

Strategic Plan

for the fiscal years 2017/18 to 2021/22



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



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



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

STRATEGIC PLAN

2017/18 to 2021/22

FOREWORD

I have the pleasure to present the Strategic Plan for the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) for the period 1 April 2017 to 31 March 2022. The document is presented in terms of the Skills Development Act and the Public Finance Management Act (Act 56 of 1999, as amended).

This document arises from tireless work of the management and staff of CATHSSETA. It is an encouraging milestone given that the organisation is still under administration. A critical measure of success in our work to date is the improved performance from unqualified to clean audit report for the last financial year. Going forward, we are confident that in spite of the challenges, our performance can only steadily improve from here.

During this period of administration, we have attended to the difficult task of putting together a Strategic Plan compliant to the Department of Higher Education and Training (DHET) and National Treasury prescripts, set up interim governance structures to provide policy support and governance oversight, improved our budget planning and financial management, reduced pending disciplinary cases and improved the confidence of the staff in their own work and organisation. More importantly, we improved participation of our stakeholders in the skills planning processes, addressed a large number of cases where suppliers and service providers were uncertain about our commitment to honour contractual commitment and regularised expenditure. We have also steamed ahead building management capacity as we filled positions into the new organisational structure. The current capacity enjoys a blending of new talent and current staff to improve and refocus our performance going forward.

Our stakeholders and service providers remain critical to our work going forward. To improve on our relationship, this financial year will witness CATHSSETA extending its physical footprint by operating functional offices covering all nine provinces in six TVET colleges across the country. This should enhance service accessibility, improve partnerships with TVETs colleges as well as improve Work Integrated Learning (WIL) opportunities.

In conclusion, I wish to thank all organisations and individuals that responded to my invitation to serve in the Joint Working Committees, DHET for their support, CATHSSETA management and staff for their continued hard work. In time I hope we will look back and feel vindicated at an emergence of CATHSSETA as a leader in facilitating skills development. There is potential and hope.



Pumzile E Kedama (Mr)

The Administrator: Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority

OFFICIAL SIGN OFF

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

- Was developed by the management team of CATHSSETA under the guidance of the Administrator
- Takes into account all the relevant legislation, policies and other mandates for which CATHSSETA is responsible
- Accurately reflects the strategic goals and objectives which CATHSSETA will endeavour to achieve over the period 2017/18 - 2021/22

This Strategy Framework is hereby presented as the guiding document for CATHSSETA for the period 2017/18 - 2021/22 in compliance with the National Treasury Guidelines and subject to the licence redetermination by the Minister of Higher Education and Training during the year 2016/17.

Pumzile Kedama (Mr)
The Administrator



Signature:

ABBREVIATIONS AND ACRONYMS

APP	Annual Performance Plan
ATR	Annual Training Report
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority
DHET	Department of Higher Education and Training
MOU	Memorandum of Understanding
MTSF	Medium term Expenditure Framework
MTSF	Medium-term Strategic Framework
NDP	National Development Plan
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
PFMA	Public Finance Management Act
PIVOTAL	Professional, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trades and Occupations
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium and Micro-sized Enterprises
SP	Strategic Plan
SSP	Sector Skills Plan
TVET	Technical, Vocational Education and Training
WSP	Workplace Skills Plan

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PART A: STRATEGIC OVERVIEW

This document defines the envisaged outcomes for CATHSSETA for the period 2017/18 to 2021/22. Central to its thrust is the defined goals of the National Skills Development Strategy (NSDS) III and the achievement of the National Development Plan (NDP). The document seeks to comply with the National Treasury's Framework for Strategic Plans and Annual Performance Plans (2011) for developing Strategy and Annual Performance Plans (APP) for public entities. It also seeks to capture the current operating context of the organisation and propels it towards compliance to good governance, improved target performance and optimal functioning as envisaged in the initial years led by the Administrator.

1. VISION

A leader in skills development within our diverse sector.

2. MISSION

To facilitate skills development through strategic partnerships for CATHSSETA to contribute to economic growth.

3. VALUES

CATHSSETA's institutional values are:

Table 1: CATHSSETA Values

VALUE	WHAT IT MEANS
Service Excellence	<ul style="list-style-type: none">• Understand stakeholder needs, respond timeously, efficiently and effectively to stakeholder queries and requests• Display an image of professionalism and accountability• Drive quality and high performance
Fairness and Transparency	<ul style="list-style-type: none">• It conducts its operational business without fear or favour• All providers feel confident that their bids are given adequate consideration and evaluated professionally• Stakeholders are entitled to believe that nothing is hidden and there are no undeclared meanings and intentions• Everything is in the open for all to see subject to ethical conduct and legal boundaries
Respect	<ul style="list-style-type: none">• Every stakeholder experiences humane relations from the employees• Their self-worth is not eroded or negatively impacted by our conduct or actions• Stakeholders experience humility from CATHSSETA staff in their relations

VALUE	WHAT IT MEANS
Accessibility	<ul style="list-style-type: none"> • Develop and promote skills development programmes to ensure equal access to opportunities by all • Develop skills development programmes aimed at improving opportunities for people in rural areas • Ensure that, upon request, conversations, documentation and publications are translated to prominent languages relevant to a geographical area
Integrity	<ul style="list-style-type: none"> • Value openness, honesty, consistency and fairness • Act in good faith in all our day-to-day activities • Conduct its operations to fulfil public expectation about what CATHSSETA was established to do and be
Stakeholder orientation	<ul style="list-style-type: none"> • Build partnerships with relevant government departments, public and private training providers and organisations • Offer quality education and skills development opportunities and experiences to learners to ensure ultimate employability and reduce inequality in the sector

4. LEGISLATIVE AND OTHER MANDATES

Both the Constitution of the Republic of South Africa (Constitution) and various other statutes passed by the National Assembly direct CATHSSETA to perform specific public skills development functions and conduct its operations in specific ways. Various other institutions of government develop policies with direct relevance and impact in the legislated mandate of CATHSSETA and thus enjoin the organisation to commit resources towards the realisation of such stated government policy imperatives.

4.1 Constitutional Mandate

Section 29 of the Constitution provides for all South Africans the basic right to education. It states that everyone has the right:-

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

Working towards this Constitutional imperative, CATHSSETA is established to research and establish a nationally recognised Sector Skills Plan supported by skills development programmes serving the interest of the following sub-sectors within our economy and society:

- Arts, Culture and Heritage
- Conservation

- Gaming and Lotteries
- Hospitality
- Sport, Recreation and Fitness
- Tourism and Travel Services

4.2 Legislative Mandate

4.2.1 Skills Development Act of 1998 (as amended)

The Act prescribes that CATHSSETA should develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy (NSDS) and implement it by establishing learning programmes, approving workplace skills plans (WSPs) and annual training reports (ATRs), allocating grants in the prescribed manner to employers, education and skills development providers and workers and monitoring education and skills development in the sector.

It requires CATHSSETA to promote learning programmes by identifying workplaces for practical work experience, supporting the development of learning materials, improving the facilitation of learning and assisting in the development of skills provision agreements for different learning programmes.

It further requires CATHSSETA and all other SETAs to liaise with the National Skills Authority (NSA) on: the National Skills Development Policy, the National Skills Development Strategy and its Sector Skills Plan as well as to submit to the Director-General any budgets, reports and financial statements on its income and expenditure that it is required to prepare in terms of the Public Finance Management Act (PFMA), strategic plans and reports on the implementation of its service level agreement (SLA), liaise with the provincial offices and labour centres (and any education body established under any law regulating education in the Republic to improve information about placement opportunities) and liaise between education and skills development providers and the labour market.

4.2.2 Skills Development Levies Act (1999 as amended)

The Act makes provision for CATHSSETA to collect levies and distribute them by paying a portion thereof into the account of the National Skills Funds (NSF) and use the remainder in terms of its provision and those of the Skills Development Act and SETA Grant Regulations.

4.2.3 Public Finance Management Act (1999 as amended)

As a Schedule 3 entity, CATHSSETA is obligated to perform to standards and legislated requirements of the PFMA and other associated legislation like the Broad-Based Black Economic Empowerment (BBBEE) Act of 2003, Act No. 53 of 2003.

4.2.4 Broad-Based Black Economic Empowerment Act of 2003 (as amended)

The amended Code Series 300, Statement 300: The General Principles for Measuring Skills Development prescribes compliance targets and weighting points to be claimed by Measured Entities, subject to verifiable expenditure incurred for training Black people on various listed learning interventions. The Code determines that "Workplace Skills Plan, an Annual Training Report and the Professional, Vocational, Technical and Academic Learning(PIVOTAL) Report which are SETA approved" will constitute a criteria for Measured Entities to receive points towards their BEE scorecards.

4.2.5 Basic Conditions of Employment Act of 1997, Act No 75 of 1997: Sectoral Determination No 5: Learnerships

The Act makes sectoral determination establishing binding conditions of employment and rates of allowances for learners in all sectors where Sector Education and Training Authorities (SETAs) operate. It therefore enjoins the CATHSSETA to observe compliance with such condition in all the agreements entered into and providing for Work Integrated Learning (WIL).

4.2.6 The SETA Grant Regulations, Notice No. 35940 of 2012

The Grant Regulations regulate the use of monies received by the SETA and processes required for disbursement of such monies. In disbursement of these monies the SETA must set out the output and outcomes in the APP and demonstrate how they achieve the objectives of the SSP and the NSDS.

4.3 Policy Mandates

4.3.1 National Development Plan

The National Development Plan (NDP) establishes skills development and education as a critical enabler for economic development. Not only is education and training important for economic growth but also empowers people to define their identity, take control of their own lives, raise healthy families and play a meaningful role in broader societal development.

The Plan accepts that education, training and innovation are not a solution to our common national problems but they are rather critical in building our national capacity to solve problems. So addressing our national training and education requires harnessing the capacity of different provider institutions to be effective in delivering to their respective mandates. The plan proposes actions based on five cross-cutting, interdependent and implementable themes:

- Lay a solid foundation for a long and healthy life and higher educational and scientific achievement
- Build a properly qualified, professional, competent and committed teaching, academic, research and public service core
- Build a strong and coherent set of institutions for delivery of quality education, science and technology, training and skills development
- Expand the production of highly skilled professionals and enhance the innovative capacity of the nation
- Create an education and national science system that serves the needs of the society

CATHSSETA's contribution in the realisation of these themes are as follows:

- Training within the CATHSSETA sector usually takes the form of in-house or non-accredited training impacting on the promotion of the National Qualifications Framework (NQF) aligned training. In an effort to counteract this practice and keeping with the vision of the NDP to promote accredited training, 80% of all Discretionary Grants are spent on PIVOTAL programmes in the form of Learnerships, Bursaries, Work Integrated Learning and Skills Programmes.
- In line with the NDP, CATHSSETA seeks to ensure an improved quality of education at TVET colleges, with these colleges becoming preferred institutions of vocational learning. This intervention takes the form of CATHSSETA playing a crucial role in building relationships between education institutions and employers,

and improving capacity through interventions addressed at providing TVET college lecturers exposure to industry workings.

- Through the prioritisation of the qualification review, the Chef qualification, the only trade that falls within the CATHSSETA sector, has been reviewed and aligned to artisanal requirements. Further to this, in partnership with UMALUSI, the National Department of Tourism and various industry stakeholders, the review of the National Certificate Vocational (NCV) for both Hospitality and Tourism has been conducted. Based on the findings of this review, these qualifications are being realigned and scoped to industry expectations which will assist in ensuring TVET college graduates are readily absorbed by the labour market.
- In order to promote the directive on public entities' contribution of training budgets, CATHSSETA has conducted national workshops, in partnership with the Department of Public Service and Administration. Guidelines have been developed and continuous engagements with relevant public entities are currently underway to ensure participation.

4.3.2 National Skills Development Strategy (NSDS) III

The key driving force of this strategy is improving the effectiveness and efficiency of the skills development systems and effective response to the needs of the labour market and social equity. The strategy seeks to establish and promote closer links between employers and training institutions and between both of these and the SETAs. It represents an explicit commitment to encouraging the link between skills development and career paths, career development and promotion of sustainable employment and career progression. As per the Government Gazette of 6 October 2015, the Minister of Higher Education and Training has extended the NSDS III from 1 April 2016 to 31 March 2018. The table below illustrates the link between CATHSSETA programmes and the NSDS goals.

Table 2: Link of CATHSSETA programmes to NSDS

#	NSDS Goal	CATHSSETA linked priorities	Linked programmes and sub-programmes
1	Establish a credible institutional mechanism for skills planning	Analysis of skills needs	Research and Sector Skills Planning
2	Increase access to occupationally-directed programmes	Qualification review, training provision, TVET capacity building, transformation in the sector, work experience and experiential learning	Training provision (accreditation and quality assurance), learning Interventions
3	Promoting the growth of a public TVET college system that is responsive to sector, local, regional and national skills needs and priorities	TVET capacity building, work experience and experiential learning	Training provision (accreditation and quality assurance)
4	Address the low level of youth and adult language and numeracy skills to enable additional training	Qualification review, training provision, transformation in the sector	Learning interventions
5	Encourage better use of workplace-based skills development	Increased need for partnerships, transformation on the sector	Grant administration
6	Encourage and support cooperatives, small enterprises, worker initiated, NGOs and community training initiatives.	Training provision, Transformation in the sector	Learning interventions
7	Increase public sector capacity for improved service delivery and supporting the building of a developmental state	Increased need for partnerships	Learning Interventions
8	Building career and vocational guidance	Increased need for partnerships, work experience and experiential learning	Communications and Stakeholder Management

4.3.3 National Skills Accord

The Skills Accord establishes a partnership between DHET, Communities, Organised Business and Labour aimed at promoting common skills development and training needs. The Accord has eight commitments and commitments four, six and seven have specific focus on skills planning and the operations of CATHSSETA.

Commitment four – partners commit to ensure that part of the Mandatory Grant (10%) is used for funding workplace training for University of Technology (UoT) students as well as TVET college graduates.

Commitment six – partners commit to improving the seniority of their delegations to the SETA Board and that organised labour must approve SSPs and 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 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 seven – partners commit to ensuring that the funding of training through the Skills Development Levy (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.

4.3.4 National HRD Strategy of South Africa

The National Human Resource Development (HRD) Strategy of South Africa (2010 to 2030) is a social compact distilling the critical skill challenges for the socio-economic growth and development of the country. The document also sets out collective commitments for all sectors of society. CATHSSETA, as a leading authority in the arena of skills development in its sector, ascribes and is committed to realising the following national commitments contained in the National HRD Strategy as outlined in the table below:

Table 3: CATHSSETA contribution to NHRDS commitments

NHRDS Commitment	CATHSSETA contribution
Address shortages of supply of people with priority skills	CATHSSETA will support the commitment to overcome the shortages in the supply of priority skills through training of employed and unemployed people on PIVOTAL programmes
Increase appropriately skilled people	We will increase the number of appropriately skilled people to meet the demands of our current and emerging economic and social development priorities
Implementation of skills development programmes	We will urgently implement skills development programmes that are purposefully aimed at equipping recipients/citizens with requisite skills to overcome related scourges of poverty and unemployment
Access to education and training	We will ensure that young people have access to education and training by implementing the NSDS transformational and developmental imperatives which ensures that at least 60% of all training initiatives are aimed at the youth
Improve technological and innovation capability	We will contribute to the improvement of the technological and innovation capability and outcomes within the public and private sectors by funding post graduate studies and research studies

4.3.5 Medium Term Strategic Framework (MTSF)

The MTSF outlines government priority spending and delivery areas for the period 2014 – 2019 electoral terms. It reflects the commitments made in the election manifesto of the governing party. It sets out the actions the government will take and targets to be achieved. The MTSF is structured around 14 priority outcomes which cover the focus areas identified in the NDP and governments electoral mandate. Amongst them are the following priority outcomes with direct relevance for the work of CATHSSETA:

Figure 1: Priority Areas of MTSF relevant to



4.3.6 White Paper on Post-School Education and Training

The White Paper was established amongst others to ensure a coordinated post school-education and training system, expand access, improve quality of provision and ensure education and training system that is responsive to citizens, employers as well as the broader societal developmental objectives. It seeks to expand the scope of education and training to include even people who could not attend formal education.

The White Paper aims to simplify the role of SETAs and build their capacity in line with their redefined roles. In terms of the White Paper, SETAs will continue facilitating development of skills for those in existing enterprises and skills pipeline in workplaces. This means that SETAs will ensure that the skills requirements of their respective industries are understood and catered for by different providers as contemplated within the policy document. This also means that SETAs will continue collection and supply of credible data from and for employers. The Mandatory Grants will continue being used for data gathering whilst sector training and provider capacity will be catered for through the Discretionary Grant system.

In keeping with the vision of the White Paper, CATHSSETA, via the Discretionary Grant, promotes the implementation of PIVOTAL programmes, indicated by strategic objective 3.1.1, specifically against the scarce skills identified within the sector for both employees within the sector as well as unemployed persons wishing to enter the sector. The Mandatory Grant data is validated to ensure accurate data gathering and in addition, processes for the collection of the Mandatory Grant data are reviewed and updated on an annual basis to ensure continuous assessment and improvement. As it currently stands, the White Paper reinforces the vision of the NDP. In terms of the proposed TVET colleges, CATHSSETA has and is currently instrumental in the review of qualifications offered by the TVET colleges as well as enriching the capacity of TVET college lecturers.

4.4 Relevant Court Rulings

Business Unity South Africa (BUSA) launched a court case requesting the Labour Court to review the Regulations 3(12) and 4(4) of the 2012 SETA Grant Regulations. In August 2015, the Labour Court handed down judgement declaring Regulations 3(12) and 4(4) of the 2012 SETA Grant regulations invalid. The order was suspended until 31 March 2016.

Based on advice from the National Skills Authority, the Minister of Higher Education and Training re-promulgated Regulation 4(4), which provides that the Mandatory Grant be set at 20%. Regulation 3(12), which provides that the surplus of discretionary funds be paid into the National Skills Fund by 1 October of each year, is still under review. The SETAs were advised to maintain the status quo in relation to Regulation 3 (12), pending finalisation of the matter.

5. SITUATIONAL ANALYSIS

The situational analysis seeks to describe the context in which this Strategic Plan (SP) has been developed by discussing the performance environment, the organisational environment and the planning process. The performance environment outlines key issues, demand for services and other factors in the sector. The organisational environment describes the structure and other internal factors within CATHSSETA and the planning process describes the activities and processes followed in developing the Strategic Plan.

5.1 Performance Environment

CATHSSETA delivers its services to a diverse economic sector comprising of six sub-sectors. Each of these sub-sectors remain unique and play a significant role not only in the economy but also in the broader quest for social cohesion. The table below provides a succinct picture of a dynamic environment within which CATHSSETA operates.

Table 4: CATHSSETA Sub-sector Summary

SUB-SECTOR	BACKGROUND AND DESCRIPTION
Arts, Culture and Heritage	The South African Arts, Culture and Heritage sub-sector is one of the largest in the country. However, the measurement of economic contribution as well as the labour market analysis in terms of skills requirements remains a challenge due to a lack of historically accurate and valid data. The sub-sector accounts for 1% of employees within the sector as in the past two years. The number of employees reported through the Mandatory Grant application process for 2016 has decreased by 8% from 2015.
Conservation	The Conservation sub-sector reported 14 477 employees in 2015. This has decreased to 8 614 employees in 2016, indicating a 40% decrease. However, the sub-sector is embedded within the broader environmental sector and a lack of clear delineation poses a challenge in determining the composition and profile of this sub-sector.
Gaming and Lotteries	The Gaming and Lotteries chamber is the smallest sub-sector within CATHSSETA's scope. The sub-sector has shown the second greatest increase in the number of employees, at a growth of 12%. The sub-sector reported 27 879 employees in the current period, making it the second largest employer of the sector.
Hospitality	The Hospitality sub-sector is the largest sub-sector within the CATHSSETA scope and is a several billion dollar industry that is dependent on the availability of leisure time and disposable income. With a total of 134 952 employees reported, the sub-sector represents 65% of employees in the sector. However, a large proportion of entities in the sub-sector are levy exempt and thus do not contribute to the CATHSSETA levy income base.
Sport, Recreation and Fitness	The Sport, Recreation and Fitness sub-sector, seen as a catalyst for job creation in other sectors, contributes directly and indirectly to economic growth within the country. The sub-sector continues to increase with 14 189 employees reported in 2015, and 15 990 in the current year. This indicates a growth of 13%, the highest increase within the sector
Tourism and Travel	The Tourism sub-sector is one of the key contributors to the South African economy. The sub-sector's contribution to the gross domestic product (GDP) increased from R113.4 billion in 2014 to R118.6 billion in 2015. This is expected to increase by 3.9% in 2016. However, the sub-sector continues to experience a decrease in the number of employees from 18 171 in 2015 to 17 696 in the current year.

Due to the dynamism of the sub-sectors, data on employers and employees is limited. To address this weakness, together with relevant national and provincial government departments in the respective sub-sectors, CATHSSETA completed three research studies. Two of these, an Impact Assessment and a Labour Market Analysis, were commissioned to service providers. The Labour Market Analysis focussed on the Arts, Culture & Heritage; Gaming and Lotteries, as well as Sports, Recreation and Fitness sub-sectors with the aim of determining skills needs. The aim of the Impact Assessment study was to determine the impact of CATHSSETA's learning intervention on the stated goals of the NSDS111 for the licence period just completed in March 2016. Sub-sectoral specific plans that have implications for skills development within the sector include the Department of Tourism's skills audit within the hospitality and tourism subsectors. This is the third research study CATHSSETA undertook in partnership with the Department. The work is closer to completion and the process of analysing and extracting insights will follow. Insights will then be uplifted into the next update of the Sector Skills Plan.

The following departmental strategies also continue to influence our skills development and planning work; Department of Arts and Culture (DAC) Strategy, the National Sport and Recreation Plan (NSRP), the National Tourism Sector Strategy (NTSS) as well as Department of Environmental Affairs (DEA) Strategy. All these plans, for example, stress the importance of leadership and management training in the space of Arts, Culture and Heritage as well as the need for formal training in heritage conservation and management. Skills development for conservation bodies and recognition of the emergence of green skills within the Conservation sub-sector, remain critical tools for the current plans.

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

Table 5: Number and Size of Entities Registered with CATHSSETA

Sub-sector	Size of Entity			Number of entities registered with CATHSSETA	% in the sector
	0-49	50-149	150+		
Arts, Culture & Heritage	1966	46	23	2035	7.34%
Conservation	1483	30	19	1532	5.52%
Gaming & Lotteries	254	35	47	336	1.21%
Hospitality	18108	697	296	19101	68.86%
Sport, Recreation & Fitness	2040	75	30	2145	7.73%
Travel & Tourism	2467	77	46	2590	9.34%
Total	26318	960	461	27739	100%

Source: CATHSSETA SMS 2016

CATHSSETA continues to operate in a unique environment where Small Medium and Micro Enterprises (SMMEs) make up a large proportion of the entities registered with the SETA. The Skills Development Act mandates that levy paying organisations can claim their levies through the Mandatory Grant system. However, SMMEs with an annual payroll of less than R500 000 are exempted from paying the Skills Development Levy and submitting Mandatory Grant applications. Thus this impacts the amount of levies CATHSSETA receives due to the proliferation of SMMEs serviced by the SETA. In the 2015/16 period, a total of 6 297 entities paid the skills development levy, indicating a 4% increase from 6 053 reported in the 2014/15 period. This equates to only 23% of the total number of registered entities within the sector and amounts to approximately R305 million.

Globally the sub-sectors serviced by CATHSSETA are labour intensive and constitute a major source of employment for those at the lower end of the labour market spectrum. Critical in these sub-sectors is the degree to which women, youth and migrant labour continues to gain easy access to employment and entrepreneurship. As a result, as economic players, these sub-sectors are flexible with a range of skills requirements and thus critical in eradicating unemployment. The CATHSSETA SSP has identified the following key skills priorities and actions for the sector:

- Qualification review
- Training provision
- Analysis of skills needs
- Work experience and experiential learning
- TVET capacity building
- Increased partnerships
- Transformation in the sector
- Addressing scarce and critical skills

5.2 Organisational Environment

5.2.1 High Level CATHSETA Success Factors

The CATHSSETA Critical Success Factors are described as the key processes that deliver services to the CATHSSETA beneficiaries i.e. learners and employers. The process is based on the three critical components of CATHSSETA's service delivery value chain i.e. Facilitation of Learning Interventions; Quality Assurance of Skills Development accreditation of skills development facilitators, verification of learners, and development of occupational qualifications; and Employer engagements – which involves the receipt of levies and payment of grants. The diagram below depicts these three integrating components to signify the centrality of the certified learners in all work undertaken by CATHSSETA. A certificated learner is a skilled and critical element of our social development agenda and critical agent of economic growth and development.

Figure 2: High Level Success Factors



5.2.2 Organisational Structure

CATHSSETA is a product of national legislation and its mandate is defined in the Skills Development Act of 1998. The functional responsibilities of the organisation are defined within this piece of legislation and are enhanced by the NSDS III and the White Paper on Post-School Education and Training.

The responsibility to gear CATHSSETA towards its key strategic role-players and realisation of the framework provided for in the White Paper on Post-School Education and Training, was the focus of the last year and half. Hence, the need to align the organisational structure and business processes to the refined organisational strategy.

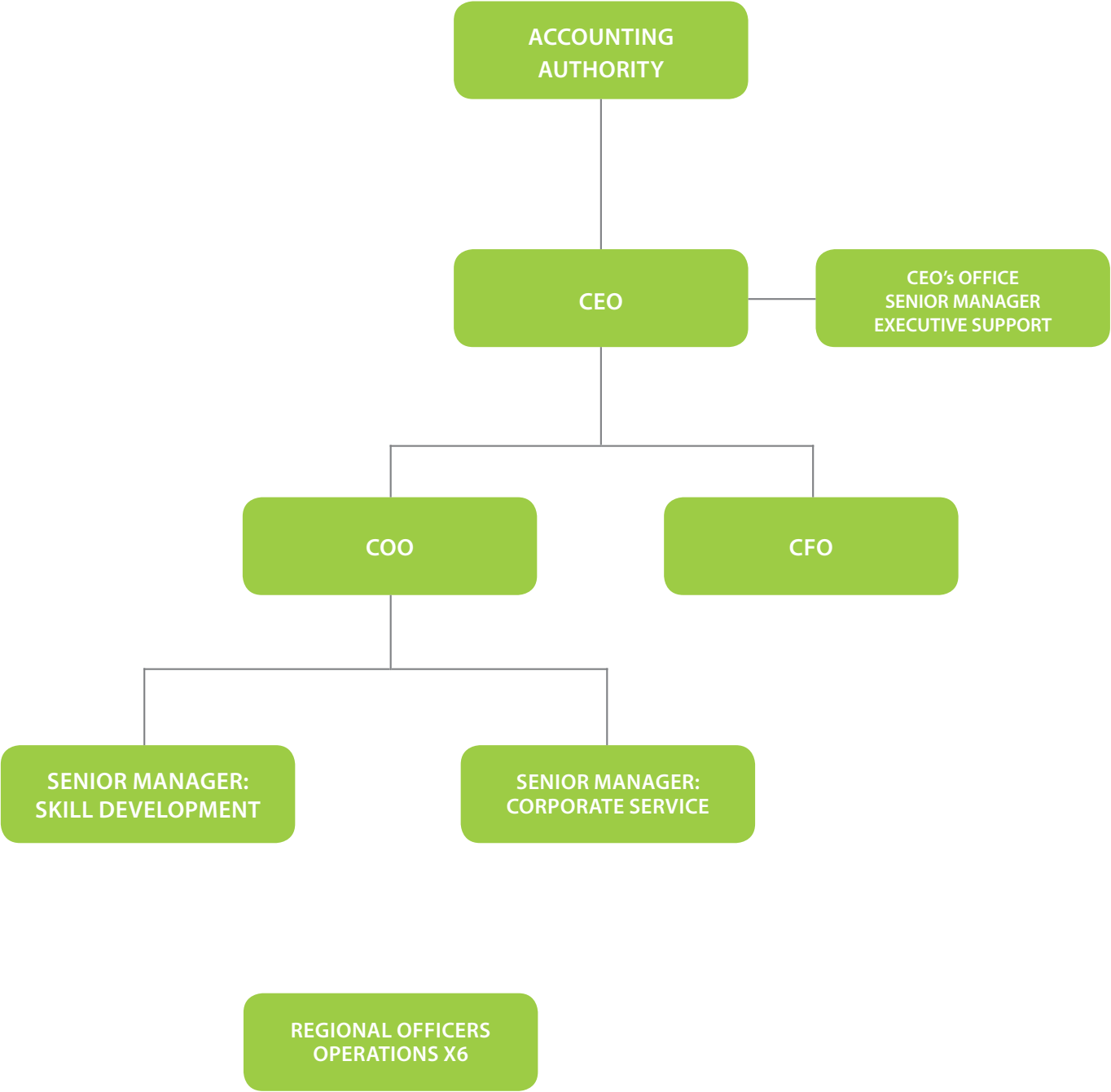
Not only has CATHSSETA realigned its organisational structure and introduced new IT systems and processes supported by new IT infrastructure and software, it has also increased accessibility to its services by introducing a regional office footprint.

This organisational development processes sought to develop the structure to realise the goals and the objectives listed in the strategy and supportive to the NSDS III. Inevitably this work was the drive to make the organisation more accessible to critical stakeholders, i.e. employers, learners and providers. Consequently, the bulk of services that were offered centrally will now be accessible from decentralised locations within six regional offices covering all nine provinces.

CATHSSETA Organogram

The CATHSSETA macro structure that was reviewed and aligned to the current strategy is depicted in the diagram that follows:

Figure 3: CATHSSETA Organogram



5.2.3 Management Capacity

The process to fill posts in the current structure sought to balance experience, talent and post requirements. This was more critical in filling both management and operational staff positions in the decentralised offices.

The reviewed business processes enhanced management capacity to play a supportive and oversight role to decentralised functions and ensure predictable performance. The ultimate outcome is expected to be a more accessible organisation that is in touch with its stakeholders, learners and employers.

5.2.4 Governance

Good governance is a pillar for successful management of any organisation. In spite of CATHSSETA being under administration, interim governance structures were put into place to ensure oversight functions and accountability.

Equally important was the formalisation of the Risk Management Framework, accompanied by supportive policies. Other organisational policies regulating various aspects of the organisation are also aligned to give credence to new business processes.

CATHSSETA is still under administration and afford the Administrator as Accounting Authority to see through aspects of organisational change and performance introduced during this current financial year.

5.3 Description of the strategic planning process

The CATHSSETA SSP which spans over a five year-period, identifies the environment, and assesses the opportunities, which culminates into the key priority actions for the sector. The SSP draws on a range of data and information sources, including the CATHSSETA Mandatory Grant data, sub-sector relevant publications and engagements with key stakeholders. The outcome of this generates significant information relevant to ascertain sector demands for skills interventions. The drafted document is subjected to broader consultations with stakeholders through the work of the different chambers. The resulting SSP informs the internal processes for review and updating of the SP and development of the APP. These processes include the following:

- Review of the current SP to ensure alignment with national strategies and plans, consideration of the key priority actions as identified in the SSP and review of strategic objectives;
- Engagements with stakeholders such as the Management Committee, the Joint Working Committee, Executive Committee and Governance sub-committees to elicit input in updating the SP; and
- Evaluation of annual performance against predetermined targets to ascertain required organisational capacity and to consider options for delivery of targets;

The information resulting from the above, together with the SSP is consolidated into a revised SP and APP for consideration and approval by the Accounting Authority.

6. STRATEGIC OUTCOME ORIENTED GOALS OF CATHSSETA

The mandate as legislated, policy instruments and government priorities have guided the development of the CATHSSETA goals and goal statements. Cognisance was given to the existing challenges faced by CATHSSETA in the implementation of its programmes in the current financial year. In this regard the focus will be on improving our performance monitoring and evaluation as well as ensuring maximum and institutionalised stakeholder participation in our programmes.

6.1 Strategic Goal 1: Develop sector capacity to deliver skills development programmes informed by sector research and business intelligence

Strategic Goal	Develop sector capacity to deliver skills development programmes informed by sector research and business intelligence
Goal Statement	Effective stakeholder management and partnering initiatives between the SETA, employers, private providers, government, other SETAs and sectoral bodies and relevant institutions by the end of the 5-year period, resulting in increased capacity to meet industry skills needs throughout the country.
Justification	<p>SUPPORTING NATIONAL OUTCOME 5; and SECTORAL SUPPORT TO OUTCOMES 4, 10, 12.</p> <p>SUPPORTING NSDSIII GOALS: Stakeholder engagement and partnership in support of all 8 NSDS III goals.</p> <p>SUPPORTING NSDS III GOAL 1: Establishing a credible institutional mechanism for skills planning.</p> <p>SSP Link:</p> <ul style="list-style-type: none"> • Priority 1: Qualification review • Priority 2: Training provision • Priority 3: Analysis of skills needs • Priority 5: TVET capacity building • Priority 6: Increased need for partnerships • Priority 7: Transformation in the sector
Links	<p>NSDS III</p> <p>MTSF</p> <p>NDP</p>

6.2 Strategic Goal 2: Effective delivery of learning interventions

Strategic Goal	Effective delivery of learning interventions
Goal Statement	<p>To position CATHSSETA as a credible and authoritative voice on skills demand and on learning interventions required to address skills needs within the sector by the end of the 5-year period.</p> <p>To build CATHSSETA's understanding of labour market issues in the sector and to document and communicate recent and emerging trends, as well as to develop solid baseline indicators for the sector so as to inform planning and guide decision-making on investment in education and training provision.</p>
Justification	<p>SUPPORTING NATIONAL OUTCOME 5; and SECTORAL SUPPORT TO OUTCOMES 4, 10, 12b.</p> <p>SUPPORTING NSDS III GOALS:</p> <p>Goal 2: Increasing access to occupationally-directed programmes.</p> <p>Goal 3: Promoting the growth of a public TVET college system that is responsive to sector, local, regional and national skills needs and priorities.</p> <p>Goal 4: Addressing the low level of youth and adult language and numeracy skills to enable additional training.</p> <p>Goal 6: Encouraging and supporting cooperatives, small enterprises, worker initiated, NGO and community training initiatives.</p> <p>Goal 7: Increasing public sector capacity for improved service delivery and supporting the building of a developmental state.</p> <p>Goal 8: Building career and vocational guidance.</p> <p>SSP Link:</p> <ul style="list-style-type: none"> • Priority 2: Training provision • Priority 3: Analysis of skills needs • Priority 4: Work experience and experiential learning • Priority 5: TVET capacity building • Priority 6: Increased need for partnerships • Priority 7: Transformation in the sector
Links	<p>NSDS III</p> <p>MTSF</p> <p>NDP</p>

6.3 Strategic Goal 3: Improved CATHSSETA competence in delivering to the mandate

Strategic Goal	Improved CATHSSETA competence in delivering to the mandate.
Goal Statement	To promote public accountability and achieve high standards of corporate governance and efficient resource utilisation to ensure optimal organisational performance and service delivery.
Justification	<p>SUPPORTING NATIONAL OUTCOME 5; and Outcome 12: Good Governance and an Effective Public Service.</p> <p>SUPPORTING NSDS III GOALS: Governance and corporate services in support of all eight NSDS III goals.</p> <p>SSP Link:</p> <ul style="list-style-type: none"> • Priority 2: Training provision • Priority 6: Increased need for partnerships
Links	<p>NSDS III</p> <p>MTSF</p> <p>NDP</p>

PART B: STRATEGIC OBJECTIVES

This section discusses the strategic objectives that lead to the realisation of the CATHSSETA goals. It describes all three CATHSSETA programmes, i.e. Administration, Planning and Learning Programmes.

7. Programme 1: Administration

The purpose of this programme is to enable the CATHSSETA to deliver on the mandate by providing strategic management, improved financial management systems, promoting good corporate governance and ensuring effective resources management within the organisation. This programme is made up of the following sub-programmes; Governance, Finance and Corporate Services.

Strategic Objectives

Strategic objective 1.1.1	Promoted good governance at CATHSSETA
Objective statement	Governance of the SETA is manifested through the legislative, regulative and policy mandates, e.g. Skills Development Act
Baseline	75% of governance requirements met
Strategic objective.1.2.1	Improved financial management systems
Objective statement	CATHSSETA has to ensure that effective financial management control systems are in place
Baseline	Clean Audit
Strategic objective 1.3.1	Ensured effective resource management within the organisation
Objective statement	CATHSSETA has to maintain organisational performance through appropriate staffing and information technology resources
Baseline	99,9% IT system availability
Strategic objective 1.3.2	Promoted CATHSSETA to stakeholders
Objective statement	To create awareness of CATHSSETA mandate as expressed in their services for all target stakeholders through the media
Baseline	15 stakeholder engagements implemented

Resource Considerations

The global and domestic economic climate has seen a declining trend with weak performance in the tourism sector. This directly impacts the SETA levy income. The percentage change in revenue income between 2015/16 and 2016/17 is 5% and the overall growth rate from 2016/17 to 2017/18 is 3%. Section 14(3)(b) as read with sections 14(3A)(a) and 14(3B) of the SDL Act states that a SETA may not use more than 10.5% of the total levies paid by the employer, as allocated in the Act, received in any year to pay for its administration costs in respect of that financial year, CATHSSETA has been unable to remain within the 10.5% administration cap in the recent years.

All major policies are in place and are reviewed annually. Service level agreements are in place where required and are also reviewed regularly and formally. The Employment Equity (EE) Plan is reviewed annually and an employment equity committee will be established as oversight body to the implementation of the EE Plan. CATHSSETA's information management systems are functional and hardware and software are updated where appropriate, cost effective and in line with the budget. The organisation has embarked on a systematic development of its SETA management system database to meet its growing needs.

The executive team consists of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operations Officer (COO) who are responsible for the CATHSSETA administration. The CEO is supported by the Senior Manager: Executive Support. The following table indicates the positions within this programme which have been budgeted for accordingly.

Table 6: Administration Resource Considerations

Level	Positions	Occupancy	Vacancy Rate
14 – 16	4	3	1
11 – 13	6	4	2
8 – 10	19	14	5
Below 8	8	7	1

Expenditure Trends

The 2015/16 expenditure for the Administration and Governance programmes is indicated in Table 7 below. Table 8 shows the expenditure trends for Human Resources as well as the staff complement over the past five years.

Table 7: 2015/16 Expenditure for Administration & Governance

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1 & 2: Administration & Governance	67 778	18 286	26.98%	28	397

Table 8: Human Resources Expenditure Trends and Staff Complement

Programme		Actual R'000				Current	Budget R'000/Projected		
No	Description	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
1	Human Resources	13 798	14 033	24 354	26 262*	29 328	30 134	31 659	33 336
2	Number of staff	97	97	80	96	72	85	85	85

*The 10% administration fee was exceeded in 2015/16 due to, among others, personnel costs that increased from R29 262 to R40 627. The increase in costs is attributed to conversion of staff employment from permanent to fixed term contract as well as payment to staff on resignation.

Risk Management

The first strategic risk identified is non-compliance to the PFMA. To mitigate this, CATHSSETA has implemented internal controls as reflected in Table 9 below. The second identified risk is non-compliance in IT governance requirements. To address this, an IT Disaster Recovery Plan was developed and an IT Steering Committee established to guide and provide oversight to IT operations.

The third identified strategic risk is non-compliance with laws and regulations. In mitigating this risk, the organisation undertakes continuous scheduling of staff training on legislative requirements, policy reviews and updates to ensure alignment with current requirements including the recent austerity measures being enforced by the National Treasury. The fourth risk is inadequate internal skills and capacity. CATHSSETA has embarked on a capacity building drive to improve skills within the organisation.

The fifth risk is inadequate stakeholder engagement which CATHSSETA is addressing by implementing a communication and stakeholder relations strategy, forming partnerships with key stakeholders, and increasing stakeholder engagement sessions. The sixth risk is inadequate governance structures. For mitigation, CATHSSETA will implement the actions detailed in the table below.

Table 9: Summary of Administration and Governance Strategic Risks

Identified Strategic Risk	Internal Control
Non-compliance with PFMA	Revise procurement plan regularly, conduct monthly reconciliation, finalise migration to new systems and implement focused training programmes
Non-compliance in IT governance requirements	IT Policy and Disaster Recovery Plan have been developed and an IT Steering Committee established
Non-compliance with laws and regulations	PFMA compliance checklist has been developed and ongoing training programmes will be implemented. Appointment of Company Secretary will be finalised
Inadequate skills and capacity/required competencies	Employee Wellness Programme implemented Remuneration benchmarking undertaken Revenue growth project will be implemented
Inadequate stakeholder engagement	Form partnership agreements with key stakeholders. Implement Communication & Stakeholder Relations strategy and increase stakeholder engagement sessions
Inadequate governance structures	Facilitate appointment of the Board, finalise new CATHSSETA constitution and development of Board charters review Code of Conduct, and implementation of King IV

8. Programme 2: Planning

The purpose of this programme is to conduct research to inform strategic priorities of the SETA in delivering against its mandate. Performance information tracks achievement against predetermined objectives and informs management decision-making. This programme is made up of the following units: research, strategic and sector skills planning, monitoring, reporting and evaluation.

Strategic Objectives

Strategic objective 2.1.1	Commissioned sector research
Objective statement	The knowledge utilised to deliver services is derived from stakeholder information as expressed in each sub-sector. It is manifested through publications and research reports.
Baseline	80% of research agenda items addressed
Strategic objective. 2.2.1	Managed organisational performance
Objective statement	The implementation of strategic planning goals ensures alignment and capacity building for all CATHSSETA structures.
Baseline	100% organisational performance goals met

Resource Considerations

Table 10: Planning Resource Considerations

Level	Positions	Occupancy	Vacancy Rate
14 – 16	1	1	0
11 – 13	3	3	0
8 – 10	3	3	1
Below 8	1	1	0

Planning is a critical component in ensuring service delivery conforms to the skills development requirements of the sector covered by CATHSSETA. There are four senior positions supported by four staff members to ensure that this programme is executed accordingly.

Expenditure Trends

The 2015/16 Expenditure for the Planning Programme is indicated in Table 11 below.

Table 11: 2015/16 Expenditure for Planning Programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee(R'000)
Programme 3: Planning	6 673	3 702	55.48%	8	528

Risk Management

Planning, monitoring and reporting are critical components of service delivery and always require strict compliance. One of CATHSSETA's biggest strategic risk is inadequate and inaccurate sector information (data integrity). This is to be addressed by establishing research chairs and increasing funding of post graduate research studies.

Inadequate monitoring and evaluation poses another risk. This will be addressed by implementing an automated performance management system. The monitoring and evaluation function has been prioritised to ensure that effective and efficient systems of risk management controls are in place.

Table 12: Summary of Planning Strategic Risks

Identified Strategic Risk	Internal Control
1. Inadequate and inaccurate sector information (data integrity)	Research framework has been developed including funding of a research chair
2. Inadequate monitoring and evaluation	Performance management framework developed Manual performance management system replaced with an automated system

9. Programme 3: Learning Programmes

The purpose of this programme is to establish partnerships and facilitate the delivery of the skills development and provider support services for the sector. This programme is made up of the following sub-programmes: Occupationally Directed Programmes, Rural and Youth Development, Quality Assurance, Support to Sector Organisations, and Grant Administration.

Strategic Objectives

Strategic objective 3.1.1	Increased the number of learners enrolled in PIVOTAL programmes
Objective statement	The development of skills is through learner enrolment in learning interventions that will lead to a qualification or part qualification
Baseline	3 110 learners enrolled in PIVOTAL programmes
Strategic objective.3.1.2	Increased accessibility to accreditation
Objective statement	Improve the capacity of training providers to deliver skills development interventions
Baseline	17 training providers capacitated
Strategic objective.3.1.3	Improved the capacity of TVET colleges to deliver skills development interventions
Objective statement	The use of public sector entities enhances government capability to deliver. Hence, the use of TVET colleges as a medium of skills development.
Baseline	50 TVET college staff completed training
Strategic objective.3.1.4	Reviewed legacy qualifications for sector appropriateness
Objective statement	Development of skills is done through qualifications and occupations. Therefore, it is necessary to have the appropriate qualifications. This is manifested at TVET colleges and approved through the QCTO
Baseline	3 qualifications completed the review process
Strategic objective.3.2.1	Implemented skills development projects in rural areas and for youth
Objective statement	The establishment of regional offices will improve access and delivery of training to youth in rural areas
Baseline	6 rural development projects established
Strategic objective 3.3.1	Maintained quality assurance standards
Objective statement	To give assurance on the effectiveness CATHSSETA's quality assurance systems, it is important that there is monitoring of adherence to quality assurance standards
Baseline	NA
Strategic objective.3.4.1	Increased support to sector organisations through skills development
Objective statement	Skills development is intended to reach all large and small players in the CATHSSETA sector. This is done by providing support to associations and SMMEs within the sector
Baseline	800 SMMEs directly supported
Strategic objective.3.5.1	Supported levy paying employers claiming grants
Objective statement	The payment of grants is a means of encouraging employers to participate and invest in skills development
Baseline	884 levy paying employers supported

Resource Considerations

Table 13: Learning Programmes Resource Considerations

Level	Positions	Occupancy	Vacancy Rate
14 – 16	1	1	0
11 – 13	9	9	0
8 – 10	30	18	12
Below 8	10	7	3

This programme forms the core of the CATHSSETA operations and has been extended with the establishment of regional offices in six provinces. These offices are managed by regional managers. The organisational restructure has been geared to deliver learning programmes in a more cost effective manner. A total staff of over 40 including 10 senior staff is deployed in all nine provinces.

Expenditure Trends

The 2015/16 expenditure for the Skills Development (now Learning Programmes) programme is indicated in Table 14 below.

Table 14: 2015/16 Expenditure for Skills Development

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee(R'000)
Programme 4: Skills Development	181 992	18 639	10.24%	41	433

Risk Management

The skills development programme is a critical area as this constitutes the core function of the CATHSSETA. Training provision capacity, learning interventions and the delivery tools require proper implementation systems with well-defined processes and procedures.

One of CATHSSETA's biggest risks in this regard is the lack of cooperation from the sector. Other risks are lack of training provision that meets the industry requirements and inadequate skills and capacity. To address this, CATHSSETA will implement the internal controls and actions reflected in Table 15 below.

Table 15: Summary of Skills Development Strategic Risks

Identified Strategic Risk	Internal Control
Lack of cooperation from the sector	Service providers will be appointed to facilitate development of qualifications
Lack of training provision that meet the industry requirements	Scarce skills list is produced and 80% of DG budget allocated to PIVOTAL skills. DG window will be aligned to industry training cycle.
Inadequate skills and capacity	Capacity building and on-going training to be implemented

The number of programmes were reduced from 17 to four in 2015/16, and therefore trends will be established in the next financial years.

PART C: LINKS TO OTHER PLANS

10. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

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

11. CONDITIONAL GRANTS

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

12. PUBLIC ENTITIES

The CATHSSETA has no Public Entities.

13. PUBLIC-PRIVATE PARTNERSHIPS

CATHSSETA does not have Public-Private Partnerships as defined in the Act.

Annexure A: Service Level Agreement



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



ANNEXURE A: SERVICE LEVEL AGREEMENT



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT
entered into by and between

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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

and

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

(hereinafter referred to as “SETA” represented by Mr. Pumzile Emeride Kedama duly authorised thereto in his capacity as Administrator)

A handwritten signature in black ink, appearing to be 'EP'.

1. PURPOSE OF THE SERVICE LEVEL AGREEMENT

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

2. DURATION OF THE SERVICE LEVEL AGREEMENT

The service level agreement is entered into for the period of 1 April 2017 to 31 March 2018.

3. OBLIGATIONS OF THE SETA

3.1 The SETA undertakes to:

3.1.1 perform its functions as required by the Skills Development Act;

3.1.2 meet the targets in the National Skills Development Strategy;

3.1.3 implement the approved Strategic Plan and Annual Performance Plan;

3.1.4 submit all documentation and reports as may be required by the

Department on the times specified; and

3.1.5 adhere to the requirements of the Public Finance Management Act and Treasury Regulations.

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

3.2.1 assessment of the skills required for each sector and to identify scarce skills;

3.2.2 how the levels of education will be improved in the sector;

3.2.3 partnerships between SETAs and public Technical and Vocational Education and Training (TVET) colleges, universities, training providers and industry;

3.2.4 the number of bursaries awarded/to be awarded to deserving South African citizens in critical skills at 25 universities and 50 TVET colleges;

3.2.5 scarce and critical skills needs in the sector, how it will be addressed and reflected in the number of learners that will be trained and placed, as well as the companies involved;

3.2.6 number of agreements signed with public TVET colleges, universities and other training providers as well as the amount approved per agreement which should also reflect the number of learners that will be trained, types of training programmes and programmes that are in place;

3.2.7 targets as reflected in the Strategic Plans and Annual Performance Plans must be credible and linked to a "Baseline";

3.2.8 placement of lecturers in industry as part of the Service Level Agreement;



- 3.2.9 a comprehensive plan on making the public service as a training space should be developed with targets per annum;
- 3.2.10 rural development programmes and how it will be implemented;
- 3.2.11 progress in the implementation of Recognition of Prior Learning;
- 3.2.12 presence of SETAs in rural areas and townships and how and by when will it be implemented;
- 3.2.13 establish working relationships with TVET colleges, universities and industry for the purpose of placement of students and graduates;
- 3.2.14 ensure the placement of N3, N6 and NC(V) level 4 TVET students, university of Technology students and University graduates requiring Work Integrated Learning (WIL) in the relevant sector;
- 3.2.15 quarterly reporting on the placement of N3, N6 and NC(V) level 4 TVET students ,university of Technology students and university graduates requiring Work Integrated Learning (WIL) in the relevant sector;
- 3.2.16 annual targets for registered and completed artisan learners by listed trade as agreed with the Chief Directorate: INDLELA to address HRDC ATD-TTT Bottleneck 1;
- 3.2.17 monthly reports in a format determined by the Chief Directorate: INDLELA of the actual number of registered and completed artisan learners to address HRDC ATD-TTT Bottleneck 1;
- 3.2.18 implementation of the Policy on Generic National Artisan Learner Grant Funding and Administration System to address HRDC ATD-TTT Bottleneck 2;
- 3.2.19 the number of persons supported to become qualified artisans within the national artisan learner Recognition of Prior Learning system determined by the Chief Directorate: INDLELA to address HRDC ATD-TTT Bottleneck 3;
- 3.2.20 provide financial support to world skills South Africa through the DHET approved structure
- 3.2.21 meet minimum targets as reflected in the table below:



NSDS III GOAL	PERFORMANCE INDICATORS	SETA FUNDED TARGETS	SECTOR FUNDED TARGETS
Establishing a credible institutional mechanism for skills planning	Large Firms	205	-
	Medium Firms	300	-
	Small Levy Paying Firms	460	-
Increase access to occupationally directed programmes	Unemployed Entered Learnerships	200	1500
	Unemployed Entered Bursaries	450	-
	Unemployed Entered Internships	300	-
	Unemployed Entered Skills Programmes	1100	-
	Unemployed Completed Learnerships	250	-
	Unemployed Completed Bursaries	205	-
	Unemployed Completed Internships	300	-
	Unemployed Completed Skills Programmes	500	-
	Artisans Entered	358	-
	Artisans Completed	173	-

NSDS III GOAL	PERFORMANCE INDICATORS	SETA FUNDED TARGETS	SECTOR FUNDED TARGETS
Encouraging better use of workplace based skills programmes	Workers Entered Learnerships	250	1500
	Workers Entered Bursaries	550	-
	Workers Entered Skills Programmes	1500	
	Workers Completed Learnerships	200	
	Workers Completed Bursaries	100	
	Workers Completed Skills Programmes	200	
	Candidacy Programme Entered	-	-
	Candidacy Programme Completed	-	-
	Recognition of Prior Learning (RPL)	-	-
Promoting the growth of a public TVET college system that is responsive to sector, local, regional and national skills needs and priorities	TVET Student Placement Entered	1500	-
	TVET Student Placement Completed	750	-
	Universities Student Placement Entered	600	-
	Universities Student Placement Completed	300	-
	SETA/TVET College Partnerships	5	-
	SETA/Universities Partnerships	6	-
	SETA/Employer Partnerships	12	-
	Lecturer Development Programmes Entered	80	-
	Lecturer Development Programmes Completed	40	-

NSDS III GOAL	PERFORMANCE INDICATORS	SETA FUNDED TARGETS	SECTOR FUNDED TARGETS
Addressing the low level of youth and adult language and numeracy skills to enable additional training	AET Programmes Entered	-	-
	AET Programmes Completed	-	-
Encouraging and supporting the co-operatives, small enterprises, worker initiatives, NGO and community training Initiatives	Cooperatives Supported	3	-
	Small Business Supported	100	-
	NGOs/NPOs	6	-
	NLPE	-	-
	CBOs	-	-
	Trade Unions	3	-
Building Career Guidance and Vocational Guidance	Career Guidance Events	15	-
NSDS III Projects	Number of Rural Development Projects Planned	7	-

4. OBLIGATIONS OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

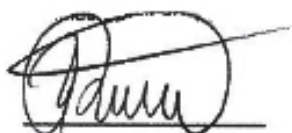
4.1 The Department undertakes to:

- 4.1.1 consult the SETA on policy and strategic matters that may affect the functioning of the SETA;
- 4.1.2 provide the SETA with guidance on Sector Skills Plans, Strategic Plans and any matter that may be requested by the SETA in relation to its functions; and
- 4.1.3 assist the SETA where applicable in performing its functions and responsibilities.

GENERAL

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

SIGNED AT Killarney ON THIS 30th Day of January 2017



ACCOUNTING AUTHORITY

(Represented by Mr. Pumzile Emeride Kedama who warrants that he is duly authorised to sign this agreement)

SIGNED AT _____ ON THIS _____ DAY OF 2016 _____

DIRECTOR-GENERAL

(Represented by GF Qonde, duly authorised thereto)



The SETA proposes the above targets for the 2017/18 financial year. These targets have been concluded taking into consideration the following:

- Targets received from DHET
- CATHSSETA's 2017/18 projected income and expenses
- Sector training
- National Treasury Regulations

The CATHSSETA projected income for 2017/18 is R 319 908 000 with the total expenditure limit capped at R 319 908 000. A total of R 197 943 000 is budgeted for Discretionary Grants. The PIVOTAL budget based on the proposed targets for the 2017/18 financial year is R191 100 000. This is indicated in the table below.



Learning programme	Ministerial Targets 2017/18	DHET Target Costs	CATHSSETA APP Targets to Budget 2017/18	Sector Targets	CATHS+ SECTOR Final SLA Targets	Total Budget 17/18
Employed Learners entering LEARNERSHIP programmes	1750	R35 000 000	250	1500	1750	R5 000 000
Employed Learners entering BURSARY programmes	550	R19 250 000	550	0	550	R19 250 000
Employed Learners entering EMPLOYED SKILLS programmes	1500	R15 000 000	1500	0	1500	R15 000 000
Unemployed Learners entering LEARNERSHIP programmes	1700	R85 000 000	200	1500	1700	R10 000 000
Unemployed Learners entering BURSARY programmes	450	R30 150 000	450	0	450	R30 150 000
Unemployed Learners entering SKILLS programmes	1100	R11 000 000	1100	0	1100	R11 000 000
Artisans Entered	358	R17 900 000	358	0	358	R17 900 000
TVET Graduate Placement NCV Learners	1200	R21 600 000	500	700	1200	R9 000 000
TVET Graduate Placement N6 Learners	300	R10 800 000	1000	700	300	R36 000 000
Unemployed Entering Internships	600	R25 200 000	300	300	600	R12 600 000
University student placement	0	R 0	600	0	600	R25 200 000
TOTAL	9 508	R270 900 000	7 108	3 300	10 408	R191 100 000

The above targets and projected costs indicate that CATHSSETA would require an additional R79 800 000 to address the PIVOTAL programmes (i.e. excl. non-PIVOTAL programmes). In light of this, the SETA requests that DHET considers and accepts the proposed targets.



Acronyms and Abbreviations

APP	Annual Performance Plans
DG	Director General of Higher Education and Training
DHET	Department of Higher Education and Training
HRDC ATDTT	Human Resource Development Council- Artisan Development Technical Task Team
Minister	Minister of the Department of Higher Education and Training
M & R	Sub-directorate: Monitoring and Reporting of the SPM
NC (V)	National Certificate (Vocational)
NSDS	National Skills Development Strategy
RPL	Recognition of Prior Learning
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SPM	SETA Performance Management of the DHET
SP	Strategic Plans
SSP	Sector Skills Plans
TVET	Technical and Vocational Education and Training (formerly FET)
WIL	Work Integrated Learning



Annexure B: Sector Skills Plan



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



FOREWORD

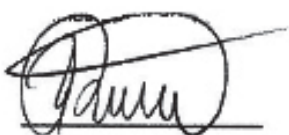
I have the pleasure of presenting the Sector Skills Plan (SSP) for the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) for the 2017/2018 financial year. In October 2015, the Department of Higher Education and Training (DHET) extended the organisation's administration period for a further one year, allowing the organisation to continue stabilising operations, whilst pursuing improved stakeholder relations and enhancing service accessibility by extending our physical footprint to six provinces. Integral to the update of this SSP has been the contribution from the Joint Working Committee (JWC), who have provided support to me as the Administrator, and serve as industry experts that fulfil an advisory role on sector specific issues and interests.

In order to ensure collection of credible and reliable labour market information for skills needs analysis and planning, CATHSSETA has commissioned different research projects, the outputs of which inform this SSP update. One of these research projects, undertaken in partnership with the National Department of Tourism (NDT) attests to our commitment to prioritise working together with relevant partners in addressing the skills needs of the sector. In addition, an impact assessment study is currently underway, into the CATHSSETA learning programmes implemented during the National Skills Development Strategy (NSDS) III period which will provide us with valuable insight on the impact of training on beneficiaries and employers.

As we continue pursuing the goals of the NSDS III which has been extended to end in March 2018, this SSP 2017/2018 builds on the foundation laid from the last period's SSP. This SSP has been prepared by our Research Unit in consultation with the regions and the JWC members. Industry consultation sessions, as part of our research projects, have been held in Gauteng, the Western Cape and KwaZulu-Natal, covering all six sub-sectors falling within the CATHSSETA scope. The outcomes of such consultations have been incorporated into this SSP. Further key informant interviews and focus group sessions have been planned and these outcomes will be incorporated in the next update of the SSP.

Skills planning seeks to identify opportunities and platforms in the sector within which meaningful training can take place. This SSP will form the basis for all SETA plans, including the Strategic Plan (SP), Annual Performance Plan (APP) and funding framework that will guide the use of skills development grants.

In conclusion, I would like to thank both the JWC members and our stakeholders for their valuable participation and contribution to this SSP update process. CATHSSETA will seek to leverage these engagements to further our positive contribution to society in the future.



Pumzile E Kedama (Mr.)

The Administrator: Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority

AUTHORISATION OF THE SECTOR SKILLS PLAN

I, the undersigned, hereby approve, on behalf of the CULTURE, ARTS, TOURISM, HOSPITALITY AND SPORT SECTOR EDUCATION AND TRAINING AUTHORITY (CATHSSETA), the contents of the Sector Skills Plan for the period 2017/2018.

Approved By:

Signature:

A handwritten signature in black ink, appearing to read 'Pumzile', written over a horizontal line.

**Pumzile E Kedama (Mr.)
The Administrator**

Date: 30 January 2017

ACRONYMS & ABBREVIATIONS

ABET	Adult Basic Education and Training
ACH	Arts, Culture and Heritage
AET	Adult Education and Training
APP	Annual Performance Plan
ATR	Annual Training Report
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CJI	Career Junction Index
CONS	Conservation
DAC	Department of Arts and Culture
DEA	Department of Environmental Affairs
DG	Discretionary Grant
DHET	Department of Higher Education and Training
ETDP SETA	Education, Training And Development Practices Sector Education and Training Authority
FET	Further Education and Training
FETC	Further Education and Training Certificate
GDP	Gross Domestic Product
G&L	Gaming and Lotteries
HEI	Higher Education Institution
HEMIS	Higher Education Management Information System
HOSP	Hospitality
ICT	Information Communication and Technology
IPAP	Industrial Policy Action Plan
JWC	Joint Working Committee
LGSETA	Local Government Sector Education and Training Authority

MG	Mandatory Grant
MOU	Memorandum of Understanding
NCV	National Certificate Vocational
NDP	National Development Plan
NDT	National Department of Tourism
NEDLAC	National Economic Development and Labour Council
NGB	National Gambling Board
NQF	National Qualifications Framework
NTCE	National Tourism Careers Expo
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSRP	National Sport and Recreation Plan
NTSS	National Tourism Sector Strategy
OD-ETDP	Occupational Directed-Education Training and Development Practice
OFO	Organising Framework for Occupations
PIVOTAL	Professional, Vocational, Occupational, Technical & Academic Learning
PSETA	Public Sector Education and Training Authority
QCTO	Quality Council for Trades and Occupations
QMR	Quarterly Monitoring Report
ROI	Return On Investment
RPL	Recognition of Prior Learning
SANBI	South African National Biodiversity Institute
SANParks	South African National Parks
SAQA	South African Qualifications Authority

SASCOC	South African Sports Confederation and Olympic Committee
SAT	South African Tourism
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SIPs	Strategic Integrated Projects
SMME	Small Medium Micro Enterprises
SMS	SETA Management System
SRF	Sport, Recreation and Fitness
SRSA	Sports and Recreation South Africa
SP	Strategic Plan
SSP	Sector Skills Plan
T&T	Travel and Tourism
TSA	Tourism Satellite Account
TVET	Technical and Vocational Education and Training
UoT	University of Technology
WSP	Workplace Skills Plan
WTTC	World Travel and Tourism Council

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EXECUTIVE SUMMARY

The Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) has compiled this annual update of the Sector Skills Plan (SSP) for the period 2017/2018. This SSP has been prepared in accordance with the guidelines included in the National Skills Development Strategy (NSDS) III, as well as the requirements set out by the Department of Higher Education and Training (DHET) SSP Framework and Requirements. The key policy drivers that have been identified and considered in this SSP are the National Development Plan (NDP), the White Paper for Post School Education and Training, the Sector Education and Training (SETA) Grant Regulations and NSDS III. Further sub-sectoral specific plans considered include the Department of Arts and Culture (DAC) Strategy, the National Sport and Recreation Plan (NSRP), the National Tourism Sector Strategy (NTSS), the Tourism Act of 2014 and the Department of Environmental Affairs (DEA) Strategy.

The overall sector which includes the Arts, Culture and Heritage; Conservation; Gaming and Lotteries; Hospitality; Sport, Recreation and Fitness; and Travel and Tourism sub-sectors represents an extremely vast and varied sector in terms of nature, scope and size. The geographical profile of the sector indicating a greater concentration of employers and employees in the Gauteng, Western Cape and KwaZulu-Natal provinces remains the status quo. This, along with the race and gender breakdown of employees in the sector which indicates that Black Africans and females are still absent from higher level occupations, particularly at the professional and management levels, suggests that the overall working population profile of the sector remains unchanged.

A range of data and information sources have been used for the analysis conducted and the results presented in this SSP. These sources include the CATHSSETA Mandatory Grant data (which was previously the Workplace Skills Plan and Annual Training Report); data and publications from Statistics South Africa, the Higher Education Management Information System (HEMIS) and industry regulators and entities such as the National Gambling Board (NGB) and South African Tourism (SAT). Additional information from industry publications and online job portals were reviewed. Focus group sessions as part of our research projects were held with key stakeholders to elicit further input into the SSP. During the development of this SSP, joint working committee members from each of the CATHSSETA sub-sectors were consulted for input.

The CATHSSETA list of scarce skills consists of 32 occupations. The analysis of the demand and supply of skills within the sector has been assessed utilising the Mandatory Grant application data and inputs from focus group discussions with stakeholders engaged in the sector. The analysis and interpretation of these consolidated inputs are further enhanced with the research conducted by CATHSSETA and its partners. The data analysis was conducted in the following manner: (a) data was checked and validated and missing values were identified and addressed; (b) validated data was organised for exploratory analysis; (c) descriptive statistics were produced including mean, standard deviation and minimum and maximum values for identified variables; (d) categorical data was used to conduct qualitative analysis; (e) use of historical data derived from analysis of the previous period's Reported and Planned Training Interventions data; (f) analysed data has been presented as tables, graphs and summary statistics and (g) trend analysis based on historical data combined with chamber and consultation inputs for comparison across different categories and over various time periods.

Recognition of priority skills are founded on the occupations identified as scarce skills. The identified scarce skills are a function of two determinants; the number of vacancies in the sector and the degree of scarcity of the identified vacancies. This function was developed on the basis of the behavioural relationship between vacancies and scarcity, to scarce skills. Demand estimates were calculated through time-series forecasts that use the time-ordered sequence of historical observations on a variable to develop a model for predicting future values of that variable.

The simplest time-series forecast was a linear trend forecast where the generating process was assumed to be the linear model:

$$t_i = t_0 + a\% \times i,$$

whereby t_i = future value of skills demand; t_0 = skills demand at time 0; $i = [1,2]$ and a = average percentage increase (best fit).

Utilising the triangulation methodology for corroborating findings and as a test for validity, the occupations identified as scarce skills are further subject to consultation with sector stakeholders. Occupations identified as scarce in the previous five years are also considered prior to the final list of scarce skills being generated.

The sub-sectors within CATHSSETA are forecasted to experience continued strong growth in the years to come. To support the industry's success, and facilitate this projected growth, the industry must work together to ensure we have access to suitable skilled labour. Appropriately skilled, quality employees are integral to the continued growth of the CATHSSETA sector. This, combined with the current analysis contained in this SSP, contribute to the following most critical skills development priorities in the sector:

- Qualification review
- Training provision
- Analysis of skills needs
- Work experience and experiential learning
- TVET capacity building
- Increased partnerships
- Transformation in the sector

In order to address the above seven skills priorities, CATHSSETA has formed strategic partnerships with Higher Education Institutions (HEIs), Technical and Vocational Education and Training (TVET) Colleges, employers, research partners and other public entities, details of which have been outlined in chapter four.

CATHSSETA, through the implementation of the seven Key Developmental and Transformational Imperatives in its interventions are encouraging and driving transformation in the sector. In an effort to focus on efficient and effective service delivery of the SETA throughout the country and addressing the skills needs and the skills development priorities of the sector, CATHSSETA in the 2016/2017 financial year has expanded its operational presence to six different regions across the country, thus ensuring accessibility to all stakeholders.

STRUCTURE OF THE SSP

The SSP contains five chapters. Chapter 1 presents the profile of the sector and examines the six sub-sectors in terms of scope, economic performance, employee profile and labour market profile. Chapter 2 is concerned with identifying factors that are driving change in the sector and their implications for skills. Chapter 3 considers the demand and supply of skills and concludes with the identification of the top 10 PIVOTAL list, scarce and critical skills in the sector. Chapter 4 provides an outline of the partnerships that CATHSSETA currently has in place and the new partnerships being explored for the sector. The final section of this SSP, chapter 5, summarizes the key findings from the previous chapters and identifies and discusses the skills priorities for sector.

RESEARCH PROCESS AND METHODS

This section details the research process and methods CATHSSETA has utilised, the findings of which inform the Sector Skills Plan. The process entails conducting primary research and consulting secondary sources for relevant data. The SETA is currently conducting three primary research studies, namely, a Labour Market analysis, an Impact Assessment study, and a Skills Audit. In addition, the SETA will conduct interviews with key informants within the sub-sectors. The details of each study are provided in the table below.

Table 1: Research process and methods

Type of study	Topic	Nature (Design) of the study	Objectives of study	Data collection tool	Sample size and scope of the study	List of data sources and data sets	Time frame of the study
Impact assessment	Impact Assessment of CATHSETA learning programmes	Qualitative and quantitative methods	To develop an appropriate impact assessment tool and evaluate the impact of Learnership and Internship programmes	Quantitative: Survey questionnaire; method - survey Qualitative: Interview guide and focus group guide; method - in-depth interviews and focus group discussions	Sample size: 300 surveys, 180 interviews and focus groups Scope: Learnership and Internship graduates from 2011 to Q3 2015	Quarterly Monitoring Report (QMR) for the 2011 to 2015 (in quarter 3)	February to June 2016
Labour market analysis	Labour market analysis of the Gaming & Lotteries, Arts, Culture & Heritage, and Sport, Recreation & Fitness sub-sectors	Qualitative and quantitative methods	To identify current vacancies, difficult to fill in the sub-sectors, and understand factors driving the demand for skills e.g. migration	Quantitative: Survey questionnaire; method - survey Qualitative: Interview guide and workshop guide; method - in depth interviews and workshops	Convenience sample drawn from CATHSETA's databases (QMR and WSP/ATR data)	Various including QMR data, WSP/ATR data, Quarterly Labour Force Studies, Publications, Economic reports and outlooks	March to June 2016
Skills Audit	Skills Audit of the Tourism, Arts, Culture and Heritage, Hospitality, and Conservation sub-sectors	Qualitative and quantitative methods	To identify skills gaps and key drivers of change for the Tourism sector, and define priorities	Quantitative: Online questionnaire; method - survey Qualitative: workshop guide and interview guide; method - in depth interviews and workshops	170 organisations within Travel and Tourism, Hospitality, Conservation, and Arts, Culture and Heritage	170 organisations within Travel and Tourism, Hospitality, Conservation, and Arts, Culture and Heritage	October 2015 to June 2016

Type of study	Topic	Nature (Design) of the study	Objectives of study	Data collection tool	Sample size and scope of the study	List of data sources and data sets	Time frame of the study
Vacancy analysis	Current and future vacancies, establish difficult to fill vacancies and occupations	Qualitative methods	To collect information from employers on current and future skills needs as well as skills development initiatives	Qualitative: Interview guide; method – key informant interviews	Convenience sample drawn for CATHSSETA's database of levy-payers	CATHSSETA stakeholder database	June to August 2016

There is currently no single database for the CATHSSETA sector which provides a complete profile of the sector as per the 62 Standard Industrial Classification (SIC) codes in CATHSSETA's scope. Thus, a range of data sources have been used in developing this SSP. The five sources are as follows:

1. The SETA Management System (SMS) is an electronic data management tool used for capturing applications (e.g. Mandatory Grants), certification and registration of qualifications, learners and Skills Development Facilitators. It also serves as a data storage and reporting facility.
2. Mandatory Grant applications provide data on sector employment, demographic and occupational profiles of employees per sub-sector. The total Mandatory Grant applications submitted in the 2016 period amounted to 1 270. These 1 270 employers represent 20% of the levy paying entities in the sector. A recognised limitation of the sector is the lack of data on employers and employees and efforts to address this limitation are currently underway by conducting surveys to collect further data. Data for the Mandatory Grant was collected based on the Organising Framework for Occupations (OFO) version 2015.
3. National data sources include the Tourism Satellite Account (TSA) published by Statistics South Africa, the Higher Education Management Information System (HEMIS) maintained by the DHET, publications and reports by the DHET, World Travel and Tourism Council, National Gambling Board, South African Tourism, the Career Junction Index and research conducted by other government departments, national research institutions and industry publications.
4. CATHSSETA through partnerships with relevant government departments in the sector, and through the appointment of service providers planned and implemented various research projects to ensure that there is sufficient data on the sector to conduct an accurate labour market and skills needs analysis. These projects include research grants to universities to conduct research into better understanding the size, employment and economic contributions of the six sub-sectors, research colloquiums per sub-sector aimed at providing a platform for interaction and review of sector specific research and an impact assessment study.
5. Industry participation and consultation was also undertaken in the form of joint working committees and focus group sessions conducted with key sector stakeholders as part of the research projects. Joint working committee members and regional managers provided input into this SSP, engaged with their stakeholders and provided access to sub-sector specific information.

1. CHAPTER 1: SECTOR PROFILE

1.1 Introduction

This chapter focuses on the composition of the sector with the aim of providing a profile in terms of size, coverage and economic performance. The chapter is organised into five main sections:

- Scope of coverage
- Key role-players
- Economic performance
- Employer profile
- Labour market profile

1.2 Scope of coverage

The scope of a SETA is based on the Standard Industrial Classification of all Economic Activities (SIC) codes. The SETA landscape for NSDS III is described in the Government Gazette of November 2010 and placed 62 SIC codes in CATHSSETA's scope. CATHSSETA has clustered the SIC codes in its scope into six logical areas. The sub-sectors are Arts, Culture and Heritage; Conservation; Gaming and Lotteries; Hospitality; Sport, Recreation and Fitness; and Tourism and Travel Services. All of these sectors fall within the broader services sector of the economy.

There is a heavy dependence on donor funding and volunteerism within some of the sub-sectors, with the exception of the Gaming & Lotteries and Hospitality sub-sectors. Seasonality and job instability combined with low-pay, long working hours and lack of clear career paths are some of the characteristics of the sector. In general, the majority of employees within the sector are youth and jobs in the sector are often seen as transition jobs.

The **Arts, Culture and Heritage (ACH)** sub-sector consists of production of arts, crafts designer goods and souvenirs, casting for film, television and theatre, dramatic arts, entertainment, museums activities, monuments and the preservation of historical sites and buildings, management and operation of museums, cultural and heritage activities, music and theatre, as well as arts councils and their activities.

The **Conservation (CONS)** sub-sector includes hunting and trapping, activities of conservation bodies, game parks, reserves, wild life parks, zoological establishments and botanical gardens as well as wildlife conservation.

The **Gaming and Lotteries (G&L)** sub-sector consists of gambling, licensed casinos, the National Lottery, operation and management of horse racing events, clubs and academies, totalisators, bookmakers, limited payout machines (LPMs) and bingo operators.

The **Hospitality (HOSP)** sub-sector comprises hotels, motels, boatels and inns, guest houses and guest farms, bed and breakfasts, management and operation of game lodges, caravan parks and camping sites, restaurants and tearooms with or without liquor licenses, fast food establishments, take away restaurants, caterers and catering services, timesharing and bioscope cafes.

The **Sport, Recreation and Fitness (SRF)** sub-sector includes sporting activities, sport federations, the operation and management of sporting facilities, clubs and sports academies, the promotion and management of sporting events and activities both motorised and non-motorised, amusement parks, recreational and cultural activities, operation and management of recreation parks, beaches, fairs, shows and facilities, and the operation and management of health and wellbeing centres including hydros, spas and fitness centres.

The Travel and Tourism (T&T) sub-sector consists of inbound and outbound tour operators, safaris and sightseeing bus tours and trip operators, inbound international flights, travel agencies, renting of land transport equipment, event and conference management, the operation and management of convention centres, tourist information centres, car hire and tourism authorities as well as guides including adventure, mountain, river, etcetera.

1.3 Key Role-Players

The sub-sectors within CATHSSETA's scope are represented by diverse organisations and workforce. The key role-players within the sectors are indicated below in Figure 1.

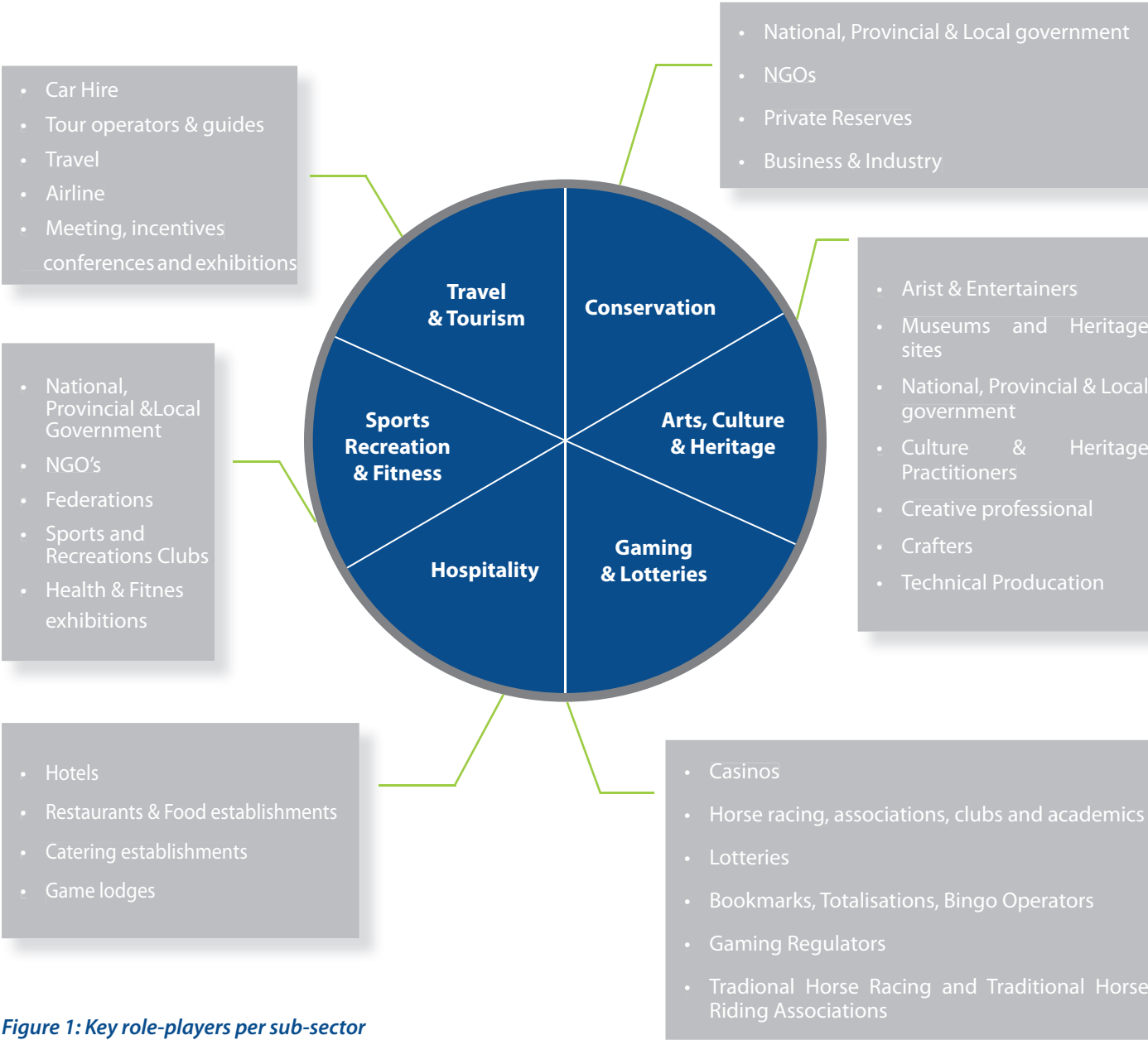


Figure 1: Key role-players per sub-sector

As indicated in Figure 1, the key role-players in the Arts, Culture and Heritage, Conservation and Sport, Recreation and Fitness sub-sectors include bodies at National, Provincial and Local levels of government. The remaining sub-sectors comprise of a variety of establishments, industry associations and industry bodies.

1.4 Economic Performance

The economic performance of the sector as a whole is difficult to assess due to the lack of a single database encompassing the six CATHSSETA sub-sectors. Based on the latest statistics from the National Department of Tourism (NDT), the sub-sectors contributed a total of R357 billion to South Africa's Gross Domestic Product (GDP) in 2014, supporting 9% of total employment (NDT, 2015). This is across the value chain i.e. including the contribution largely from the Hospitality, Tourism and Travel, and Conservation sub-sectors and to a smaller extent the Arts, Culture and Heritage, Gaming and Lotteries as well as Sport, Recreation and Fitness sub-sectors. According to the NDT (2015), South Africa's tourism and hospitality sectors will be boosted significantly by about 200 international events confirmed to take place in the country over the next five years, which include meetings and conferences that are expected to attract about 300 000 delegates. The potential economic impact of these meetings and conferences is expected to be R1.6 billion. As the growth of the sector is largely reliant on events, this outlook is positive.

The Tourism and Travel sub-sector is one of the key contributors to the economy of the country, with the sector's total contribution to the GDP amounting to R375.5 billion in 2015. The sub-sector's direct contribution to GDP in 2015 was R118.6 billion, an increase from R113.4 billion in 2014 (World Travel and Tourism Council, 2016). The number of jobs the sector directly supported also increased to 703 000, indicating a 3.4% increase (World Travel and Tourism Council, 2016). The contribution from the Gaming and Lotteries and Hospitality sub-sectors also increased in the past year. The gross gambling revenue from casinos, bingo, limited pay-out machines and betting increased to R23.9 billion in 2015 with casinos accounting for the highest revenue at 72.1% (National Gambling Board, 2015). The Hospitality sub-sector also indicates growth, with the total room revenue increasing by 9.9% from R17.2 billion to R18.8 billion in 2014 despite a slower growth in stay unit nights over the same period, attributed to the Visa Regulations (PricewaterhouseCoopers, 2015). However, the occupancy rate increased to 54.4%, reaching its highest level over the past seven years.

According to the 2014/2015 Annual Report of Department of Arts and Culture, the arts, culture and heritage industries contributed R90.5 billion to the GDP. The music and crafts industries contributed the most at R17 billion and R3.3 billion respectively. The rest of the industries i.e. the visual arts, performing arts and heritage contributed just over R1 billion to the GDP during the same period (South Africa Yearbook, 2014). The film and television industry contributed R26 billion to the GDP in 2015 and continues to grow while the music industry suffered a 3.3% decrease. Statistics published in 2015 indicate that the film and television industries experienced positive growth and are worth R2.9 billion and R32.4 billion respectively. In contrast, the growth of the music industry continues to decline, with the latest value estimated at R2.0 billion (a decrease from R2.1 billion in 2013). This is due to the strong competition from the internet through the availability of free music content and streaming capabilities (PricewaterhouseCoopers, 2015).

The cultural and creative industries created between 160 809 to 192 410 jobs and contribute 2.9% to the country's GDP. According to the Industrial Policy Action Plan (IPAP) 2012/13-2014/15 (2013), the South African craft sector provides income and employment to approximately 273 495 people through the economic activity of about 31 802 micro and small enterprises operating across the value chain. The recording industry in South Africa was worth R1.7 billion and ranked 17th in the world (Government Communication and Information System, 2014).

There is a lack of data on the economic performance of the Sport, Recreation and Fitness sub-sector from 2010 to date. However, the 2022 Commonwealth Games are expected to contribute R11 billion to the GDP and create about 10 000 jobs. This event will also see an estimated 200 000 tourists coming into the country. The sub-sector also contributes directly and indirectly to economic growth. Compared to other sectors, the SRF sub-sector is not a productive sector but acts as a catalyst for job creation in other sectors such as advertising, multimedia, equipment, clothing, footwear, facility construction and insurance services.

When assessing the Conservation sub-sector, it has emerged that there is a lack of recent official statistics and where these do exist, there is no differentiation between the environmental sector and its conservation component which makes it a challenge to make a clear determination. However, based on a 2006 report to National Economic Development and Labour Council (NEDLAC), the last available data, the environmental goods and services sector (more commonly referred to as “green industries” in government policy) was valued at between R14.5 billion and R23.2 billion in 2004, i.e. from 1.0-1.6% of GDP (Montmasson-Clair, 2012). This lack of accurate official statistics regarding the economic contribution of the environmental and conservation sectors, is exacerbated by the fact that from a green economy perspective, South Africa does not report green jobs individually in any of its official surveys or statistics.

Assessment of the economic performance of the sector shows that the tourism sector remains one of the key drivers of economic growth. This is despite the enforcement of the Visa regulations which saw a decrease by 6.8% of international tourist arrivals (National Department of Tourism). The Entertainment and Media revenue growth is expected to continue to exceed the nominal GDP growth from 2015 to 2019 (PricewaterhouseCoopers, 2015).

According to the 2013/2014 Annual Report of the National Department of Tourism, the sector injected R35.3 billion into the economy from January to June 2013, which is more than the R32.6 billion the gold exports contributed. The overall growth of the Entertainment and Media revenue, including the music, television and filmed entertainment, is estimated to outstrip both nominal GDP and real GDP growth over the forecast period i.e. 2018 (PricewaterhouseCoopers, 2014).

The available statistics and forecasts indicate that most of the sub-sectors will experience growth in the next three to five years. According to the Entertainment and Media outlook, digital growth will fuel an increase in the growth of the television and film industries of 4.5% and 6.1% respectively (PricewaterhouseCoopers, 2015). The Tourism and Travel sub-sector’s contribution to the GDP is estimated to increase by 3.9% in 2016 while employment is expected to rise by 3.8% for the same period (World Travel and Tourism Council, 2015). The Hospitality Outlook estimates an 8% compound annual increase, with the total room revenue increasing to R27.7 billion in 2019 (PricewaterhouseCoopers, 2015). Review of the Gaming and Lotteries sub-sector indicates that gambling turnover is expected to increase to R395.4 billion in 2019 – indicating slow growth due to the slow growing economy and growing competition from illegal gambling (PricewaterhouseCoopers, 2015). According to the National Gambling Board (2015), gambling participation in South Africa has been on the increase since 2012, rising to 15.3% in 2015.

The future outlook remains positive with most of the sectors expected to further contribute to growth in revenue. A review of the Gaming and Lotteries sub-sector indicates that the gross gambling revenue is expected to increase to R29.8 billion in 2017 while gambling turnover is expected to increase to R394 million in the same period (PricewaterhouseCoopers, 2013). Within the Hospitality sub-sector, slower growth is anticipated with total room revenue and occupancy rate projected to increase to R24.1 billion and 57% respectively in 2018 (PricewaterhouseCoopers, 2015).

1.5 Employer Profile

The number and size of entities registered with CATHSSETA have been sourced utilising the CATHSSETA SETA Management System (SMS) and the figures are presented below in the table.

Table 2: Number and Size of Entities Registered with CATHSSETA

Sub-sector	Size of Entity			Number of entities registered with CATHSSETA	% in the sector
	0-49	50-149	150+		
Arts, Culture & Heritage	1 966	46	23	2 035	7.34%
Conservation	1 483	30	19	1 532	5.52%
Gaming & Lotteries	254	35	47	336	1.21%
Hospitality	18 108	697	296	19 101	68.86%
Sport, Recreation & Fitness	2 040	75	30	2 145	7.73%
Travel & Tourism	2 467	77	46	2 590	9.34%
Total	26 318	960	461	27 739	100%

Source: CATHSSETA SMS 2016

The Hospitality sub-sector encompasses almost 70% of the sector, making it the largest in the sector. The Travel and Tourism and Sport, Recreation and Fitness sub-sectors follow with each representing approximately 9% and 7% respectively.

Small Medium and Micro Enterprises (SMMEs) make up a large proportion, at 95%, of the entities registered with CATHSSETA. These SMMEs are predominantly exempt from the payment of the Skills Development Levy (SDL). The large size of the sector, combined with the small levy base, makes the allocation of resources a challenging task.

In order to examine the levy income from organisations within the sector, we compare the total levies received from the 2014/2015 financial year to that of the 2015/2016 period. Figure 2 which follows, illustrates this comparison. The total levies received from employers have increased from the 2014/2015 period to 2015/2016 period. This increase amounts to approximately 10%.

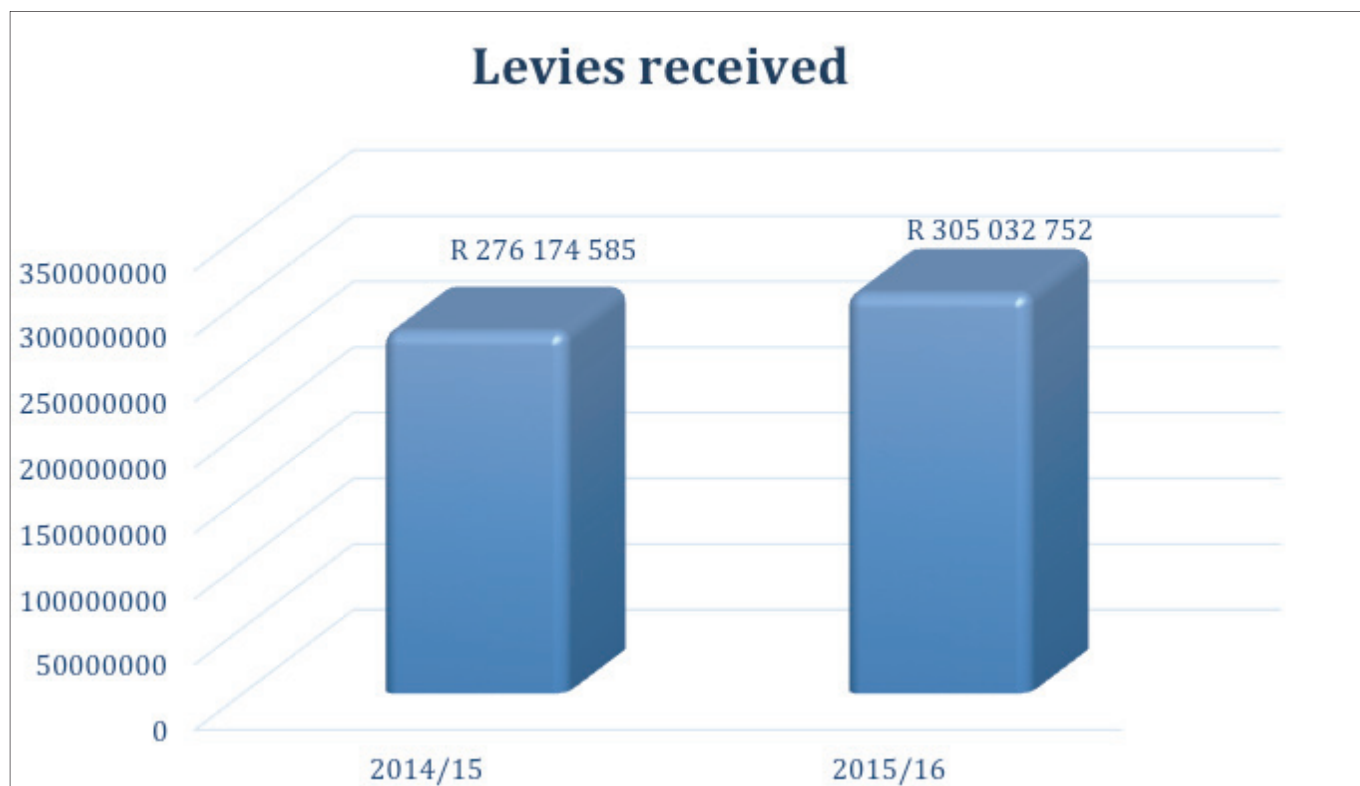


Figure 2: History of levies received during the 2014/15 and 2015/16 financial years

Source: CATHSSETA Annual Financial Statements

The number of levy payers have increased from 6 053 in 2014/2015 to 6 297 in 2015/2016. Whilst this increase is encouraging, this only equates to 23% of the total number of registered entities within the sector. The majority of the levy income received, as regulated, is directed to Professional, Vocational, Technical and Academic (PIVOTAL) training interventions in the sector. A total of approximately R160 million was allocated to the sector in the form of Discretionary Grants in the 2015/2016 financial year.

The analysis of the geographical spread of the sector is illustrated in Figure 3. The majority (46%) of the entities are located in the Gauteng province. The KwaZulu-Natal and Western Cape provinces account for the second and third largest in terms of the geographic spread of entities at 17% and 7% respectively.

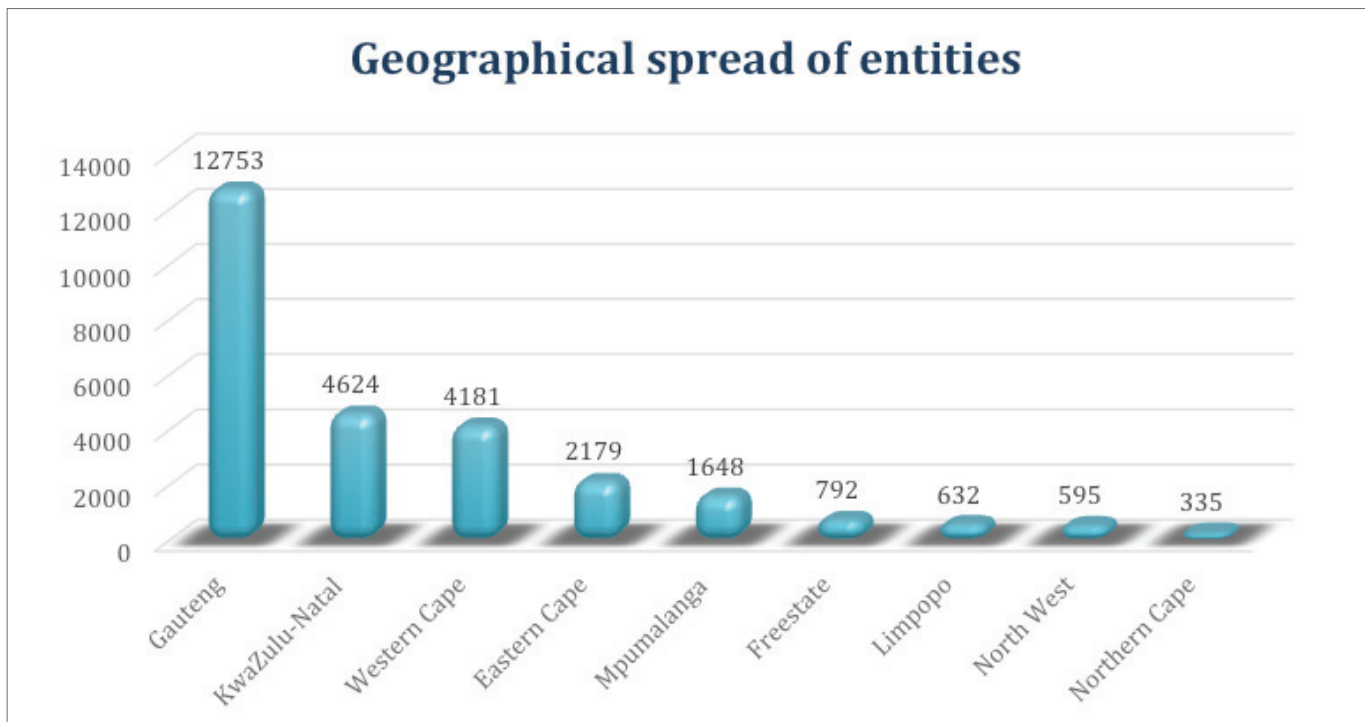


Figure 3: Geographical location of entities registered with CATHSSETA

Source: CATHSSETA SMS 2016

Analysis of the start-up and closures of businesses in the sector indicates that the hospitality industry is characterised by a high rate of such start-ups and closures, especially due to the prevalence of small and medium size organisations. A further contributing factor is the viability and liquidity positions of such businesses. Three key elements have been identified that contribute to the high rate of business start-ups in the hospitality industry, these are: minimal capital investment requirements; non necessity of specialist knowledge, and the low qualification barriers to entry as compared to other industries. External elements such as location, number of competitors and affiliation with a group affect the survival of hospitality organisations, leading to closures. Gaming and lotteries in South Africa has been heavily restricted, with South Africa's Gambling Act of 1965 officially banning all forms of gambling except betting on horse racing which existed as a sporting activity. The National Gambling Act permits 40 licensed casinos in South Africa. A total of 38 are currently licensed, of which 37 are in operation. The Tsogo Sun Group, Sun International and PeerMont Global Group are the leading casino companies in South Africa, together accounting for 35 of the 38 licensed casinos.

Data within the Sport, Recreation and Fitness sub-sector is currently not available as most organisations operating within this area are not formally registered. An example of this is the case of community based clubs which are not formally registered. The Conservation sub-sector is divided among the public sector, private sector, and Not for Profit sector and current information on the start-ups and closures is not available. IPAP 2 recognises the Cultural Industries as growing at a rate far higher than the well-established industries of service and manufacturing, with opportunities to small and medium sized enterprises with the potential for global competitiveness. Within the music industry operational costs are the greatest expense and the highest inhibitor to small businesses in the sector, which therefore leaves them struggling to sustain themselves. A general characteristic of the industry is the dependency on government grants which then leads to closure of a number of organisations due to the lack of self-sustainability. Overall, data on the sector is limited and tracking of the start-ups and closures of businesses within the sector is challenging due to the nature and scope of the six sub-sectors.

1.6 Labour Market Profile

Analysis of the labour market profile in terms of employees per sub-sector and geographical spread has been provided in Figures 4 and 5 as follows:



Figure 4: Employees per sub-sector

Source: CATHSSETA SMS 2016

Based on Figure 4 above, the following is evident per sub-sector:

Arts, Culture & Heritage: A total of 2 102 employees have been reported through the Mandatory Grant application process for 2016. This figure has decreased from the total of 2 292 reported in the previous year, indicating an 8% decrease. The sub-sector still represents only 1% of employees in the sector as in the past two years.

Conservation: In the past three years, the numbers of employees within this sub-sector has been steadily increasing with the 2014 to 2015 period recording the highest increase at 20%. However, the number of employees has decreased by 40%, from a total of 14 477 to 8 614 in 2016.

Gaming & Lotteries: This sub-sector has shown the second greatest increase in the number of employees, at a growth of 12%. The total number of employees increased from 24 788 to 27 879 and the sub-sector remains the second largest in terms of the number of employees it represents.

Hospitality: The Hospitality sub-sector remains the largest employer in the sector, with a total of 134 952 employees reported. The number of employees has decreased by 1% from the previous year, with the sub-sector still representing 65% of employees in the sector.

Sport, Recreation & Fitness: The sub-sector continues to increase from 13 337 in 2014, 14 189 in 2015, to 15 990 in the current year. This indicates a growth of 13%, the highest increase within the sector.

Travel & Tourism: The number of employees reported has decreased from 18 171 in 2015 to 17 696 in the current year. The sub-sector represents 8% of employees in the sector, and thus continues to be the third largest in that regard.

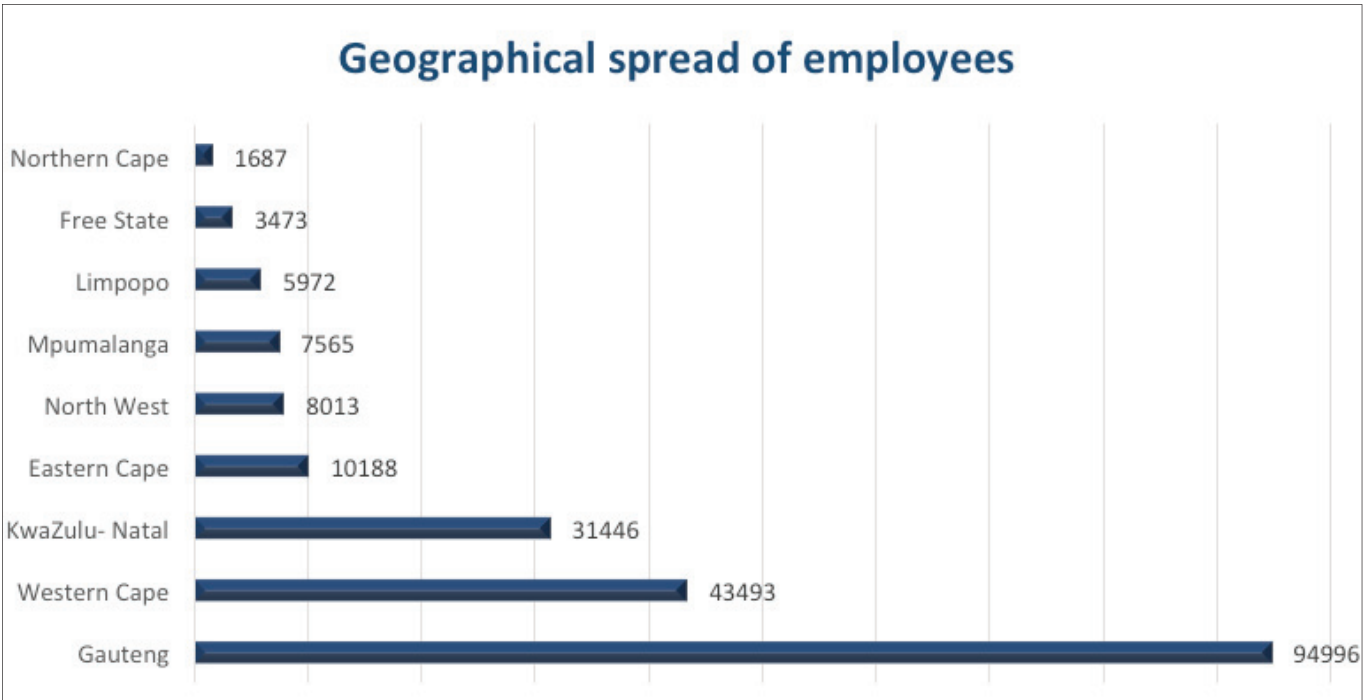


Figure 5: Employees in the sector per province

Source: CATHSSETA SMS 2016

Figure 5 provides the geographical breakdown of employees in the sector. The geographical spread of employees follows a similar trend as with the entities. The highest concentration of employees is found within the Gauteng, Western Cape and KwaZulu-Natal provinces. This is supported by the latest ranking of the Top 10 regions as provided by South African Tourism (2015). According to this, the Drakensberg, Battlefields and Elephant Coast in KwaZulu-Natal, Cape Winelands, Cape Peninsula, Garden Route and Klein Karoo in the Western Cape, and Soweto in Gauteng are the top 10 tourism regions in the country. This is indicative of the concentration of tourism within the country and thus may explain the dominance of these three provinces.

The gender and race demographics are provided in Figures 6 and 7 respectively. Analysis of employees, based on these demographics per sub-sector indicates that the Black African employees dominate in all sub-sectors. In terms of each sub-sector, the demographics are as follows:

Arts, Culture & Heritage: There are more male employees within this sub-sector, representing 59% of the employees. The White population group represents 35% of employees, not much higher from the 41% represented by Black African employees.

Conservation: The number of employees is skewed towards males who make up 61% of employees. This could possibly be a reflection of the nature of the jobs (hunting, trapping, park rangers, etc.). About 84% of the employees are Black African compared to 10%, 5% and 1% of the White, Coloured and Indian population groups respectively.

Gaming & Lotteries: This sub-sector is dominated by Black African employees (76%) and has more females (57%) than males.

Hospitality: In this sub-sector, female employees are in the majority with 61% representing the sub-sector. Similar to the Gaming and Lotteries sub-sector, the Black African employees represent a majority followed by the White population group.

Sports, Recreation & Fitness: The majority of employees are male with the Black African and White population groups taking the lead in terms of the racial profiling.

Travel & Tourism: Female employees make up a majority of this sub-sector at 58%.

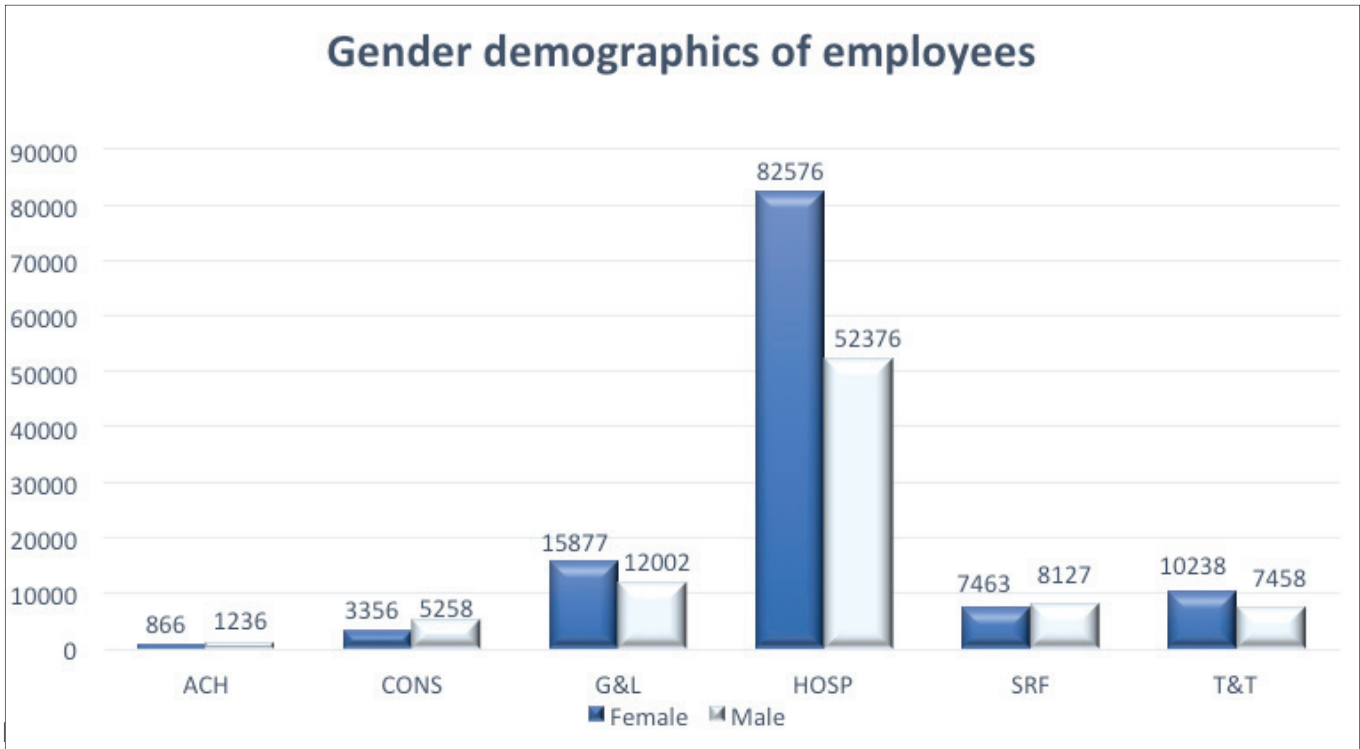


Figure 6: Gender demographics of employees per sub-sector

Source: CATHSSETA SMS 2016

The race demographics of the sector have been broken down per sub-sector and are presented in Figure 7. Of the 206 833 employees reported by employers submitting a Mandatory Grant Application, 73% of employees fall within the Black African race, followed by the White and Coloured at 12% each and finally the Indian population group at 3%.

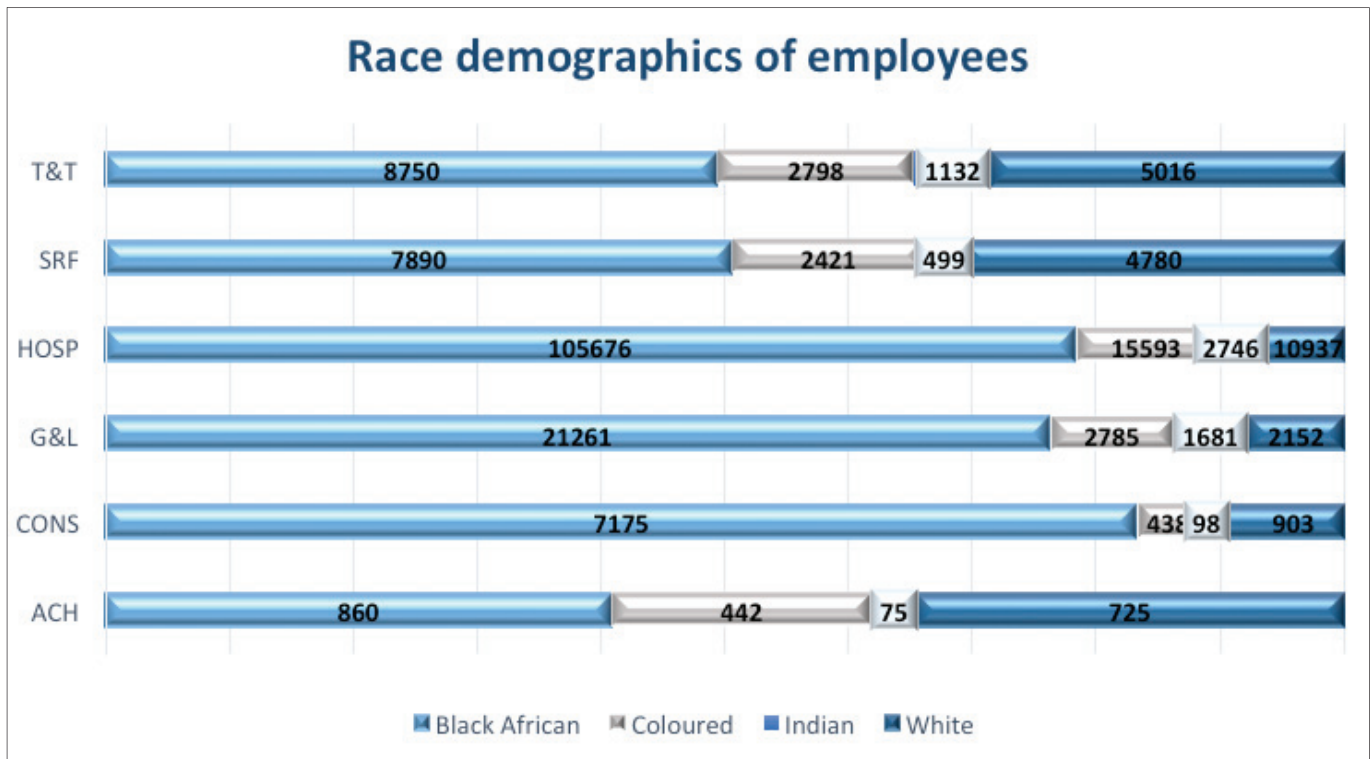


Figure 7: Race demographics of employees per sub-sector

Source: CATHSSETA SMS 2016

The number of employees in the sector with some form of disability increased from 797 in 2015 to 1 061 in 2016 as seen in Figure 8 below. This indicates a 33% increase, although the percentage of people with disabilities within the sector still remains low at 1%. A majority of these employees are within the Hospitality sub-sector which employs 58% of people with disabilities in the sector.

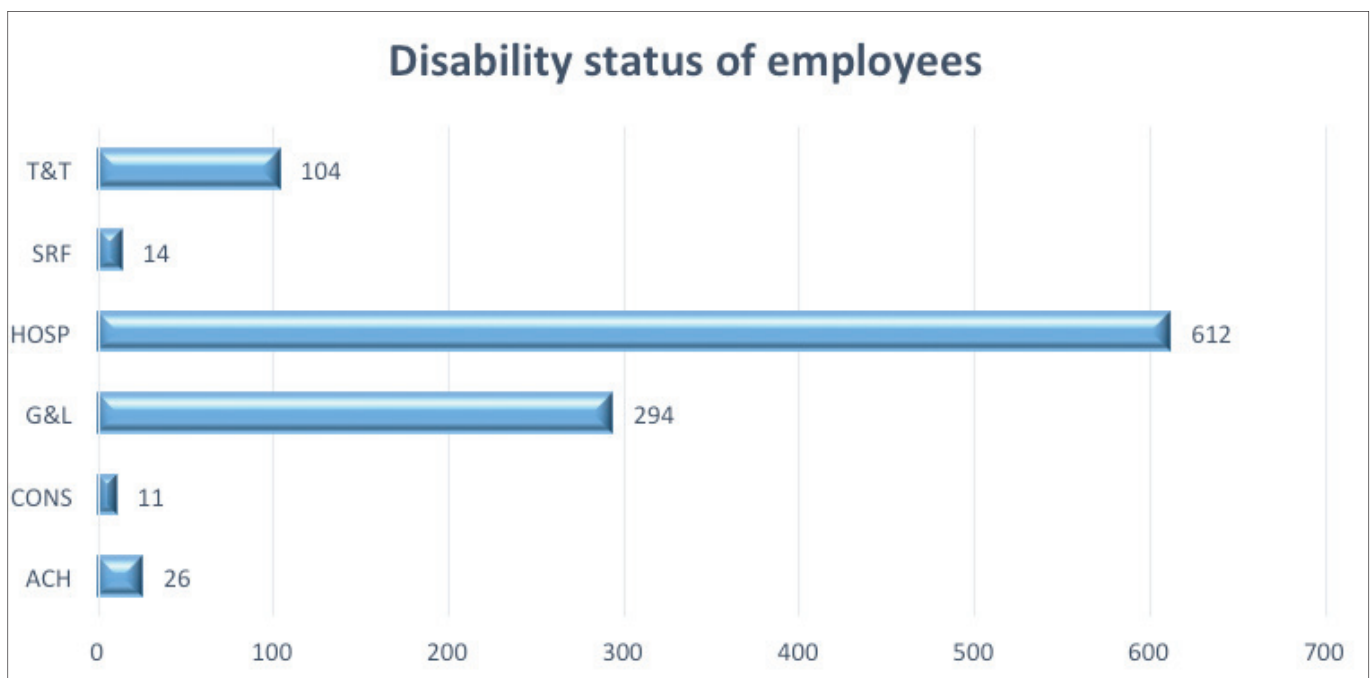


Figure 8: Disability status of employees within the sector

Source: CATHSSETA SMS 2016

The distribution of employees per OFO major group is presented in Figure 9 below. The OFO is a coded occupational classification system, which aims to capture all jobs in the form of occupations. The distribution indicates that the majority of Black African employees are within the Service and Sales Workers, Elementary Occupations and Clerical Support Workers major groups. Male employees dominate the Managers and Professionals major groups while a majority of females occupy the Services and Sales Workers, Clerical Support Workers and Elementary Occupations major groups.

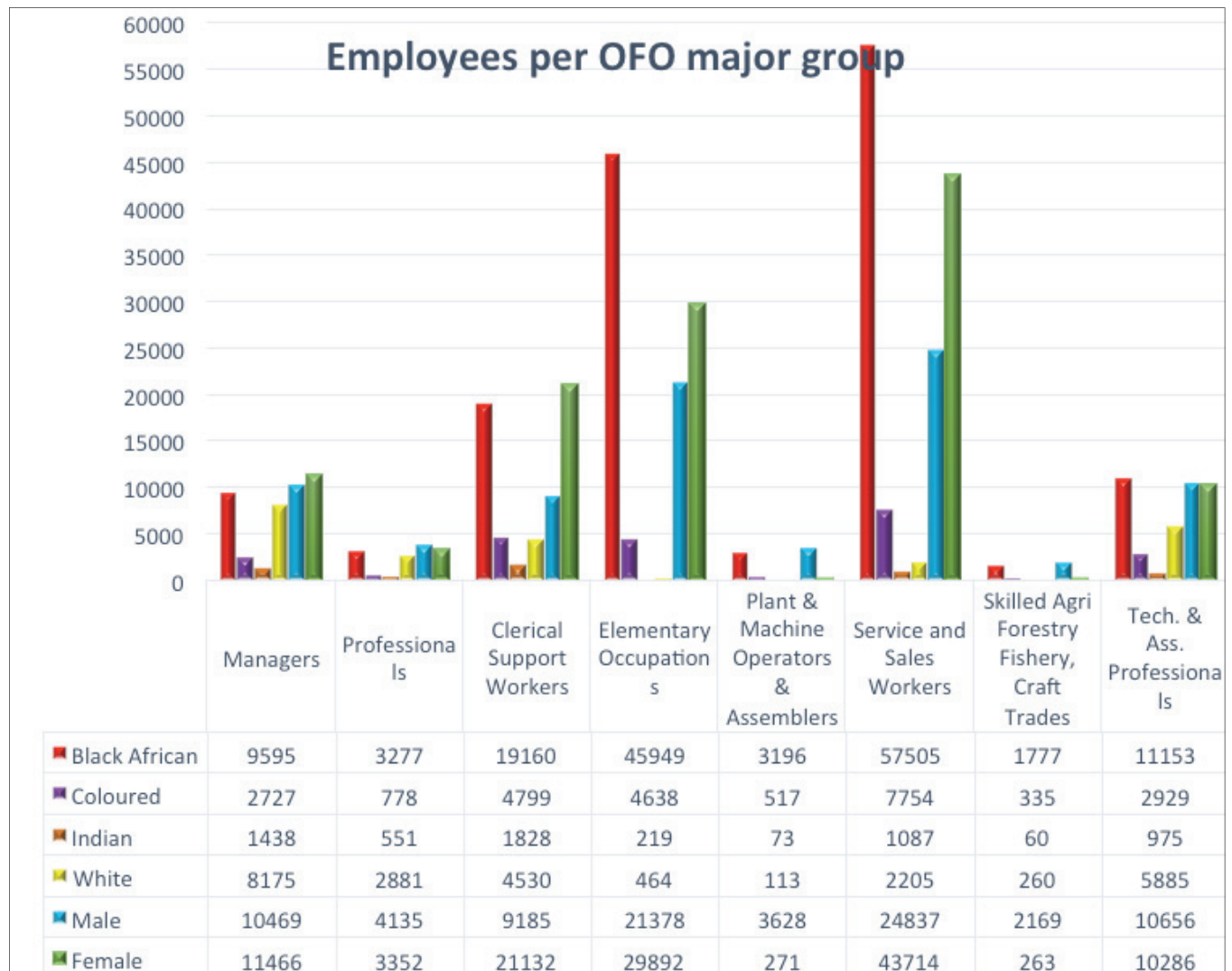


Figure 9: Employees per OFO major group

Source: CATHSSETA SMS 2016

1.7 Conclusion

This chapter has outlined the scope of coverage of the sector including an analysis of the key role-players, the economic performance of the sector and indicating the competitive position of the sector. Furthermore, it has analysed the employer and employee profiles reflecting trends and patterns of employment. Analysis of the sector has indicated that it has experienced growth in the 2016 year, with the approximate contribution of the sector to employment in the country exceeding 1 million jobs.

2. CHAPTER 2: KEY SKILLS ISSUES

2.1 Introduction

This chapter focuses on factors that drive change in the sector. Factors such as globalisation, technological change and trade liberalisation have the potential to impact the nature of work on a macro level and this translates into changes in terms of how work is carried out. Thus, the aim is to identify the major factors impacting skills demand and supply and the implications these have for skills planning in the sector.

The chapter also looks at the National Strategies and Plans to identify their relevance to the sector and the implications these have for skills planning. The change drivers and National Strategies and Plans were identified using desktop research and through consultations with the SETA's Joint Working Committees and stakeholders. An analysis of these is conducted and the implications in terms of skills planning are extrapolated and related to interventions offered by the SETA.

The chapter is divided into the following two sections:

- Change drivers
- Alignment with National Strategies and Plans (including sub-sector specific strategies and plans)

2.2 Change Drivers

This section looks at technology, globalisation, legislative issues and the changing nature of work as the key factors that drive change within the sub-sectors and thus influence skills planning. These factors were elicited from a variety of sources, including desktop research and input from stakeholders through workshops, interviews and focus groups.

Technology

Technology is a key driver of change for businesses within the CATHSSETA sector. The impact of technological advancement is seen within all the six sub-sectors. An example of this within the gaming industry is online betting which has tended to widen the offering and attract new types of customers. Within the lotteries industry, the impact of technological change is seen in the increasing availability of online platforms such as mobile phone applications, website and mobile banking applications for customers to purchase lottery tickets.

According to the International Labour Organisation (ILO) (2014), the most important emerging technologies in the tourism and hospitality sub-sectors include the use of electronic tourist passes, personalised electronic guides, electronic booths, global IT booking systems, satellite-enabled environmental management, sustainable management of tourist resources, telecommunications integration, energy-efficient microsystems, food hygiene control systems for hotels and restaurants, equipment and systems to improve accessibility for disabled persons, electronic translation devices, and thalassotherapy equipment for hotels.

Other key technological changes affecting the industry include the growing use of the internet to purchase services, growing popularity of User Generated Content websites (such as Tripadvisor), the use of database mining techniques to target consumers and increased utilisation of social networking websites as marketing tools.

In the Hospitality industry, the increased use of the internet for online booking of accommodation accompanied by innovative business models, as seen with the recent AirBnB - an online market place that connects hosts offering accommodation and travellers, poses an increasing threat to traditional accommodation vehicles such as hotels, lodges, BnB's, etcetera.

The increasing use of mobile technologies such as phones, tablets and computers necessitates that accommodation and conferencing facilities be able to offer services such as Wi-Fi. This requires investment in both capital infrastructure and the availability of skills to service such technology.

Review of the tourist guiding and car rental industries indicates that the role of technology has become increasingly more important. To improve on the product being offered to tourists, employees in these fields need to be able to use technology. An example of this is a Tour Guide having online and immediate access to information on key points of interest when guiding tourists.

The Sport, Recreation and Fitness sub-sector has also become more technologically driven, for example, with technological advances in gym equipment, gathering and assessment of sport conditioning data, electronic media and the manner in which sports events are covered. The use of technology in sporting games like Hawk-Eye Technology, high-tech aids to aid referees in decision-making, numerous software packages that are designed for fitness and nutrition professionals to organise data and produce reports are increasingly on the rise. Advancement of technology has also changed how people view or gain access to sport. The internet and cellular technology now allows people to receive match results instantaneously, bringing about new ways of advertising through sport.

The dominance of information and communication technologies has placed new skills demands on traditional occupations. In the Conservation sub-sector, curators and conservation biologists require information management skills. There is a growing demand for crosscutting trans-disciplinary skills. This calls for tailored professional development programmes to support the traditional higher education curricula, which should also offer programmes of specialisation at post-graduate level.

The increased use of technology is likely to reduce the need for some physical human resources while new technology will likely drive the demand for new skills and roles. In the Arts, Culture and Heritage industry there is a move towards increased use of digital communication in editing and post-production tasks which will likely impact human resources required. Within the Hospitality and Travel industry for example, customers are able to book and pay for hotel accommodation and travel bookings online without the need for face-to-face contact or assistance from a call centre. The potential consequences of such continued advancements is the reduction of physical human resources due to automation, or the need for a very specific set of skills which cater to technology. Similarly, the use of virtual fitness instructors within the Recreation field will likely see a decrease in the use of fitness instructors and Fitness Facilities.

Globalisation

This has brought about the emergence of a more “sophisticated tourism market” which has implications for skills and training. A more discerning and experienced consumer is demanding higher quality products and service, raising demand for skills such as customer service. In terms of providing better service to international visitors, skills that potentially need improving include: the ability to be able to communicate clearly in simple English, cultural awareness, intercultural skills, language skills and local knowledge.

The music industry, film, television, live events and technical production industries are evolving and changing fast to new occupational patterns and skills demands. These are brought about by fast-changing market conditions, competition, economic restructuring, advancing technologies and process and product improvements. The current process of economic and technological transformation requires a constant renewal of skills on the part of workers, employers and managers, and it favours those countries best able to meet this demand for enhanced

skills. An example of this is seen with record companies increasingly requiring a workforce that is more flexible, more skilled (especially in terms of marketing music in the digital space) and more adaptable to rapid changes in the business environment.

Legislative issues

New Visa Regulations, directly impacting the sector, came into effect in October 2014. These require visitors to apply for visas in person at South African embassies to record biometric information and for children under the age of 18 years to produce unabridged birth certificates at all ports of entry. The intention of these regulations are to safeguard the interest of children and prevent child trafficking. The potential negative impact of these regulations on tourism and investment however was not intended. There has since been revisions to these regulations in October 2015 which have provided for increased flexibility. This is expected to benefit the industry, in terms of increased tourism to the country.

Changing nature of sector

The nature of the sector is changing. This is particularly seen in the SRF sub-sector where there is an increased recognition of the importance of sport, coupled with the move towards increasing globalisation. The effect of such is seen through the diversification of the types of people participating in sport. For example in South Africa, more women are involved and participating in sport and people from lower socio-economic groups are becoming more active and want to live a healthy lifestyle. Rising change from those participating in sport means that people or consumers are starting to demand specialised and specified services in sport, recreation and fitness (consumer orientated).

The perception of some occupations as a hobby e.g. arts and crafts, singing and acting professions, etc. means there is little emphasis on actual education and training in these fields. Thus, entrants have no qualifications and limited skills. Within the Gambling sub-sector, horse-racing is viewed as a fashion event, further driving lack of awareness of the careers available within the field. This points to a need to promote such occupations as critical economic drivers. There is a growing trend in heritage and cultural tourism, which could provide opportunities for SMMEs in arts and crafts, heritage sites and can also result in a bigger audience for cultural festivals.

2.2.1 Key skills implications

The key skills implications based on the occupational patterns and skills structures outlined in the previous section may be summarised as follows:

- The profile of skills now required by businesses, taking into consideration the progression of technology, includes those of web development, e-commerce and online marketing and social media management
- These changes have resulted in a demand for graduates who are not only competent in their fields of study but also entrepreneurial in their thinking and demonstrate technological savvy
- For management occupations within the Conservation sub-sector, adaptive skills such as managing systems, complexity, knowledge brokering and advocacy are becoming critical. Increased technology will likely see a delineation of occupations which may impact the training component to include technology.

Based on the factors outlined above, the following emerging occupations have been identified per sub-sector from consultations with chamber working committees.

Table 3: Emerging Skills

Sub-sector	Emerging Skills
Arts, Culture & Heritage	Stagehand, Taxidermists and Audio Visual 3D Technician
Conservation	Biotechnician, Sustainability Manager, Environmental Economist and Biodiversity Stewardship, Wildlife Trade Economist, Wildlife Rancher
Gaming & Lotteries	System Administrators, Application Support, Draw Officers
Hospitality	Barista, Spa Managers, Food Safety Assurers and Revenue Managers
Sport Recreation and Fitness	Corporate Wellness Consultants and Practitioners
Travel and Tourism	Product and contracting Executive Tour Operators, Independent Travel Consultants/ Professional Travel Agency

Source: CATHSSETA SMS 2016

Industry stakeholders for the sub-sectors, excluding the Conservation sub-sector, are of the view that, while no new/emerging occupations are likely to come about, there is however a need to improve the existing skills of employees. This includes developing good knowledge about the industry, acquiring decision-making skills, business acumen as well as the ability to use and keep up with improving technology.

Given the skills-biased nature of the current economic and technological transformation, worker training (formal education, vocational training and training in firm-specific activities) assumes an increasingly crucial role. Public and private institutions, including educational institutions, employment agencies, counselling and community organisations, are all instruments intended to assist individuals develop skills to find and retain formal employment. There appears to be enormous shifts in employer needs, therefore, considerable effort is required to rapidly improve literacy rates and general education levels, as well as to equip those in the informal economy with skills for which there is a demand or to create a demand for the skills that informal workers have to offer.

2.3 Alignment with National Strategies and Plans

The following section outlines the National Strategies and Plans relevant to CATHSSETA's sub-sectors and details the alignment of these to skills planning within the SETA.

White Paper on Post School Education and Training

The White paper sets out strategies for an improved post school education and training system that will meet the needs of South Africa by 2030. A sharpened focus of SETAs is proposed, limiting the scope of a SETA to training of employees within the relevant sector and unemployed persons wishing to enter the sector. It is proposed that SETAs will be further employed to provide supply-side data towards the development of a national skills system. The focus of the SETA Mandatory Grant will be exclusively on gathering accurate data on sector skills needs. SETA Discretionary Grant funding will be intended for programmes aimed at supporting both existing workers and potential new entrants to the labour market. Providers could be public, private or even the employer's own in-house training institutions, provided they have the capacity to provide all or substantial parts of the qualifications.

As it currently stands, the White Paper reinforces the vision of the NDP. In terms of the proposed Technical Vocational Education and Training (TVET) colleges, CATHSSETA has and is currently instrumental in the review of qualifications offered by TVET colleges as well as enriching the capacity of TVET college lecturers through

the provision of exposure to industry, training on Occupational Directed-Education Training and Development Practice (OD-ETDP) programmes and other training programmes.

National Development Plan

In respect of the CATHSSETA sector and the quality of training delivered, it is pertinent to note that the very nature of the sector constitutes in-house or non-accredited training, as seen in the Planning and Reporting data submitted to CATHSSETA. This issue is further exacerbated by the absence of professional bodies to ensure quality needs of training. In keeping with the vision of the NDP and to promote the drive of accredited training, supported by the Grant Regulations, 80% of all Discretionary Grants are spent on PIVOTAL programmes. These have been allocated across bursaries to employed as well as unemployed learners pursuing sector related qualifications. In addition to this, CATHSSETA supports work-integrated learning interventions, Learnerships for both employed and unemployed persons and Skills Programmes to cater for critical skills for the employed.

In response to the NDP's vision of the TVET colleges becoming preferred institutions of vocational learning and improvement of education at TVET colleges, CATHSSETA plays a crucial role in building relationships between education institutions and employers. In addition to this action, the capacity of TVET colleges has been uplifted through interventions addressed at providing TVET college lecturers exposure to industry workings. Review of the chef qualification, the only trade that falls within the sector, has been completed and the qualification is due to be launched this year. CATHSSETA has partnered with UMALUSI, the National Department of Tourism and various industry stakeholders to review the National Certificate Vocational (NCV) for both Hospitality and Tourism. This project critically examined supply issues in the labour market and has yielded significant findings that will allow for these qualifications to be realigned and scoped to industry expectations and ensure TVET college graduates are readily absorbed by the labour market. The NCV review has produced a research report entitled "At Your Service - Towards an informed understanding of the NC (V) Tourism and Hospitality programmes". This report documents the exact curricular changes required for the NCV qualifications and the review task team has commenced with the actual revision of the curriculum.

CATHSSETA has further responded to the proposals outlined in the NDP, by ensuring that the directive on public entities' contribution of training budgets has been communicated by way of national workshops, in partnership with the Department of Public Service and Administration. Guidelines have been developed and continuous engagement with relevant public entities are currently underway to ensure participation.

National Skills Accord

Since the inception of the National Skills Accord of 2011 and in response to such, CATHSSETA has negotiated partnerships with employers and learning institutions. CATHSSETA strives to ensure that the submission of training plans and reports are subject to consultation with organised labour within a specific organisation. Training Committee workshops are held nationally, with the aim of establishing and empowering Training Committees in the workplace.

Employment Tax Incentive Act 2013

This Act commonly referred to as the Youth Wage Subsidy encourages youth employment and plays a pivotal role in the CATHSSETA sector. As reported in the Mandatory Grant application, over 54% of employees in the sector are youth. Thus, the incentive further encourages employers to continue employing from this age group. The sector, specifically Hospitality and Tourism is characterised by the perception of offering transition employment and thus attracts employees falling within the 18–29 age category. In addition to this, the regulation of wages in

the sector e.g. the Sectoral Determination, allows employers within the sector to participate and derive benefit from the incentive.

The National Skills Development Strategy (NSDS) III

The NSDS III strategy consists of 8 goals, 16 outcomes and 38 outputs to be achieved mainly by SETAs in collaboration with the DHET, TVET colleges, universities and the National Skills Fund (NSF).

Rural economic development and provision of skills for rural development as outlined in the NSDS III remains a key priority for CATHSSETA. In order to ensure effective service delivery throughout the country, CATHSSETA has expanded its presence through the establishment of regional offices. Rural development projects and support for unemployed youth within rural areas remain a focus with six rural skills development projects to be implemented in the 2015/2016 financial year

Transformation within the sector still remains a challenge and is promoted by the utilisation of the NSDS III Developmental and Transformational imperatives being incorporated into the CATHSSETA criteria for allocation of Discretionary Grant funds. This criteria states that organisations need to take into consideration these developmental and transformational imperatives for Discretionary Grant funding. All Discretionary Grant allocations within CATHSSETA focuses on the promotion of these developmental and transformational imperatives.

The Sector Education and Training Authorities (SETAs) Grant Regulations:

The table below provides comparative figures from 2013 to 2016 of the Mandatory Grant applications submission received by the SETA. Despite the initial decline in participation from 2013 to 2014, there has been an increasing trend in the number of applications received in the ensuing years

Table 4: Mandatory Grant applications received from 2013 - 2016

Year	Total submissions
2013	1 336
2014	1 111
2015	1 231
2016	1 270

CATHSSETA SMS: 2013-2016

As the majority of employers channel the mandatory grant received from SETAs back into their training budgets, it is encouraging that this number is on the increase after the initial decline in 2014. The representation of the sector is improved when more employers submit Mandatory Grant applications as this provides an important source of data on employers and employees.

The current Grant Regulations do not require SETAs to have a policy on Mandatory Grants (MG), despite this, CATHSSETA have developed its Mandatory Grant policy, guided by these Regulations in order to regulate the system. The Discretionary Grants (DG) policy and framework provides clear requirements on the allocation and distribution of these grants. Thus, the impact of the Grant Regulations translated into the following: the DG window is now aligned to close at the same time as the MG (i.e. 30 April), the DG policy makes provision for the inclusion of strategic projects and increased transparency in the working of the SETA.

Previous records indicate that approximately 80% of monies have been spent on PIVOTAL training and thus the transition from old practices to compliance with the Grant Regulations has not been difficult.

The small size of the levy income and the nature of the CATHSSETA sector (being predominantly event driven) are limitations to the SETA. The decrease from 50% to 20% of the MG filters down to impact on resources available for research and this component falls under the non-PIVOTAL budget. CATHSSETA mitigates this shortcoming by establishing a national research network with Higher Education Institutions and through the funding of learners at post graduate levels to research sector specific topics. Thus, linking PIVOTAL outcomes to increased research capacity within the sector.

The Strategic Integrated Projects (SIPs):

CATHSSETA's approach to SIPs funding has been integrated in the DG framework. The scarce skills required for the delivery of the SIPs have been presented by the DHET and CATHSSETA has identified the following four scarce skills which will be addressed by supporting a total of 60 persons through Work Integrated Learning programmes:

- Environmental Manager
- Program or Project Administrators Assistant
- Truck Driver
- Handypersons

The Industrial Policy Action Plan (IPAP) 2014/15-2016/17

IPAP builds on the foundation laid since its inception in 2007/8. The plan focuses on several industries including the cultural and creative industries where the focus is on crafts, music, and film. In the latest version, the plan identifies the difficulty faced by craft producers, who are largely (SMMEs) and cooperatives in terms of barriers to mainstream retail value chains. This presents an opportunity for CATHSSETA to support the small business sector (SMMEs, cooperatives) in growing their ventures through skill development interventions (training, funding, etc.) This will better equip the small businesses and aid them in gaining market access as well as sustain their presence in these markets. As part of the 2015/2016 target, CATHSSETA aims to increase support to 800 small business organisations.

New Growth Path

The vision is to create five million jobs by 2020. It sets out the key jobs drivers (areas that have the potential of creating employment) and the priority sectors that we will focus on over the next few years. Tourism is one of the sectors that have been identified as a potential growth area. Developing these sectors, will focus amongst others, on improving education and skills development, enterprise development, promoting small business, and entrepreneurship. CATHSSETA will play an important role in developing skills through developing and improving qualifications relevant to the sector as well as supporting the development and sustainability of small business in the sector.

Sectoral Determination 5: Learnerships

The Sectoral Determination number 5 for Learnerships governs the employment of learner workers, which includes all Learnership agreements and skills development programmes. The determination sets out minimum wages, working hours, number of leave days and termination rules. The minimum wage allowances are dependent on the National Qualifications Framework (NQF) level under which the learner is registered for and the credits earned by the learner. The weekly allowance ranges from R264.28 for a learner registered for NQF level 1 to 2 with 0-120 credits to R1 545.17 for a learner registered for NQF levels 5 to 8 with 481-600 credits. This figures apply from 1 April 2015 to 31 March 2016. In the implementation of Learnerships, CATHSSETA ensures that the regulated minimum wages for Learnerships are applied in the sector. The sub-sectoral specific National Strategies and Plans are outlined in the table below.

Table 5: Sub-sectoral strategies and plan

Sub-sector	National Plans or Strategies	Implications for skills planning
Arts, Culture & Heritage	National Policy on South African Living Heritage	The policy stresses the importance of training courses in leadership and management to have their fundamentals based on Ubuntu which will in turn be promoted by various stakeholders. CATHSSETA focuses on programmes such as Management Development programmes to assist in this drive to train leaders and managers.
	DAC Strategy 2012/2013 (Mzansi Golden Economy)	<p>DAC and CATHSSETA have identified a need for provision of a coordinated skills development and training initiative as part of up-skilling local art organisations in hosting events and training in the development of quality products and services for tourism consumption. The continuous process of creation, production, dissemination, exhibition and consumption of the cultural and creative industries requires education and skills development in each stage of the cycle and in all stages of the education system.</p> <p>The heritage sector requires the development of skills for the conservation and protection of our heritage estate and assets as well as the skills for management of cultural heritage tourism. It is therefore imperative for CATHSSETA and DAC to work towards developing required skills in Heritage Resource Management, among other interventions.</p>
	National Heritage And Cultural Tourism Strategy 2012	The strategy clearly illustrates the significant deficiencies of skills and qualifications in heritage conservation and management. Therefore, the strategy calls for skills development and training in Heritage and Tourism to be matched with the availability of employment opportunities to absorb the skilled labour force. Therefore, CATHSSETA through the Quality Council for Trades and Occupations (QCTO) process is making concerted efforts in ensuring the relevance of qualifications that cater for its sub-sectors. These efforts are also aimed at encompassing elements of Tourism to deepen the understanding of the relationship between Arts, Culture and Heritage and the Tourism sectors.

Sub-sector	National Plans or Strategies	Implications for skills planning
Conservation	The National Protected Area Expansion Strategy (2008)	This strategy aims to achieve cost-effective protected area expansion for ecological sustainability and increased resilience to climate change. The implications for CATHSSETA is capacity building through skills development programmes and initiatives to meet the needs of the sector. CATHSSETA has identified some of the occupational requirements within the Conservation and Biodiversity sectors as a scarce skill and are therefore prioritised in skill development initiatives.
	National Climate Change Adaptation Strategy	The National Climate Change Response White Paper (RSA 2011) states that the government must, amongst others, ensure that a holistic understanding of climate change and related issues is included in all relevant aspects of formal education curricula, that all SETAs add climate change to priority skills development programmes in the formal, informal and non-formal sectors of the education and training system and establish incentives for research and training such as bursaries to encourage students and scholars to research and study climate change. The role that CATHSSETA can fulfil is in development and review of relevant qualifications as well as funding of post graduate scholars who will conduct research into the sub-sector.
	DEA Strategy	The strategy places significant emphasis on CATHSSETA, as it is tasked with skills development for conservation bodies and agencies such as the South African National Biodiversity Institute (SANBI), SANParks, semi-independent provincial agencies and local government, including the Department of Environmental Affairs and provincial departments. These and other entities operate under a new conservation paradigm in which the protection of biodiversity and development planning must be integrated. However, few have been trained in this new paradigm and thus CATHSSETA can play a role in developing training initiatives.

Sub-sector	National Plans or Strategies	Implications for skills planning
Hospitality	National Development Plan	The plan sets a target of 30 000 artisans that need to be trained by 2030 and this falls directly into CATHSSETA's mandate of Artisan development. To address this need, CATHSSETA together with the QCTO has completed the review and registration of the chef qualification as a trade. This new qualification is a three-year qualification with both a theoretical and practical component. At the end of the three years, the learner is required to complete a trade test in order to be classified as an Artisan
	Immigrations Act and Regulations	The amendments to the Immigrations Regulations Act of 2002 have resulted in new Visa regulations implemented in 2015. This brought about the repealing of the quota and exceptional skills work permits and the introduction of a category of Critical Skills Work Visa, to assist in attracting critical skills to the country. The Critical Skills Work Visa allows us to attract professionals to the country with critical skills that are likely to advance national interest.
	Sectoral Determination 14: Hospitality	The Sectoral Determination for the Hospitality sector requires the minimum wage offered by employers with 10 or less employees to be R 2 760.59 and for employers with more than 10 employees to be R 3 076.98. For CATHSSETA, this translates into the need to ensure that the funding criteria is in line with the Department of Labour in terms of the regulated minimum wage for the sector.
Gaming & Lotteries	Lotteries Act 32 of 2013	The Lotteries Act regulates lottery activities and provides the basic framework for the management and operation of the National Lottery. The priorities for distributing funds include the provision of educational facilities designed to enhance literacy, vocational training and mentoring for skills development that includes the disabled. All of these are specific areas of focus in the NSDS III.

Sub-sector	National Plans or Strategies	Implications for skills planning
Sport, Recreation and Fitness	National Sport and Recreation Plan (NSRP)	The overarching focus of the three values of the NSRP is to improve access to and participation in sports as well as develop talent for the sport and recreation sector. For CATHSSETA, this translates to developing training and education initiatives aimed at developing sports and recreation personnel, particularly coaches, administrative and technical officials. The focus also has to be on financial, marketing and media skills. This can be achieved through accredited education and training programmes.
	South African Coaching Framework	The focus will be on Recognition of Prior Learning (RPL) of coaches; accreditation support for the National Federations and also training coach developers as facilitators, assessors and moderators.
	Sports Tourism Strategy	The aim is to broaden the capacity building initiatives within the sporting industry to encompass elements of tourism so as to deepen the understanding of the sports tourism element of sports development. CATHSSETA will work with its partners such as HEIs to ensure that there are sports tourism qualifications at all levels. Further to this, CATHSSETA will develop a database of volunteers as required in the NSRP and ensure that these volunteers are trained for the success of international sports events in South Africa.

Sub-sector	National Plans or Strategies	Implications for skills planning
Travel & Tourism	National Tourism Sector Strategy	The strategic objectives are organised into three themes, namely, to grow the tourism sector and economy, to enhance visitor experience and to achieve sustainability and governance. Some of the key focus areas within these themes include people development and relevant capacity building. The role of CATHSSETA is therefore to identify training needs and offer training programmes that are aligned to the needs in the sector, with the emphasis on developing and improving skills within the sector.
	National Rural Tourism Strategy	Informed by the National Tourism Sector Strategy and the Domestic Tourism Growth Strategy, this strategy prioritises tourism development in rural economies by supporting enterprise development, skills development and training initiatives in the tourism sector. CATHSSETA, through its partnerships and strategic alignments, responds positively in the support of rural development initiatives through special projects as well as extending its operational presence across various regions.
	Tourism Act, 2014	The Act regulates the Tourist Guide profession, gives value and the importance of the tourist guiding sector. It also provides for the registering of tourist guides thus recognising it as a profession with a defined career path. CATHSSETA, together with relevant partners, is responsible for identifying the training needs as well as the certification and registration of the tourist guides.

2.4 Conclusion

This chapter has successfully identified factors that are driving change in the sector, such as technology and globalisation and the influence these have on skills demand and supply. Changes in occupational patterns and structures are seen in the profile of skills now required by employers in the sector. This is demonstrated by a requirement for human resources with increased efficiency in using technology. In addition, employers need a more flexible skills base to be able to adapt to competing environments. The implications of National Plans and Strategies for skills planning in the sector are vast. These include focus on TVET colleges, a greater emphasis on partnerships with employers, focus on quality training and transformation within the sector.

3. CHAPTER 3: EXTENT OF SKILLS MISMATCH

3.1 Introduction

This chapter focuses on the scope, magnitude and nature of both demand and supply of skills within the CATHSSETA sector. The main aim is to establish an understanding of occupation specific skills mismatches and skills gaps. The chapter comprises of the following four sections:

- Extent and nature of demand
- Extent and nature of supply
- Identification of skills gaps
- PIVOTAL list

The methodology employed utilises a combination of both quantitative and qualitative research techniques. The quantitative approach includes the collection and analysis of data submitted by employers through the Mandatory Grant application process, data sourced from the Department of Higher Education and Training as well as data from the CATHSSETA quarterly monitoring reports. Cross sectional analysis has been conducted to establish vacancies and occupations difficult to fill, enrolments and graduations as well as other supply side information presented in the chapter. Further qualitative methods were used by way of focus group sessions and consultative sessions with stakeholders across the six sub-sectors. The relevant qualitative findings have been compared to the quantitative results and the information presented in the sections that follow are a culmination of such.

Further research efforts are currently underway with labour market research being undertaken in the Arts, Culture and Heritage; Gaming and Lotteries; and the Sport, Recreation and Fitness sub-sectors. The results of which will be included in the final SSP submission.

3.2 Extent and Nature of Demand

3.2.1 Vacancies in the sector

Analysis of the vacancies per sub-sector are presented in Table 6 below. These are presented as “Top 5 vacancies” which are defined to be the highest number of current vacancies, combined with the degree of scarcity. These are presented as submitted by employers participating in the levy-grant system.

Table 6: Top 5 vacancies per sub-sector

Sub-sector	Occupation
Arts, Culture & Heritage	Light Technician
	Multimedia Specialist
	Museum Manager
	Event Producer
	Arts and Culture Manager
Conservation	Park Ranger
	Environmental Scientist
	Conservation Scientist
	Marine Biologist
	Environmental Manager
Gaming & Lotteries	Gaming Manager
	Betting Agency Manager
	Bookmaker's Clerk
	Gaming Worker
	Reservations Manager
Hospitality	Chef
	Waiter (Sommelier)
	Café (Licensed) or Restaurant Manager
	Cook
	Catering Production Manager
Sport, Recreation & Fitness	Sports Development Officer
	Fitness Instructor
	Fitness Centre Manager
	Biokineticist
	Sales and Marketing Manager
Travel & Tourism	Travel Consultant
	Inbound Contact Centre Consultant
	Outdoor Adventure Guide
	Tour Guide
	Operations Manager (Non-Manufacturing)

Source: CATHSSETA SMS 2016

Arts, Culture & Heritage: The Light Technician and Multimedia Specialist occupations were amongst the top five vacancies reported in the previous year, with the former having the most vacancies. The Archaeologist and Arts and Culture Manager occupations occupy the third and fourth positions respectively. Both these occupations have not appeared in the previous years.

Conservation: The Park Ranger and Environmental Scientist reportedly have the highest vacancies in the current year. These occupations, together with the Tour Guide occupation are new entrants in the list of top five vacancies this year. The Conservation Scientist and Diver occupations now have more vacancies compared to last year and currently occupy the fourth and highest in the list.

Gaming & Lotteries: The Gaming Worker and Betting Agency Manager occupations have the highest vacancies in the sub-sector as observed in the past two years. Two occupational vacancies reported this year are the Electronic Engineering Technician and General Clerk.

Hospitality: The Chef occupation remains the top occupation in terms of vacancies. This occupation is listed as a trade and has been the focus of many CATHSSETA interventions. It is important to note that alternative job titles or specialisations such as pastry chef, sous chef and executive chef, to name a few, fall within this OFO occupation and that the vacancy is inclusive of these specialisations.

Sports, Recreation & Fitness: The Sports Coach or Instructor and Fitness Instructor occupations which rank first and second respectively are amongst the top vacancies that have been reported by employers over the past three years. These vacancies are predominantly due to the lack of formally qualified personnel which is currently being prioritised via RPL.

Travel & Tourism: The Travel Consultant occupation still ranks as the top vacancy within the sub-sector. Feedback of employers however, indicates that the vacancy is within a senior travel consultant level which requires a combination of both the relevant qualification as well as the necessary industry specific experience.

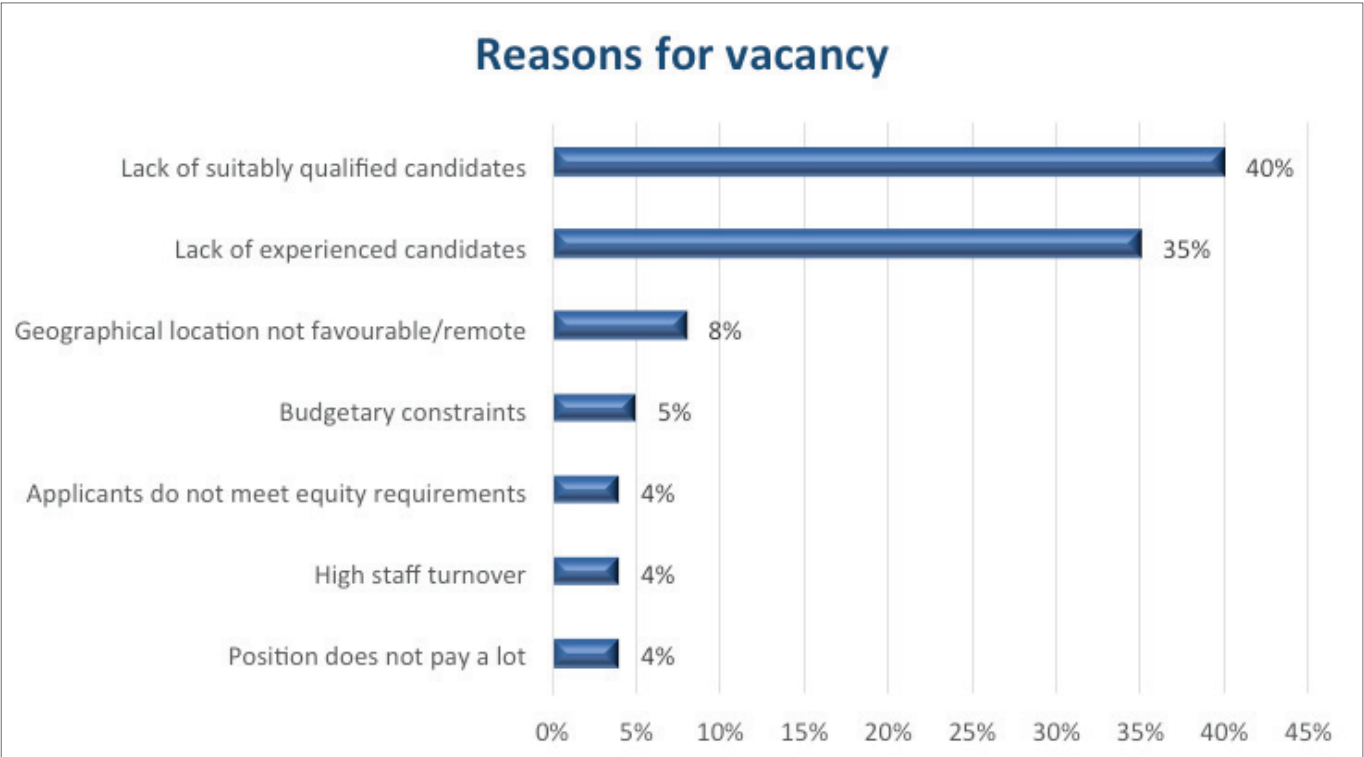


Figure 10: Reasons for vacancy
Source: CATHSSETA SMS 2016

Vacancies remain unfilled for mostly three to six months (36%), followed by up to three months (29%). Very few vacancies remain unfilled for longer than nine months, with the exception of the Hospitality sub-sector which experiences vacancies for up to a year specifically for the Café or Restaurant Manager occupation. Figure 10 above indicates the reasons vacancies are difficult to fill. According to employers, vacancies are difficult to fill largely due to a lack of suitably qualified and experienced candidates. This was the main reason cited by stakeholders in all but the Sport, Recreation and Fitness sub-sector where a lack of qualifications was stated as another dominant reason for vacancies. This is consistent with the structural unemployment that the country faces, where unemployment arises as a result of a mismatch between skills demand and skills required for job openings or a mismatch between skills required in a specific geographic area versus the availability of skills in that particular area. This was observed across all the sub-sectors with geographical location a big factor for the Hospitality sub-sector only.

3.2.2 Occupations hard-to-fill

The data obtained from MG applications identified the following hard-to-fill vacancies, some of which were substantiated with findings from research conducted amongst our stakeholders.

Arts, Culture & Heritage: The Light Technician and Multimedia Specialist occupations have a vacancy period of six to nine months. According to employers, the lack of suitably qualified people is the main reason these occupations are difficult to fill. Most of the employers require employees in these occupations to have at least a certificate or diploma. This could also be an indication of the lack of relevant training in these fields, which is exacerbated by the high cost associated with retraining staff.

Conservation: The Environmental and Conservation Scientist occupations remain unfilled for longer periods i.e. between one to two years. This may be a reflection of the minimum requirements to fill these positions – a degree and relevant work experience for a year. Furthermore, employers seek employees who have skills at junior to middle management level making it difficult for graduates without work experience to enter the industry. The Diver occupation is the only one that remains hard to fill due to lack of experienced candidates and also has a shorter vacancy period i.e. less than three months.

Hospitality and Gaming: Hard-to-fill occupations within the Hospitality sub-sector includes Chefs, Waiter and Café (Licensed) or Restaurant Manager. Lack of suitably qualified and experienced candidates means that vacancy periods range from less than one to six months. Employers require at least a matric or a certificate/diploma and work experience of one to three years for the Chef and Restaurant Manager occupations. Most occupations within the Gaming sub-sector have a vacancy period of less than six months and require at least a matric, for the Betting Agency Manager and Gaming Worker occupations. Other hard to fill occupations include Electronic Engineering Technician and Electronic Equipment Mechanician.

Sports, Recreation & Fitness: The Fitness Instructor, Sales Manager, Biokineticist and Fitness Centre Manager occupations have been identified as hard-to-fill occupations. These occupations have the shortest vacancy period of less than three months and require at least six months of work experience. However, lack of work experience and qualifications are cited as the main reasons these occupations are hard to fill. The lack of qualifications as well the employment equity requirements aimed at transforming the sector could still be making these occupations difficult to fill.

Travel & Tourism: The Travel Consultant, Inbound Contact Centre, Outdoor Adventure Guide and Tour Guide are considered hard-to-fill occupations. Employers prefer employees with at least a certificate or diploma and skills/experience at junior to middle management. Furthermore, the delay in updating curriculum such that it is specific to and addresses the needs of the industry contribute to these positions being hard-to-fill.

3.2.3 Occupational wage trends

Statistical data indicating wage trends of the sector is limited. For example, within the SRF sub-sector most people earn individualised salaries based on their skills. In soccer, cricket and rugby clubs, players are paid according to the value the club attaches to them, usually on a contract basis. The same applies for other occupations such as coaches and technical assistants. In the ACH sub-sector, which includes the music industry, musicians are predominantly employed on a part-time basis and are generally on the lower end of the remuneration scale. Ensemble music generally requires subsidisation to survive, which is not uncommon internationally. Needletime (which are royalties arising from performance of a recording in public) is another revenue stream. Other revenue sources within the industry include income from performing rights, royalties from theatre and sheet music.

Information from Career Junction, PNET and Payscale was used to give an indication of the wage trend for most of the occupations in the Arts, Culture and Heritage; Gaming and Lotteries; and Sport, Recreation and Fitness sub-sectors. Above average inflation wage increases were found mostly within the Manager, Professional and Technician occupational levels across all three sub-sectors. For example, within ACH, the occupations within the Managerial level have the most significant wage growth between 7 to 12%. However, these were for generic occupations such as General Manager, HR Manager, etc. The wage growth of sub-sector related occupations (e.g. Painter, Composer, etc.) within the Skilled/Craft trades major group ranged between 7 – 9%. Within the SRF sub-sector, wage growth was the highest amongst the professional occupation level, ranging between 8 and 15%. Unlike the GL and ACH subsectors, a significant number of sector-related occupations were identified as having significant wage growth rates. These included occupations such as Sports Coach, Biokineticist, and Sport Development Officer which have been reported by employers as hard-to-fill vacancies over the past two to three years.

The Hospitality sub-sector's minimum wage has been adjusted upward with effect from 1 July 2015. The new wage adjustments are applicable until 30 June 2016. In terms of the Sectoral Determination, which prescribes minimum wage rates and conditions of employment in the sub-sector, the new rate increases are demarcated into two: employers with 10 or less employees have a new minimum rate which will apply as follows: monthly rates of R2760.59; weekly rates of R637.10 and hourly rates of R14.15. While the minimum wages for employers with more than 10 employees will apply as follows: monthly rates will of R3076.98; weekly rates of R710.12 and hourly rates of R15.77. It is to be noted that although official statistics are not available, there are large disparities between salary levels in the hospitality industry. The tourism industry, like the hospitality industry, is not considered a good employer, as the wages are often quite low, the hours of work long and real career progression opportunities few.

3.2.4 Occupational employment trends

In order to examine the occupational employment trends, analysis of the latest Tourism Satellite Account (TSA) (2016) has been conducted. This report, the latest (2016) report provides final figures for the 2012 period and provisional 2013 and 2014 figures. In order to assess employment trends, the three-year period has been reviewed.

It is key to note that the tourism sector is not measured as a separate sector in South Africa due to the lack of clear definition in the International Standard Industrial Classification (ISIC). The sector rather is viewed as a combination of industries such as transportation, accommodation, food and beverage services, recreation and entertainment, travel agencies, etc. The rationale behind this classification is the fact that industries are classified according to the goods and services they produce, while tourism is a consumption-based concept that depends on the status of the consumer. In addition to this, tourism consumption includes 'tourism-characteristic' (i.e. accommodation, travel services, cable cars, etc.) and 'nontourism-related' (i.e. retail trade) goods and services, which deliver their services largely to non-tourists (Statistics South Africa, 2016).

Thus, in examining employment trends of the sector in the figure which follow, industries such as accommodation, food and beverage, road passenger transport, air passenger transport, transport equipment rental, cultural, sport and recreational and retail of tourism connected goods have been included.

From figure 11, the sector as a whole has seen an increasing trend in employment from 2012 to 2014. Examination of individual industries however indicates that there has been a decrease in employment in the accommodation and sport and recreational industries.

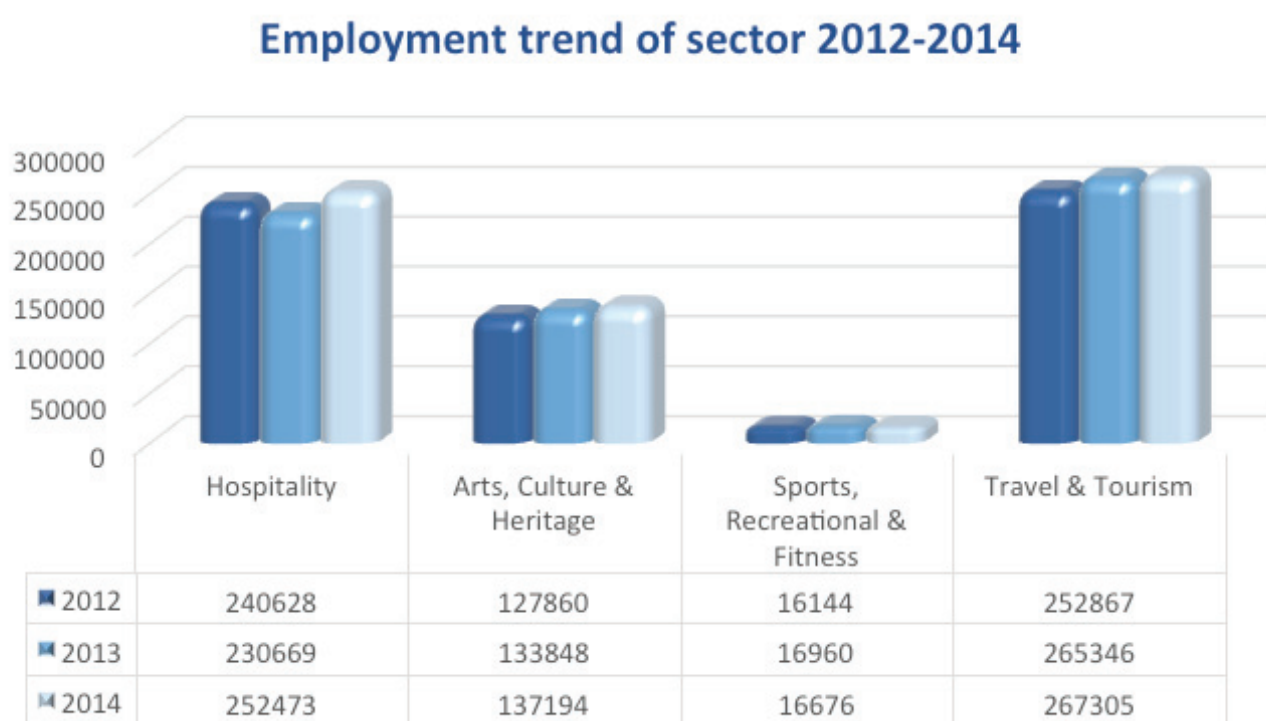


Figure 11: Employment trend of sector from 2012 to 2014

Source: Adapted from Tourism Satellite Account (2016)

Analysis of the general employment characteristics of the sector indicates that employment usually takes the form of both formal and informal employment. The Hospitality and Travel & Tourism sub-sectors are characterised by higher proportions of both elementary and managerial staff with a high percentage of this staff made up of White males in managerial positions. The workforce is typically reflected by a younger workforce age profile, with a significant number of people with the requisite skills nearing the retirement gap which in itself is a cause for concern as there will be a loss of important skills. Recruitment difficulties can lead to inexperienced staff being recruited which then impacts on the workforce skill levels and productivity. Constant recruitment and retraining can be costly. However, as employers in the sector (the hospitality element in particular) have traditionally operated with high labour turnover, many do not see it as a problem.

The ACH sub-sector is predominantly self-employed, driven with a few main stream/formal jobs of which the majority of those are government entities or state owned. A key characteristic of this sub-sector is that fragmentation in the sub-sector is ripe. It is also noted that the separation of SETA sectors in terms of the Standard Industrial Classification codes attribute to this fragmentation as evidenced by the distribution of the sub-sector across three different SETAs. It therefore makes it difficult to gather information that represents the true status in terms of the economic and labour market performance, as well as servicing the sub-sector in its entirety in terms of developing skills or addressing skills shortages that exist.

The SRF sub-sector has few job opportunities and most federations rely on the services of volunteers. As these volunteers are not remunerated and the National Federations they belong to are exempted from paying the skills levy, the skills needs of these volunteers are not captured. This reiterates the characteristic of the sector of informal, temporary employment. The sub-sector employs a relatively low number of full-time paid employees as the industry is driven by a large number of volunteers working in Sport/Recreational Clubs, Federations and Associations. This is further compounded by the fact that numerous employees in the sector are employed by provincial and local governments who are reported as government employees to Public Sector Education and Training Authority (PSETA) and Local Government Sector Education and Training Authority (LGSETA). This practice significantly distorts the number of employees reported and makes it difficult to assess the labour market performance of this sub-sector. The same applies to the Conservation sub-sector where some of the data regarding the number of people employed and the size and growth of this sector resides in other SETAs (LGSETA, PSETA).

The implications of the above factors for skills development in the sector are vast. As SMMEs make up the majority of the sector, skills aimed at firstly assisting with start-up of businesses and secondly sustainability of these businesses are of critical importance. One important aspect is the integration of talent and skills development. Within both SRF and ACH sub-sectors, talent plays an important role. These sub-sectors comprise performers, celebrities, sporting legends, etc. Participants in these sub-sectors seek international acclaim and aspire to perform or compete in the global arena. An implication of this is that skills development would need to not only consider skills, but also provision of access to such global events or experiences in support of the growth of these sub-sectors. Another skills development implication is as a result of the employment characteristics of the sector.

3.2.5 Conditions of employment

The sector has traditionally suffered from perceptions of low salaries, unsociable hours and poor conditions, which can make it difficult for employers to attract talent. The Hospitality sub-sector generally suffers from the highest rate of labour turnover of all sectors of the CATHSSETA scope. This is partly due to a reliance on a transient workforce of students and non-South African workers. The constant need to replace job leavers leads to high levels of skills gaps as it means there are always a large number of new recruits developing into their roles. Furthermore, the temporary employment profile of the sector implies both short occupational lifespans and causes difficulties with defining career paths.

3.2.6 Impact of migration

The impact of migration is seen particularly within the Tourism and Hospitality sectors, where the occupations falling into the Service and Sales Worker OFO major group, like the waiter and bartender occupations, have a significant amount of non-South African workers. The exact measurement of the extent of this employment however, is limited due to the absence of official statistics.

3.3 Extent and Nature of Supply

In order to determine the supply of skills within the sector, HEMIS data, publications from DHET, Mandatory Grant data submitted by employers and the CATHSSETA annual report have been analysed.

3.3.1 Extent of occupational skills supply

The education profile of employees in the sector is presented in the table which follows.

Table 7: Education profile of employees per sub-sector

Sub-sector	Education level	Employees	Percentage
Arts, Culture and Heritage	ABET/AET	59	2.73%
	NQF 1,2	425	19.63%
	NQF 3,4,5,6	1 178	54.41%
	NQF 7,8,9,10	503	23.23%
	Total	2 165	
Conservation and Tourism Guiding	ABET/AET	2 143	24.50%
	NQF 1,2	2 486	28.42%
	NQF 3,4,5,6	3 230	36.92%
	NQF 7,8,9,10	889	10.16%
	Total	8 748	
Gaming and Lotteries	ABET/AET	490	1.76%
	NQF 1,2	2 278	8.16%
	NQF 3,4,5,6	23 544	84.36%
	NQF 7,8,9,10	1 597	5.72%
	Total	27 909	
Hospitality	ABET/AET	11 721	8.55%
	NQF 1,2	38 214	27.87%
	NQF 3,4,5,6	81 373	59.34%
	NQF 7,8,9,10	5 824	4.25%
	Total	137 132	
Sport, Recreation and Fitness	ABET/AET	464	2.97%
	NQF 1,2	1 123	7.18%
	NQF 3,4,5,6	13 021	83.27%
	NQF 7,8,9,10	1 030	6.59%
	Total	15 638	
Tourism and Travel Services	ABET/AET	312	1.76%
	NQF 1,2	1 289	7.26%
	NQF 3,4,5,6	14 603	82.20%
	NQF 7,8,9,10	1 562	8.79%
	Total	17 766	

Analysis of Table 7 indicates the following:

The majority of employees within the sector fall within the middle level skills band, i.e. at NQF levels 3-6. This is followed by employees within the low level skills band at NQF levels 1 & 2. The high occurrence at the middle level skills category is indicative of the various types of occupations in the sector which are typically in the middle management and professional OFO major groups.

The G&L, T&T and SRF sub-sectors have the highest percentage of employees within the middle level skills category. The occupations within these sub-sectors are typically in the middle management and clerical support workers OFO major groups. This spread is further supported by the industry requirement of employees to have at least a matric (for G&L) and a diploma or certificate (for T&T and SRF). Furthermore, competition for vacancies is high in this sub-sector which often leads to the candidate with the highest qualification and most appropriate experience being hired, which further accounts for the majority of employees having middle level skills and qualifications at NQF levels 3, 4, 5 and 6. The ACH, Conservation and HOSP sub-sectors, whilst having a majority of employees at the middle level of skills, also have a significant percentage of employees at the low level of skills, encompassing both ABET/AET and NQF levels 1 and 2.

Artisans within the CATHSSETA sector includes a multitude of trades. Some of which are the chef, butcher, confectionary baker, tailor, toolmaker and welder trades. The only sector specific trade is that of the chef. Analysis of this occupation is illustrated in the figure which analyses the occupation in terms of the race demographic.

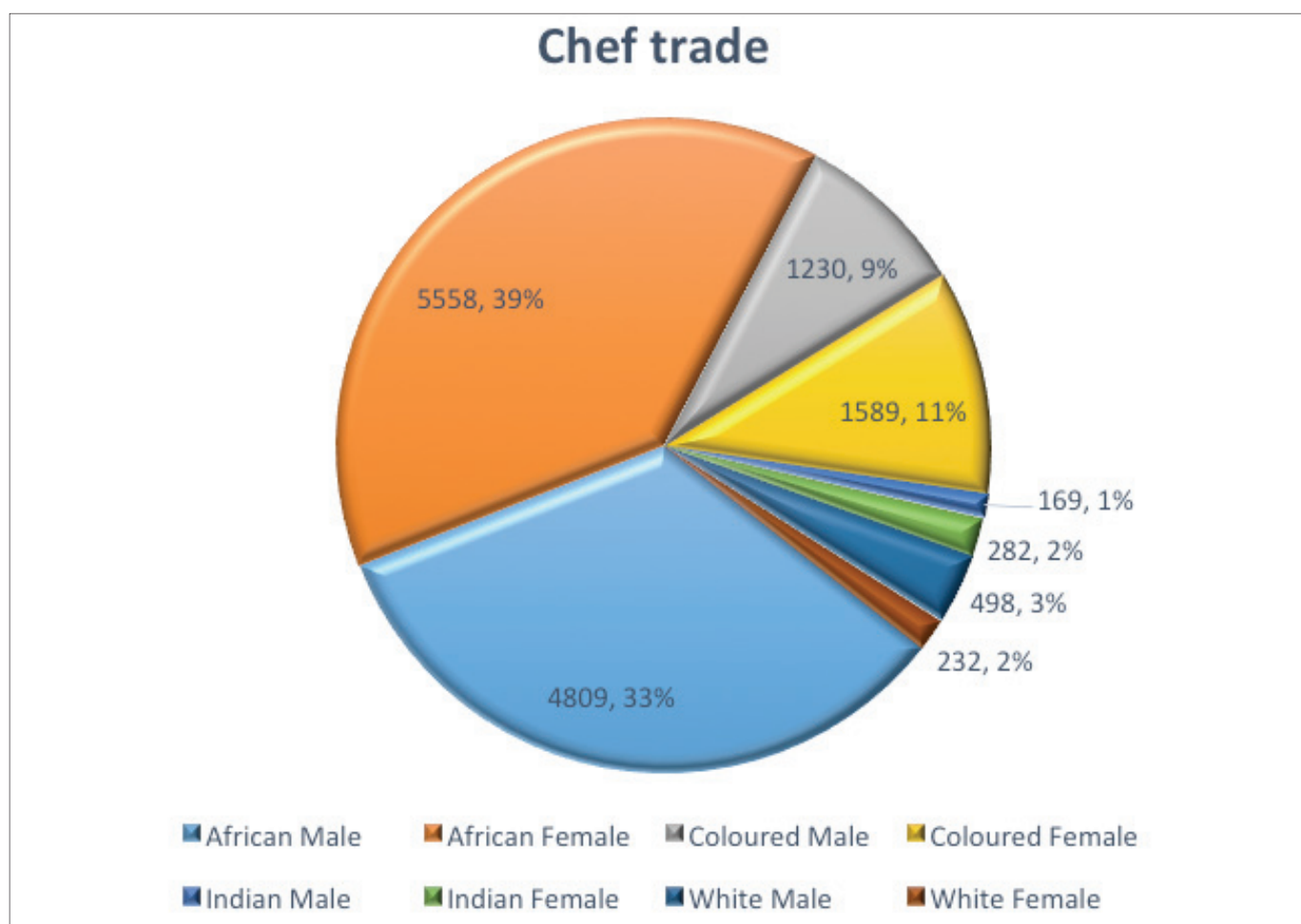


Figure 12: Demographic analysis of the Chef trade

Source: CATHSSETA SMS 2016

As per Figure 12, the sector employs a total of 14 367 Chefs. This figure is based on the Mandatory Grant data from employers. The number of Chefs has decreased by approximately 12% from 16 455 reported in the 2015 period. Black African males and females make up the majority of chefs in the sector.

3.3.2 State of education and training provision

The Higher Education Institutions data sourced from the Department of Higher Education and Training was analysed for the 2013 and 2014 periods. These figures are based on the headcount of unduplicated student enrolments and graduations according to the second order Classification of Educational Subject Matter (CESM) category of major(s)/area of specialisation and qualification type. The number of enrolments and graduates are presented in Table 8 below.

Data for the 2015 period will be made available in August 2016.

Table 8: HEI enrolments and graduations per sub-sector per qualification area

Sub-sector	Qualifications	2014		2013	
		Total Enrolment	Total Graduates	Total Enrolment	Total Graduates
Arts, Culture & Heritage	Dance	401	98	369	72
Hospitality	Food Science and Technology	1 903	422	1 611	374
	Hospitality Administration/ Management	7 393	1 379	7 383	1 318
	Foods, Nutrition and Related Services	1 767	270	1 354	208
Sport, Recreation & Fitness	Parks, Recreation and Leisure Facilities Management	3 017	592	2 966	671
	Movement and Mind-Body Therapies and Education	27	4	42	11
Travel & Tourism	Entrepreneurial and Small Operations	3 017	476	3 286	437
	Business Administration, Management and Operations	84 170	13 081	77 996	12 912
Total		120 137	20 417	113 162	20 061

Source: DHET HEMIS data 2013-2014

Statistics on Post School Education and Training in South Africa: 2014, released by DHET in 2016 has been analysed in order to establish the number of TVET college learners registering and completing sector specific NC (V) and Nated (N6) qualifications in the 2014 period. Tables 9 and 10 shows the breakdown in terms of qualifications. These figures include both public and private TVET colleges and show that completion rates across the two programmes are 45% and 43%.

Table 9: TVET N6 registrations and completions per sector qualification area

Report 190/1 N6 Part-Qualification	2014		
	Total Registered	Total Completed	Completion rate
N6: Art and Design	261	135	52%
N6: Hospitality and Catering Services	1 076	473	44%
N6: Popular Music: Composition	0	0	0%
N6: Popular Music: Performance	24	6	25%
N6: Popular Music: Studio Work	28	13	46%
N6: Tourism	993	441	44%
Total	2 382	1 068	45%

Source: DHET Report 2016

Table 10: TVET NC (V) L4 registrations and completions per sector qualification area

NC (V) Level 4 Programme	2014		
	Total Registered	Total Completed	Completion Rate
L4: Hospitality	1 508	532	35%
L4: Tourism	1 494	756	51%
Total	3 002	1 288	43%

Source: DHET Report 2016

From the 14 universities and universities of technology that offer hospitality and tourism, it is important to note that certain qualifications that were formally offered only at the higher levels draw students from more generic lower level qualifications in which a range of sub-specialisation options include eco-tourism management, outdoor recreation management, indigenous tourism development, events management and destination management. Another very important source of skills for the sector is industry itself. The main methods of training utilised are in-house training and work-shadowing, both being extremely practical and job and work-place specific, and combining training with the work-experience that is considered so important by the employer. It is difficult to determine with accuracy the supply of skills into the labour market that are able and necessary to support a growing and transformative tourism and hospitality sector. The supplier driven nature of training within the sector further serves to reinforce misalignment between skills demand and supply. The general challenges associated with skills development among time-constrained owner-operator enterprises, must be seen to apply to the sector as a whole, due to its overwhelming SMME profile.

Training capacity in the SRF sub-sector is mainly provided by universities and universities of technology. These HEIs offer a variety of degrees and diplomas that are relevant to the SRF sub-sector but it must be noted that there are no programmes in the TVET colleges that are relevant to this sub-sector. Besides formal educational institutions as accredited by the Council on Higher Education CHE and UMALUSI, CATHSSETA has accredited private providers to offer SRF programmes although there is still a need to increase the number of providers as there are very few or no accredited training providers in certain provinces. In order to counter this deficit, the capacity of the public TVET system will have to be developed to offer a full spectrum of CATHSSETA qualifications.

3.3.3 Supply problems experienced by firms

Supply of tourism specific skills into the South African tourism sector takes place both formally and informally, and through a range of different agents. These agents include qualification, curriculum and training providers which take the form of the TVET colleges, HEIs, private training providers and industry training. The available information on demand for skills within the tourism sector indicates that the range of skills required are not confined to those generally regarded as 'tourism, hospitality and gaming' skills. A larger proportion of demand lies outside of such a classification: the more generic 'skills' required to underpin a service ethic; the skills required to manage individual tourism products and service enterprises as well as the departments and agencies supporting such enterprises, the skills required to communicate effectively both verbally and non-verbally across cultural and language divides; entrepreneurial skills as well as technical skills such as cooking.

Within the Conservation sub-sector, there is a scarcity of qualified graduates at NQF levels 7, 8, 9 and 10, where vacancies remain unfilled due to a lack of suitably qualified graduates. Training provision in this sub-sector is mostly private provider driven. There exists challenges across all levels of education from foundational learning, especially for biodiversity through to preparing for access to higher learning for biodiversity into the workplace. Therefore, the current measures that are in place are proving to be inadequate and more needs to be done to change the current scenario.

3.4 Skills Gaps

In investigating the Scarce and Critical skills in the sector, the following definitions have been utilised.

Scarce Skills - Refer to those occupations where there is a scarcity of qualified and experienced people, currently or anticipated in the future, either because:

- such skilled people are not available (absolute scarcity)
- they are available but do not meet employment criteria (relative scarcity)

This scarcity can arise from one or a combination of the following, grouped as relative or absolute:

- **Absolute scarcity:** suitably skilled people are not available, for example:
 - A new or emerging occupation, i.e. there are few, if any, people in the country with the requisite skills (qualification and experience) and education and training providers have yet to develop learning programmes to meet the skills requirements
 - Firms, sectors and even the country are unable to implement planned growth strategies and are experiencing productivity, service delivery and quality problems directly attributable to a lack of skilled people
 - Replacement demand would reflect an absolute scarcity where there are no people enrolled or engaged in the process of acquiring the skills that need to be replaced
- **Relative scarcity:** suitably skilled people are available but do not meet other employment criteria, for example:
 - Geographical location, i.e. people are unwilling to work outside of urban areas.
 - Equity considerations, i.e. there are few if any candidates with the requisite skills (qualifications and experience) from specific groups available to meet the skills requirements of firms and enterprises
 - Replacement demand would reflect a relative scarcity if there are people in education and training (formal and work-place) who are in the process of acquiring the necessary skills (qualification and experience) but where the lead time will mean that they are not available in the short term to meet replacement demand.

3.4.1 Scarce skills methodology

CATHSSETA utilises a combination of data and labour market signals to both monitor and determine the scarce and critical skills in the sector. Some of the data and signals used and observed are:

- All enterprises submitting Mandatory Grant applications (which comprise of the Planned training interventions and Reported training) completed a section on scarce and critical skills in their sub-sectors
- The number of vacancies and difficult to fill positions in the sector
- The pool of unemployed skilled people

Thus, the methodology used to determine the scarce and critical skills incorporates the following:

- Data collected from Mandatory Grant application submissions
- Input from joint working committees and focus group sessions
- Surveys conducted nationally

All data and input are in the form of the six digit OFO. Scarce skills are identified as a function of two variables: total number of vacancies identified and degree of scarcity.

$f(x,y)$; x = total number of vacancies identified, y = degree of scarcity

A preliminary list is generated, categorised and mapped using the six digit OFO, NQF level, interventions to address the scarce skill. This preliminary list is further subject to stakeholder consultations, prior to generation of a final list of scarce skills for the sector.

3.4.2 Scarce skills list

Table 11: Scarce Skills List

OFO Major Group	Occupation Code	Occupation	Intervention Planned By The Seta	Nqf Level	Nqf Aligned Y/N	Quantity Needed	Quantity To Be Supported By Seta	0-100	101-1000	1001 & Above
Managers	2015-112101	Director (Organisation)	Funding of Business Administration Bursary; Funding of Generic Management Learnership	8	Y	55	55	X		
Managers	2015-134901	Environmental Manager	Internship and Workplace Experience (SIPS)	6	Y	30	30	X		
Managers	2015-141101	Hotel Manager	Bursary: Management and Development Programme	6	Y	50	50	X		
Managers	2015-141203	Catering Production Manager	Bursary: Catering & Professional Cookery	6	Y	105	105		X	
Managers	2015-141204	Reservations Manager	National Diploma: Hospitality Management	6	Y	40	40	X		
Managers	2015-143101	Betting Agency Manager	Learnership: Generic Management	6	Y	41	41	X		
Managers	2015-143102	Gaming Manager	Learnership: Generic Management	5	Y	50	50	X		
Managers	2015-141201	Restaurant Manager	Bursary: Food & Beverage Studies	6	Y	54	54	X		
Managers	2015-134909	Museum Manager	Bursaries (Heritage and Museum Studies)	6	Y	30	30	X		
Managers	2015-143107	Fitness Centre Manager	Learnerships and Bursaries: Fitness Management Qualification	5	Y	50	50	X		

OFO Major Group	Occupation Code	Occupation	Intervention Planned By The Seta	Nqf Level	Nqf Aligned		Quantity Needed	Quantity To Be Supported By Seta	0-100	101-1000	1001 & Above
					Y/N						
Professionals	2015-213107	Marine Biologist	BSc Oceanography and Maritime Studies. (Bursaries and Internships)	7	Y		25	25	X		
	2015-213301	Conservation Scientist	Learnerships	7	Y		20	20	X		
	2015-213302	Environmental Scientist	Bursaries: Environmental Science	7	Y		50	50	X		
	2015-251301	Multimedia Specialist	Work Integrated Learning, Bursaries and Internships	6	Y		45	45	X		
Professionals	2015-213307	Park Ranger	Learnerships: Natural Resource Guardianship Terrestrial	5	Y		100	100	X		
Professionals	2015-243204	Event Producer	Learnerships; Skills Programmes & Bursaries (Event Management qualification)	6	Y		50	50	X		
Technicians And Associate Professionals	2015-342201	Sports Development Officer	FETC: Sports Administration (Learnership, Skills Programme and Internship); FETC: Community Recreation; Bursary: Sports Administration/ Recreation Leisure	4	Y		90	90	X		
	2015-342301	Fitness Instructor	Bursary, Learnerships and Skills Programmes: Fitness qualification	5	Y		113	113		X	

OFO Major Group	Occupation Code	Occupation	Intervention Planned By The Seta	Nqf Level	Nqf Aligned		Quantity Needed	Quantity To Be Supported By Seta	0-100	101-1000	1001 & Above
					Y/N						
Technicians And Associate Professionals	2015-342302	Outdoor Adventure Guide	Adventure Site guide Skills Programme	5	Y		45	45	X		
	2015-343401	Chef	Learnerships: Professional Cookery	4	Y		500	500		X	
	2015-343902	Light Technician	Bursaries: NC Live Event and Technical Productions	6	Y		65	65	X		
Clerical Support Workers	2015-421202	Gaming Worker	Learnerships: National Certificate: Gaming Operations	4	Y		105	105		X	
Clerical Support Workers	2015-421204	Bookmaker's Clerk	Learnership: Generic Management	3	Y		25	25	X		
Clerical Support Workers	2015-422102	Travel Consultant	Learnership: General Travel	5	Y		120	120		X	
Clerical Support Workers	2015-422201	Inbound Contact Centre Consultant	Learnership: General Travel	5	Y		35	35	X		
Clerical Support Workers	2015-441903	Program or Project Administrators	Workplace (SIPS)	6	Y		10	10	X		
Service And Sales Workers	2015-511302	Tour Guide	Learnerships: National Certificate in Tourism: Guiding	4	Y		120	120		X	

3.4.3 Critical skills list

CRITICAL SKILLS - Critical Skills will refer to specific key or generic and “top up” skills within an occupation. In the South African context there are two groups of critical skills:

- Key or generic skills, including (in SAQA-NQF terminology) critical cross-field outcomes. These would include cognitive skills (problem solving, learning to learn), language and literacy skills, mathematical skills, Information Communication and Technology (ICT) skills and working in teams.
- Particular occupationally specific “top-up” skills required for performance within that occupation to fill a “skills gap” that might have arisen as a result of changing technology or new forms of work organisation.

The list of critical skills presented in the table below were identified from consultations with stakeholders through focus group sessions and inputs from chamber joint working committee members:

Table 12: List of critical skills

Critical skills	Requirement
Financial Management	Budget, forecast, manage cash flow, understand financial statements and manage business metrics, general bookkeeping.
Writing and Directing	Writing and directing for film and television, specifically within the ACH sub-sector.
Computer Skills	Microsoft Word for word processing, Microsoft Excel to create spreadsheets, and PowerPoint for presentations.
Administration and Office Management	General administrative tasks, conducting meetings, writing minutes, preparing agenda and drafting reports.
Project Management	Plan and manage successful projects, manage risks, costs, time and project teams.
Marketing Skill	Promote, sell and attract spectators and athletes to be involved in sport, recreation and fitness programmes.
Sponsorship Management	Drafting sponsorship proposals, understand how to coordinate sponsor's ROI and to build marketing relationship with a sponsor, specifically within the SRF sub-sector.
Leadership and People Management	Attract, retain, motivate, coach and develop team members for high performance
Acting and Post Production	Acting and post production skills for film and television, specifically within the ACH sub-sector.
Coaching	RPL of existing practicing coaches at all level, specifically within the AZSRF sub-sector.
Customer Care	Customer care skills including interpersonal skills, product knowledge, and problem solving skills.
Communication	Basic verbal communication skills, ability to communicate clearly, effective written communication

3.4.4 Impact of shortages on firms

Supply and demand trends experienced by some of the sub-sectors have been sourced from the Career Junction Index (CJI) (2014). The table below indicates this trend over a six-month period, where the first three months have been compared to the next three. The CJI is based on the following categories:

- >100: More job opportunities for potential career seekers; less potential career seekers per job advert; higher difficulty of recruitment due to less potential career seekers per job advert
- = 100: No changes regarding the potential career seekers per job advert ratio; supply and demand are following the same trend
- <100: Less job opportunities for potential career seekers; more potential career seekers per job advert; less difficulty of recruitment due to less potential career seekers per job advert

Table 13: Supply and demand trends

Industry	CJI	Supply trend	Demand trend
Arts & Entertainment	157	-7%	50%
Hospitality & Restaurant	108.80	2%	11%
Sport & Fitness	187.39	8%	96%
Travel & Tourism	92.57	-2%	-9%

Adapted from: Career Junction Index (2014)

Based on Table 12 above, the Travel and Tourism sub-sector indicates a negative demand and supply of jobs, indicating a less than 100 CJI. This means that this industry has less job opportunities and a decreasing demand for occupations within the industry. The Hospitality and Sport and Fitness industries have indices higher than 100 with both positive demand and supply. It is apparent that the demand far outweighs the supply, thus indicating a larger demand in job opportunities within these industries as compared to job opportunities available. The Arts and Entertainment industry has a high demand for job opportunities (50%), but however has a negative supply of jobs, indicating a huge disjuncture between demand and supply.

3.4.5 Employability of graduates in the sector

Graduates in this sector are generally viewed as not meeting employer expectations. The sector perception is that there is a skills mismatch with the knowledge that graduates exit the higher education institutions with and the required competencies to get the job done. There is also an expectation from graduates in the sector that due to their level of education, they should be in managerial positions whereas the industry values experience over qualification. Hence, these graduates are largely frustrated and leave the industry for other prospects. This emphasises the need for more employers to participate in skills development through internships and work-integrated learning programmes to enable graduates to gain the level of skills required in industry.

Graduates within the Arts, Culture and Heritage sub-sector face similar prospects as there are no full-time employment opportunities for artists and actors. Thus, the sector employs few graduates and these graduates are continuously competing for the few available job opportunities. Companies tend to spend more on other

costs, such as salaries, perishables, etc. rather than on content production. Therefore, no artists are permanently employed, creating a dysfunctional value chain in terms of job creation in the sector. There are only full-time employment opportunities for arts administrators in the sector.

The Sports, Fitness and Recreation sub-sector displays a similar trend in that a few graduates are employed in the sub-sector. This is due to the fact that the sub-sector is dominated by volunteers and thus graduates compete for the available job opportunities. Though the labour market is recognising that sport and recreation can be a career path, the prospects for young graduates remain grim. This is due to lack of experience by the graduates, sport organisations not recognising the potential of young graduates as compared to older people with industrial experience and lack of opportunities for advancement.

3.5 PIVOTAL list

The CATHSSETA PIVOTAL list comprises the top 10 occupations that the SETA has identified as scarce and is informed by the larger list of scarce skills. The occupations listed in the PIVOTAL list are to be addressed by PIVOTAL programmes. The list provided in the table which follows provides the top 10 occupations in the PIVOTAL list and is not ranked in any particular order of priority.

The methodology utilised in identifying the occupations in the PIVOTAL list is as per the methodology outlined in section 3.4.1 where the analysis of the demand and supply of skills within the sector has been assessed, utilising the Mandatory Grant application data and inputs from focus group discussions with stakeholders engaged in the sector. The analysis and interpretation of these consolidated inputs are further enhanced with the research conducted by CATHSSETA and its partners.

Recognition of priority skills are founded on the occupations identified as scarce skills. The identified scarce skills are a function of two determinants: the number of vacancies in the sector and the degree of scarcity of the identified vacancies. This function was developed on the basis of the behavioural relationship between vacancies and scarcity, to scarce skills. Demand estimates, in terms of quantities needed, were calculated through time-series forecasts that use the time-ordered sequence of historical observations on a variable to develop a model for predicting future values of that variable. The simplest time-series forecast was a linear trend forecast where the generating process was assumed to be the linear model:

$$t_i = t_0 + a\% \times i,$$

whereby t_i = future value of skills demand; t_0 = skills demand at time 0; $i = [1,2]$ and a = average percentage increase (best fit).

Utilising the triangulation methodology for corroborating findings and as a test for validity, the occupations identified as scarce skills are further subject to consultation with sector stakeholders. Occupations identified as scarce in the previous five years are also considered prior to the final list of scarce skills being generated.

The interventions to address the occupations listed on the PIVOTAL list are based on input from consultative sessions with employers, joint working committees and regional managers. Further analysis in terms of availability of qualifications or relevant training programmes are considered prior to finalisation of the listed interventions. In compliance to the SETA Grant Regulations, 80% of the CATHSSETA available Discretionary Grants are allocated to PIVOTAL programmes that address scarce and critical skills in the sector. It is envisaged that through the identified interventions, the occupations listed will be addressed with funding directed to that particular area of study and training.

3.5.1 Top 10 PIVOTAL List

Table 14: Top 10 occupations on the PIVOTAL List

OFO MAJOR GROUP	OFO CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	Quantity to be supported by SETA
Managers	2015-141203	Catering Production Manager	Food and Beverage Coordinator	Bursary: Catering & Professional Cookery Internships	6	105
Professionals	2015-213301	Conservation Scientist	Species Protection Officer	Learnerships	7	20
Professionals	2015-213302	Environmental Scientist	Environmental Officer	Bursaries: Environmental Science	7	50
Professionals	2015-213307	Park Ranger	Wildlife Conservationist	Learnerships – National Certificate: Natural Resource Guardianship Terrestrial	5	100
Technicians And Associate Professionals	2015-342201	Sports Development Officer	N/A	Learnerships: FETC: Sports Administration; FETC: Community Recreation	4	90
				Skills Programme	4	
				Internship	4	
				Bursary: Sports Administration/ Recreation Leisure	4	
Technicians And Associate Professionals	2015-342301	Fitness Instructor	Health and Fitness Instructor	Learnerships: Fitness Qualification	5	113
				Skills Programmes: Fitness Qualification	5	
				Bursary: Fitness Qualification	5	
Technicians And Associate Professionals	2015-343401	Chef	Chef De Partie	Learnerships: Professional Cookery	4	500
Technicians And Associate Professionals	2015-343902	Light Technician	Lighting Operator	Learnerships: NC Live Event and Technical Productions	6	65
				Bursaries: NC Live Event and Technical Productions	6	
Clerical Support Workers	2015-421202	Gaming Worker	Gaming Operator	Learnerships: National Certificate: Gaming Operations	4	105
Service And Sales Workers	2015-512101	Cook	N/A	Skills Programme: Cook Convenience, Assistant Chef	3	800
				Learnerships: Cook Convenience	3	

3.6 Conclusion

This chapter focused on understanding occupation-specific skills mismatches for employers in the sector. A large majority of employment in the sector is within the low to middle level of skills, typical of the services industry. The supply of skills, however, takes places at all three levels: low, middle and high. This mismatch results in the disjuncture between supply and demand. Due to the skills shortages, firms are spending most of their resources in developing skills including in-house training. The issue of skills gaps in the sector has been presented in the form of a scarce skills list according to the Organising Framework for Occupations. A total of 32 scarce skills have been identified with the top 10 occupations falling under the PIVOTAL list listed in Table 13.

4. CHAPTER 4: SECTOR PARTNERSHIPS

4.1 Introduction

The main focus of this chapter is on existing SETA partnerships with the aim of establishing the state of these and identifying the benefits and challenges experienced. The secondary aim is to discuss potential partnerships the SETA may form and how these will likely serve the SETA.

4.2 Existing partnerships

The SETA existing partnerships are arranged into four groups and thus the chapter will have these as sections:

4.2.1 State of existing partnerships

Public providers:

Technical Vocational Education and Training (TVET) Colleges: There are 43 TVET colleges across 55 campuses offering the National Certificate Vocational (NCV) in Hospitality and Tourism at levels 2, 3 and 4. Some of the TVET colleges have also obtained programme approval from CATHSSETA to offer CATHSSETA accredited NQF aligned qualifications. CATHSSETA has signed a Memorandum of Understanding (MoU) with each of the TVET colleges to offer both bursaries and Learnerships, experiential learning as well as participate in the review of the NCV Hospitality and Tourism qualifications. The quality of training provided by the public providers is generally of a high standard. However, some public providers do face facility challenges, especially some of the TVET colleges that are not given a sufficient budget to upgrade their training facilities.

CATHSSETA has partnered with five TVET colleges in order to establish regional offices. The main aim of establishing regional offices is to increase stakeholder support by becoming accessible, more so in the rural areas. In the Free State, the regional offices are situated at Motheo TVET, which will also service the Northern Cape. Offices in the Eastern Cape, Western Cape, and KwaZulu-Natal are situated in the premises of Lovedale, Northlink and Umgungundlovu TVET colleges respectively. Offices in Limpopo are at the Capricorn TVET and these will also service the Mpumalanga province. Furthermore, CATHSSETA has entered into an agreement with King Hintsa TVET College to implement the Assistant Chef and Customer Care (level 4 and 5) programmes.

Higher Education Institutions (HEI) and Universities of Technology (UoT): CATHSSETA has partnered with HEIs in the provision of post graduate, Masters and PhD bursaries in order to promote research undertaken within the sector. CATHSSETA funds the bursaries, which covers the cost of tuition, books and accommodation. CATHSSETA has supported a number of learners with 13 (four Masters and nine PhD) currently pursuing their studies. The areas in which research is currently being undertaken by these bursary recipients include skills supply and demand, career pathways, sector information, career guidance, transformation imperatives, labour market and experiential learning.

Employers: CATHSSETA, as required by Goal 2 of SETA's Strategic Plan and Annual Performance Plan, forms partnerships with employers on issues related to skills development to ensure that employees are capacitated to meet skills demands. One of the significant partnerships was with several employers (Divine Inspiration Trading, Ukweza Holdings, Fancourt t/a Plattner Golf, Shamwari Hospitality and North West Parks & Tourism Board) which provided for the training of 118 Chefs, one of the sector's scarce skills. The following table provides the employers per sub-sector that are in partnerships with CATHSSETA for the delivery of Learnerships and other Learning programmes.

Other SETAs: Partnerships with other SETAs, like the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA) and AgriSeta for qualifications in facilitator, assessor and moderator, and Horticulture respectively have been successfully concluded. Further partnerships are being explored.

Public entities:

Arts, Culture and Heritage: The chamber has entered into partnerships with the North West Department of Sports, Arts and Culture to train 50 employees in FETC: Heritage Resource Management.

Conservation: The chamber has entered into partnerships with Ezemvelo KZN Wildlife to provide training on Customer Care for 623 employees at NQF level 4 and 20 employees at NQF 5.

Sports, Recreation & Fitness: The chamber has entered into partnership with the Department of Public Works to train 1 037 learners in the Expanded Public Works Programme (EPWP).

Travel & Tourism: The chamber currently has a partnership with the National Department of Tourism which focuses on the National Tourism Careers Expo (NTCE), collaborating on a Skills Audit and a Service Excellence Training Programme. The NTCE flagship programme has been significant in terms of profiling Tourism and its value chain products as employers of choice. The Skills Audit focusses on the Tourism and related sub-sectors and is part of the review of the Tourism Human Resources Development Strategy.

4.2.2 Successful partnerships

Partnerships that have resulted in producing successful outcomes have been seen in the following areas:

Training provision: the following training, which occurred through partnerships with various stakeholders, has been successfully completed

- The partnership with the National Arts Festival resulted in most of the 20 unemployed learners who completed the Music Industry Sound Technology Skills Programme being employed in full time positions.
- Fifty employed learners were trained towards a qualification in Sports Administration in partnership with Sports and Recreation South Africa (SRSA).. About 339 were trained in partnership with the the South African Sports Confederation and Olympic Committee (SASCOC) in Facilitator, Assessor and Moderator courses. These learners successfully completed the training.

Post Graduate bursaries: Since inception of the NSDS III, CATHSSETA has entered into partnerships with HEIs, specifically to provide bursaries to learners to pursue post graduate studies in the sector, with the intention of creating new knowledge and developing academic expertise in the sector. Of these partnerships, success stories have been seen with Rhodes University where a number of masters and PhD learners have produced research contributing to improved sector intelligence. Thus far, 23 recipients (17 at Masters level and six at PhD level) have completed their studies.

National Department of Tourism: CATHSSETA partnered with the National Department of Tourism in undertaking a Skills Audit as part of the review of the Tourism Human Resources Development Strategy. The partnership will build understanding of the skills development needs in the Tourism sector.

4.2.3 Problems experienced with partnerships

The main challenge the SETA has faced with promoting research at post graduate level is the inability of students to keep to the approved research programme. As a result, the delivery of findings to the SETA is delayed and the use of findings may be limited, given the need for more recent, up to date information. The partnerships that have been entered into for the development and review of qualifications also have certain challenges. Due to the voluntary nature of participation, setting aside time for assigned tasks, travel and logistics as well as delay in signing of contracts and finalisation of the qualification, pose challenges. Partnerships with public entities are unique. Certain public entities are often reluctant to fund projects and expect the SETA to fund the project in its entirety. The rollout of projects is only monitored by the SETA and the appointed training provider and further involvement from the public entity's side, in exercising oversight is limited with a heavy reliance on the training provider.

The challenge the SETA faced with TVET colleges is the lack of infrastructure geared towards responding to SETA requirements, for example, lack of capacity to prepare relevant documents for programme approval.

4.2.4 Strengthening of partnerships

In order to strengthen partnerships, it is imperative to have more focussed engagements, for the SETA to better service current partnerships and clear determination of roles and responsibilities.

The SETA has provided support to train the staff at TVET colleges to further enhance capacity. Furthermore, the SETA has established offices at TVET colleges in five provinces to become easily accessible and thus enable close communication.

4.3 New partnerships

The SETA is looking at forming partnerships with the following entities:

Public entities:

The SETA is exploring a partnership with the KwaZulu-Natal Department of Arts and Culture. This partnership will focus on establishing an Arts and Culture Academy as well as National Higher Education Institute for Physical Education (NHEIPE) in KZN. The aim of the Arts and Culture Academy is to develop indigenous arts and culture forms, particularly in the marginalised communities. The NHEIPE initiative aims to contribute in the coordination of Physical Education teacher training and will be piloted in four colleges, namely, uMgungundlovu, uMfolozi, Esayidi and Majuba TVETs, where the Sport Coaching programme will be implemented.

CATHSSETA will also be partnering with Lukanji and uMgungudlovu Municipalities in the Eastern Cape and KwaZulu-Natal respectively. The partnership with these municipalities aims to provide residents with learning opportunities and workplace exposure. Thus, CATHSSETA will provide bursaries to 20 learners from Lukanji Municipality, and fund internships for 18 unemployed learners from uMgungundlovu Municipality.

A partnership with SASCOC and industry players has been identified to review the sport coaching qualification.

The partnership with NDT will see CATHSSETA collaborating on skills development initiatives, namely, Women Executive Management Training Programme and a Universal Accessibility Training Programme.

Various stakeholders:

Partnerships with universities, TVET colleges and sector employers are currently being explored. The aim of these is to improve stakeholder participation in sector skills development activities. The partnerships will enable CATHSSETA and these stakeholders to collaborate on common areas of interest.

CATHSSETA is also looking at partnerships with various stakeholders to provide career guidance. The focus of the partnerships will be on providing learners with information tools that will assist them in making informed career decisions.

As part of the CATHSSETA strategic projects, priority sector events have been identified and the following have been planned: National Environmental Skills Summit in partnership with the Lewis Foundation, Sports Conference in partnership with SASCOC, the National Tourism Careers Expo in partnership with the NDT, Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs, the Standard Bank Joy of Jazz and the National Arts Festival.

4.4 Conclusion

This chapter has outlined the existing partnerships that the SETA has and has detailed the nature of these partnerships. In order to effectively deliver on the provision of learning programmes, CATHSSETA has partnered with employers, HEIs, TVETs, public entities and other SETAs. The successful partnership models, specifically those that have resulted in the review of sector qualifications are being replicated for the current year. Further collaborative measures are required in order for qualification development, implementation of inter-SETA qualifications, implementation of learning programmes, placement of learners in internships and capacitating the TVET sector.

5. CHAPTER 5: SKILLS PRIORITY ACTIONS

5.1 Introduction

This chapter consolidates and presents the findings from previous chapters and reflects on priority actions for the CATHSSETA sector. The information and analysis from previous chapters have been reviewed to culminate in a response in the form of recommended actions that are realistic, consistent and achievable. This chapter provides a set of priority actions and is not a detailed strategic or operational plan. Consideration of National Strategies and Plans have also been taken into account to ensure alignment with government's priorities.

5.2 Findings from previous chapters

The key findings from previous chapters have been summarised in the following table.

Table 15: Key findings

Chapter	Key findings
Chapter 1	<p>The Tourism sector is a key driver of economic growth contributing R375.5 billion to the country's GDP in 2015 and an increase in direct employment by 3.4% in 2015</p> <p>The Hospitality sub-sector employs the largest workforce in the sector</p> <p>The Northern Cape province employs the least number of people in the sector.</p> <p>There exists a high concentration of employees and employers in Gauteng, Western Cape and Kwa-Zulu Natal provinces</p> <p>Male employees dominate the Managers and Professionals major groups while a majority of females occupy the Services and Sales Workers, Clerical Support Workers and Elementary Occupations major groups</p>
Chapter 2	<p>Change drivers</p> <p>There has been an increased use of internet services, electronic and mobile technologies across the sector</p> <p>Technology has resulted in a skills-biased technological change. The implications is that functional and technical skills will need to be accompanied by technology skills</p> <p>Social networking, marketing, e-commerce and digital marketing has become increasing more mainstream in its use to attract and retain customers</p> <p>Globalisation has brought about a more "sophisticated tourism market"</p> <p>As a result of changes in the sector, the demand for higher quality products and services are on the rise. This necessitates the required skills base to meet the changing demand</p> <p>Fast changing market conditions make it necessary for employers to remain competitive</p> <p>The revision of the Visa regulations is expected to be a positive change driver for the Tourism sector and impacts may be seen across the entire value chain</p> <p>Other change drivers include migration patterns which see a fair amount of foreigners employed within the sector</p> <p>There is a requirement for increased efficiency of human resources with the use of technology</p> <p>The demand for skills with components of technology or IT are growing</p> <p>Employers need a more flexible skills base, able to adapt to competing environments</p>

Chapter	Key findings
Chapter 3	<p>Demand for skills</p> <p>There has been an increasing occupational trend in the sector from 2012 to 2014</p> <p>SMMEs, which form a large part of the sector, require skills for both start-up of businesses and sustainability of these businesses</p> <p>Supply of skills</p> <p>The majority of employees are in middle level skills band, between NQF levels 3-6</p> <p>A total of 120137 learners entered programmes offered by HEIs in 2014 and a total of 20417 graduated from HEIs in 2014 with sector specific qualifications</p> <p>Completion rates across the NC(V) and N6 TVET colleges programmes are at 45% and 43% respectively</p> <p>The sector comprises a total of 14 367 artisans as chefs, a 12% decrease as compared to the 2015 period</p> <p>Skills gaps</p> <p>Supply and demand trends of the sector indicates that the demand for jobs outweigh the supply</p> <p>Graduates in the sector are generally viewed as not meeting employer expectations in terms of skills requirements</p> <p>The sector perceives there to be a skills mismatch between graduates and job requirements</p>
Chapter 4	<p>Partnerships with employers, HEIs, TVETs, public entities and other SETAs are imperative for learning programmes to be successfully delivered</p> <p>Successful partnership models which may be replicated include the review of qualifications, research partnerships and career guidance events to inform existing and potential entrants to the sector of available career opportunities and paths</p> <p>Further collaborative measures are required in order for qualification development, implementation of inter-SETA qualifications, Implementation of learning programmes, placement of learners in internships and capacitating the TVET sector</p>

5.3 Skills priorities and actions

The key findings from the previous chapters and common feedback from stakeholder engagements, including chamber joint working committees have culminated in the following recommended actions:

Qualification review:

Qualifications offered at both TVET colleges and HEIs, whilst deemed to be relevant in some of the sub-sectors, the general feedback from employers indicate that there is a need for review, particularly within the Travel and Tourism sub-sector. CATHSSETA in partnership with UMALUSI and NDT have completed the review of the NCV qualification for Hospitality and Tourism and the review task team has commenced with the actual revision of the curriculum. Education and training systems in the Tourism and Hospitality sub-sectors require alignment of curriculum with the needs of the industry. Industry feedback to CATHSSETA has been that graduates from higher education institutions are largely not able to transition smoothly into the workplace and this has resulted in the increase in a number of employers in the sector providing their own certificate courses that they feel cater to the needs of their respective businesses. The following focus areas are avenues through which education and training may be able to align with the needs of the industry:

Academic Advisory Boards of industry representation;

- Real World Learning models (such as the Cornell Hotel School model)
- Active learning methods (such as Problem Based Learning)
- Group Work (communication skills)

This priority will be addressed through the review of legacy qualifications falling within the scope of the CATHSSETA sector.

Training provision:

There is a general lack of sufficient training providers in certain provinces within the ACH and SRF sub-sectors. The most optimal solution to this issue would be the development of the capacity of TVET colleges to offer accredited courses relevant to the sector. Training provision for Conservation qualifications happens at HEI level i.e. there is no offering at TVET college level. TVET colleges need to be capacitated to offer programmes relevant to the sub-sector as they act as a bridge and are affordable for those requiring to further their studies in but cannot afford going to universities or UoTs.

In order to address this, CATHSSETA will be monitoring compliance of accredited training providers and ensuring that accreditation applications are processed timeously. Licence agreements with various TVET colleges have been signed with the aim of increasing the availability of training provision in the sector.

Analysis of skills needs:

A full skills audit of the sector is required in order to enhance the data and information available on the sector. Results from focus groups engagements indicate that within the SRF sub-sector, the following skills are critical:

- Training of sports arbitrators, sports administrators, technical officials (team managers, referees/umpires), conditioning coaches and athletes. Athletics and wheelchair basketball coaches require urgent training
- Life skills training including First Aid for athletes and officials
- Leadership and governance training
- Financial skills including fundraising skills
- Computer literacy
- In the Conservation sub-sector, the industry stakeholders identified fire management as a critical skill with training required at entry level.

The evolution of the Hospitality sub-sector requires the following skills to develop and improve the product offering to customers:

- Customer skills
- Computer skills

This is being prioritised through the various research projects – skills audit and labour market research being conducted. Continuous research efforts are necessary in order for the SETA to have credible and sufficient sector intelligence, to inform skills planning.

Work experience and experiential learning:

Work readiness programmes such as Internships and Work Integrated Learning (WIL) need to be intensified and properly structured to ensure that new entrants into the labour market are prepared and are able to have a competitive advantage. This takes place through PIVOTAL programmes like Learnerships, Internships and WIL.

TVET capacity building:

Training providers and lecturers at TVET colleges need to be exposed to workplace experience in order to stay current in the classroom and thereby be enabled to provide better quality training to students. In order to intensify efforts towards capacity building CATHSSETA has and will continue training TVET lecturers on ETD programmes, licence CATHSSETA programmes to the colleges and train support for skills development training to lecturers.

Increased partnerships:

- Partnerships between the education sector and employers facilitated by CATHSSETA is critical to improve the quality of education in the sector. Education and training systems should work closer with the government, industry associations and employers in the sector to better understand the skills demanded by the sub-sectors and establish the in-house training strategies that would assist graduates in gaining first-hand experience.
- The development of a Coaching Framework in partnership with SASCOC, to address the issue of RPL of coaches has been concluded. Thus, ensuring that coaches with the relevant experience and skills, but lacking formal qualifications, are provided with an opportunity to gain recognition in the form of a formal qualification.
- An increased number of learners enrolled in higher qualifications including post-graduate students at Masters and PhD levels have been seen through the partnerships that CATHSSETA has established with various HEIs.
- Further partnership efforts include partnerships for career guidance events, and partnerships with TVET colleges, employers and HEIs to provide skills development support to learners.

Transformation in the sector:

Amongst one of the most consistent findings is the need for transformation in the sector at higher occupational levels. This is in terms of both promotion of female employees as well as support of Black skills development. In order to change the demographic profile of managers and professional in the sector, continued development of relevant skills are required to improve this pipeline. Whilst there has been marginal gains with regards to transformation, this continues to be a key focus for the overall transformation of the sector. In line with the NSDS III imperatives, consideration of such objectives are key in the allocation of the CATHSSETA Discretionary Grant funding allocations.

5.4 Measures to support National Strategies and Plans

The impetus to support National Strategies and Plans is embedded in the CATHSSETA strategy and the six chamber (sub-sector) strategies. These are implemented in the following manner:

- The ACH chamber has formulated the Heritage sub-sector forum to find collective ways of addressing issues as identified in the National Policy on South African Living Heritage as well as the National Heritage and Cultural Tourism Strategy
- Within the Hospitality sub-sector, the review of the chef qualification has been concluded, in line with the National Development Plan vision for 2030 for the chef occupation

Considerable investment has been made in support of the National Sport and Recreation Plan and the South African Coaches Framework: for example, in order to lay a firm foundation for widening access to increased participation levels and enhance sporting excellence, capacity has to be stepped up. The following measures have been initiated:

- Accreditation support – 11 National Federations are in the process of getting their accreditation status as training providers
- Education and development of coaches through the training of coach developers who will provide education and support to coaches – training has taken place for 379 facilitators, assessors (including RPL assessors) and moderators. This likewise will enable the implementation of RPL in support of the fast-tracking of the conferring of coaches' skills programmes and qualifications across all sporting codes within South Africa

CATHSSETA has prioritised a number of interventions to support the National Protected Area Expansion Strategy (2008). Part of the interventions that will be implemented includes bursaries, Learnerships and skill programmes, as programmes that will assist in training on scarce and critical skills

5.5 Conclusion

The CATHSSETA sector with its varying sub-sectors has been deemed to be a crucial driver of the South African economy. As such, investment in human capital development (HCD) knowledge and skills have great economic value. The impact of education and training on company performance and the economic sector as a whole is an important issue because of the large amount invested. Whilst CATHSSETA has been in operation for over 10 years, it is only in the last three years that some significant strides have been recorded. There has been no impact studies done as yet to establish the extent of progress achieved. At this stage it can be noted that one single achievement is getting employers in the sector involved in real training other than in-house non accredited training. A large number of sector employers are beginning to realise that the effects of education and skills on productivity and innovations are generally positive and significant.

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