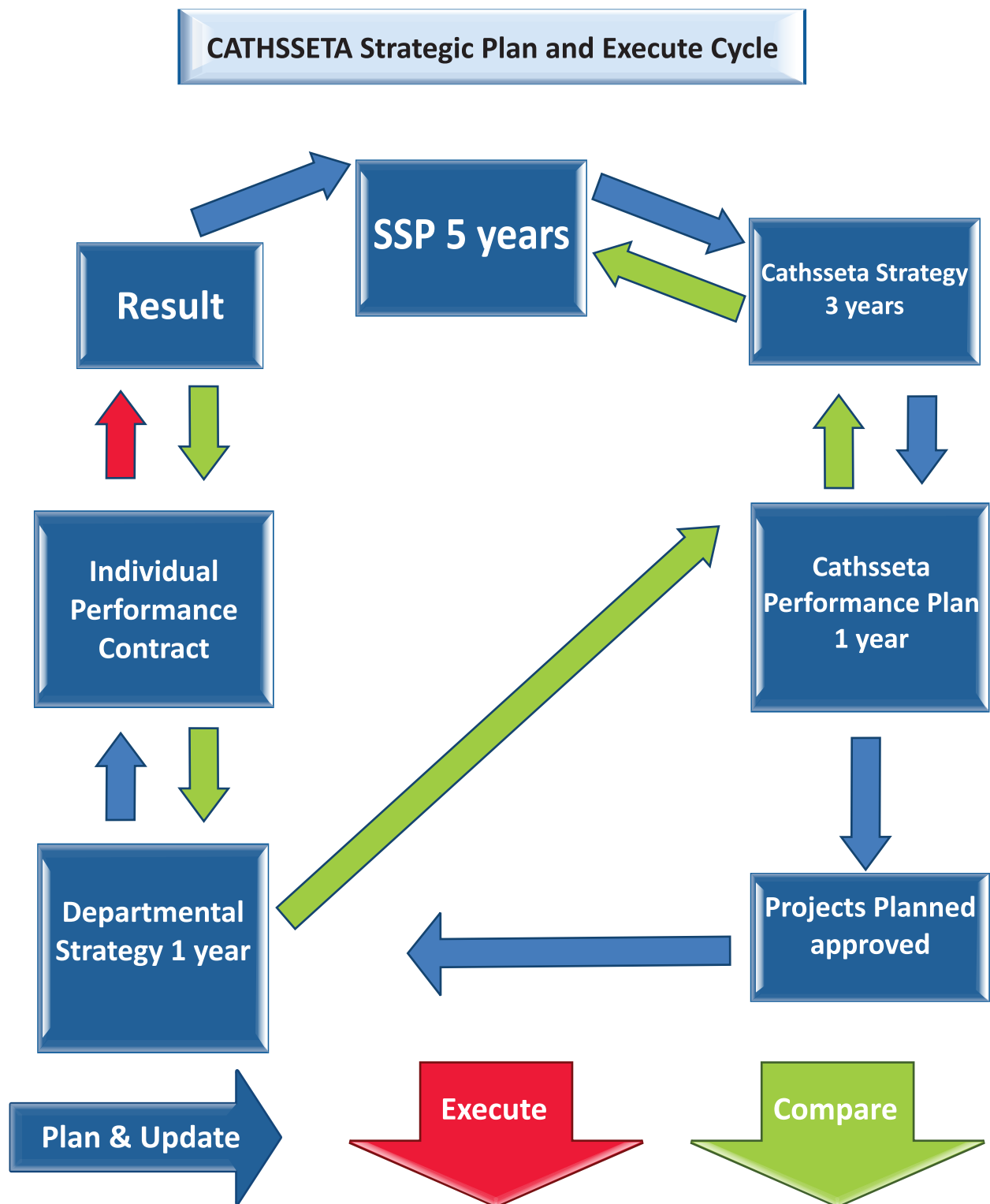
The CATHSSETA has five departments in operation, with a total staff complement of 73:

- Corporate Services Department (12)
- Finance Department (9)
- Skills Development, Planning and Research Department (17)
- Education Training Quality Assurance (ETQA) (15)
- Project Management Office (15)
- Communications Department (5)

The CATHSSETA Board, in fulfilment of their crucial oversight role, is currently conducting an Organisational Development (OD) review of CATHSSETA with the aim of reviewing the organisation's structure, increasing capacity and ensuring alignment with the goals of NSDS III. The raison d'être for the OD review is due to the fact that CATHSSETA evolved out of merging the Arts, Culture and Heritage sector with the Tourism Hospitality and Sport Sector Education and Training Authority (THETA) and in this merger, the management and organisational structure of THETA was retained to ensure continuity and continued service delivery of the sector and its stakeholders, while at the same time receiving an new Executive Authority. The OD review has taken place and the consultants are in the process of presenting to the CATHSSETA Board their findings and possible proposed structural and operational changes. Once these have been deliberated by the Board, will only be implemented in first and second quarters of the 2013/14 Financial Year and will therefore be reported in subsequent updates of the CATHSSETA Strategic Plan once they have been affected.



5.5 Strategic Planning Process



6. Strategic outcome orientated goals of CATHSSETA

All CATHSSETA targets will take into consideration the following developmental and transformation imperatives. Project plans take into consideration the allocation break down as per the transformation imperatives below.

No	Development and Transformation imperatives	Target Description	Allocation
1	Age	Youth – under 35years old	60%
2	Disability	All forms of disabilities	1%
3	Gender	Female	54%
4	Race	Black	84%
5	HIV/AIDS	Every training programme to include HIV/AIDS awareness and prevention component	100%
6	Geography	Rural and Informal settlements	55%
7	Class	Income – Less than R60k per annum (as per SARS)	55%

CATHSSETA's Strategic Outcome Orientated Goals are directly linked to the 8 goals of the NSDS III as this is the strategy that forms the basis of the activities of all SETAs. The Strategic Outcome Orientated Goals are:

Strategic Outcome Orientated Goal 1	Establishing a credible institutional mechanism for skills planning
Goal Statement	National need in relation to skills development is researched, documented and communicated to enable effective planning across all economic sectors

Strategic Outcome Orientated Goal 2	Increasing access to occupationally-directed programmes
Goal Statement	Middle level skills needs are identified and addressed in all sectors; 10,000 artisans per year qualify with relevant skills and find employment; High level national scarce skills needs are being addressed by work ready graduates from higher education institutions; Relevant research and development and innovation capacity is developed and innovative research projects established

Strategic Outcome Orientated 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 Statement	<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>

Strategic Outcome Orientated Goal 4	Addressing the low level of youth and adult language and numeracy skills to enable additional training
Goal Statement	A sector strategy is in place to provide all young people leaving school with an opportunity to engage in training or work experience, and improve their employability

Strategic Outcome Orientated Goal 5	Encouraging better use of workplace-based skills development
Goal Statement	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

Strategic Outcome Orientated Goal 6	Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives
Goal Statement	<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>

Strategic Outcome Orientated Goal 7	Increasing public sector capacity for improved service delivery and supporting the building of a developmental state
Goal Statement	A thorough analysis and reflection is conducted on provision of education and training within the public sector and the contribution of the various role players; Education and training plans for the public sector are revised and programmes are implemented to build capacity

Strategic Outcome Orientated Goal 8	Building career and vocational guidance
Goal Statement	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

PART B: Strategic Objectives

Linked to CATHSSETA's Strategic Objectives are DHET's and PCHET's 14 Priority Strategic Skills Development Issues that further unpack the eight goals of the NSDS III and provides SETAs with the following priority skills development strategic issues for SETAs to focus on in their strategic plans and include in their service level agreements:

DHET & PCHET Priority Strategic Skills Development Issue	Assessment of skills required for each sector and the identification of scarce skills.
CATHSSETA Strategy	Through the consultation, research and labour market analysis required for the production and annual updating of the SSP, CATHSSETA assesses the skills requirements of its six sub-sectors and captures the findings in its Scarce and Critical Skills List which currently lists 61 occupations as scarce and critical and estimates the demand to be 31 950 required by 2015. 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. Programmes 1 & 6 of CATHSSETA's Strategic Objectives directly address this issue.
DHET & PCHET Priority Strategic Skills Development Issue	Improving and addressing the levels of education in the sector.
CATHSSETA Strategy	The education levels of sector will be addressed and improved through the addressing of low, middle and high level skills which are addressed in Programmes 2, 3, 5, 6 and 10 of CATHSSETA's Strategic Objectives. The review of the sector specific NCV and N-courses by industry facilitated by CATHSSETA and Umalusi will further improve the levels of education in the sector as students will receive qualifications aligned to industry requirements which will improve their employability. CATHSSETA is also actively involved with the recurriculation process that Universities of Technology are currently engaged with and this too will further improve the levels of education in the sector as students will receive qualifications aligned to industry. The internship opportunities offered to unemployed graduates and work integrated learning for students still studying will further increase the levels of education in this sector by providing them with the practical workplace experience required for employment.

DHET & PCHET Priority Strategic Skills Development Issue	Partnerships between CATHSSETA and Public FET Colleges.
<i>CATHSSETA Strategy</i>	MoUs have been concluded with three FET Colleges, namely King Hintsa FET College, Northern Cape Rural FET College and Ekurhuleni West FET College. These FET Colleges have been prioritised due to their excellent working relationships with employers within their vicinities and by partnering with these FET Colleges, CATHSSETA's aim is to benchmark the best practices of these FETs so that these will form the basis of future partnerships with other FET Colleges identified by CATHSSETA, such as Northlink, Orbit, Flavius Mareka and Nkangala. The establishment CATHSSETA's offices in FET colleges will fast-track the partnership process.
DHET & PCHET Priority Strategic Skills Development Issue	The number of bursaries awarded/to be awarded to deserving SA citizens in critical skills at the 23 Universities and 50 FET colleges.
<i>CATHSSETA Strategy</i>	CATHSSETA has identified a total of 2078 deserving SA citizens to be provided bursaries at the Universities and FET colleges offering CATHSSETA's qualifications. These bursaries can be further broken down according to skills levels in that 1593 bursaries will be awarded to address Middle Level Skills, 180 to address Artisans, 240 to address High Level Skills and 65 to address Research and Innovation at a post-graduate level. These bursaries are addressed in Programmes 2, 3, 5 and 6 of CATHSSETA's Strategic Objectives.
DHET & PCHET Priority Strategic Skills Development Issue	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.
<i>CATHSSETA Strategy</i>	Priority is given to interventions that address the requirements of the Scarce and Critical Skills list in all Programmes of CATHSSETA's Strategic Objectives. Therefore in terms of CATHSSETA's Strategic Objectives 2691 learners will be trained and 917 learners will be placed. Partnership with employers in each subsector; hospitality, travel, gaming, sport, heritage and conservation requires that the companies make provision for learners seeking workplace experience and this is in line with the skills accord mandate.
DHET & PCHET Priority Strategic Skills Development Issue	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.
CATHSSETA Strategy	CATHSSETA has four types of partnerships; (a) with employers, (b) education institutions (FETs, UoTs and Universities); (c) government departments; and (d) public entities in the sector. Each 5 year MoU consists of “an annual service plan” detailing training interventions, number of learners and financial commitments. The partnership aims at addressing strategic objectives of both parties in relation to skills development. Each MoU requires specific agreement contract for specific intervention. For the 2012/13 Financial Year CATHSSETA has entered into 24 agreements with Public FET Colleges and Universities to the value of R10, 063,000 benefiting 778 learners and 28 agreements with Private Training Providers to the value of R10,349,460 benefiting 1682 learners. These agreements address the following interventions Adult Education and Training, Bursaries, Graduate Development Programmes, Learnerships, Internships and Skills Programmes. The current financial year’s commitments are broken down in more detail in the Annual Performance Plan.

DHET & PCHET Priority Strategic Skills Development Issue	Targets as reflected in the Strategic Plan and Annual Performance Plan must be credible and linked to a “Baseline”.
CATHSSETA Strategy	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.
DHET & PCHET Priority Strategic Skills Development Issue	Placement of students in industry as part of the agreement between CATHSSETA and companies;
CATHSSETA Strategy	CATHSSETA has identified the signing of MoUs with the key employer organisations in the sector to facilitate both the implementation of the National Skills Accord and the Sector Skills Plan. The placement of students in industry is a key deliverable of these MoUs and to date with 5 MoUs have been concluded with key employer organisations and students have been placed. CATHSSETA is in the process of concluding agreements with an additional 16 organisations, a further 9 potential partner organisations have also been identified.

DHET & PCHET Priority Strategic Skills Development Issue	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
CATHSSETA Strategy	CATHSSETA is in the process of signing MoUs with both National and Provincial Government Line Departments in the sector. The aim of these MoUs is 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. 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 these government departments.

DHET & PCHET Priority Strategic Skills Development Issue	Rural Development Programmes and how it will be implemented
CATHSSETA Strategy	In terms of CATHSSETA's implementation of the NSDS III's 7 Key Developmental and Transformational Imperatives, 55% of all the Programmes of the Strategic Objectives must be allocated to recipients from Rural Areas and Informal Settlements this equates to 1480 learners from Rural Areas and Informal Settlements trained and 504 learners being placed.

DHET & PCHET Priority Strategic Skills Development Issue	Progress in the implementation of Recognition of Prior Learning.
CATHSSETA Strategy	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. 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. The scarce and critical skills list therefore has 11 000 sports coaches identified as critical skill needing to be "rpled".

DHET & PCHET Priority Strategic Skills Development Issue	Presence of CATHSSETA in rural areas and townships, and how and by when will it be implemented.
---	---

CATHSSETA Strategy	<p>CATHSSETA is the lead SETA for the establishment of SETA offices in Northern KwaZulu Natal and will open offices at the Mnambithi and Mthashana FET Colleges. The Ezakheni and Kwa-Qgikazi campuses have been identified as being suitable sites to target rural learners. These offices will be staffed both by a SETA Advisor and Administrator whose key tasks will be to provide career guidance, assist with the procurement of financial aid and funding opportunities for learners as well as providing placement with employers. Similar SETA-FET offices will be accessible to CATHSSETA through the network of the 22 SETAs in all nine provinces by October 2012. CATHSSETA is also procuring the services of a mobile bus to provide the same services to learners in rural areas across all 9 provinces. Both of these interventions will be completed and fully functional by November 2012.</p> <p>In addition to the opening of offices at FET Colleges in Northern KwaZulu Natal, CATHSSETA will also be opening offices in three phases, Phase 1 will see offices being opened in KwaZulu Natal at Pietermaritzburg, the Eastern Cape in East London and the Western Cape in Cape Town in 2013. Phase 2 will see offices being opened in the Free State at Bloemfontein, the Northern Cape in Kimberley and Mpumalanga in Mbombela. Phase 3 will see offices being opened in North West at Mahikeng and Limpopo at Polokwane.</p>
---------------------------	--

DHET & PCHET Priority Strategic Skills Development Issue	Number of Public FET Colleges and University students placed in companies to obtain work experience.
CATHSSETA Strategy	Through the MoU process with the key employer organisations in the sector, priority will be given to students from Public FET Colleges and Universities to be placed with these key employer organisations to acquire the work experience required to graduate and become employed. Programme 5 of the CATHSSETA Strategic Objectives has target to place 240 Public FET Colleges and University students.

DHET & PCHET Priority Strategic Skills Development Issue	Facilitating the exposure and placement of FET College lecturers to industry.
CATHSSETA Strategy	Programme 9 of the CATHSSETA Strategic Objectives has identified 72 FET College lecturers to both be trained and/or placed within industry to obtain exposure to the latest practices and operating systems. CATHSSETA has also identified that ETDP SETA will be a key partner in this process and a MoU will be finalised to provide these lecturers with placement opportunities.

7. Programmes

7.1 Strategic Objectives

7.1.1 Programme 1: Coordinate Research and Skills Planning for the Sector

Through the consultation process in finalising the SSP, CATHSSETA has begun a process of consulting with not only the Director Generals of Government Departments, such as DEA, NDT and SRSA, but also more crucially with the HODs from the Provincial Departments of Economic Development, Tourism & Environmental Affairs and Sport, Arts, Culture and Recreation in all nine provinces. These meetings have resulted in CATHSSETA and the provincial departments co-hosting Skills Planning workshops in the provinces to not only review the SSP but also to plan ahead so that the SSP may be implemented in each province. Thus far, of the provincial departments that we have met all confirm that once the SSP has been finalized, it must be cascaded down. Both CATHSSETA and the provincial departments will co-fund the production of provincial SSPs. This will allow for effective skills planning for the sector at a provincial level which will greatly improve skills planning and future updates of the SSP will be inclusive of provincial requirements and nuances. Furthermore, some provinces have indicated that they would like to make the provincial skills planning workshops annual or bi-annual meetings to ensure continuity and uniformity to the skills planning process.

CATHSSETA is also in the process of reinforcing its skills planning capacity with the establishment of a Research Department, not only for skills planning purposes, but also to ensure CATHSSETA is the repository of skills knowledge and labour market information in the sector. As previously mentioned there is a lack of economic and labour market information regarding the sector and CATHSSETA plans to fill this gap by ensuring that this research is conducted on behalf of the sector to ensure improved skills planning. To achieve this, CATHSSETA is currently scoping a research planning project that will result in partnerships being formed with Universities and Universities of Technology so that all relevant intellectual capital can be pooled to ensure accurate and effective skills planning in the next 5 years.

<i>Strategic Objective 1.1.1</i>	Capacity is established within CATHSSETA to coordinate research and skills planning.
<i>Objective Statement</i>	Research capacity within CATHSSETA is established by introducing a Research Unit whose activities and partnerships will contribute to the Institutional Mechanism for Skills Planning
<i>Baseline</i>	This is a new strategic objective as research capacity was not emphasised in NSDS II.
<i>Strategic Objective 1.1.2</i>	Sector skills plans are professionally researched and provide a sound analysis of the sector and articulate an agreed sector strategy to address skills needs.
<i>Objective Statement</i>	CATHSSETA co-ordinates and conducts sector research including Labour Market Analysis and Forecasts to identify scarce and critical skills in the

	sector, update occupations on the OFO and research and develop career paths.
<i>Baseline</i>	Sector Skills Plans, Population Study with HSRC, Tourism Sector Skills Audit Report and WITS ABET Study.
<i>Strategic Objective 1.1.3</i>	Sector and nationally commissioned research and data is analysed, validated and captured in an integrated database that is accessible to stakeholders.
<i>Objective Statement</i>	CATHSSETA promotes sector driven research through the creation of a Research Portal for stakeholders to access information.
<i>Baseline</i>	This is a new strategic objective as research was not emphasised in NSDS II.

7.1.2 Programme 2: Address Sector Middle Level Skills

The demand for both foundational learning and ABET is extremely high in the sector; however many of the learners assessed for ABET interventions require literacy and numeracy at ABET levels 2 & 3. Therefore it is only more likely that in the third year of implementation of the NSDS III strategy that learners are likely to enter and complete ABET Level 4.

CATHSSETA has successfully completed a FET Internship programme whereby numerous hospitality final year students were hosted by employers in the FIFA 2010 Host Cities to gain once in a lifetime experience by working in the sector when it was functioning at a peak. This experiential learning that the final year FET students obtained is unique and will ensure that these learners are readily absorbed by the sector when they complete their qualifications. However demand for internships from NCV students from FET colleges remains extremely high and without the experiential learning the students are unable to graduate or be employed. CATHSSETA is looking to partner with FET colleges to run more internship programmes for NCV learners so that they will be able to graduate. CATHSSETA is examining the possibility of a FET Bursary programme for hospitality, travel and tourism related NCV qualifications to assist non matriculants to obtain an equivalent qualification to matric that will allow them to enter the job market.

CATHSSETA is also planning to partner with Higher Education Institutions that offer qualifications in our sub-sector's scope, including bridging courses which provide non-matriculants with University access. These bridging courses could be incentivised via bursaries, in that those students who successfully complete the bridging course will be offered a bursary from CATHSSETA to continue the studies either towards a National Degree, Diploma or a B. Tech.

CATHSSETA will also be promoting and funding more NQF Level 2, 3 learnerships within the sector to both employed and unemployed learners to assist non matriculants to obtain equivalent qualification to matric. This will also allow these learners to further develop their career paths so that both progress in their occupations and further qualifications. Aligned to this will also be the promotion of part time learning amongst existing employees.

<i>Strategic Objective 2.1.1</i>	Identification of middle level skills required by the sector and develops and implements a strategy to address the skills needs by building partnerships with relevant public provider institutions.
<i>Objective Statement</i>	CATHSSETA researches and identifies middle level skills needs in their sector and put in place strategies to address these through the use of the public FET colleges and universities of technology working in partnership with employers providing workplace-based training.
<i>Baseline</i>	Internship Programme Outcomes: 375 learners FET College Workplace Experiential Learning Project Outcomes: 751 Learners completed, 74 employers, across 8 provinces CATHSSETA Sector Skills Plan
<i>Strategic Objective 2.1.2</i>	Projects are established to address middle level skills in each sub-sector
<i>Objective Statement</i>	Relevant projects scoped as per Chamber strategies to address middle level skills per sub-sector through interventions, including Learnerships and Bursary programmes and PIVOTAL grants for both unemployed and the employed.
<i>Baseline</i>	PIVOTAL Grants are a new strategic objective as contemplated in the NSDS III. In the NSDS II, Graduate Development Programme Outcomes: 1031 learners, across all 9 provinces and all sub-sectors FET College Workplace Experiential Learning Project outcomes: 751 Learners completed, 74 employers, across 8 provinces Learnership Project outcomes: 20 309 employed and unemployed learners across all 9 provinces and all sub-sectors

7.1.3 Programme 3: Development of Artisans

Increase access to *occupationally-directed programmes* in needed areas and thereby expand the availability of intermediate level skills with *a special focus on artisan skills*.

Due to the huge demand for skills in our sector CATHSSETA will be looking to significantly increase the number of apprenticeships and learnerships and also strive to ensure these learners are placed at the completion of the apprenticeships and learnership. To facilitate this, CATHSSETA is examining the option of amending our learnership contracts to ensure that employers make a commitment to either employ the learners themselves or assist them to obtain employment. Industry preferred recruitments agencies will also be approached to assist the learners to gain employment.

CATHSSETA through its ETQA Department and engaging with the QCTO is examining the target of by 2011/12, establishing a system to distinguish between learnerships up to and including level 5, level 6 and above. However, this will be a challenge as currently they are only limited to Level 5 learnerships in Fitness, General Travel, Retail Travel and Conservation. However, we do plan to embark on extensive consultation with the sector to ensure that relevant Level 6 and higher qualifications are scoped, registered and implemented as learnerships.

In terms of ensuring the NSDS II target of 70% of learners being placed on apprenticeships and/or learnerships are from the unemployed pool, the sector is relatively close to achieving this target. However it must be noted that the demand for learnerships for the employed in our sector remains very high due to the legacy of the inequalities of the past; where the majority of black employees were given basic on-the-job training resulting in the employees having vast experiential learning with very limited theoretical knowledge. Therefore, demand for apprenticeships and learnerships for the employed will remain high for the foreseeable future.

Strategic Objective 2.2.1	Artisans skills needs addressed through bursaries at appropriately accredited institutions.
Objective Statement	CATHSSETA establishes projects and partnerships to enable the relevant number of artisans for the sector to be trained, qualify and become work ready in conjunction with the National Artisan Moderating Body.
Baseline	This is a new strategic objective; while Apprenticeships and Learnerships were a priority in NSDS II, CATHSSETA sector had no Artisans according to the industry.

Strategic Objective 2.2.2	Participates in the planned activities of the National Artisan Development Project located in the DHET.
Objective Statement	CATHSSETA Artisan Development Strategy is developed and aligned to DHET process and reported on accordingly.
Baseline	This is a new strategic objective as CATHSSETA sector had no Artisans according to the industry.

7.1.4 Programme 4: Communications

The CATHSSETA Communications Department role cuts across a majority of the programmes outlined by the CATHSSETA. As such, the department will continue to perform and expand its function of communicating all CATHSSETA's compliance, implementation and development information to all stakeholders in the sector through various media such as printed documentation, the CATHSSETA Website, social media and the electronic and print press. CATHSSETA sector specific events must be promoted, hosted and publicised for all six sub-sectors including the key events such as the CATHSSETA AGM, projects milestones including the Comrades Marathon and Tourism Indaba.

<i>Strategic Objective</i> 1.1 & 8.1	CATHSSETA compliance, implementation and information in relation to skills development communicated to all relevant stakeholders in the sector. Promotion and dissemination of information in support of career and vocational guidance.
<i>Objective Statement</i>	The CATHSSETA Communications Department will finalise and distribute all key compliance, implementation and development information to all its stakeholders through various media and events which must be promoted, hosted and publicised.
<i>Baseline</i>	Communications Department activities and achievements after being established in 2011.

7.1.5 Programme 5: Address Sector High Levels Skills

There is huge a demand in the sector for high level occupationally directed programmes and CATHSSETA through its PIVOTAL grants programmes will be prioritising and increasing access to these programmes by providing grants to learners for NCV, National Diploma, Degree studies and including the vital internship opportunities required by these learners to graduate. Through this programme CATHSSETA will target Black learners and also prioritise learners from rural areas. CATHSSETA is also committed to establishing an ISOE network which will significantly improve access to high level occupationally directed programmes.

<i>Strategic Objective</i> 2.3.1	Sector specific high level scarce skills and their provision are identified and a strategy is developed to address this.
<i>Objective Statement</i>	Sector skills plans identify the supply challenges in relation to high level scarce skills gaps and set out strategies for addressing them.
<i>Baseline</i>	Tourism Sector Skills Audit and CATHSSETA Scarce & Critical Skills List.
<i>Strategic Objective</i> 2.3.2	Identify and develop internship programmes for graduates and create experiential learning opportunities for learners through MOUs with relevant institutions and employers.
<i>Objective Statement</i>	Agreements are entered into between CATHSSETA, university faculties and other stakeholders on appropriate interventions to support improved entry to priority

	programmes, which increase internship and experiential learning opportunities for students.
<i>Baseline</i>	Graduate Development Programme Outcomes: 1031 learners, across all 9 provinces and all sub-sectors

7.1.6 Programme 6: Research for Innovation and Development

CATHSSETA has plans to provide bursaries, scholarships and research grants for Honours, Masters, PHD and Post Doctoral students to increase the output of graduates in the sector. From consultation with stakeholders there is a shortage of graduates within research skills, especially in the Conservation sub-sector, which due to its location in rural areas is ideally positioned to offer un-employed rural youth opportunities for further education and employment. This shortage has resulted in people being employed beyond retirement age due to there being no suitably skilled graduates to replace them.

<i>Strategic Objective</i> 2.4.1	Each sub-sector to identify one focal area for research and develop intervention strategy.
<i>Objective Statement</i>	Sector skills plans identify the focal areas for research, innovation and development.
<i>Baseline</i>	Scarce & Critical Skills List and Focus Groups with sub-sector stakeholders.
<i>Strategic Objective</i> 2.4.2	MoUs concluded with identified university faculties to provide bursaries to Honours, Masters and PHD students.
<i>Objective Statement</i>	Agreements are entered into between CATHSSETA and university faculties and other stakeholders on flagship research projects linked to sector development in a knowledge economy.
<i>Baseline</i>	This is a new strategic objective as contemplated in the New Growth Path and NSDS III.
<i>Strategic Objective</i> 2.4.3	Programmes are put in place that focus on the skills needed to produce research that will be relevant and have an impact on the achievement of economic and skills development goals.
<i>Objective Statement</i>	Research projects are implemented and monitored, impact assessments are conducted for both research projects and all other CATHSSETA mandatory and discretionary projects.
<i>Baseline</i>	Impact Assessment will establish NSDS II achievements as baseline for assessment of all new research and discretionary projects.

7.1.7 Programme 7: NCV & N-Courses Review

The National Certificate (Vocational) and N (Nated) – Courses are recognised by employers as important base qualifications through which young people obtain additional vocational skills and work experience, entering the labour market with marketable skills, and obtaining employment.

<i>Strategic Objective</i> 3.1.1 & 3.1.2	CATHSSETA facilitates stakeholder led review process of NCV & N – Courses in consultation with Umalusi.
<i>Objective Statement</i>	The NCV and N - Courses are reviewed with inputs from stakeholders and the curriculum is revised to ensure that it provides a sound foundational basis for building labour market relevant skills.
<i>Baseline</i>	Outcomes of the Review of CATHSSETA Quality Assured Qualifications and CATHSSETA Qualifications Framework

7.1.8 Programme 8: Quality Assurance

The CATHSSETA QA will continue to perform its education and training quality assurance duties by quality assuring the education and training offered by the public and private training providers it accredits. Furthermore, the QA will update sector specific qualifications by scoping and developing new qualifications through the Communities of Expert Practice (CEP) and the Quality Council for Trades and Occupations (QCTO) process and also assist the sector to register professional bodies. Through the QCTO Development Quality Partner and Assurance Quality Partner processes where applicable and delegated.

<i>Strategic Objective</i> 8.1.1 & 8.1.2	CATHSSETA updates the Qualifications under its QA's scope and quality assures the education and training provided by the public and private training providers it accredits. CATHSSETA facilitates the assessment of developed qualifications via the QCTO processes where delegated and where required may assist with setting up assessment centres.
<i>Objective Statement</i>	The CATHSSETA QA will update the sector's qualifications through participation in the QCTO qualification development process, including assisting with the registration of sector specific professional bodies. The QA will continue to quality assure the education and training provision of both public and private training providers that it accredits. CATHSSETA will facilitate the assessment of QCTO qualifications in partnership with the relevant industry association or professional body where required.
<i>Baseline</i>	Qualification development activities of the Standards Generating Bodies (SGBs) under CATHSSETA's scope and the Quality Assurance activities of its QA.

7.1.9 Programme 9: FET Capacity Building

CATHSSETA considers both academic support and infrastructure improvement as part of its capacity building objectives. Research projects are implemented, monitored and impact assessments conducted.

The public FET college system is central to government's programme of skilling and re-skilling youth and adults. Through partnerships CATHSSETA will assist the colleges to develop the capacity of lecturers to enable the colleges to offer vocational courses and provide workplace experience opportunities with enterprises in the vicinity of the colleges.

<i>Strategic Objective</i> 3.2.1	The capacity of FET colleges to provide quality vocational training reviewed. Assist relevant colleges with a strategic plan to build capacity and engage in skills development programmes, including programmes offered in partnership with employers.
<i>Objective Statement</i>	CATHSSETA will support the review of both the human and physical capacity of FET Colleges and their campuses offering sector specific qualifications and develop a strategy to respond to capacity requirements identified. In conjunction with DHET and other SETAs CATHSSETA will explore partnerships to address capacity building requirements.
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.
<i>Strategic Objective</i> 3.2.2	CATHSSETA identifies FET colleges with relevant qualifications and sets up partnerships to offer workplace experience for learners.
<i>Objective Statement</i>	CATHSSETA identifies FET colleges offering qualifications relevant to sector and partners with employers in the vicinity of the colleges to offer workplace experience for learners.
<i>Baseline</i>	FET College Workplace Experiential Learning Project Outcomes: 751 Learners completed, 74 employers, across 8 provinces
<i>Strategic Objective</i> 3.3.1	The capacity of college educators delivering sector specific programmes is improved via skills development programmes, including work placement opportunities.
<i>Objective Statement</i>	CATHSSETA partners with ETDP SETA to fund and collaborate in assisting with the capacity building of FET College educators.
<i>Baseline</i>	CATHSSETA Training Provider Capacity Building Project 111 Trainers capacitated

7.1.10 Programme 10: Provision for the low level unemployed youth and adult language and numeracy skills

Language, literacy and numeracy skills are fundamental to improve economic and social participation; however there are approximately 3 million youth who do not possess the fundamental skills required to be employed. DHET is therefore establishing institutional frameworks and programmes that will raise the base of these young people to enable them to study further and gain employment. CATHSSETA recognises that while this will be a DHET led process it is willing to assist if required especially to assist rural youth located near wildlife tourism facilities, as contemplated in the Decent Work Country Programme.

<i>Strategic Objective 4.1.1</i>	CATHSSETA develops a DHET aligned strategy to address low level unemployed youth.
<i>Objective Statement</i>	A CATHSSETA strategy is in place to provide low level unemployed youth with a special emphasis on rural areas with an opportunity to engage in training or work experience in order to improve their employability.
<i>Baseline</i>	Agri-Tourism Project Outcomes: 912 learners, 64% females and 36% males trained across the Travel & Tourism, Hospitality and Conservation & Guiding sub-sectors.
<i>Strategic Objective 4.1.2</i>	CATHSSETA database to feed into the national database of school leavers, unemployed youth.
<i>Objective Statement</i>	CATHSSETA develops a sector specific database that tracks training and work opportunities for unemployed youth and reports on implementation of the strategy.
<i>Baseline</i>	This is a new strategic objective as contemplated in NSDS III.
<i>Strategic Objective 4.1.3</i>	Social partners such as NGOs, Cooperatives identified and partnered with to identify potential youth in rural areas for SMME development.
<i>Objective Statement</i>	CATHSSETA partners with social partners and stakeholders in the sector to put in place training and work experience projects for young people in rural areas.
<i>Baseline</i>	DTI database of Cooperatives; 77 Cooperatives identified in the CATHSSETA sector

7.1.11 Programme 11: Provision of Quality Training for Employed Workers

South Africa is challenged by low productivity in the workplace coupled with the slow transformation of the labour market and lack of workforce mobility. NSDS III promotes the training of employed workers, through both mandatory and discretionary grants, to improve the overall productivity of the economy and address skills imbalances. CATHSSETA recognises this need not only with the economy as a whole but more importantly within our sector and will ensure that mandatory and discretionary grants address this need.

<i>Strategic Objective</i> 5.1.1	Employed workers in the sector improve their qualifications and skills to support economic development and sector growth.
<i>Objective Statement</i>	CATHSSETA stakeholders agree on the provision of substantial quality programmes for employed workers and report on the impact of the training.
<i>Baseline</i>	CATHSSETA Employed Learnership Project Outcome: 14 206 employed learners across all 9 provinces and all sub-sectors
<i>Strategic Objective</i> 5.1.2	Workers employed in the sector are supported through training interventions via mandatory grants for levy payers.
<i>Objective Statement</i>	Increased number of workers in the sector improves their qualifications and employability and progress to higher positions in their organisations.
<i>Baseline</i>	Workers from 1369 Large Firms, 1239 Medium and 3867 Small were supported through training interventions via mandatory grants for levy payers in NSDS II.
<i>Strategic Objective</i> 5.1.3	Cross-sectoral projects are established to address skills needs along skills supply chains aimed at supporting economic development and sector growth.
<i>Objective Statement</i>	Discretionary grant projects prioritising PIVOTAL programmes for employed workers established to improve their skills levels and qualifications
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.

7.1.12 Programme 12: Support for Cooperatives through Skills Development

Established and emergent cooperatives and their skills needs are identified in skills planning and research and sector projects are established by sector stakeholders, supported by the NSF. A national database of cooperatives supported with skills development is established and the impact of training reported on.

<i>Strategic Objective</i> 6.1.1	CATHSSETA to identify established and emergent cooperatives skills needs.
<i>Objective Statement</i>	Skills needs of sector specific co-ops are identified per sub-sector and incorporated into Chamber Strategies and Sector Skills Plan.
<i>Baseline</i>	Chamber Strategies and Sector Skills Plan
<i>Strategic Objective</i> 6.1.2	CATHSSETA implements relevant interventions to support and develop Co-op skills needs.
<i>Objective Statement</i>	Sector specific cooperative projects are developed and implemented by CATHSSETA and expanded through partnership funding from stakeholders.
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.
<i>Strategic Objective</i> 6.1.3	CATHSSETA develops a national database of cooperatives supported with skills development and the impact of the training is reported on.
<i>Objective Statement</i>	CATHSSETA Database of co-ops per sub-sector is developed and reported via the research portal.
<i>Baseline</i>	DTI database of Cooperatives; 77 Cooperatives identified in the CATHSSETA sector

7.1.13 Programme 13: Support for Small and Emerging Businesses through Skills Development

The skills needs of small and emerging businesses in the sector are identified through the skills planning and research and relevant programmes are promoted. Sector projects are developed that are piloted and expanded through partnership funding. A national database of small businesses supported with skills development is established and the impact of training reported on.

<i>Strategic Objective</i> 6.2.1	CATHSSETA to identify established and emergent SMMEs skills needs.
<i>Objective Statement</i>	Skills needs of sector specific SMMEs are identified per sub-sector and incorporated into Chamber Strategies and Sector Skills Plan.
<i>Baseline</i>	Chamber Strategies and Sector Skills Plan
<i>Strategic Objective</i> 6.2.2	CATHSSETA implements relevant interventions to support and develop SMMEs skills needs.
<i>Objective Statement</i>	Sector specific SMME projects are developed and implemented by CATHSSETA and expanded through partnership funding from stakeholders.
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.
<i>Strategic Objective</i> 6.2.3	CATHSSETA develops a national database of SMME supported with skills development and the impact of the training is reported on.
<i>Objective Statement</i>	CATHSSETA Database of SMME per sub-sector is developed and reported via the research portal.
<i>Baseline</i>	CATHSSETA Stakeholder Database, TEP Database and Tourism Skills Audit Report

7.1.14 Programme 14: Support for Trade Unions, NGOs and CBOs through Skills Development

Engagement with trade unions, NGOs and community-based organisations in the sector and identify skills needs and strategies to address needs. Quality pilot projects will be established and stakeholders will expand successful projects with support from the NSF.

<i>Strategic Objective</i> 6.3.1	CATHSSETA to identify Trade Union, NGO and CBO skills needs.
<i>Objective Statement</i>	Skills needs of sector specific Trade Union, NGO and CBO are identified per sub-sector and incorporated into Chamber Strategies and Sector Skills Plan.
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.
<i>Strategic Objective</i> 6.3.2	CATHSSETA implements relevant interventions to support and develop Trade Union, NGO and CBO skills needs.
<i>Objective Statement</i>	Sector specific Trade Union, NGO and CBO projects are developed and implemented by CATHSSETA and expanded through partnership funding from stakeholders and the National Skills Fund.
<i>Baseline</i>	Shop Steward SDF Capacity Building Programme Outcomes: 310 learners, 6

	unions across 8 provinces.
<i>Strategic Objective</i> 6.3.3	CATHSSETA develops a national database of Trade Union, NGO and CBO supported with skills development and the impact of the training is reported on.
<i>Objective Statement</i>	CATHSSETA Database of Trade Union, NGO and CBO per sub-sector is developed and reported via the research portal.
<i>Baseline</i>	CATHSSETA Database of 25 Trade Unions, 3 NGOs and 13 NPOs across all sub-sectors

7.1.15 Programme 15: Public Sector Education and Training

There is a need to improve service delivery of government departments both nationally and provincially. To achieve this improved service delivery requires that the skills levels of all public servants are improved through improved skills planning. SETAs in future will have to capture and address the skills development requirements of government departments operating in their scope. The responsibility is not on the SETAs shoulders alone as government departments will need to effectively engage with SETAs in this process. CATHSSETA is happy to embrace the skills development requirements of government departments in its scope as some have historically been focus on training the sector and not their own staff.

<i>Strategic Objective</i> 7.1.1	SETAs with responsibility for public sector training conduct analysis and reflection on achievements and challenges.
<i>Objective Statement</i>	CATHSSETA partners with Government Departments to enable analysis of training requirements, identify challenges and reflect on achievements.
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.
<i>Strategic Objective</i> 7.1.2	DHET leads a discussion on factors impacting on provision and publishes proposals on improving the institutional framework for public sector education and training.
<i>Objective Statement</i>	CATHSSETA will implement the outcome of the proposals that affect public sector education and training in the sector.
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.
<i>Strategic Objective</i> 7.2.1	CATHSSETA identifies skills needs to capacitate those government departments relevant to CATHSSETA.
<i>Objective Statement</i>	Sector skills plans set out the capacity needs of relevant departments and entities.
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.
<i>Strategic Objective</i> 7.2.2	Plans and funding arrangements are agreed between the relevant departments/entities and the SETAs, and are reported on.
<i>Objective Statement</i>	Partnerships with PSETA and Government departments to develop programmes to capacitate public servants and improve service delivery to the CATHSSETA sector.
<i>Baseline</i>	This is a new strategic objective as contemplated in the NSDS III.

7.1.16 Programme 16: Career Guidance for Sector Stakeholders

Career guidance particularly at school level in terms of career and vocational guidance is urgently needed and both SETAs and the NSF must build career guidance initiatives in their sectors. CATHSSETA has recognised this need since NSDS II with the National Tourism Careers Expo and looks forward to expanding similar initiatives to provide the youth with relevant career and vocational guidance of its sector.

<i>Strategic Objective</i> 8.1.1	Career guides are developed with labour market information by CATHSSETA addressing the sub-sectors within their sector.
<i>Objective Statement</i>	CATHSSETA develops career guides per sub-sector.
<i>Baseline</i>	CATHSSETA Chamber Guides, CATHSSETA OFO Submissions to DHET and SAQA Professional Body Registration Guidelines
<i>Strategic Objective</i> 8.1.2	Sector stakeholders are engaged and programmes are adjusted to meet the skills and qualification needs to promote comprehensive career development.
<i>Objective Statement</i>	CATHSSETA hosts and participates in sector specific National, Provincial, Regional and Municipal Career Workshops and exhibitions.
<i>Baseline</i>	National Tourism Careers Expo Outcomes: approximately 350 Sector specialists and 17 200 learners supported to provide career guidance.

7.1.17 Programme 17: SETA Administration

SETA administration is a key objective to ensure that CATHSSETA's mandate is achieved. The strategic directives and priorities will be determined through consultation with CATHSSETA stakeholders and review by the Board and management. These strategic objectives will then be translated into policies and programmes that will be implemented by management to ensure that good governance, sound financial and organisational management are achieved.

<i>Strategic Objective</i>	Provide strategic direction by setting priorities and directives in order to meet the mandate of CATHSSETA
<i>Objective Statement</i>	Through consultation with stakeholders, CATHSSETA's strategic objectives and priorities are reviewed and updated accordingly in the Strategic Plan and Annual Performance Plan
<i>Baseline</i>	CATHSSETA Strategic Plan and Annual Performance Plan
<i>Strategic Objective</i>	CATHSSETA priorities and strategies translated into policies and programmes for effective service delivery, management and monitoring to achieve optimal organizational performance
<i>Objective Statement</i>	CATHSSETA annually updates its policies and programmes to ensure alignment to legislation, regulation and its strategic objectives. These policies and programmes are then implemented and adhered to ensure good governance, sound financial and organisational management
<i>Baseline</i>	CATHSSETA Audit and Management Report, Quarterly Monitoring Report and Management Reports

7.2 Resource Considerations

Stakeholder capacity

The buy-in from CATHSSETA stakeholders became the most important factor in expediting decision-making and implementation of sector specific projects. Regular monthly Executive Committee meetings to ensure continuity and well-informed decision-making are paramount in the number of projects that CATHSSETA must initiate. National road shows to inform stakeholders, specifically employers, of the accelerated delivery strategies are necessary to ensure employers buy into recognising the value of skills development to their businesses. CATHSSETA must run capacity building workshops, ranging from Seta-specific themes to financial topics.

Operational capacity

Staffing: The 10% administration portion of levy available 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 training and mentoring initiatives are in progress to develop staff to their full potential and to the benefit of the organisation.

Projects: CATHSSETA is planning different discretionary funded projects towards achieving all the 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.

Governance

The organisation has embraced the importance of good governance and CATHSSETA remains committed to sound accountability principles and can report that all internal and external governance structures are fully operational and functioning at an optimum level. Quarterly External Audit Committee meetings are well attended by independent members, who add value to the internal audit committee's oversight roles, as well as CATHSSETA's annual financial statements. The King III report on corporate governance is being reviewed by both the Governance and Strategy Committee and the Board and its tenants and precepts are being included in applicable CATHSSETA policy. All members are required to confirm their declaration of conflict of interest and full personal interest at every CATHSSETA Board, Executive, Committee, Sub-Committee, Chamber and Management Committee meetings, which are held regularly. As part of our governance strategy, all attendance registers form part of our annual report. CATHSSETA has during the last financial year developed and published a guide to all members and executive managers on Corporate Governance, the role of the Board and audit committee which include self assessment toolkits for all committee members.

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 yearly and an employment equity committee will be established for this purpose. 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.

Financial management and information technology systems

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. An inclusive budgeting process formed part of this business plan process and is used effectively as a management tool.

IT Infrastructure

CATHSSETA's information technology (IT) 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 plan to password protocol have been adopted.

7.3 Risk Management

Policy Statement

Risk management is defined as the identification, evaluation and mitigation of actual and potential risk areas as they pertain to CATHSSETA, followed by a process of treating, monitoring and transfer, acceptance (tolerance) or mitigation, through a system of appropriate internal controls.

All risks shall be identified that may prevent CATHSSETA from reaching its objectives. These risks shall be managed formally and proactively through a factual approach to decision making, based on the logical and intuitive analysis of data and information collected about those risks and the planning, arranging, and controlling of activities and resources to minimise the consequences of all risks to levels that can be tolerated by the shareholder and other stakeholders.

Regular awareness programmes, monitoring, reporting and independent verification of the status of internal controls, incidents, risks and countermeasures across CATHSSETA shall be provided as an integral part of risk management system and of corporate governance responsibility that

resides with CATHSSETA. This reporting will be provided to the audit committee, which will enable the board to formulate the required risk management reporting in the annual financial statements.

Scope

Traditionally, risk management has been viewed by some as only financial risk management, which covered areas of interest rates, credit, currency and liquidity. Others saw it as the management of insurable risks or areas such as occupational health and safety, property, public safety, natural disasters and environmental liability. A broader and integrated view of risk management will be taken in the management of all risks, including environmental issues, which impact on business.

As Risk Management is an integral part of all management processes, the objective will be to use existing management and control environments that address the major high-risk areas such as the Financial Management System, Strategic Management and Programme Management Systems in each CATHSSETA department.

CATHSSETA will provide the framework, which will define the minimum requirements for the risk management system that is to be implemented so as to allow for an integrated management and reporting approach to the Board, which is part of the corporate governance process.

Governing Principles

Each CATHSSETA department shall assess its risks with respect to the achievement of their specific goals and objectives and then shall respond adequately to threats that may prevent the achievement of those goals and objectives.

They shall engage themselves in risk-identification through a risk, consequence and likelihood analysis for all their processes, and then take measures to mitigate those risks by implementing the process described in the policy implementation strategy section.

Risks shall be managed using existing corporate infrastructure and control systems as mentioned in the policy statement above and shall report to the audit committee on the state of internal controls and residual risk. In order to use existing Control Frameworks, which are part of existing management systems, the Risk Management System will utilise the systems that address the following risk areas:

Risks associated with the fiduciary requirements that management should meet which focus primarily on financial performance and efficacy as well as the organization's risk exposure in meeting all relevant statutory requirements. Risks associated with the achievement of the strategic objectives of the organization and those of the stakeholders e.g. Department of Labour.

Fiduciary Risks

Financial management

CATHSSETA has been charged with the responsibility of establishing a SETA and as such has a role of collecting levies paid by the industry towards the Skills Development of South Africa. It therefore is incumbent as such that it shall ensure that these resources are applied as effectively as possible in achieving their objectives. This requires that all risks pertaining to the planning and execution of the application of these resources shall be performed within pre agreed acceptable risk management.

These risks will be managed primarily through the Financial Management System, which will include effective budgeting, financial reporting and key thresh-hold indicators and their management. The implementation of adequate controls to ensure that CATHSSETA's funds are applied effectively and that loss control and fraud are kept to acceptable levels shall be implemented as part of the Financial Management System and shall be commensurate with the risks in each process. The Financial Management System shall ensure that it maintains its integrity in order to provide accurate financial reporting as required by the PFMA.

Responsibilities

The CFO is accountable for the planning, implementation, co-ordination and control of the Financial Management System for CATHSSETA. The CFO will be held responsible for the running and risk management of each system which will include the controls, monitoring and reporting on the risks in the system in addition to their normal financial reporting.

Full access and co-operation shall be given to Risk Management Committee in the independent monitoring of the system. All fraudulent or loss control incidents and audit findings shall be reported to CATHSSETA Risk Management Committee.

Legal Requirements

To manage the risk of litigation and criminal prosecutions, CATHSSETA shall have all legislation documented that pertains to their operation. It shall be made available and promulgated to all employees that will operate within its requirements. Awareness programs that will ensure employees are familiar with the legal requirements shall be implemented in order to control their activities. A full analysis of each functional area and its processes must be performed to determine all relevant legislation, which will include:

- Finance and other legislation governing corporate taxation
- Labour legislation
- Health and safety legislation
- Environmental protection legislation
- Industry-specific legislation
- Consumer protection legislation

- Common law
- Access to Information Act
- Business Agreements and Service level Agreements with clients
- Contracts with Suppliers

All insurances shall be reviewed to determine whether all assets that have been classified as strategic are adequately covered.

Responsibility

Every manager in CATHSSETA is responsible for identifying and documenting all the legal requirements that pertain to their sphere of operation. The legal department of CATHSSETA shall support and make available all relevant legislation to these managers.

The legal department shall regularly review all changes in the relevant legislation and shall inform management timeously with an analysis on the possible impact/risk to their environment. The legal department shall maintain a valid distribution list and communication channel for this purpose.

All legal claims and cases made against CATHSSETA shall be reported to and by the legal department to the Risk Management Committee. Frequent reports shall be provided on the status of such cases as they progress and the resulting risk to CATHSSETA.

The HR department shall report on all disciplinary hearings to the Risk management Committee providing all details and the outcomes. They shall perform employee surveys to determine employee morale and HR problem areas. These exercises shall be registered and the results made available on the completion of the exercises.

The Contract management departments shall provide the Risk Management Committee with copies of all insurance contracts.

PROGRAMME MANAGEMENT RISKS

In addressing risks related to Programme management systems the following steps will be taken for each project:

Step 1: - Each fund/grant manager will draw up their own 'fund management policy', which shall be derived from deliverables/objectives as per the funding proposal. The objective is to provide direction and support through the definition of further details of objectives, controls and responsibilities that will be required by each fund in order to manage project requirements more effectively.

Step 2: - Define the Scope of the Programme Management System. The scope shall differ for each programme but shall cover all the deliverables per programme.

Step 3: - Perform a Risk Assessment. The risk assessment shall identify the risks to assets, likelihood and consequences on the project and shall determine the level of risk. Each programme/department within CATHSSETA shall perform this Risk Assessment prior to the

implementation of their Project Management System and provide this information to Risk management committee. These risk assessments shall be performed on a regular basis depending on the nature and changes within a project and its operating environment but shall be performed at least once a year.

Step 4: - The areas of risk to be managed shall be identified based on each fund's project management policy and the degree of assurance required. Within CATHSSETA a process management approach shall be used to identify the high-risk processes that would require more assurance and controls.

Step 5: -The Appropriate control objectives and controls shall be selected. A statement of their applicability shall be drawn up with reasons for any exclusion.

A documented Project Management Framework defining the processes, controls and responsibilities for the implementation of the selected control objectives and controls shall be drawn up and provided to Risk Management committee.

Policy Controls

The following controls shall be implemented to ensure that this policy is complied with and it will be the responsibility of all CATHSSETA management to implement these controls as required:

Scope of Risk Assessment

Management shall establish a systematic risk assessment framework. Such a framework shall incorporate a regular assessment of the relevant risks to the achievement of CATHSSETA's goals and objectives, forming a basis for determining how the risks should be managed to an acceptable level. The process should provide for risk assessments at the Strategic, business and programme level and should ensure regular updates of the risk assessment information with results of audits, inspections and identified incidents.

Risk Assessment Approach

Management shall establish a general risk assessment approach, which defines the scope and boundaries, the methodology to be adopted for risk assessments, the responsibilities and the required skills. The quality of the risk assessments should be ensured by a structured method suited to each environment and skilled risk assessors.

Risk Identification

The risk assessment approach shall focus on the examination of the essential elements of risk such as assets, weaknesses, strengths, consequences and likelihood of risks.

Risk Measurement

The risk assessment approach shall ensure that the analysis of risk identification information results in a quantitative and/or qualitative measurement of risk to which the examined area is exposed. The risk acceptance capacity of CATHSSETA should also be assessed.

Risk Action Plans

The risk assessment approach shall provide for the definition of a risk action plan to ensure that cost-effective control strategies mitigate exposure to risks on a continuing basis.

Risk Acceptance

The risk assessment approach shall ensure the formal acceptance of the residual risk, depending on risk identification and measurement, CATHSSETA policy, uncertainty incorporated in the risk assessment approach itself and the cost effectiveness of implementing safeguards and controls. The residual risk shall be offset with adequate insurance coverage where required.

Contingency Management

A contingency management plan shall be implemented to address the actions to be taken in the event of a disaster in order to minimise the effect and to establish effective management control over the situation. This will be especially important for those risks that cannot be adequately covered.

Policy implementation strategy

A process-based approach to manage risks, namely the identification, understanding and managing of a system of interrelated processes/activities will contribute to the effectiveness and efficiency in the achieving of defined goals. The process approach is used when desired results are achieved more efficiently when related resources and activities are managed as a process. The implementation strategy will use existing organisational structures that already form part of the CATHSSETA Management System by formalising risk management as part of the existing and identified embedded control strategies.

The responsibility for risk management is clearly placed at every management level, which shall focus on the control of risk based on an assessment of the potential likelihood and impact of any event or factor, existing or anticipated on CATHSSETA's ability to deliver established objectives. It should be infused into the management style and culture, supported by appropriate systems, processes, tools and techniques. An appreciation of risk in all its aspects and the need for its control should be integral to day-to-day business activities and recognised as a primary functions of line management.

In order to achieve the systems approach that will be used will define the processes and their controlling policies, procedures and standards to be followed with the necessary enablers/resources needed to achieve the desired outputs. A Standard list of risks will be provided per division/programme/activity, which will provide guidance during the assessment and reporting process. These shall be maintained, rated and sent through to the Risk Management Committee. Access to all incident and audit reports shall be made available to CATHSSETA Risk Management Committee.

Responsibility in the risk management process

Board of Directors

The total process of risk management, which includes a related system of internal control, is the responsibility of the board. The board is also responsible for disclosures on risk management in the annual report and accounts.

The board is furthermore responsible to ensure that a risk assessment is undertaken at least annually for the purposes of making its public statement on risk management, as well as ensuring that it receives and reviews, at appropriately considered intervals, reports on the risk management process.

The board is responsible to consider the significant risk exposures that faces CATHSSETA that it has given these risks due consideration and application, as well as whether the board believes that the business will be a going concern in the year ahead.

The board is also responsible to report significant risks that affect decisions of stakeholders in their dealings with CATHSSETA and which should be disclosed in the annual report.

Audit Committee

The Audit Committee assumes the role of the Risk Management Committee for reasons of economy or other operational priorities. This body is responsible to review the risk management process and the significant risks facing the company on behalf of the board.

The results of this committee's work must be reported to, and considered by, the board.

CATHSSETA Management

Management is accountable to the board for designing, implementing and monitoring the process of risk management and integrating it with the day-to-day activities of CATHSSETA.

Management is also accountable to the board for providing assurance that it has done so and the manner in which this has been done.

Management is also responsible to ensure that generally accepted risk management frameworks and models, including internal control, are embedded in the CATHSSETA operations and processes.

Risk Facilitator

The primary role of this function is to act as the line managers' coach, assisting them implement the risk management architecture and working with it on an ongoing basis to ensure that it is suitably reviewed and updated regularly to address new elements of risk in the company. The risk facilitator (RF) monitors the company's entire risk profile, ensuring that major risks are identified and reported upwards. The RF also provides and maintains the risk management infrastructure to assist the board in fulfilling its responsibilities through the appointment of risk officers in each CATHSSETA operations leg to support him in this role

The RF assists in the execution of the risk management process but the accountability to the board, which is ultimately responsible, remains with management and employees.

Internal Audit

Internal audit do not assume the functions, systems and process of risk management but assist the board and management in the monitoring of risk management in the company.

Internal audit also monitors, through its own assurance processes, the progress of business units in managing their risk in coordination with the RF.

CFO

The CFO is responsible for risk management activities in the company traditionally falling within their functional area, such as treasury and insurance. The CFO acts on behalf of the chief executive officer who, operationally, will spearhead the implementation of the risk management architecture and infrastructure.

Legal Counsel

Legal counsel is responsible for reporting to the board on significant external legal and compliance exposures (new legislation, lawsuits and litigation, investigations, government enquiries, etc.) and internally generated matters (contracts, criminal acts, conflicts of interest, environmental issues, health and safety issues, harassment, etc.).

Chief Executive Officer

The Chief Executive Officer brings the power of his/her office to risk architecture implementation operationally. The CEO needs to support, and be seen as clearly supporting, the necessary focus on risk management.

Policy Enforcement and Exceptions

The following Key Goal Indicators, Critical Success Factors and Key Performance Indicators will be considered when measuring the success of the Risk Management System.

Key Goal Indicators

- Increased degree of awareness of the need for risk assessments
- Decreased number of incidents caused by risk identified after the fact
- Increased number of identified project/programme related risks that have been sufficiently mitigated
- Increased number of processes/projects that have formal documented risk
- Assessments completed
- Appropriate percent or number of cost effective risk assessment measures

Critical Success Factors

There are clearly defined roles and responsibilities for risk management ownership and management accountability. A policy is established to define risk and risk levels

- Structured risk information is maintained, fed by incident reporting
- Responsibilities and procedures for defining, agreeing on and funding
- Risk management improvements exist
- Brainstorming sessions leading to risk identification and mitigation are routinely performed

Key Performance Indicators

- Number of risk management meetings and workshops
- Number of risk management improvement projects
- Number of improvements to the risk assessment process
- Level of funding allocated to risk management projects
- Number and frequency of updates to published risk limits and policies
- Number and frequency of risk monitoring reports
- Number of personnel trained in risk management methodology

Generic Risk Reference

In order to manage risks effectively, a structure has been drawn up to generically group risks into a manageable framework consisting of:

- Financial Risks
- Policy & Strategic Risks
- Human Resources
- Legal Compliance
- Marketing & Communication Risks
- Business Risks; and
- Operations Risks

These risks will be applicable in most environments where management will take 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.

Financial Risks: The finance division must manage the financial risks of CATHSSETA. Tasks involved include determining these financial risks, after which effective internal control procedures could be implemented in order to minimize these risks.

The efforts to manage financial risks are primarily directed in four areas:

- Internal Controls: Effective control procedures and related systems to ensure that all financial transactions are complete, accurate, authorised and valid.
- 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.

- **Cash Flow and Fund Management:** Implementing effective cash flow and fund management procedures designed to optimise CATHSSETA's liquidity position.
- **Asset Management:** Implementing asset insurance and asset management procedures that protect CATHSSETA against losses.

Policy & Strategic Risks: Aims and directions must be chosen that will direct the CATHSSETA in fulfilling its business objectives. Management must communicate these aims and directions by implementing policies and standards to translate the strategic objectives into practical and usable rules to ensure total awareness and understanding of those aims.

The following will influence management success:

Transfer of Strategic Objectives into Operational Plans: The actualisation of strategic options into planned, co-ordinated, controlled and monitored actions throughout the CATHSSETA is a major challenge.

CATHSSETA Transformation: Should transformation not be addressed adequately the implications of not satisfying the expectations of the previously disadvantaged and the stakeholder, as well as those that possess key skills in the CATHSSETA could affect the overall success of CATHSSETA in achieving its objectives. **Leadership:** The quality of leadership, which displays the ability to manage a diverse workforce and is able to take advantage of the richness that can flow from diversity, will determine the level of success in reaching the CATHSSETA's strategic objectives.

Human Resources: Human resource must support the line and supporting functions in identifying adequately skilled personnel required for CATHSSETA to achieve its business objectives. **Skills Recruitment:** 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 will require specialised screening to ensure that the CATHSSETA does not sit with personnel that cannot perform and finds itself in the position where it has superfluous personnel.

Skills Retention: The retention of good business and technical skills requires that CATHSSETA create and monitor an environment that is challenging and which will retain and attract the required personnel.

Skills Development: CATHSSETA has a definite social responsibility to develop previously disadvantaged persons. This is very important for entry level of technical support personnel as the industry seldom invests in entry level employment and training, and this has resulted in shortages of qualified and experienced previously disadvantaged personnel.

Labour Relations: The current labour laws require specialised skills that will guide the CATHSSETA in improving labour relations to ensure a motivated and content labour force.

Remuneration Practice: The reward and remuneration practices must be seen to be fair and market related to ensure the retention of skills.

Legal Compliance: The CATHSSETA shall comply with those laws, regulations and contractual arrangements, which govern business processes. These will include the following:

Corporate Governance: Labour laws, the Skills Development Act, the SDL act, PFMA Act requirements, as well as many other relevant legal and fiduciary requirements that must be met by the CATHSSETA can result in criminal and civil liability for directors and relevant officers/management should they not be met. Knowledge of these laws and their relevance to the CATHSSETA will have to be managed.

Contract Administration: CATHSSETA will have contracts with suppliers to supply goods and services. The risks are significant should contract administration not be in place to support divisions in managing these contracts effectively.

Marketing & Communication Risks: The CATHSSETA must be sensitive to the needs of the stakeholder (employers, employees, government, community, unions, etc). It must create a favourable climate for business with participating and non-participating stakeholders. The following factors will place these objectives at risk:

Market Intelligence: CATHSSETA should strive to maintain accurate and adequate industry and stakeholder Intelligence. The lack of marketing intelligence can lead to the adoption of incorrect business strategies.

Communication Strategy: Ineffective communication strategies can lead to a lack of common understanding of the CATHSSETA mandate and of the products and services that CATHSSETA can offer.

Effectiveness of a Communication Plan encompassing Stakeholders: CATHSSETA must have an effective communication plan that will address formal communication internally and externally. A total awareness and understanding of CATHSSETA's vision, mission, policies, standards, and ethics must be achieved with all stakeholders.

Corporate Image: CATHSSETA as a CATHSSETA must develop a positive corporate image that will encourage stakeholders to be associated with it and have the status of an attractive employer for highly skilled personnel.

Business Risks: The business objectives should be clearly defined with the measurement criteria that will be used to measure success. There must be a clear link to supporting the State's objectives and CATHSSETA's vision and mission.

Sustainability: CATHSSETA's operations must be based on sound business practices.

Support of the State's Goals/objectives: Clear goals and objectives (short and long term) must be negotiated with the government to ensure that there are no unrealistic expectations, that the goals and objectives are achievable and that there is agreement with the mechanisms and methods of measuring performance.

Performance Measurement: Critical success factors should be identified to measure the achievement of CATHSSETA's business goals.

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.

Skills Capability: The risks facing CATHSSETA is the shortage of technical skills.

- **Procurement:** Procurement and contract management of goods and services required from the suppliers will have to be controlled to ensure the highest level of quality while conforming to the business requirements of CATHSSETA.

ANNEXURE A: SERVICE LEVEL AGREEMENT



**higher education
& training**

Department:
higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT BETWEEN THE DIRECTOR-GENERAL OF THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING AND THE CULTURE, ARTS, TOURISM, HOSPITALITY AND SPORT SECTOR EDUCATION AND TRAINING AUTHORITY (CATHSSETA)

1. Purpose of the service level agreement

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

2. Duration of the service level agreement

The service level agreement is entered into for the period 1 April 2013 to 31 March 2014.

3. Obligations of the CATHSSETA

The CATHSSETA undertakes to:

- 3.1 Perform its functions as required by the Skills Development Act;
- 3.2 Meet the targets in the National Skills Development Strategy;
- 3.3 Implement the approved Strategic Plan;
- 3.4 Submit all documentation and reports as may be required by the Department on the times specified;
- 3.5 Adhere to the requirements of the Public Finance Management Act and Treasury Regulations; and
- 3.6 Provide information and report on the following issues as indicated below which must also be reflected in the Strategic Plan and Annual Performance Plan of the CATHSSETA:
 - Assessment of skills required for each sector and the identification of scarce skills;
 - How the levels of education will be improved and addressed in the sector;
 - Partnerships between CATHSSETA and Public FET Colleges;
 - The number of bursaries awarded/to be awarded to deserving SA citizens in critical skills at the 23 Universities and 50 FET colleges;
 - 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;
 - 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;
 - Targets as reflected in the Strategic Plan and Annual Performance Plan must be credible and linked to a “Baseline”;

- Placement of students in industry as part of the agreement between CATHSSETA and companies;
- 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;
- Rural Development Programmes and how it will be implemented;
- Progress in the implementation of Recognition of Prior Learning;
- Presence of CATHSSETA in rural areas and townships, and how and by when will it be implemented;
- Number of Public FET Colleges and University students placed in companies to obtain work experience; and
- Facilitating the exposure and placement of FET College lecturers to industry.

4. Obligations of the Department of Higher Education and Training

The Department undertakes to:

- 4.1 Consult the CATHSSETA on policy and strategic matters that may affect the functioning of the CATHSSETA;
- 4.2 Provide the CATHSSETA with guidance on sector skills plans, the strategic plan of the CATHSSETA and any matter that may be requested by the CATHSSETA in relation to its functions; and
- 4.3 Assist the 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.

Mr GF Qonde

Director-General

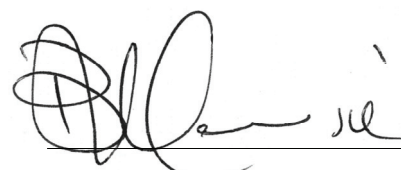
Department of Higher Education and Training

123 Schoeman Street

Pretoria

0002

Date:



Advocate Brenda Madumise

Chairman of the Board

CATHSSETA

3rd Floor, Sandhurst Office Park

Cnr Katherine & Rivonia Road

Sandton

Date: 30 January 2013



Culture
Arts
Tourism
Hospitality
Sport

Sector Education and Training Authority



3rd Floor, Block E
Sandhurst Office Park
Cnr Rivonia Road & Katherine Street
Sandton, Gauteng

Tel: (011) 217 0600
Fax: (011) 783 7745

www.cathsseta.org.za

