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BRIEFING NOTE: THE CULTURE, ART, TOURISM HOSPITALITY AND SPORTS SECTOR EDUCATION AND TRAINING AUTHORITY (CATHSETTA)

1. INTRODUCTION

This briefing note provides an overview of the Culture, Art, Tourism Hospitality and Sports Sector Education and Training Authority (CATHSSETA). The aim is to assist the Portfolio Committee on Arts and Culture with deepening its understanding of the aspect of skills development and training, specifically within the Art, Culture and Heritage (ACH) sector.

In 2009, management and governance of SETAs became the responsibility of the Department of Higher Education and Training (DHET) after previously being the responsibility of the Department of Labour.

2. BACKGROUND

CATHSSETA has been established in terms of Chapter 3, Section 9 of the Skills Development Act (Act 97 of 1998) [the Skills Act]. The mandate of this SETA is to promote skills development in the culture, art, tourism, hospitality and sport sector. This SETA, like its counterparts responsible for skills development in other sectors, is a Schedule 3A public entity in terms of the Public Finance Management Act (PFMA) (Act 1 of 1999) and is funded through the 1 per cent skills levy paid by employers to the South African Revenue Services (SARS).

3. POLICY AND LEGISLATIVE MANDATE

The SETAs are mandated through the following:¹

- The National Development Plan: Vision for 2030;
- Medium-Term Strategic Framework (MTSF) 2014-2019;
- National Skills Development Strategy (NSDS III);
- White Paper on Post-School Education and Training; and
- Human Resource Development Strategy for South Africa (HRD-SA) 2010-2030.

The NDP identifies skills development and education as a catalyst for economic development. The Plan states that SETAs should play a more effective role in the production of skills that are required to meet the immediate needs of the employers. Further, the Plan accepts that education, training and innovation are not a solution to common national problems but rather that they are critical to building national capacity to

¹ Portfolio Committee on Higher Education and Training (2015).



solve problems. The Plan sets out the role for SETAs as being to facilitate skills development in the following areas:

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

4. CATHSSETA RESPONSIBILITIES AND STRATEGIC GOALS

In order to achieve its mandate, all SETAs – including CATHSSETA – has the responsibility to:²

- Develop and implement a sector skills plan;
- Develop and administer learnerships;
- Support the implementation of the National Qualifications Framework;
- Undertake quality assurance;
- Disburse levies collected from employers in their sector; and
- Report to the Minister (of Higher Education and Training) and to the South African Qualifications Authority.

CATHSSETA's 2015/16 – 2019/2020 strategic plan outlines the following strategic outcome oriented goals as guided by the entity's mandate:³

- Strategic Goal 1: Improve stakeholder participation in CATHSSETA sector skills development activities. The goal statement is to position CATHSSETA as a credible and authoritative voice on skills demand and interventions and solutions that are required to address skills needs within the sector.
- Strategic Goal 2: Develop sector capacity to deliver skills development programmes informed by sector research and business intelligence. The goal statement is effective stakeholder management and partnering initiatives between CATHSSETA, employers, private providers, government, other SETAs and sectorial bodies and relevant institutions, resulting in increased capacity to meet industry skills needs throughout the country.

² CATHSSETA (2014a).

³ CATHSSETA (2015).



- Strategic Goal 3: Coordinate delivery of learning interventions. The goal statement is to position CATHSSETA as a credible and authoritative voice on skills demand and on learning interventions required to address skills needs within the sector.
- Strategic Goal 4: Improve CATHSSETA competence in delivering to the mandate. The goal statement is to promote public accountability and achieve high standards of corporate governance and efficient resource utilisation to ensure optimal organisational performance and service delivery.

5. BUDGET

The total revenue for 2015/16 is R280 million, R168.9 million originates from discretionary grant levy income, R68.2 million from mandatory grant levy income, R35.8 million from general fund (administration) and R6.9 million from interest. The bulk of the expenditure for 2015/16 is for discretionary grants (R175.8 million), mandatory grants (R68.2 million) and administration expenditure (R35.8 million). There is no surplus for 2015/16.⁴

6. OBSERVATIONS AND MATTERS OF CONCERN FOR CONSIDERATION BY THE COMMITTEE

This entity appeared before the Portfolio Committee on Higher Education on 29 April 2015. Some observations made by the Committee include the following:⁵

- The Committee was seriously concerned that the board of CATHSSETA put their individual interests above the organisation's interest. It was further noted with concern that public funds were spent on some board members families.
- The Committee was concerned with the Department's inadequate oversight and monitoring role over SETAs particularly on governance and administration as evidenced by underperformance and misappropriation of funds by senior management and board of CATHSSETA in 2013/14.

The Portfolio Committee on Arts and Culture should consider exploring these observations further in the presence of CATHSSETA as a board that is not functioning optimally impacts on the entity's ability to deliver on its mandate.

The following matters for consideration arise from the presentation submitted to the Committee ahead of the meeting scheduled for 7 September 2015:

⁴ Portfolio Committee on Higher Education and Training (2015).

⁵ Ibid.



- According to Slide 8 of the presentation, the overwhelming majority (69.95 per cent, or 18525 out of 26482) of enterprises registered with CATHSSETA falls within the hospitality sub-sector. Only 4.24 per cent, or 1123 of the total registered enterprises fall within the ACH sub-sector. Slide 13 states that the ACH sub-sector “employs less people and therefore requires significant improvement proportional to its national significance”. SARS exempts “any national or provincial public entity, if 80% or more of its expenditure is paid directly or indirectly from funds voted by Parliament”⁶. SARS further states that “these employers must budget for an amount equal to the due for training and education of their employees”. Could the entity please elaborate on the nature of the ACH enterprises registered with CATHSSETA? What is the geographical spread and which ACH genres are represented, e.g. theatre, dance, museums, etc.
- Slide 9 depicts the geographical spread of registered entities. Firstly, it is interesting to note that the three leading provinces reflect a worrying pattern that formerly prioritised areas still dominate. Secondly, can this geographical spread be extrapolated to the ACH sub-sector? If not, what does the geographical spread for the ACH sub-sector look like?
- Slide 11 reflects the levies received for two financial years, i.e. 2013/14 and 2014/15. What do the levies amount to for the ACH sub-sector?
- Slide 15 which deals with learnership interventions, states that the ACH sub-sector “has no occupations which are registered as trades by NAMB [National Artisan Moderation Body]”. In terms of Section 26B of the Skills Act, indicates that SETAs may apply to the Minister of Higher Education and Training to include an occupation as a listed trade in the Government Gazette. Which, if any, occupations has CATHSSETA made application for recognition for? In theatre, for example, one would imagine that occupations such as carpentry, joinery, electrician and musical repairers (all listed by NAMB as trades⁷) all qualify enjoy recognition as occupations in the ACH sub-sector. Could CATHSSETA give the Committee an overview on how these skills are procured in the ACH sub-sector?
- Also on Slide 15, it is interesting to note that the internships are shared between two provinces only, namely Gauteng and the Western Cape (see Slide 22 for a breakdown). Why is this the case?
- Slide 22 shows the breakdown of per project and province for the internships. The 2014/15 budget spent on 14 internships was R588 000 which equates to R42 000 per internship, or R3500. The call for applications to the 2015/16 internship

⁶ South African Revenue Services (2015).

⁷ Government Gazette (2012).



programme advertises a monthly stipend of R3000. Further, candidates must have completed a National Diploma, Advanced Certificate, Bachelor and Honours' degree, or Master's Degree to be considered for the internship programme. Is this stipend commensurate with the level of education required?

- Slides 17 – 19 details in which disciplines are awarded. Could CATHSSETA provide a list of the institutions at which students are studying?
- Slide 22 reveals that almost half (14 out of 29) of the internships are situated within entities reporting to the Department of Arts and Culture.
- According to CATHSSETA, activities of the ACH sector are “driven by a Chamber Committee established in terms of the CATHSSETA Constitution and is made up of key industry players such as practitioners, government, labour organisations, employers and artists.”⁸ Could the entity kindly elaborate on the composition, structure and functions of the Chamber Committee?
- Since one of the responsibilities of CATHSSETA is to develop and implement a sector skills plan, does the entity have such a plan specifically crafted for the ACH sub-sector?
- Overall, it appears as though the Gauteng Province is over-represented in the disbursement of bursaries, award of internships, etc. Is this indeed the case? If yes, what is the entity doing to attract applications from more geographically representative applicants?

7. REFERENCES

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⁸ CATHSSETA (2014b)



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