

**Topic: CATHSSETA's contribution to
“Human capital development and
requirements of the fourth industrial
revolution”**

**Presentation for the GRAF conference
Eastern Cape – 20 August 2019**



Overview of CATHSSETA

- ❑ The Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority (CATHSSETA) is one of the 21 SETAs established under the Skills Development Act (No 97 of 1998) in 2001.
- ❑ The second smallest SETA in terms of size and revenue

Scope: six (6) sub-sectors

- Arts, Culture and Heritage
- Conservation
- **Gaming and Lotteries (G&L)**
- Hospitality
- Sport, Recreation and Fitness
- Travel and Tourism



Who we are...



- The Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority (CATHSSETA) is one of the 21 SETAs established under the Skills Development Act (No 97 of 1998) in 2001.
- Our mandate is to facilitate skills development within our sub-sectors through the disbursement of grants for learning programmes and monitoring of education and training as outlined in the National Skills Development Strategy (NSDS) and National Skills Development Plan (NSDP) 2030.

What we do



Our functions and responsibilities, as set out in Chapter 3, section 10 of the Skills Development Act, 1998, are to:

1. Develop and implement a sector skills plan. The plan describes the trends in each sub-sector as well as the skills that are in demand. In addition, this plan identifies priorities for skills development.
2. Support and administer learning programmes.
3. Support the implementation of the National Qualifications Framework (NQF)
4. Undertake and Conduct quality assurance on learning in line with Quality Council for Trades and Occupations (QCTO) requirements.
5. Disburse levies collected from employers in our sub-sectors. Employers pay 1% of their salary payroll to SARS on a monthly basis. CATHSSETA receives 80% of this contribution, which is allocated to administration costs and grants to be claimed back by companies. The remaining 80% is paid to the National Skills Fund.
6. Report to the Minister of Higher Education and Training. As a statutory body, CATHSSETA has been established by an Act of Parliament. As such, we are given clear responsibilities that need to be discharged in the public interest and are custodians of public funds. We are therefore required to report to the Director-General of the Department of Higher Education and Training on the efficient and effective use of public funds.

Requirements of the 4IR in the sector



As part of the research into the SSP the following change drivers were identified:

1. Globalisation;
2. Fourth Industrial revolution;
3. Legislation and
4. The green economy

A change driver is a factor changing the sector and causing it to develop in a particular way, good or bad.

Requirements of the 4IR in the sector



- The fourth industrial revolution is, by now, widely predicted to bring with it disruption and displacement, including job losses caused by automation and artificial intelligence.
- Beyond South Africa's 27.2% current unemployment rate, the rest of the continent faces significant infrastructural and educational challenges, making it one of the regions most at risk.
- In South Africa, government is already tackling this issue. It recently appointed an inter-ministerial task team to lead SA's fourth industrial revolution strategy.
- Technological changes can benefit the country, unskilled or semi-skilled people are going to find it more difficult to get jobs.
- In South Africa, we will have to address the two main barriers identified by the World Economic Forum to adapting to these disruptions:
 - a) **Insufficient understanding of disruptive changes (68%); and**
 - b) **A workforce strategy that is not aligned to innovation strategy (44%).**

Technology is transforming the sector operations, thus constant re-skilling of employees is required to keep abreast with new technologies that cut across all sub-sectors. Hence, our research agenda had a focus on the impact of the 4IR and its impact on the six CATHSSETA sub-sectors.

Requirements of the 4IR in the sector



The proposed study into the 4IR will have to answer the following questions amongst others:

1. What is the 4th industrial revolution?
2. Why should CATHSSETA care about the 4th industrial revolution and how will it affect how we do our current jobs?
3. What is the impact of 4th Industrial Revolution on skills development for the CATHSSETA and its 6 sub-sectors?
4. How should we be crafting the CATHSSETA strategy to meet the future needs of the 4th industrial revolution?
5. How can we align the CATHSSETA strategy and the 4th Industrial revolution and future skills?
6. Highlight the strengths and opportunities from the 4th industrial revolution and forecast challenges and solutions within the context of technology, skills development, employment and education and training.
7. What should we be teaching if what is taught becomes outdated within a year or two?
8. How do we equip people with the skills they will need to use technology that has not been conceptualized yet?

Requirements of the 4IR in the sector



The proposed study into the 4IR will have to answer the following questions amongst others:

9. How do we prepare the workforce for multiple career changes that cut across occupational boundaries?
10. What skills sets will the workforce need to thrive in the 'Age of Unreason' with erratic change that no longer follows a predictable pattern?
11. How do we equip people with the skills they will need to use technology that has not been conceptualized yet?
12. What assumptions about skills development are preventing us from preparing the workforce for a workplace exponentially disrupted by new technology in the future?
13. Is the sector planning for the 4th industrial revolution? Who is left behind? What lessons can be learned? Who is leading the pack? What sub-sectors are leading the pack?
14. Are Human Resource Development Practitioners ready? Are companies ready? Are employees ready? Is organized labour ready?

This is a topic that needs further dialogue and discussion between the different role-players in this sector. Government has shown the leadership in this area, we need to show leadership in our own companies through our HR departments. CATHSSETA will also be investing into research on this topic to get more information.

Vision

To be a leader in skills development within our diverse sector

Mission

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

Our Values

Service Excellence
Fairness & Transparency
Respect
Accessibility
Integrity
Stakeholder Orientation
Accountability

CATHSSETA's contribution to Human Capital Development in the sector



The CATHSSETA contributes to Human Capital Investment in several ways through legislation.

- There are two main ways we contribute through the disbursement of grants as specified in the Skills Development Act and Skills Development Levies Act through the Grant Regulations of 2012; and the CATHSSETA Discretionary grant policy. These grants are:
 - a) Mandatory Grant through the Annexure 2 or WSP submissions and
 - b) Discretionary Grant

FUNDING FRAMEWORK



Discretionary Grant programmes are implemented in line with the CATHSSETA Discretionary Grant Policy. Mandatory Grant are implemented in terms of the SDA and SDLA

The Discretionary Grant funding framework is allocated as follows:

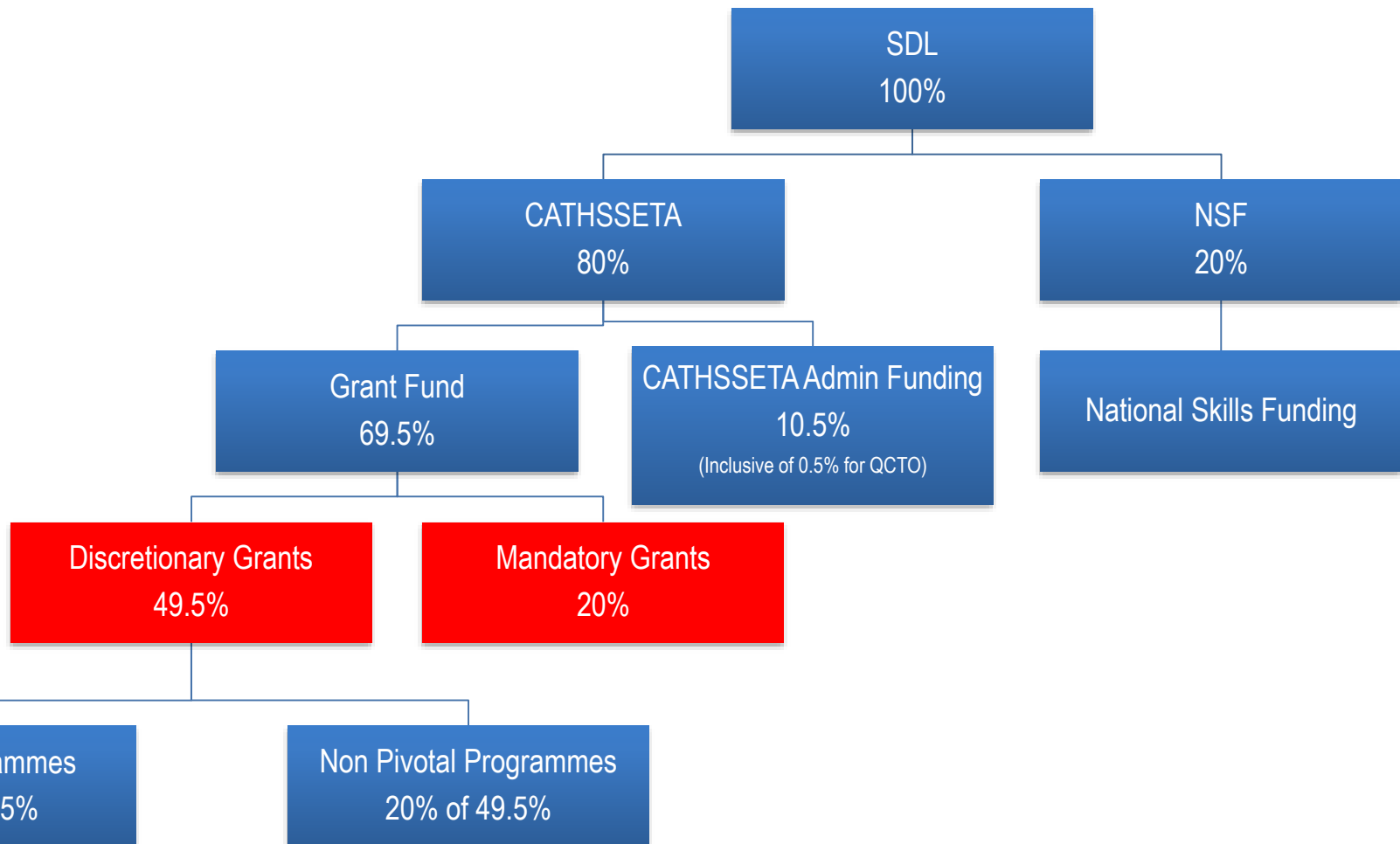
- 80% within a particular financial year to PIVOTAL programmes that address the occupational shortages and skills identified in the SSP
- 20 % will be allocated to NON Pivotal Programmes

The Mandatory grant funding framework is allocated as follows:

- applications (WSP) are funded by 20% of the total levies paid by the employer who submits a Mandatory Grant application (Annexure 2) or Workplace Skills Plan (WSP).



Funding Framework



How do we know



- CATHSSETA is responsible for developing the Sector Skills Plan as mandated by the Skills Development Act, 1988 Section 10 (1) (a) and guided by the Department of Higher Education and Training (DHET) SSP Framework and Requirements.
- The SSP is reliant on up-to-date data to inform skills development priorities so that we can support the sector with relevant programmes and interventions, which are aimed at making a difference to the lives of employees, workplaces, communities and our sub-sectors. Such skills interventions to address the skills gaps aim to empower employees as well as transform the sector.
- We aim to improve skills planning processes within the sector to ensure entities submit reliable and accurate data through the submission of workplace skills plans (WSPs).
- An extensive research process goes into developing the SSP with quantitative and qualitative research focus through our research methodology.
- Stakeholder engagements through workshops and interviews is part of the research methodology to solicit input and validate the information submitted through the WSPs.



How do we know



- CATHSSETA has a research agenda that is implemented to respond to the findings of the SSP.
- The research agenda guides the research that must go into the SSP;
- As part of the 2020/21 research agenda, CATHSSETA has prioritised the following studies as informed by the outputs in the SSP:
 - a) Impact Assessment study of all CATHSSETA programme beneficiaries for period 2016-2018;
 - b) Tracking and Tracing Study of Learners who have completed in 2018/19;
 - c) Skills Forecasting Study: Fourth Industrial Revolution;
 - d) Organising Framework for Occupations (OFO) Study;
 - e) Research Partnerships with HEIs through Post Graduate studies in areas of need
 - f) Sector analysis of each sub-sector

PIVOTAL Programmes



PIVOTAL is an acronym which means “professional, vocational, technical and academic learning programmes” that result in qualifications or part qualifications on the National Qualifications Framework.

PIVOTAL Programmes within CATHSSETA are:

- Learnerships employed & unemployed
- Skills Programmes employed & unemployed
- Apprenticeship unemployed
- Work Integrated Learning (TVET College)
- Internships & Work Integrated Learning (University placement)
- Bursary employed and unemployed



PIVOTAL GRANT



- The PIVOTAL list is a key output of the SETA, as 80% of the available discretionary budget must be spent on PIVOTAL programmes.
- It is used by DHET to inform enrolment and infrastructure planning by the Vocational and Continuing Education and Training (VCET) and University branches.
- **The PIVOTAL list contribute to the compilation of the Occupations in High Demand List, published by the department every two years.**
- The purpose of PIVOTAL grants is to provide students with the opportunity to complete a practical part of their qualification and this is usually the last leg that they need to complete in order to obtain their qualifications. Many students cannot complete their qualifications because they do not have the opportunity to complete their practical training.
- The PIVOTAL grant will allow students to complete their training but also to gain valuable work and industry experience that will make them more employable.



C5 – List of Hard to Fill Vacancies



Defined as: A vacancy (occupation) that an employer was unable to fill within 6 months, or took longer than 6 months for the employer to find a suitably qualified and experienced candidate

Sub-sector	OFO Code	Occupation	Number of HTFVs	Reason for HTFV
Arts, Culture, and Heritage	2017-235502	Private Tuition Dance Teacher	20	Budgetary constraints
	2017-651501	Rigger	6	Lack of suitable qualified candidates
	2015-263206	Heritage Consultants	2	Lack of candidates with required experience
	2017-352103	Sound Technician	3	Applicants do not meet equity requirement Budgetary constraints
Conservation	2017-213307	Park Ranger	13	Lack of suitable qualified candidates
	2017-324101	Veterinary Nurse	2	Lack of suitable qualified candidates
	2017-213109	Zoologist	2	Lack of suitable qualified candidates
	2017-226302	Health and Safety Officer	2	Lack of suitable qualified candidates



C5 – List of Hard to Fill Vacancies



Sub-sector	OFO Code	Occupation	Number of HTFVs	Reason for HTFV
Gaming and Lotteries	2017-122101	Sales and Marketing Manager	2	Lack of suitable qualified candidates
	2017-335916	Gaming Operations Compliance Officer	2	Lack of suitable qualified candidates Lack of candidates with required experience Lack of candidates with required experience
Hospitality	2017-343401	Chef	12	Geographical position of the location is not favourable/remote High staff turnover
	2017-141201	Catering Managers	5	Lack of candidates with required experience
	2017-642601	Plumber	4	Lack of suitable qualified candidates
	2017-671101	Electrician	4	Lack of candidates with required experience
	2017-141201	Café (Licensed) or Restaurant Manager	3	Applicants do not meet equity requirements Lack of candidates with required experience Lack of suitable qualified candidates
	2017-313907	Food and Beverage Manufacturing Process Controller	3	Lack of suitable qualified candidates



C5 – List of Hard to Fill Vacancies



Sub-sector	OFO Code	Occupation	Number of HTFVs	Reason for HTFV
Sport, Recreation and Fitness	2017-226905	Biokineticist	7	Lack of suitable qualified candidates
	2017-143105	Sport Administrator	4	Budgetary constraints
				Lack of suitably qualified candidates
	2017-263406	Sport Psychologist	3	Lack of suitably qualified candidates
	2017-342204	Sport Coach	3	Lack of suitably qualified candidates
Lack of suitably qualified candidates				
Travel and Tourism	2017-524401	Customer Contact Centre Salesperson	6	Lack of candidates with required experience
	2017-422102	Travel Consultant	2	Lack of candidates with required experience
				Language barriers
2017-243103	Marketing Practitioner	2	Lack of candidates with required experience	
			lack of suitably qualified candidates	



PIVOTAL List 2019/20



SUB-SECTOR	OFO CODE	OCCUPATION	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	QUANTITY NEEDED BY THE SECTOR	QUANTITY TO BE SUPPORTED BY SETA
Arts, Culture & Heritage	2017-235502	Private Tuition Dance Teacher	Bursary	6	20	47
	2017-651501	Rigger	Learnership	4	7	20
	2017-263206	Heritage Consultant	Learnership	5	4	72
Conservation	2017-213307	Park Ranger	Learnership	5	21	72
Gaming & Lotteries	2017-335916	Gaming Operations Compliance Officer	Learnership	3	4	66
Hospitality	2017-141201	Café (Licensed) or Restaurant Manager	Learnership and Bursary: Food Beverage studies or services	6	57	120
	2017-343401	Chef	Learnership: Professional Cookery	5	125	261
Sport, Recreation & Fitness	2017-226905	Biokineticist	Bursary	7	2	47
	2017-143105	Sports Administrator	Learnership	4	5	93
Travel & Tourism	2017-143105	Travel Consultant	Learnership	5	50	50

PURPOSE OF THE GRANTS



The purpose of Mandatory and Discretionary Grants is for the SETA to:

- Implement the Sector Skills Plan;
- Achieve its objectives in relation to the National Skills Development Strategy III (NSDS III) mandated by the Department of Higher Education; and National Skills Development Plan (NSDP) 2030; and
- Address the occupational shortages and skills in the sector.

MANDATORY GRANTS

Importance of submitting Mandatory Grant data



- Key function is to encourage employers to provide data to the SETA, namely, the **profile of the workforce** and **sector skills needs**
- **Data** needs to be **accurate and well prepared** so the SETA can establish sector skills needs
- **Bad data distorts the research, strategy of the SETA and skills planning process** – which will inevitably affect occupational shortages and skills gaps to be funded by the SETA



Mandatory Grants



- **Funding:** Mandatory grant applications (WSP) are funded by 20% of the total levies paid by the employer who submits a Mandatory Grant application (Annexure 2) or Workplace Skills Plan (WSP).
- **Online submission:** Applications are submitted online by registered SDFs
- **Bulk functionality:** CATHSSETA provides an opportunity for all employers with over 1,000 employees a bulk functionality.

HOW DO WE USE THE MG DATA



- ❑ We use the MG data to create a labour market profile of the sector
- ❑ The Gaming and Lotteries sub-sector accounts for 1% of overall entities in the CATHSSETA sub-sectors;
- ❑ 71% of Gaming and Lotteries entities are small (0-49 employees)

TABLE 1: NUMBER AND SIZE OF ENTITIES REGISTERED WITH CATHSSETA

SUB-SECTOR	SIZE OF ENTITY			NUMBER OF ENTITIES REGISTERED WITH CATHSSETA	% IN THE SECTOR
	SMALL (1-49)	MEDIUM (50-149)	LARGE (150+)		
Hospitality	27 575	768	391	28 734	72%
Tourism and travel services	3 237	102	92	3 431	9%
Sport, recreation and fitness	2 625	96	86	2 807	7%
Arts, culture and heritage	2 462	85	83	2 630	7%
Conservation	1 647	41	38	1 726	4%
Gaming and lotteries	382	50	64	496	1%
Total	37 928	1 142	754	39 824	100%

Employee breakdown- per sub-sector

The Gaming and Lotteries sub-sector has seen an increase in the number of employees over a three year period. In 2016/17 the number of employees increased from 30 702 employees to 31 014 in 2017/18 and 32 395 in 2018/19 respectively. **The sub-sector remains the second largest sector in terms of the number of employees after the Hospitality and other CATHSSETA sub-sectors.**

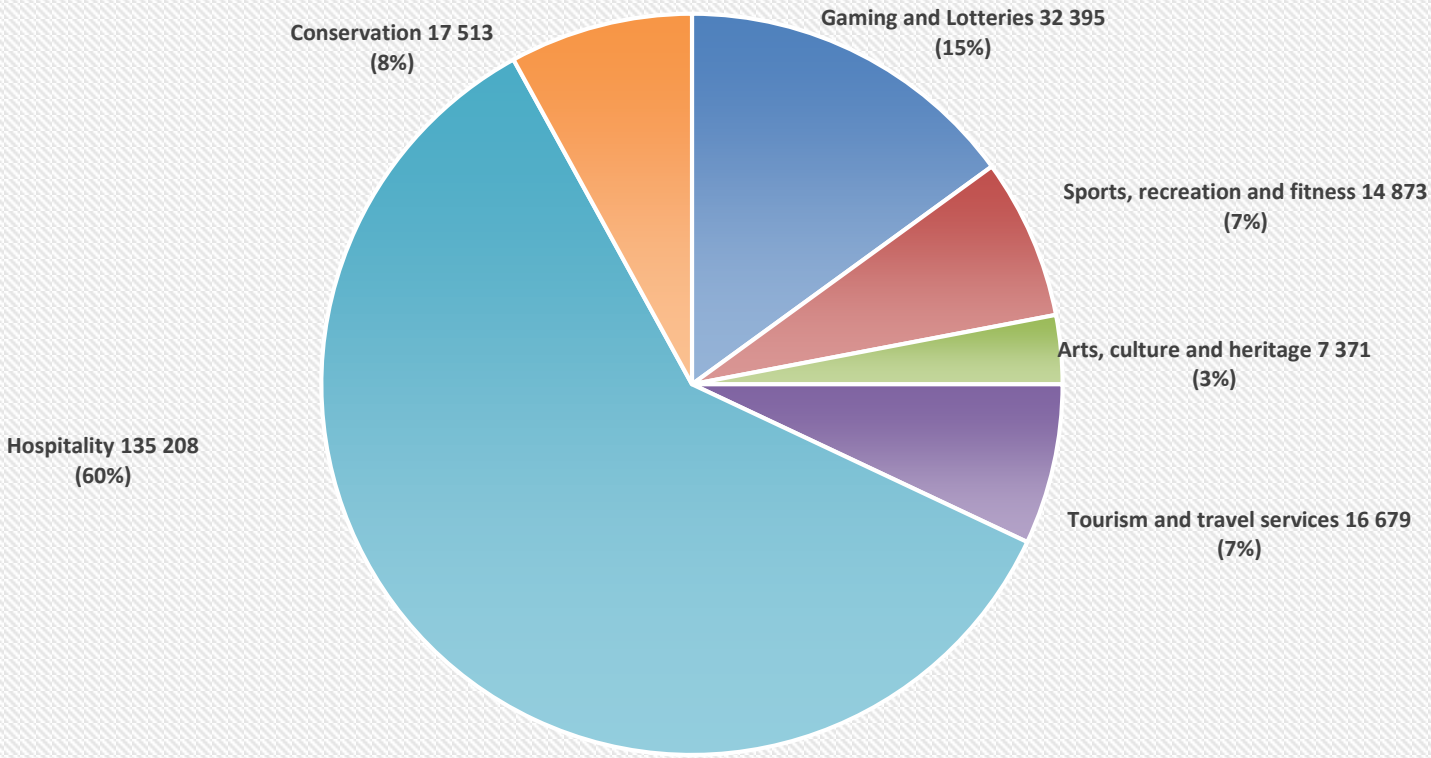
TABLE 2: NUMBER OF EMPLOYEES IN THE SECTOR

Sub-sector	2016/17	2017/18	2018/19	% Increase per year
Arts, culture and heritage	4 668	5 489	7 371	3%
Conservation	12 835	16 072	17 513	8%
Gaming and lotteries	30 702	31 014	32 395	14%
Hospitality	143 757	129 797	135 208	60%
Sports, recreation and fitness	14 644	29 487	14 873	7%
Tourism and travel services	16 670	16 987	16 679	7%
Total	223 276	228 846	224 039	100%

Employee breakdown- per sub-sector



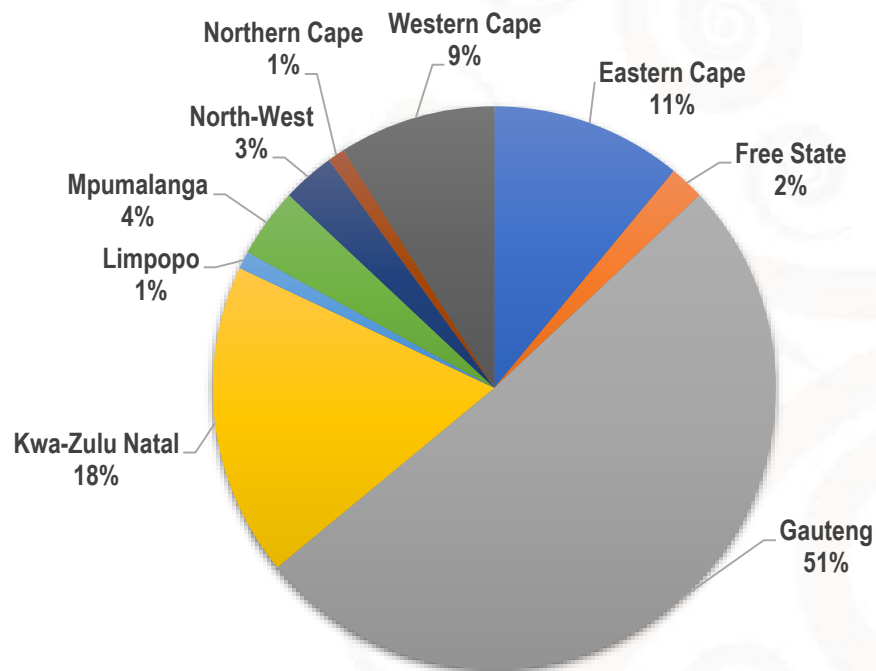
FIGURE 1: EMPLOYEES PER SUB-SECTOR



Provincial Breakdown of the Gaming and Lotteries sub-sector



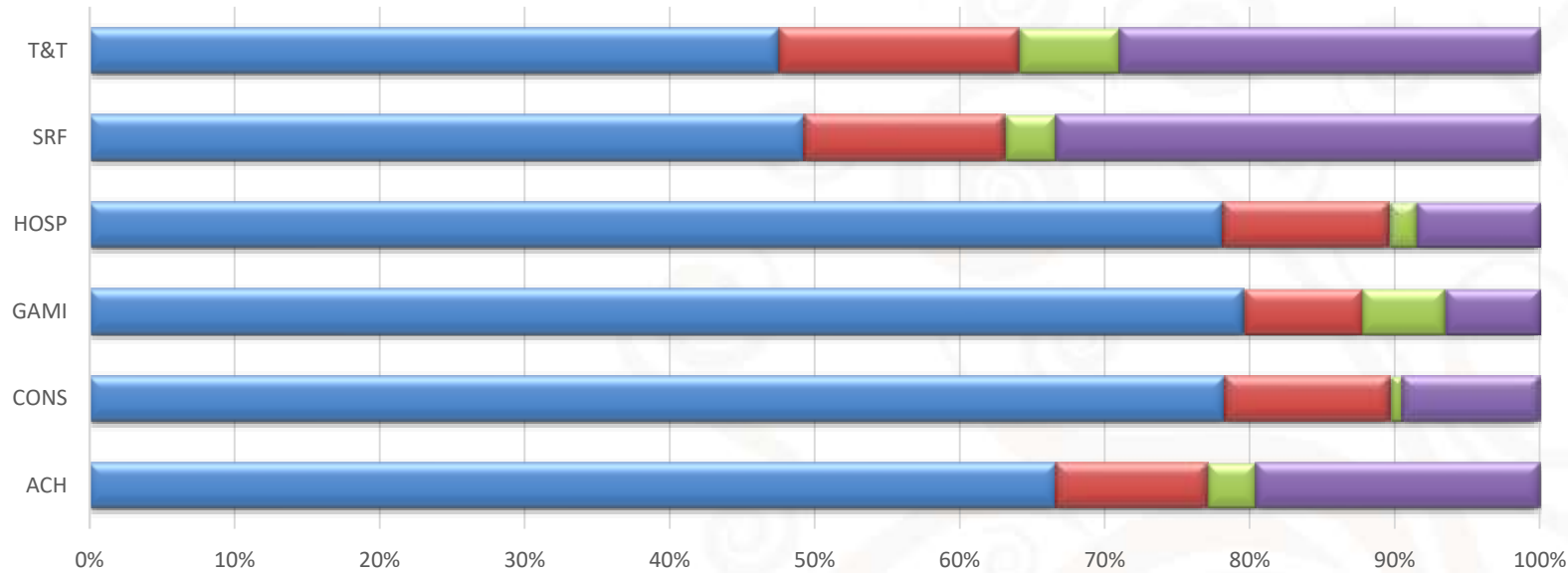
The Majority of entities in the G&L sub-sector are in Gauteng (51%), followed by Kwa-Zulu Natal (19%) and 11% Eastern Cape.



Labour Market Profile: Race



Race demographics of employees

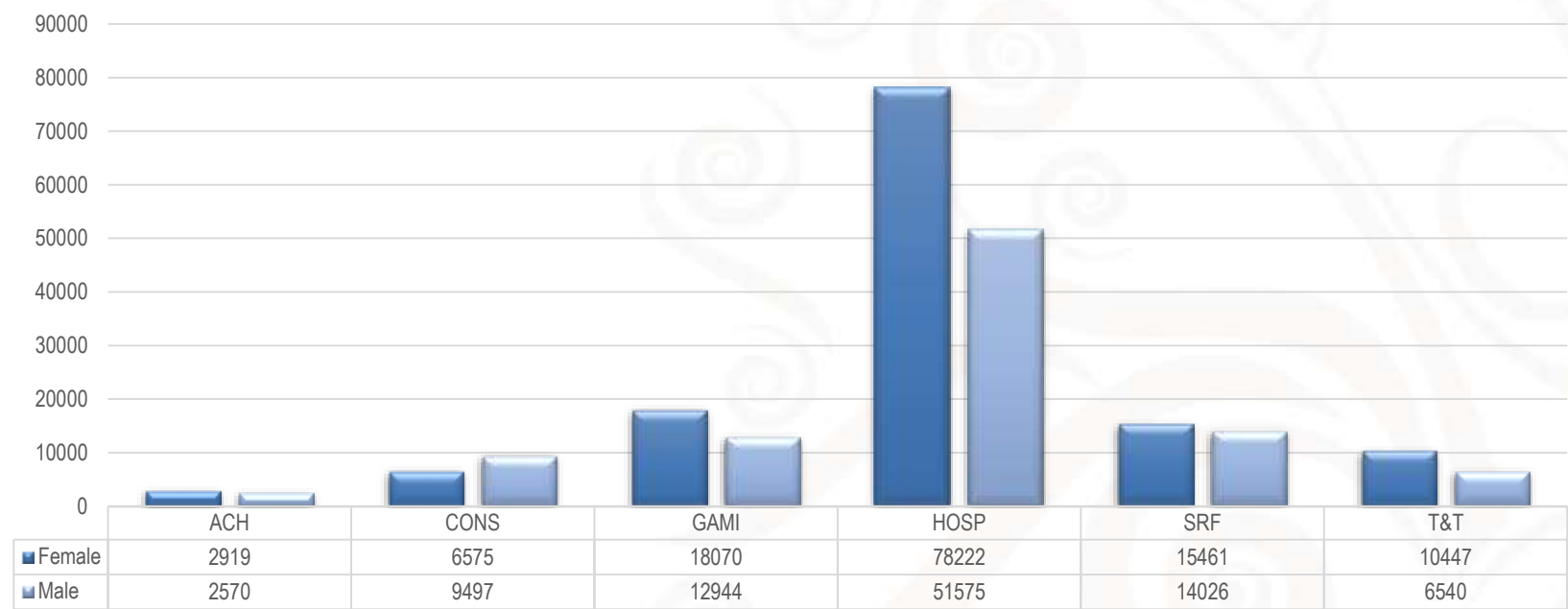


	ACH	CONS	GAMI	HOSP	SRF	T&T
African	3658	12579	24684	101409	14532	8077
Coloured	573	1836	2526	14907	4080	2809
Indian/Asian	182	132	1774	2471	1036	1177
White	1076	1525	2030	11010	9839	4924

Labour Market Profile: Gender

Females represent 58% of total employment in the G & L sub-sector.

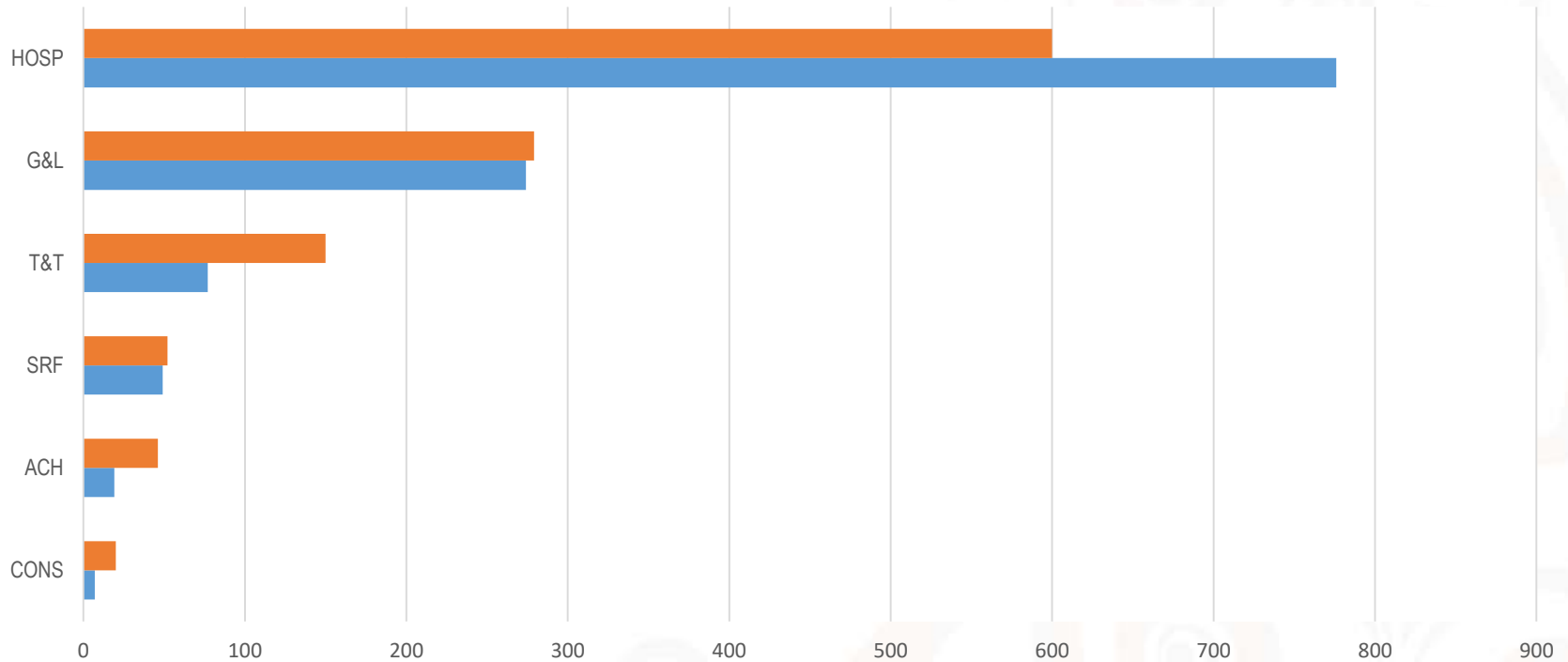
Gender demographics of employees



Labour Market profile- Disability



Disability status of employees



	CONS	ACH	SRF	T&T	G&L	HOSP
2017/18	20	46	52	150	279	600
2016/17	7	19	49	77	274	776

HARD-TO-FILL-VACANCIES (HTFVS) G&L 2018 - 2020



Sub-sector	OFO Code	Occupation	Reason for HTFV
Gaming and Lotteries	2018/19		
	2017-335916	Gaming Operations Compliance Officer	Lack of suitable qualified candidates
			Lack of candidates with required experience
			Lack of candidates with required experience
	2019/20		
	2017-122101	Sales and Marketing Manager	Lack of suitable qualified candidates
	2017-335916	Gaming Operations Compliance Officer	Lack of suitable qualified candidates
			Lack of candidates with required experience
Lack of candidates with required experience			

PIVOTAL List G&L 2017- 2020



SUB-SECTOR	OFO MAJOR GROUP	OFO CODE	OCCUPATION	INTERVENTION PLANNED BY THE SETA	NQF LEVEL	QUANTITY TO BE SUPPORTED BY SETA
Gaming & Lotteries	2017/18					
	Manager	2015-143101	Betting Agency Manager	Learnership: Generic Management	6	50
	Manager	2015-143102	Gaming Manager	Learnership: Generic Management	6	54
	2018/19					
	Clerical Support Workers	2015-421202	Gaming Worker	Learnership: National Certificate Gaming Operations	3	16
	2019/20					
Professionals	2017-335916	Gaming Operations Compliance Officer	Learnership	3	66	



DISCRETIONATORY GRANTS

PURPOSE OF DISCRETIONARY GRANTS



The purpose of Discretionary Grants is for the SETA to:

- Implement the Sector Skills Plan (SSP);
- In allocating Discretionary Grant funds, CATHSSETA prioritises PIVOTAL programmes (80% of fund allocation).
- The proportion of funds allocated to different categories will be determined by the Accounting Authority by taking into account the priorities for the year as set out in the SSP and the APP of the CATHSSETA.
- Non PIVOTAL programmes (20% of fund allocation) are those programmes aimed at developing the SETA sectors in accordance with SETA priorities, as outlined in Sector Skills Plans and Annual Performance Plans.
- Non PIVOTAL programmes include career guidance, sector conferences, sector research, TVET Capacity Building and Public Service Training, development of skills centres and other such non-credit bearing interventions that impact on the sector skills agenda. Non-PIVOTAL programmes are funded through Special Projects.



FUNDING CRITERIA



- Levy Payers must have submitted their Workplace Skills Plan (WSP) in the previous Mandatory Grant cycle
- PIVOTAL training must commence in the current financial year
- PIVOTAL training must address the occupational shortages and skills gaps as identified by CATHSSETA
- Funding may not be used for:
 - Start up capital;
 - Buying equipment for the company



2017/18 Sub-Sector DG Allocations

Sub-Sector	Amount Spent
Arts, Culture, and Heritage	R20 461 478
Conservation and Tourism Guiding	R11 650 029
Gaming and Lotteries	R10 740 061
Hospitality	R82 214 443*
Sports, Recreation and Fitness	R43 945 207
Tourism and travel services	R28 258 782
Grand Total	R197 270 000

*Contracts were signed based on compliant applications received, the hospitality sub-sector has the largest amount spent as it is the sector with the highest number of compliant applications received, and the qualifications in that sub sector also includes TVET college qualifications.



International Work Integrated Learning (WIL)



No	Strategic Project	Objectives
1	Chinese Culture Centre- Hospitality and Tourism	To provide 176 N6 Hospitality and Tourism Learners with International workplace and theoretical exposure in various industries and institutions in China for a period of 12 months
2	Chinese Culture Centre- Arts and Culture	To provide N6 Arts and Culture Learners with Arts and Entrepreneurial skills for a period of 12 months in China. The students will gain Entrepreneurial skills which will allow them to be equipped to create income opportunities within the Arts and Culture sector upon their return to South Africa.



Chinese Centre WIL Partnership



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STRATEGIC PROJECTS OBJECTIVES

LOCAL LEVEL



No	Strategic Project	Objectives
3	Hilton Hotel	To capacitate 6 South African Managers to gain international on-the-job International experience and coaching that will develop the Managers into General Managers in the promotion of women empowerment within the Tourism industry
4	King Hintsa TVET College	To fund the building of an Industrial Kitchen that shall service and be used for practicals by Hospitality students studying at the TVET
5	King Sabata TVET College	To fund the building of an Industrial Kitchen that shall service and be used for practicals by Hospitality students studying at the TVET



REFLECTION



- ❖ Integration of T&H and G&L SECTORS
- ❖ Targeted interventions and Skills Impact
- ❖ Utilise G&L as pilot for 4IR Skills Interventions (AI and Human Capacity)



Thank You

Lets engage further....