theta

TOURISM, HOSPITALITY & SPORT
EDUCATION & TRAINING AUTHORITY

SECTOR SKILLS PLAN

2010/11

AUTHORISATION OF THE SECTOR SKILLS PLAN: 2010- 2011

We, the undersigned, hereby endorse and approve, on behalf of the Tourism, Hospitality and Sport Education and Training Authority [THETA] and Management, the contents of this Sector Skills Plan for the period 2005-2010. After comments and approval has been received from the Department of Labour [DoL], this will be implemented by the Tourism and Sport Sector.

Approved By:

Signature:

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Date: _____________________

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Sport and Recreation South Africa
Head of Department

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EXECUTIVE SUMMARY

Tourism in South Africa has been identified as an immediate priority sector within the Accelerated & Shared Growth Initiative for South Africa (ASGISA), as well as the Joint Initiative on Priority Skills Acquisition (JIPSA). The raison d'etre for this priority on the tourism sector is that it has been identified as one of the key economic sectors with great potential for growth. Tourism is the only sector that has been able to successfully increase employment opportunities, as well as its contribution to the Gross Domestic Product (GDP) of the country. It is estimated that for every 12 new tourists to South Africa, a new job is created and by 2010 the country plans to accommodate 10 million foreign visitors annually.

For tourism to be successfully prioritised by the country, necessitates accurate and precise skills planning to effectively address its scarce and critical skills shortages. Only once these skills shortages have been eradicated will the tourism sector be able to maximise its contribution to the country's employment opportunities and GDP. This Sector Skills Plan (SSP) lays the foundation for the implementation of the National Skills Development Strategy (NSDS) within the tourism sector so that the sector may begin to address its scarce and critical skills shortages, and in doing so ensuring that our people are skilled and able to take up the employment opportunities created by the many foreign visitors that visit our country.

The global financial crises and global drop in demand for tourism services and products pose a serious threat to the tourism sector's continued growth and its contribution to the countries economy. Sports Tourism however, proved to be a valuable stimulus to the tourism sector and the hosting of major sporting events, such as the Indian Premier League, FIFA Confederations Cup and the British & Irish Lions Rugby Tour, has resulted in South Africa's tourism sector being able to largely buck the trend of decreased demand that has plagued tourism globally.

The staging of the 2010 FIFA World Cup in South Africa next year has also stimulated the tourism sector which is busy preparing for the hosting of this prestigious event. Many new hospitality establishments have been constructed for this event and have not only provided employment for those who built them, but also for those who will run them. The 2010 FIFA World Cup has also resulted in the total upgrading of the countries infrastructure, this will leave a lasting legacy for the tourism sector as it will be able to market itself as an attractive destination with a modern infrastructure that is a pleasure to use.

Preparations for the 2010 FIFA World Cup have also resulted in the tourism sector prioritising customer service through the Tourism Service Excellence Strategy and Tourism Service Excellence Business Initiative which have been spearheaded by the National Department of Tourism. By all accounts this call for Service Excellence has been heeded by the tourism sector, which has embraced this initiative and made client services the most important skills priority.

Demand for skills and skills development remain very high in the sector. The reasons for this high demand in skills are various such as transformation initiatives, legislative changes, technological innovations and skills mismatches between qualifications and occupations. There are sufficient education and training institutions and providers in the sector to address this demand for skills. However, further qualifications and skills programmes need to be scoped and registered to ensure that future skills needs of the sector are catered for. These scarce and critical skills will need to be addressed by various skills interventions such as learnerships, projects and skills programmes. THETA will play a leading role in the funding and provision of these skills interventions to ensure that these scarce and critical skills are addressed and eradicated from the sector.

THETA has been making concerted efforts to ensure that the necessary resources are in place to ensure that the supply of skills is able to keep up and meet the demand for skills in the sector. There are currently 96 THETA accredited training providers and through the Training Provider Capacity Building Project the foundations have been laid to substantially increase this number by providing emerging training providers in the tourism sector with the knowledge and skills to become accredited. Generic fundamental unit standards and training material for these unit standards have also been developed and made available to THETA accredited training providers to encourage them to have full qualifications in their scope and also to standardise the training provision of these generic unit standards. 29 new qualifications have been registered with SAQA and there are numerous more still waiting to be registered, however it is sad to note that this registration process has been very frustrating and slow and it would appear that the impending transition to the QCTO has added to the delays in registration.

CHAPTER 1: SECTOR PROFILE

1. OVERVIEW OF THE SECTOR

The tourism sector of the South African economy, as it is with the rest of the world, is one of the most diverse and varied, it includes all business and leisure travel activities such as accommodation, conferencing, conservation, conventions, entertainment, event hosting, exhibitions, gaming, guiding, hospitality, safaris, sightseeing, spas, tours, travel and transportation. It is the diverse and varied nature of tourism that has led it to become a key economic driver for many nations of the world. Countries such as Egypt, Greece, Mauritius, Seychelles, Thailand, United Arab Emirates and even cities such a Dubai and Las Vegas economies rely heavily from the revenue generated from their tourism activities.

Since democratic elections, the South Africa government has also realised the value of developing and harnessing the benefits and income of its tourism sector as tourism is the only sector of the economy that has been able to successfully increase the number of employment opportunities generated by its activities as well as increasing its contribution to the Gross Domestic Product of the country. Such has been the contribution made by the tourism sector and its potential for increased and sustainable growth that it has been identified as an immediate priority sector by both the Accelerated & Shared Growth Initiative for South Africa (ASGISA) and the Joint Initiative on Priority Skills Acquisition (JIPSA). However, for South Africa and its tourism sector to be able to achieve this growth and realise its potential requires skilled people to able to fill the new employment opportunities created and to provide tourists and travellers with the goods and services they require. The skilling of the current and future employees on the tourism sector falls under the mandate of the Tourism, Hospitality and Sport Education and Training Authority (THETA). THETA was established under the Skills Development Act (No. 97 of 1998) for the tourism economic sector and its main function was, and still is, the raising of skills of those employed or wanting to be employed in this sector.

1.1 INDUSTRIAL AND OCCUPATIONAL PROFILE

The Minister and Department of Labour utilises the Standard Industrial Classification (SIC) to determine the jurisdiction of a Sector Education and Training Authority (SETA). SIC describes the employers' core business and therefore describes who the stakeholders of each SETA are. The standard operating procedures for classification of employers' and transfer of employers and levies amongst SETAs issued by the Director General of Labour in 2007 placed 50 SIC codes in THETA's scope. THETA has clustered or grouped the SIC codes in its scope into logical areas of overlap or similarity of business focus that collectively make up a sub-sector. These sub-sectors are commonly known as chambers, THETA has five chambers, namely Tourism & Travel Services, Hospitality, Gaming & Lotteries, Sport, Recreation & Fitness and Conservation & Tourist Guiding. **Table 1** below The Organisation of THETA Chambers According to SIC Codes illustrate which SIC codes have been grouped together to constitute the five chambers.

Table 1: Organisation of THETA Chambers According to SIC Codes

Group	SIC Code	Standard Category
Hospitality		
(16 SIC Codes)	64101	Hotels, motels, boatels and inns registered with the SA Tourism Board
	64102	Caravan Parks and Camping Sites
	64103	Guest Houses and Guest Farms
	64104	Hotels, motels, boatels and inns not registered with the SA Tourism Board
	64105	Bed and Breakfast
	64106	Management and operation of game lodges
	64201	Restaurants or tearooms with liquor license
	64202	Restaurants or tearooms without liquor license
	64203	Take-Away Counters
	64204	Caterers
	64205	Take-Away Restaurants
	64206	Fast Food Establishments
	64207	Other Catering Services n.e.c. including Pubs, Taverns, Night Clubs
	64209	Other Catering Services N.E.C
	84111	Timesharing
	88994	Bioscope Cafes
Gambling & Lotteries		
(2 SIC Codes)	96419	Operation and management of Horse Racing Events and Clubs and Academies
	96494	Gambling, licensed Casinos & the National Lottery and but not limited to Bookmakers, Totalisators, Casinos, Bingo Operators
Tourism & Travel Services		
(12 SIC Codes)	71214	Tour operators (Inbound and Outbound Tour Operators)
	71222	Safaris and Sight Seeing Bus Tours
	71223	Safaris and Sightseeing Trip Operators
	73002	Inbound International Flights
	74140	Travel agency and related activities
	85110	Renting of Land Transport Equipment
	85111	Renting of Land Transport Equipment including Car Rentals
	8899A	Event and Conference Management
	96195	Operation and Management of Convention Centres
	96336	Tourist Info Centres
	99028	Car Hire
	99048	Tourism Authorities incl. but not limited to Tourism Marketing, Tourist Information Centres, Publicity Associations
Sport, Recreation & Fitness		
(12 SIC Codes)	93195	Operation and management of Health and Well-Being Centres including but not limited to Hydros, Spas, Fitness Centres etc.
	96000	Recreational, Cultural and Sporting activities
	96002	Recreational, leisure and outdoor adventure activities including management and operation of facilities, Government departments
	96196	Amusement Parks
	96410	Sporting activities
	96411	Operation and management of sporting facilities and clubs
	96412	Operation and management of sport academies
	96413	Promotion and management of sporting events and activities
	96415	Management and operation of non-motorized sporting activities
	96417	Sporting activities incl. but not limited to Sport Federations etc.
	96418	Management and operation of motorized sporting activities
	96491	The Operation and Management of recreation parks & beaches, fairs and shows of a recreational nature and recreational transport activities
Conservation & Tourism Guiding		
(8 SIC Codes)	11520	Hunting and Trapping including related services
	96320	Museum Activities and Preservation of Historical Sites and Buildings

	96322	Provision for management and operation of Monuments, Historical Sites and Buildings
	96323	Management and operation of museum, cultural and heritage activities
	96333	Game parks, reserves incl. but not limited to wildlife, parks, zoological or animal parks and botanical gardens
	96334	Activities of conservation bodies
	96335	Wildlife conservation incl. wildlife, game, parks, game reserves, zoological establishments, botanical gardens etc
	99049	Guides incl. tourist river, mountain etc.

Source: THETA Records

1.1.1 TRAVEL, TOURISM & EVENTS

The Travel and Tourism Services chamber is the second largest in THETA's scope and is estimated to include 6200 employers employing 28 000 employees. It covers 12 SIC codes and includes the following categories: Inbound and Outbound Tour Operators, Safaris & Sightseeing Bus Tours & Trip Operators, Inbound International Flights, Travel Agencies, Renting of Land Transport Equipment, Event and Conference Management, Operation and Management of Convention Centres, Tourist Information Centres, Car Hire and Tourism Authorities. The Travel and Tourism Services chamber accounted for 12.55% of all the enterprises in the sector that submitted the WSPs in 2009**.** The number of Travel Agents is estimated to be over 820 and the number of tour operators also exceeds 800.

The various operators within the chamber have very specific training needs. Travel agents represented in the chamber by the Association of South African Travel Agents (ASATA) have launched in conjunction with THETA the ASATA Professional Programme which is a skills development initiative aimed at enhancing the skills of individual travel consultants through different interventions and workshops throughout the country. Examples of these interventions are training courses offered throughout the country, training consultants in travel specific software such as Galileo and Amadeus. The ASATA Travel Showcase, which staged workshops throughout the country, showcased its members and partners products and destinations to consultants in the industry, as destination knowledge and confidence in selling these products to customers is vital. The revamped ASATA Awards could easily be described as the jewel in crown of the ASATA Professional Programme. The aim of the awards is to acknowledge people in the travel industry for their contribution to the industry and their tireless efforts to make the industry in our country as professional as possible. The Travel & Tourism chamber hopes to continue build on its relationship with ASATA and continue to drive skills development in the travel and tourism sector.

THETA's work with the South African Vehicle Renting and Leasing Association is another example of the chambers differing training needs and this collaboration resulted in the SAVRALA Mobility Services Skills Programme Project. The aim of the SAVRALA Mobility Services Skills Programme Project is to establish a training and development programme under the auspices of SAVRALA and in association with the THETA to address the shortage for fully trained chauffeurs and professional passenger transport during the 2010 Soccer World-Cup event and beyond. Mobility services problems were identified during the World Summit held in Gauteng in 2002. During this event the need for fully trained chauffeurs and professional passenger transport became evident as qualified drivers had to be brought in from across Southern Africa to operate as chauffeurs in Gauteng. These drivers were not familiar with the surroundings and were also not fully trained to operate as chauffeurs leading to tourist complaints. This project is currently in a pilot phase and upon completion of this pilot phase plans will be put in place to further expand this project to address the needs of this sub-sector.

Conferencing is experiencing growth and there is an increase in the number of conference and convention bids won by the country's 3 main convention centres situated in Durban, Cape Town and Johannesburg. South Africa hosts approximately 860 international conference events annually. There are more than 1 700 smaller conferencing venues across the country and in addition, new international convention centres are planned for Pretoria (Tshwane) in Gauteng, Port Elizabeth in the Eastern Cape and Bloemfontein in the Free State. South Africa's reputation as a business tourist destination is growing steadily and the latest list of rankings released by the International Congress and Convention Association (ICCA) ranks South Africa in 31st place worldwide as a meeting destination, and the Union of International Associations (UIA) has South Africa in 28th position as a top meetings destination.

1.1.2 HOSPITALITY

The Hospitality chamber is the largest in THETA's scope and is estimated to include 28 000 employers employing 290 000 employees. It covers 16 SIC codes and includes the following categories: hotels, motels, boatels and inns that are either registered or not registered with the SA Tourism Board, guest houses and guest farms, Bed & Breakfasts, management and operation of game lodges, caravan parks & camping sites, restaurants and tearooms with or without liquor licenses, fast food establishments, take away restaurants, caterers & catering services, timesharing and bioscope cafes. The Hospitality chamber accounted for 66.93% of all the enterprises in the sector that submitted the WSPs in 2009.

The Tourism Grading Council of South Africa (TGCSA), established in 2000 by the Minister of Environmental Affairs and Tourism, is the organisation responsible for ensuring the standard of quality of accommodation in the country. Grading is voluntary and accommodation establishments choose to be graded and grading is conducted according to internationally accepted standards. The grading system was recently reviewed and confirmed to be monitoring in excess of 6500 accommodation establishments across the country in the following categories Hotel, Country House, Lodge, Guesthouse, Bed & Breakfast, Self Catering, Backpackers & Hostelling and Caravanning & Camping. The distribution of these accommodation establishments indicates that 2084 are in the Western Cape, 1071 in Gauteng, 955 in KwaZulu Natal, and the balance is spread across the remaining 6 provinces.

Restaurants, cafes, fast food outlets, bars and catering services are the other grouping of organisations that comprise the balance chamber after accommodation services. This is an extremely competitive economic segment that is customer focused and service orientated. According to the latest statistics released for the first quarter of 2009 by STATSSA, the total income generated by the food and beverage industry has increased by 1.8% compared to the first quarter of 2008. It is estimated that there are over 8 200 enterprises fast food outlets in the country, and these outlets were responsible for the 1.8% increase. Total income from fast food outlets and takeaways was up 8.1%, restaurants and coffee shops were up 1%, while caterers and other catering services were down 1.3 % and 16.6 % respectively.

1.1.3 GAMING & LOTTERIES

The Gaming and Lotteries sub-sector is the smallest in THETA's scope and is estimated to include 740 employers employing 10 000 employees. It covers only 2 SIC codes and includes the following categories: Gambling, Licensed Casinos, The National Lottery, Operation and Management of Horse Racing Events, Clubs & Academies, Totalisators, Bookmakers, Limited Payout Machines (LPMs) and Bingo Operators. The Gaming & Lotteries chamber accounted for 5.23% of all the enterprises in the sector that submitted the WSPs in 2009.

The chamber is a combination of old and new forms of gaming. Before democratic elections in 1994 the only form of licensed gaming in the country was horse racing, which as an activity and industry is well over 100 years old. The first democratically elected government brought an end to this monopoly on gaming by legally permitting many new and various forms of gaming such as Bingo, Casinos, LPMs and the National Lottery.

Along with these new forms of Gaming came new legislation, the National Gambling Act of 1996 and the National Gambling Amendment Act of 2008 have resulted in South Africa having some of the most progressive gaming legislation in the world. The industry is highly regulated and these regulations are implemented by both the nine provincial gambling boards and a national gambling board. This legislation and regulations facilitated the formation of the National Responsible Gambling Programme in 2000, whose aim is to prevent and treat problem gamblers. The National Lottery does not fall under this legislation, but falls under the National Lotteries Act of 1997 and is regulated by the National Lotteries Board. The LPM industry is operational in the Eastern Cape, KwaZulu Natal, Mpumalanga and the Western Cape, while Gauteng is in the final stages of rollout. Bingo is only operational in Gauteng with 4 bingo halls and the North West Province with 1 bingo hall.

Just as the various operators in the Travel and Tourism chamber had very specific training needs, so do the operators of the Gaming and Lotteries chamber. The Horseracing industry together with THETA are running two projects, the Black Racing Managers Racing Programme aims to provide black staff members at supervisory level with the necessary skills to be promoted to become managers within the industry. The Racing & Equestrian Academy Access project provides bursaries to aspirant previously disadvantaged jockeys and also allows grooms to gain both industry specific skills and as well as providing them with Adult Basic Education and Training (ABET). The Casino industry through the Casino project provided their staff with top up skills such as life skills, computer courses and customer service.

1.1.4 SPORT, RECREATION AND FITNESS

The Sport, Recreation and Fitness sub-sector is the fourth largest in THETA's scope and is estimated to include 3300 employers employing 20 000 employees. It covers 12 SIC codes and includes the following categories: Sporting Activities including Sport Federations, Operation and Management of Sporting Facilities, Clubs & Sports Academies, Promotion and Management of Sporting Events and Activities both motorised and non motorised, Amusement Parks, Recreational & Cultural Activities, Operation and Management of Recreation Parks, Beaches, Fairs, Shows & Facilities and Operation & Management of Health and Wellbeing Centres including Hydros, Spas & Fitness Centres. The Sport, Recreation and Fitness chamber accounted for 10.72% of all the enterprises in the sector that submitted the WSPs in 2009.

Sports and Recreation South Africa (SRSA) has been assigned the powers and functions to develop and implement national policies and programmes regarding sport and recreation in South Africa with the Minister of Sport and Recreation playing an oversight role. The SRSA Strategic Plan for 2008-2012 indicates that the Department will focus on initiatives that will create an enabling environment for South Africans, especially those from disadvantaged communities to have access to sport and recreation activities.

Through sports, SRSA will contribute towards government priorities of social cohesion; enhancing health; improving international relations (particularly regional integration); sport for peace; sport for development; sports tourism; building sports and recreation infrastructure and facilities; hosting a successful 2010 FIFA World Cup and human development.

As a way of contributing towards mass participation, SRSA continues to develop sport and recreation clubs in disadvantaged communities whilst acknowledging that sport is a provincial and local competence. They work hand in hand with the Departments of Sport in the Provinces and Local Municipalities. They subsidise priority national federations to enable them to accelerate transformation whilst fulfilling their international responsibilities. There are over 100 National Federations governing the 148 sporting codes; 9 Provincial Academies; a number of Associations; and over 40 000 Clubs.

SASCOC was formed to promote and develop high performance sport in the country and act as the controlling body for the preparation and delivery of Team South Africa at all multi-sport international games including but not limited to the Olympic Games, Paralympics Games, Commonwealth Games, World Games and All Africa Games. SRSA will assist SASCOC to prepare the athletes for these international games.

Currently, sport continues to unite South Africans and breaking all social and cultural barriers in the process. It benefits not only the participants in terms of their careers and well being, but it continues to put South Africa on the world map coupled with continued excellence of the athletes in both the local and international games. Vast numbers of South Africans participate in sports, recreation and fitness activities or follow sports as spectators.

1.1.5 CONSERVATION & TOURIST GUIDING

The Conservation & Tourist Guiding sub-sector is the third largest in THETA's scope and is estimated to include 3500 employers employing 30 000 employees. It covers 8 SIC codes and includes the following categories: Hunting & Trapping, Activities of Conservation Bodies, Game Parks, Reserves, Wild Life Parks, Zoological Establishments & Botanical Gardens, Museum Activities, Monuments & Preservation of Historical Sites and Buildings, Management and Operation of Museum, Cultural & Heritage Activities and Guides including Adventure, Mountain, River & Tourist. The Conservation and Tourist Guiding chamber accounted for 4.58% of all the enterprises in the sector that submitted the WSPs in 2009.

During July 2006 The South African National Parks produced a management plan for the national parks as required by legislation to do so. Amongst the many purposes of a national management plan is to provide for capacity building and future thinking about the parks. The skills development in partnership with the parks is of importance for the growth of the sub-sector. The parks need tourism for financial sustainability and tourism needs parks to promote high quality nature-based tourism or eco tourism highly sought after by both domestic and international tourists.

The government, through the Department of Environment and Tourism (DEAT) provides some seed money to the parks for conservation management but tourism activities assists the parks to operate efficiently through the revenue generated. DEAT is also responsible for registering the tourist guides and they currently have over 8000 registered tourist guides nationally. This task of registering the tour guides has been decentralised to provinces.

South Africa continues to play a leading role in the conservation of marine life, such as the great white shark, which because of their close proximity to the coast has contributed to eco tourism due to the viewing of the sharks in their natural habitat by tourists from the safety of diving cages. The use of technology (satellite tags) are used in a study to plot the specific habitats sharks utilize and will provide the scientific foundation needed to design protection measures that guarantee the survival of great white sharks.

South Africa is the third most bio-diverse country in the world, as a country it only cover about 2% of planets land area, yet despite its relatively small size it is home to both 7% of the planets birds, mammals and reptiles as well 10% of the planets plants. South Africa has three very unique and globally recognised areas of biodiversity importance, namely the Cape Floristic Region, the Succulent Karoo and it's coastline which straddles three oceans, is home to both coral reefs and kelp forests which are home to about 15% of the planets coastal marine species. Such rich biodiversity needs to be preserved for both current and future populations and this need was recognised by government who 2004 proclaimed the National Environmental Management: Biodiversity Act. This Act led to the formation of The South African National Biodiversity Institute (SANBI), whose mandate, amongst other things, is to monitor and report on the status of the countries biodiversity, conservation status of all listed threatened or protected species and ecosystems, status of all listed invasive species, impact of all genetically modified organisms released into the environment and manage, control and maintain the countries botanical gardens. Basically SANBI main role to ensure that the country's rich biodiversity is conserved, maintain and protected. This is essential for the tourism sector as without its rich biodiversity most of the countries attractions would disappear. It would be almost impossible to imagine South Africa without the Kruger National Park, Isimangaliso Wetland Park, Drakensburg, Karoo, Table Mountain or its many beaches.

Climate, the natural environment, and personal safety are three primary factors in destination choice, and global climate change is anticipated to have significant impacts on all three of these factors. Tourists have the greatest capacity to adapt to the impacts of climate change, with relative freedom to avoid destinations impacted by climate change or shifting the timing of travel to avoid unfavourable climate conditions.

Over and above eco-tourism, cultural tourism is on top of any tourist destination when people visit a country. Tourists commonly include tours to the heritage sites, museums and monuments, historical areas of significance in their itineraries and it is the responsibility of the Department of Arts and Culture with the assistance of the South African Heritage Resources Authority and other relevant authorities to preserve such places.

The World Heritage List includes 878 sites forming part of the cultural and natural heritage which the World Heritage Committee considers as having outstanding universal value. These include 679 cultural, 174 natural and 25 mixed properties in 145 States Parties. As of November 2007, 185 States Parties have ratified the World Heritage Convention. South Africa boasts 8 sites inscribed on the World Heritage List, 4 of which are cultural, 3 natural and 1 mixed. They have an additional list of about 10 properties submitted on the tentative list. The Department of Arts and Culture manages the South African heritage with the assistance of the South African Heritage Resources Agency as the national administrative body responsible for the protection of South Africa's cultural heritage.

1.2 EMPLOYER PROFILE

It is important to note, that quantifying the exact size of the tourism sector has been and still is problematic due to a lack of accurate and precise data, as there is currently no database in existence in South Africa of all the entities operating in this sector. This lack of accurate and precise data is further compounded by the fact that the sector is dominated by Small, Medium and Micro Enterprises (SMME), who by the very nature of their size and modus operandi, operate "below the radar" and thus evade any official national databases, such as the South African Revenue Service. Recent research conducted over the past decade has suggested varying numbers of entities in the sector. However the Tourism and Sports Skills Audit Report of 2007, conducted by Prodigy and Grant Thornton, undertook a quantification exercise by identifying entities in the sector that were listed on one or more databases and estimated the number of entities in the tourism sector to be 41 740, who employ approximately 378 000 staff. The breakdown per sub-sector is depicted in **Table 2**.

Table 2: The estimated number of employers and employees per sub-sector

Sub-sector	Estimated number of employers	Percentage	Estimated number of employees	Percentage
Hospitality	28 000	67%	290 000	77%
Travel and Tourism	6 200	15%	28 000	7%
Gaming and Lotteries	740	2%	10 000	3%
Sport Recreation and Fitness	3 300	8%	20 000	5%
Conservation and Tourist Guiding	3 500	8%	30 000	8%
Total	**41 740**	**100%**	**378 000**	**100%**

Source: Prodigy Grant Thornton 2007

The numbers of enterprises that were registered with THETA in 2007 were estimated at 20 166 and out of those the number of enterprises submitting WSPs constituted 1.8% of the total estimated enterprises and 3.72% of enterprises registered with THETA. In 2008 the number of enterprises registered with THETA were 21 944, an increase of 1 828 enterprises (8.3%) and out of those the number of enterprises submitting WSPs constituted 2.61% of the total estimated enterprises and 4.96% of the enterprises registered with THETA. In 2009 the number of enterprises registered with were 21 359, an decrease of 585 enterprises (-2.6%) and out of those the number of enterprises that submitted WSPs was 1202 which constitutes 2.87% of the total estimated enterprises and 5.50% of the enterprises registered with THETA. Despite a decrease in the number of enterprises registered, it is pleasing to note that there is a definite trend emerging and the number of enterprises submitting WSPs is increasing. In the space of three years the percentage of enterprises registered with THETA that are submitting WSPs has increased from 3.72% in 2007 to 5.62% in 2008. This trend is indicative of the tireless efforts made by the THETA to encourage the sector's enterprises to embrace skills development and participate in the levy and grant system to realise the objectives of the NSDS. Various interventions such as career & industry expositions, launches, road shows, and workshops have been conducted throughout the country to achieve this increase in the submission of WSPs. A comparative analysis of the WSPs submitted for 2007, 2008 and 2009 in terms of the number of employers registered with THETA as against those submitting WSPs in the sector is as illustrated in **Table 3** and the low numbers submitting WSPs is of great concern. This number could however be regarded as a representative sample for research purposes. There is an increase of 1.90% in WSP submissions from 2007 to 2009 and the enterprises registered with THETA increased by from 1193 for the same period.

Table 3: Number of employers submitting WSPs

Sub-sector	2007			2008			2009			% Incre-ase
	Registered with THETA	Submitting WSPs	% Submitting WSPs	Registered with THETA	Submittin g WSPs	% Submittin g WSPs	Registere d with THETA	Submittin g WSPs	% Submitting WSPs	
Hospitality	14 828	456	3.08	16 298	665	4.08	16 420	729	4.43	1.35
Travel & Tourism	1800	144	8	1970	247	12.54	2013	259	12.86	4.86
Gaming & Lotteries	191	34	17.08	224	57	25.45	405	90	22.22	5.14
Sport, Recreation & Fitness	1768	88	4.98	1850	86	4.65	1547	85	5.49	0.51
Conservation & Tourist Guiding	1579	29	1.84	1599	34	2.13	974	39	4	2.16
Blank	-	-	-	3	0	-	-	-	-	-
Total	20 166	751	3.72	21944	1089	4.96	21 359	1202	5.62	1.90

Source: THETA SMS

The decrease in the number of enterprises registered with THETA is indicative of the global financial crises and the drop in the demand for tourism products and services both globally and locally, which will be elaborated on later in the chapter under the drivers of change. From the data, it is very interesting to note is that the SDF workshops that are run bi-annually throughout the country by the Skills Development Department have resulted in SDFs capturing more accurately the sub-sector that their enterprises fall under. This has resulted in an increase in the number of enterprises reported under the Hospitality, Gaming & Lotteries and Travel & Tourism sub-sectors. These increases are mainly due to fact that Events and Conventions previously captured themselves under Hospitality instead of the Travel & Tourism, Game Lodges previously captured themselves under Conservation & Tourist Guiding instead of Hospitality and Horse Racing previously captured themselves under Sport, Recreation & Fitness instead of Gaming & Lotteries. **Table 4** shows the total numbers of enterprises in the sub-sectors that are registered with THETA in 2009.

Table 4: Number of enterprises in the sector

Sub-sector	Number of enterprises registered with THETA	Percentage in the sector
Hospitality	16 420	76.87%
Travel & Tourism	2013	9.42%
Gaming & Lotteries	405	1.89%
Sport, Recreation & Fitness	1547	7.24%
Conservation & Tourist Guiding	974	4.56%
Total	**21 359**	**100%**

Source: THETA SMS 2009

The improved capturing of sub-sectors by SDFs has had no impact on the overall hierarchy of the sub-sectors. Hospitality is still by far the most dominant sub-sector with 16 420 enterprises registered, constituting 76.87% of the total enterprises registered. Travel & Tourism is second with 2013 enterprises registered, constituting 9.42% of the total enterprises registered. Sport, Recreation & Fitness is third with 1547 enterprises registered, constituting 7.24% of the total enterprises registered. Conservation & Tourist Guiding is fourth with 974 enterprises registered, constituting 4.56% of the total enterprises registered. Gaming & Lotteries is the fifth and smallest sub-sector with 405 enterprises registered, constituting 1.89% of the total enterprises registered.

It is interesting to note that of the enterprises that are registered with THETA only 3 508 of these enterprises are levy paying, thus only 16.42% of the total number of enterprises that are registered with THETA are levy paying. Hospitality has 2 423 levy paying enterprises which constitutes 69.07% of all the levy paying enterprises. Hospitality has 16 420 enterprises registered and only 2 423 of these pay levies therefore only 14.75% of Hospitality enterprises pay levies. Travel, Tourism & Events has 448 levy paying enterprises which constitute 12.77% of all the levy paying enterprises. Travel, Tourism & Events has 2013 enterprises registered and only 448 of these pay levies therefore 22.25% of Travel, Tourism & Events enterprises pay levies. Sport, Recreation & Fitness has 333 levy paying enterprises which constitute 9.49% of all the levy paying enterprises. Sport, Recreation & Fitness has 1547 enterprises registered and only 333 of these pay levies therefore 21.52% of Sport, Recreation & Fitness enterprises pay levies. Conservation & Tourist Guiding has 224 levy paying enterprises which constitutes 6.35% of all the levy paying enterprises. Conservation & Tourist Guiding has 974 enterprises registered and only 224 of these pay levies therefore 22.99% of Conservation & Tourist Guiding enterprises pay levies. Gaming & Lotteries has 80 levy paying enterprises which constitutes 2.28% of all the levy paying enterprises. Gaming & Lotteries has 405 enterprises registered and only 80 of these pay levies therefore 19.75% of Gaming & Lotteries enterprises pay levies.

The tourism sector is dominated by Small, Medium and Micro Enterprises (SMME), SMMEs employ 0 – 49 employees and constitutes 95.05% of the sector. Medium enterprises that employ between 50 – 149 employees constitute 2.62 % of the sector and large enterprises that employ over 150 employees constitute 1.32% of the sector. **Table 5** illustrates the size of the enterprises registered with THETA per sub-sector.

Table 5: The size of enterprises registered with THETA

Sub-sector	Size of Enterprise			Number of enterprises registered	Percentage in the sector
	0 - 49	50 - 149	150 +		
Hospitality	15823	426	171	16 420	76.87%
Travel & Tourism	1932	45	36	2013	9.42%
Gaming & Lotteries	350	15	40	405	1.89%
Sport, Recreation & Fitness	1484	45	18	1547	7.24%
Conservation & Tourist Guiding	928	29	17	974	4.56%
Total	**20 517**	**560**	**282**	**21 359**	**100%**

Source: THETA SMS

The dominance of the tourism sector by SMMEs is the primary factor for there being so few WSP & ATR submissions, as in accordance with Skills Development legislation any enterprise whose wage bill is less than R500 000.00 is exempted from paying the skills development levy. Therefore as virtually all of the tourism sector's SMMEs fall under this category, they do not submit WSPs or ATRs. This is further compounded by the fact that many of the remaining SMMEs who have a wage bill in excess of R500 000.00 and who pay the skills levy, still do not submit WSPs or ATRs as the mandatory grant that they will receive is so small that it is not economically viable for these SMMEs to recruit the services of a SDF.

SMMEs do not only dominate the tourism sector as a whole, but also dominate all the sub-sectors. 96% of Hospitality enterprises are SMMEs and 95% of the enterprises in Travel & Tourism, Sport, Recreation & Fitness and Conservation & Tourist Guiding sub-sectors are SMMEs. The Gaming & Lotteries sub-sector has the lowest percentage of SMMEs with 86% of its enterprises being SMMEs. **Table 6** below, illustrates the percentage of SMMES per sub-sector.

Table 6: SMMEs per sub-sector

Sub-sector	Number of enterprises registered	Number of SMMEs 0 - 49	Percentage of SMME per sub-sector
Hospitality	16 420	15823	96.36%
Travel & Tourism	2013	1932	95.97%
Gaming & Lotteries	405	350	86.41%
Sport, Recreation & Fitness	1547	1484	95.92%
Conservation & Tourist Guiding	974	928	95.27%
Total	**21 359**	**20 517**	**95.05%**

Source: THETA SMS

Most of the SMMEs within the sector are owner managed businesses, with the owner playing a significant role in the day-to-day operation and running of the business. The reason for this dominance of SMMEs in the sector is largely due to the fact that there are no or very little barriers for starting up and running a business. In most cases there are no formal registration requirements, operators only need basic industry specific skills and most importantly only limited start up capital is needed and this can be raised or levered against existing assets such property and vehicles. The tourism sector is also very attractive to many budding entrepreneurs as the perception exists that there is easy money to be made with minimal investment. While the sector is dominated by SMMEs it is critical to note that in certain sub-sectors the large employers play a pivotal role and employ the majority of the workforce. The best examples of this are the Gaming & Lotteries and Hospitality sub-sectors, the large employers in Gaming & Lotteries employ 93% of the workforce and Hospitality employ 40%.

Just as it is difficult to quantify the exact number of enterprises in the tourism sector, it is also difficult to determine the geographic spread of the enterprises. This is due to the fact that there is no existing database containing this data and further aggravated by the fact that many of the existing databases have not been accurately updated and many of the enterprises they contain have long since closed or relocated to another province. The only accurate geographical spread data that is accessible is that of the 1176 enterprises that submitted WSPs in June 2009. This information contains the number of branches or outlets each of the 1176 enterprises have in the nine provinces and contained in **Table 7**.

Table 7: Number of Branches/Outlets per Enterprise submitting WSPs

Province	No. of enterprises
Eastern Cape	326
Free State	110
Gauteng	1754
KwaZulu Natal	637
Limpopo	125
Mpumalanga	198
North West	169
Northern Cape	73
Western Cape	847
Total	4239

Source: THETA SMS

The Gauteng province by far has the most branches or outlets at 1754 followed by the Western Cape with 847 and KwaZulu Natal has the third most with 637. This is reflective of the fact that these are the three most popular and visited provinces by tourists both local and international in South Africa, hence the large numbers of branches or outlets in these three provinces.

1.3 EMPLOYEE PROFILE

The total number of employees in 2008 according to WSP submission, was 148 918 and when split per sub-sector Hospitality had 97 153, Travel & Tourism 13 760, Gaming & Lotteries 20 136, Sport, Recreation & Fitness 9 433 and Conservation and Tourist Guiding 8436. The total number of employees in 2009 has dropped slightly when compared to the 2008 figures and according to WSP submission, was 145 695 in total and when split per sub-sector Hospitality had 96 663, Travel & Tourism 12 588, Gaming & Lotteries 19 668, Sport, Recreation & Fitness 9 309 and Conservation and Tourist Guiding 8467. **Table 8** below illustrates the Total number of employees per sub-sector and also allows for comparison between 2008 and 2009.

Table 8: Total number of employees per sub-sector

Sub-sector	Number of Employees 2008	% of Sector	Number of Employees 2009	% of Sector
Hospitality	97 153	65.24	95 663	65.66
Travel & Tourism	13 760	9.24	12 588	8.64
Gaming & Lotteries	20 136	13.52	19 668	13.5
Sport, Recreation & Fitness	9433	6.33	9309	6.39
Conservation & Tourist Guiding	8436	5.66	8467	5.71
Total	148 918	100%	145 695	100%

Source: THETA SMS

This slight decrease in the number of employees employed in the sector is indicative of the effect the global financial crises is having on the tourism sector both internationally and locally in South Africa. The effect that the global financial crises is having on both the International and South African tourism sectors is discussed and examined in detail in the following chapter as a driver of change. But basically due to unfavourable economic conditions, the demand for tourism products and services has dropped and therefore due to a drop in demand, suppliers have been forced to downsize their operations which have lead to employees in the tourism sector being retrenched.

1.4 DRIVERS OF CHANGE

1.4.1 Economic Factors

The state of the world and South African economy is currently the most critical driver of change in the sector. The global financial crisis, sparked off by the sub-prime loan crisis in the USA towards the end of 2007, has had a major impact on the tourism sector internationally and locally. The World Tourism Organisation (UNWTO) has said that international tourism demand has and will further continue to deteriorate. Destinations around the world have experienced a decrease in demand from their major source markets and UNWTO expects international tourism to decline between two to three percent for 2009.

This global decline in tourism is also clearly evident in the local tourism sector, the Howarth HTL Hotel Performance Confidence Indicator Survey for both the second and third quarters of 2009 have consecutively indicated declining confidence levels that the organisation is unaccustomed to report. For the second quarter more than half (56%) of South African hotels anticipated a decline in occupancies and 44% expected a drop in total revenue. For the third quarter confidence levels have dropped even further, with 64% of South African hotels anticipating a decline in occupancies and 53% expecting a drop in total revenue.

This decline in confidence in the tourism sector was echoed by the Minister of Tourism, Marthinus Van Schalkwyk at an event hosted by the Chairman of the Trustees of the British Museum, Mr Naillm Fitzgerald KB, and South African Tourism (SAT) at the Sainsbury African Galleries at the British Museum. He also participated in a Tourism Society Debate with the United Nations World Tourism Organisation (UNWTO) on Travel and Tourism: Stimulus for G20 Economies. At both of these events the minister confirmed that the South African tourism sector was not immune to the effects of the global economic meltdown and in the coming months the sector was expecting to start feeling the brunt of the decline in demand as the rest of the world had already been experiencing.

The Minister also highlighted the fact that South Africa was extremely fortunate to be hosting the 2010 FIFA World Cup in 2010 as preparations for this event, such as the successfully hosted FIFA Confederations Cup in June 2009 have led to an influx of tourists to our country and this has helped South Africa’s tourism sector buck the international trend of decreased demand. This is clearly evident from the fact that in the tourism sector only 3223 employees lost their jobs in 2009, as compared to 2008, and had it not been for the 2010 FIFA World Cup preparations and the country hosting various international sporting events the number of employees who lost their jobs could have been significantly higher and more in line with international trends.

1.4.2 Political Environment and Legislation

The political and legislative environment of the country is probably one of the most important drivers of change for the tourism sector. The changes to the cabinet and government departments after the elections in April 2009 have and still will have a major impact to both the tourism sector and the skills development arena. SETAs will no longer be reporting to the DoL, but have now been moved to the newly formed Department of Higher Education and Training. This change came during a very delicate stage in the SETAs existence, as all SETAs are currently applying to be re-constituted as SETAs after March 2010, when their current tenure comes to an end. At the same time the National Skills Authority in conjunction with the DoL is both finalising NSDS III and also examining if it is possible to landscape the SETAs and merge SETAs where duplication exists.

Other changes to the cabinet and government departments have a direct impact on the tourism sector itself, the Department of Environment Affairs and Tourism (DEAT) has been split into two and there will now be a Department of Tourism, headed by Martinus Van Schalkwyk and a Department of Water and Environmental Affairs, headed by Buyelwa Sonjica. There was initial scepticism about the splitting of DEAT, however as the focus and intentions of the two new departments has begun to unfold, this has changed to optimism which has been endorsed by many key stakeholders in both sectors. Major players in the tourism sector have seen the retention of Martinus Van Schalkwyk as Minister of Tourism in a very positive light and foresee that this will ensure continuity of legislation and regulation in the sector as Minister Van Schalkwyk understands how the sector operates and what the sector needs. Stakeholders in the environmental sector are extremely pleased with a Department to focus on their sector, as they have often felt like they have been overshadowed by the tourism sector under DEAT.

Legislation, amendments to legislation, regulations and strategies that follow from legislation have a major impact on how the tourism sector operates. The paragraphs following below, list recent legislation applicable to the tourism sector and how it affects the sector.

Consumer Protection Bill, (B19) 05 May 2008, in particular Section 17 (Consumer's right to cancel advance reservation, booking of order) has an adverse effect on the businesses in the sector that rely on reservations and bookings to be made for the services that they render. Consumers have more rights and that may call for certain cancellation fees to be amended to make them reasonable as the Act prescribes.

Tobacco Products Control Amendment Act, Act No. 23 of 2007 and the Tobacco Products Control Bill Amendment Bill, (B7, 10 March 2008); (B7A, 25 June 2008); (B7B 25 June 2008) has tightened the control over the smoking of tobacco products and put stricter control over areas where people are permitted to smoke. The Act has increased the fines for contravention or failure to comply with the regulations and most entertainment and gambling facilities that are characterised by people wanting to smoke as they relax will face heavy fines if they do not comply.

Companies Bill, B961, 27 June 2008 which when it becomes an Act of parliament will provide for the incorporation, registration, organisation and management of companies, the capitalisation of profit companies, and the registration of offices of foreign companies carrying on business within the Republic and to define the relationships between companies and their respective shareholders or members and directors.

When enacted it will repeal the Companies Act, 1973 (Act No. 61 of 1973), and make amendments to the Close Corporations Act, 1984 (Act No. 69 of 1984). It will provide for equitable and efficient amalgamations, mergers and takeovers of companies; to provide for efficient rescue of financially distressed companies; to provide appropriate legal redress for investors and third parties with respect to companies. Most companies in the sector are registered in terms of these two pieces of legislation and they do mergers and takeovers all the time, as a result this legislation applies to them.

For any recourse, it will establish a Companies and Intellectual Property Commission and a Takeover Regulation Panel to administer the requirements of the Act with respect to companies, to establish a Companies Ombudsman to facilitate alternative dispute resolution and to review decisions of the Commission; establish a Financial Reporting Standards Council to advise on requirements for financial record-keeping and reporting by companies; as necessary to provide for a consistent and harmonious regime of business incorporation and regulation.

The Bill is still being debated and has already been criticised by some as limiting the rights of shareholders which could cause potential investors to turn elsewhere other than South Africa.

Basic Conditions of Employment Act, Act No. 75 of 1997: Sectoral Determination 14 Hospitality Sector, 14 May 2007, established conditions of employment and wages for employers and employees in the Hospitality Sector which became binding from 01 July 2007. Subsequently there were clarifications published as follows: Sectoral Determination 14 CPIX Clarification, May 2008; and Sectoral Determination 14, Minimum Wage Schedules Notices, July 2008.

The challenge lies with the levels of skills that are prevalent in the sector and since the promulgation of the sectoral determination in the Hospitality sub sector the employers expect increased levels of professionalism from their workers because of the amount of money that they now have to pay them. This increases the numbers of unemployed graduates who just qualified because employers would rather employ the more experienced workers than someone fresh from college.

On the positive side it will increase retention because when people are well paid they tend to stay in a job. Staff will be trained on different levels because if people add value to the business employers tend to invest in them. There will be multi-skilling which the unions may not like very much for fear of exploitation of workers.

On the downside sectoral determination may lead to occupations being mislabelled to avoid paying workers, e.g. a position named as a Cook as opposed to a Chef.

National Gambling Amendment Act, Act No. 10 of 2008 provides for the regulation of interactive gambling so as to protect society especially minors and vulnerable communities against the stimulation of the demand for the form of gambling and provides for the conditions applicable to interactive gambling licenses.

Most importantly this Act seeks to ensure that the gambling industry complies with the Financial Intelligence Centre Act by providing for the registration of players and opening of player accounts and preventing gambling from being associated with crime, money laundering or financing of terrorist and related activities.

National Sport and Recreation Amendment Act, Act No. 18 of 2007 was enacted in order to amend the National Sport and Recreation Act, 1998 (Act No 110 of 1998) so as to delete and insert certain definitions; to substitute the Sport Confederation and Sport and Recreation South Africa, where applicable, for the South African Sports Commission; to provide for the Minister to intervene in certain sports disputes; to provide for the issuing of guidelines for the promotion of equity, representivity and redress in sport and recreation.

National Environmental Management: Protected Areas Amendment Bill (B67), 11 July 2008 is enacted to amongst others amend the National Environment Management: Protected Areas Act, 2003, so as to provide for a comprehensive list in the Schedule of all national parks; to provide for the assignment of national parks, special national parks and heritage sites to the South African National Parks; to make provision for flight corridors and permission of the management authority to fly over a special national park, national park or heritage site; and to provide for the winding-up and dissolution of the South African National Parks.

Skills Development Amendment Act, Act No. 37 0f 2008 was enacted to amend the Skills Development Act, 1998. The Act repeals remaining sections of the current Manpower Training Act, 1981. The Act has changed certain definitions and of importance is the definition of a learning programme which includes a learnership, an apprenticeship, a skills programme and any other prescribed learning programme which includes a structured work experience component.

The Act provides for additional bodies and institutions through which the purposes of the Act can be achieved. This includes provincial offices of the Department of Labour, accredited training centres, skills development institutes, Quality Council for Trades and Occupations (QCTO), a skills development forum in each province, a national artisan moderation body and Productivity South Africa.

The SETAs are expected to perform other delegated functions by the new QCTO to be established. Transitional arrangements are provided for ensuring that the SETAs remain accredited by the South African Qualifications Authority until the QCTO is established. The SETAs are to liaise with the new skills development forums to be established in each province (provincial offices and labour centres of DoL, and the skills development forums) and the QCTO in terms of occupational qualifications and the Organising Framework for Occupations (OFO) in its sector.

National Qualifications Framework Act, Act No. 67 0f 2008 was enacted to provide for the National Qualifications Framework; to provide for the responsibilities of the Minister of

Education and the Minister of Labour; to provide for the South African Qualifications Authority; to provide for Quality Councils (QCs); to provide for transitional arrangements; to repeal the South African Qualifications Authority Act, 1995.

The Quality Councils (QCs) are the new, sector-based structures that will be responsible for the development and quality assurance of qualifications in their sub-frameworks of the NQF. The concept of a sub-framework covering a particular sector of education and training was introduced during the review process and is a significant feature of the Ministers' joint policy statement. The NQF will henceforth be organised in three co-ordinated sub-frameworks, viz. for General and Further Education and Training, for Higher Education, and for Trades and Occupations.

The Minister of Education who is the custodian of the NQF is responsible for the QC for General and Further Education and Training as well as the QC for Higher Education. The Minister of Labour on the other hand was going to be responsible for the QC for Trades and Occupations **(QCTO)** and determines the qualifications sub-framework for trades and occupations. However, indications are that with the moving of SETAs to the Department of Higher Education and Training, all aspects of skills development that previously fell under DoL will be moving with the SETAs. Therefore there is strong possibility

The Broad-Based Black Economic Empowerment Act, Act No. 53 of 2003: The Tourism Charter and Scorecard was developed in response to this Act and it is aligned to the BBBEE Codes of Good Practice. It places emphasis on the seven elements that are included in the scorecard.

Even though most enterprises are looking at the scorecard and concerned with compliance issues that relate to procurement, the scorecard serves a larger purpose of contributing towards sectoral growth through skills development, direct empowerment through ownership and management of enterprises by the PDIs, employment equity, enterprise development and any residual factors.

The Tourism Sector Codes of Good Practice were gazetted on the 22nd of May 2009 and will serve as the vehicle for driving transformation in the sector to achieve meaningful Black Economic Empowerment (BEE). There are three fundamental differences between the Tourism Sector Codes and DTI's Codes of Good Practice. Firstly the tourism sector code makes provision, in the first five years of reporting, for a greater focus on human factor elements, namely skills development, strategic representation, employment equity and enterprise development. Secondly the Exempt Micro Enterprise threshold for the tourism sector has been set at R2.5 million in turnover per annum to ensure that all significant stakeholders participate actively in the process of transformation. Thirdly, two industry specific indicators have been added which relate to the ability of the industry to create jobs and to market South Africa as a preferred tourism destination. The two indicators are (a) the recruitment of employees with no prior experience, and (b) the status of the tourism enterprise as a TOMSA (Tourism Marketing Levy for SA) levy collector.

Service Quality was declared a national priority by the Office of the Deputy President in 2007 during the launch of a multifaceted programme called the South African

Experiment. In this programme the tourism sector was identified as an area of primary focus for service quality. The South African Experiment aims to position South Africa as a world class quality service destination to attract tourists while growing the economy through partnerships between the private and public sectors. Service Excellence is therefore highlighted as being a key focus area in ensuring tourism growth and customer satisfaction. Out of these developments and after consultation with various stakeholders, DEAT has developed a **Service Excellence Strategy** which purpose is the transformation of tourism sector into a globally competitive service sector and world destination of choice. The **Tourism Service Excellence Initiative** (TSEI) has developed out this strategy and is a collaboration between the Tourism Business Council of South Africa (TBCSA) and the Department of Tourism and its main aim is to raise and maintain service excellence standards to increase the tourism sector's contribution to economic growth in the country and maintain the global competitiveness of the sector. The initiative has adopted a five pillar approach to achieve its objective. These five pillars are (1) research & auditing (2) up-skilling of service delivery (3) public awareness (4) measurement and monitoring of service standards (5) Consumer feedback system. Phase 1 of the initiative started in August 2009 and implemented the first pillar, which is the research and auditing of the current levels of service excellence in the country. This is an exciting and necessary strategy and initiative as when taken into consideration with the consumer protection bill discussed earlier service excellence needs to be emphasised and promoted to ensure high levels of customer service and for the countries tourism sector to remain globally competitive. The Service Excellence Strategy and the Tourism Service Excellence Initiative are closely linked to the **Professionalisation of the Tourist Guiding Sector Strategy** which is currently being developed by the Department of Tourism. This strategy aims at improving and increasing the levels of professionalism within the tourist guiding sub-sector to ensure that this sub-sector is operating at internationally recognised standards.

The Safety at Sport and Recreational Events Bill, B7 of 2009: The Bill seeks to promote the safety and protection of persons attending sports and recreational events and their property at the stadium and venues. It also seeks spectator friendly, secure sports and recreational events ensuring that the country is seen as a desirable venue for the hosting of major international sporting events. This Bill could have major skills development implications as the regulations that will follow will require staff working at these stadiums and venues to be skilled and trained according to recognised standards.

Draft Fitness Industry Regulations have been drafted and published by SRSA for public comment. These regulations will ensure that certain standards in the fitness industry are maintained. Some of the issues that are covered by these regulations are accreditation and regulation of fitness establishments by the Fitness Board, conduct and qualifications of fitness professionals and access to fitness establishments by the disabled. These regulations will result in many establishments having to train their staff with an accredited training provider.

1.4.3 Sports Tourism

The global decline in tourism has resulted in other forms of tourism being re-evaluated and their importance and contribution to the tourism sector have now been fully realised.

The contribution of sports tourism to both the tourism sector and the South African economy has often been taken for granted, however the successful staging of the Indian Premier League (IPL) and the FIFA Confederations Cup in South Africa and the recent tour by British and Irish Lions rugby team have placed sports tourism firmly in the spotlight.

The IPL injected R1.5bn into the South African economy, it accounted for 40 000 bed nights booked and 10 000 domestic airline bookings. The FIFA Confederations CUP was the perfect dress rehearsal for the 2010 FIFA World Cup, by all accounts the tournament was successfully hosted and well run which resulted in FIFA giving South Africa a 70% pass rate for the tournament and highlighting accommodation and transport as the only two areas that needed to worked on in the final preparations for the 2010 World Cup. The British and Irish Lion Rugby Tour likewise attracted 40 000 supporters from the United Kingdom to South Africa and it is estimated that these supporters injected R 1bn to the economy. The staging of these two events have helped the tourism sector buck the global recession.

The FIFA World Cup in 2010 will definitely be the biggest sports event hosted by our country and a Grant Thornton study in 2003 estimated that this event will inject R 21bn into the economy, create 150 000 employment opportunities and generate R 7bn in tax. This event will also create a lasting legacy for the tourism sector to build on; the infrastructural additions, improvements and upgrades will result in South Africa having modern airports, new roads, improved telecommunications, increased accommodation capacity and state of the art stadiums.

Sports Tourism currently accounts for approximately 10% of tourism's contribution the South African GDP. In 2006 DEAT and its operational arm South African Tourism developed a Sports Tourism Strategy to encourage sports tourism in the country, however many experts are critical of this strategy, as its development excluded Sports and Recreation South Africa (SRSA) who should have been a key player strategy as they oversee the sports event that attracts the supporters and tourists to the country. These same experts are calling for the newly formed DoT to work more close with SRSA to improve co-ordination and increase the economic benefits that can be derived from increased sports tourism.

Provincial Government and municipalities have also realised the importance of staging major sporting events in their provinces and cities and some have begun campaigns to attract sporting events to their facilities and stadiums. The Gauteng province has embarked on a campaign to build on the province's motor sport legacy and attract international motor sport events back to the country and more specifically Gauteng. The provincial government formed the Gauteng Motorsport Company, and through their GO-GP.org campaign have successfully staged the A1 Grand Prix and FIM World Super Bike Championship at the Kyalami Grand Prix circuit in the province. Talks are reportedly under way to try and ensure the return of Formula One to the country and the province.

The city of Durban has also begun an advertising campaign to attract sporting events to the city and the city now promotes itself as "Durban – Africa' Sporting & Events Capital" in a bid to attract more international sporting events to the city and benefit from increased sports tourism.

An events and sports tourism exhibition, along the same lines and similar to the current Tourism Indaba, has been planned to take place in mid 2011. The aim of this exhibition will be to market and promote South Africa as a destination of choice for major international sports tournaments and events. The timing of this exhibition is perfect as the country will be to showcase its modern airports, new roads, improved telecommunications, increased accommodation capacity and state of the art stadiums that were all fully functional and utilised for the successfully hosted 2010 FIFA World Cup.

1.4.4 Social factors

There are various social factors within our society that have a direct impact on the tourism sector, some of these, such diseases and illnesses pose a direct threat to both workers and tourists while others pose an indirect threat in that they tarnish the image of the country and discourage tourists from visiting the country. The three factors that are currently having the biggest impact on the tourism sector are H1N1 virus or Swine Flu, HIV/Aids, Xenophobic Attacks.

H1N1 Virus/Swine Flu: The H1N1 virus or Swine Flu, as it is commonly known, on the 16^{th} of July 2009 passed the 100 confirmed cases mark in South Africa. This is significant as in accordance with the World Health Organisation recommendations, once a country has reached more the 100 confirmed cases, the routine testing of suspected cases is stopped, as it has then be confirmed that pandemic has reached that country and it is assumed that transmission of the virus is now caused by community transmission and not linked to people returning from recent international travel. While South Africa has been fortunate in that there have been only 8 reported deaths and all the remaining reported cases have been relatively mild and there has been no panic by the population, the virus still poses a threat to tourism sector, as there could be a serious drop in productivity as the virus spreads throughout the country and more and more workers are infected.

HIV/AIDS: The battle against the HIV/Aids pandemic in South Africa is an ongoing battle, currently out of the 48 million South Africans; 5.2 million are infected by HIV/AIDS. This pandemic has been affecting the tourism sector for many years now and has been the focus of almost all employers who through workshops, training sessions and World Aids Day commemorations have been providing workers with the necessary counselling, information, nutrition, preventative measures and VCT testing to either help them prevent infection or live with the virus. THETA also distributes an HIV/AIDS information pack to employers and workers to provide them with information to assist them with the battle against this pandemic.

Xenophobic Attacks: The xenophobic attacks of 2008 seemed to be a distant and forgotten incident in the collective memory of our country, but the service delivery protests in late June and early July of 2009 have resulted in this terrible spectre once again rearing its ugly head. Fortunately, the incidence of these xenophobic attacks and violence have been rather isolated, but nevertheless have been reported in the international media and seriously detract from the image of South Africa as being an ideal international vacation destination. Xenophobia and the violence it sometimes causes needs to be addressed by both national and provincial governments to ensure that the countries image is not further tarnished, especially in the build up to the 2010 FIFA World Cup.

1.4.5 Business Environment

There are various factors that have an influence on the business environment in South Africa. Some of these factors will have serious implications for the tourism sector and will be highlighted and discussed in the following paragraphs

Infrastructural development: In preparing to host the 2010 FIFA World Cup South Africa is currently going through a massive growth stage, both national and provincial governments are spending billions of rand to improve the infrastructure of the country to allow the successful staging of the FIFA World Cup. This will result in modern airports, new roads, improved telecommunications, increased accommodation capacity and state of the art stadiums and these will all be showcased during the tournament. This improved infrastructure is positive for the tourism sector as it facilitates further and future growth in the sector and also set the scene for the future staging of big events and the country now has the capacity to do so.

Electricity supply: The National Energy Regulator and Eskom the national energy supplier have made it clear that the demand for electricity in South Africa far outstrips the supply. Load shedding and the rolling blackouts that it caused nationally in 2008 are still fresh in many peoples minds and resulted in many tourism business' having to invest in generators to overcome the inconvenience caused to their customers and guests. The Bed and Breakfast industry was fairly hard hit, as investing in a generator and keeping it fuelled with diesel was both a significant capital expenditure and increased operating cost for these owner run operations. The global financial crises and the decreased international lending it caused has resulted in the National Energy Regulator and Eskom being unable to secure enough capital for the construction of additional power stations. They are therefore proposing to pass this cost onto the consumer which will result in massively increased tariffs for electricity. Higher electricity cost will have serious implications for the tourism sector and result in increased running costs across the board. This then in turn gets passed on to their customers and the result is increased costs for tourists and this will effect the competitiveness of our tourism products as they could cost more than similar offerings from other countries

Skills shortages: The shortage of skills in the sector will affect the levels of service, productivity and customer care, thereby affecting the profit making. The skills shortage in the country is a major driver of change because as soon as one has trained an employee and they have equipped them with more skills they are either “poached” by a business unit within the organisation or by a rival competitor. The result is that the industry never stops training certain kinds of staff such as dealers, operators, cashiers, travel consultants, hospitality staff and managers.

Pollution: Effluent from municipalities and mining companies' affects the environment and conservation in particular. This can have a serious impact on the tourism sector, as happened to KwaZulu Natal and more specifically the Ethekwini Municipality in 2007. A storm of the coast coincided with the spring tides causing massive swells and waves to pound the coast line seriously damaging the infrastructure on the shoreline. Some of this damage cause large amounts of sewage and effluent to be released into the ocean. This caused many of the Blue Flag beaches to loose their blue flags status, which had a serious negative impact for those tourism business on our around these beaches, as they were no longer attractive to many international visitors who find these blue flag beaches to be more desirable and superior to other beaches.

Employment Equity: Employment Equity is a driver of change, as the targets that it seeks organisations to achieve often lead to certain positions not being filled because there is a shortage of experienced and trained black or female staff in certain positions such as Racing Managers, Technicians, and Travel Consultants. Therefore organisations have to focus on either trying to recruit such staff from competitors or put programmes in place to groom suitable EE candidates for these positions.

Employment Equity also leads to a lot of white male staff emigrating to foreign countries such as Dubai and Australia because they believe they have reached the ceiling within the organisation and won't progress any further because they know the company still needs to address their EE targets and therefore their chances of progressing higher up in management are very slim.

Lack of a pool of trained staff: In the Gaming and Lotteries sub-sector especially there is no pool of skilled staff that can be recruited from, as is the case with other sub-sectors. In this sub-sector the company first finds a suitable staff member and then trains them to be able to do the work. The main reason for this is that the sub-sector is not seen by school leavers and tertiary education students as a career prospect. This is also common occurrence in the Travel and Tourism sub-sector where Travel Agencies recruit youngsters, train them and bring them to the level that they want. There is increased poaching of staff from competitors since it takes time and money to train staff. Perhaps in future through THETA the sub-sector would actively market itself and its possible career prospects to school leavers and tertiary education students by increasing their participation in, involvement with and sponsorship of the National Tourism Careers Expo (NTCE).

1.4.6 Global phenomenon

Global phenomenon are factors that impact not only on South Africa's tourism sector but on the tourism sectors of many countries, factors and issues such as Climate Change, International Recruitment and Globalisation are of a critical nature.

Climate Change: The regional manifestations of climate change that are causing either uncontrollable floods or stifling droughts that happen completely out of season, will be highly relevant for tourism destinations and tourists alike, because people want to feel safe and not visit areas that will be cut out from the rest of the world due to washed away roads, bridges and damaged power lines caused by flooding or wild fires.

The impact of climate change is affecting many natural and cultural properties including many biosphere reserves such as the Cape Floristic Region which is listed as one of the World Heritage sites. The departments that have been tasked to look after this heritage site should acquire new skills that will enable them to predict and prepare appropriate management responses to these effects of climate change on the site. The threat to the Cape Floristic Region is of significant importance when one considers that Table Mountain, one of the countires iconic tourist destinations and sybols, is part of this region. Table Mountain has been shortlisted as one of the new seven wonders of the world and appears on various top 10 lists of must see tourist attractions.

The environment does play a role in all sub-sectors, as it even affects the Gaming & Lotteries sub-sector and more specifically Horse Racing. The weather plays a big role in the ability of a course to stage race meetings, if there is heavy rain the ground becomes waterlogged and the race meeting cannot take place as it is unsafe for the horses and jockeys. The weather combined with diseases also has an impact on horse racing as in the summer months as the increased insect activity can lead to the spread of Horse Influenza and African Horse Sickness. Both of these diseases have a serious impact on the horse racing industry as horses have to be quarantined and racing in these regions virtually comes to a stand still, as was the case 5 years ago, when only the KwaZulu Natal race tracks were able to stage race meetings and the rest of the country was quarantined. Heavy rain can also affect casinos because as an example last summer the Wild Coast Casino suffered from flood damage after heavy rains.

International Recruitment: Countries such as Australia, Canada, New Zealand and the UAE are currently going through a major economic growth phases and in terms of tourism new resorts are constantly being opened. They actively come to South Africa to recruit management staff and the salary packages that they offer are in Dollars and it is very difficult for South African companies to compete with these salaries. Cruise ships that come to South Africa also target gaming, hospitality and maritime staff by offering them work onboard. These jobs are attractive also due to salaries in foreign currency and are also adventurous for younger staff members. Foreign racing centres are also targeting South African jockeys and trainers. Top South African jockeys and trainers are common place at all the major racing centres of the world such Dubai, Hong Kong, Singapore, Macau, Japan and Australia.

Globalisation: South Africa is a global player and competes with the rest of the world on an equal footing. The service levels, technology must be of a world standard. There is a need to train service workers to have IT skills and customer care skills and learn new languages that the tourists may understand. Foreign tourists also expect our tourist facilities to be at the same level as international facilities and also offer their goods and services at the same international standards.

1.4.7 Technological Factors:

For South Africa to remain globally competitive technological advancement is a necessity and the skills related to new technology must always be provided for the workforce. Acquisition of new knowledge and skills is also vital. The technological changes affect the industry both positively and negatively. Examples of where technology continues to be a major driver of change within the tourism sector are as follows:

In the Hospitality and Travel & Tourism sub-sector the positive effect of technology is that more people will be in a position to do self service for when making airline and hotel bookings due to the online booking system and even check in at the airports without the assistance of airport staff. This may be negative and cause retrenchments if technology replaces the need for labour by more and more people utilising the self service option. This is not such a big threat because despite technological changes, people still need a personal touch when it comes to service and so far there have not been reports of businesses closing down and positions being declared redundant leading to retrenchments and reduced absorption, in fact in some cases it has caused increased employment as there is a need for more technicians to service these self service facilities.

The Gaming & Lotteries sub-sector relies heavily on technology and IT systems to operate. They need that in the operation of slot machines, wagering systems, betting terminals, surveillance systems and accounting and financial systems. These systems have to be updated constantly to keep up with technological changes, which in turn means that staff have to be trained on how to operate, work and maintain these systems. Gambling Board staff also needs to be trained on how these new systems work as the systems need to be tested before they can be put into use, and also need to be monitored to ensure compliance.

In the Conservation and Tourist Guiding sub-sector the satellite tags placed on sharks are used by the satellite to find accurate global positions of the sharks and track their detailed movements day after day. The information gained in this study contributes towards science by plotting the specific habitats sharks utilise and will provide the scientific foundation needed to design protection measures that guarantee the survival of great white sharks. The tourism linked to swimming with the sharks is dependent on such studies. This same technology is also widely used in other game. The Sports, Recreation and Fitness sub-sector relies on technology in the high performance centres where they develop professional athletes, track and document their progress through the use of technology.

CHAPTER 2: DEMAND FOR SKILLS

The demand for skills and skills development with the tourism sector is vast. There are various contributing factors that have led to there being such a massive demand for skills and skills development. The most obvious of these being the legacy of South Africa's apartheid past in which it's policies of separate and unequal development led to countries population having a lop sided spread of skills. This legacy will take decades to rectify and is being addressed by the government's policies of Employment Equity (EE) and Broad Based Black Economic Empowerment (BBBEE). The newly gazetted Tourism Sector Codes are also addressing this need by placing emphasis on and awarding companies for hosting learnerships for black people and in this way is driving transformation in the sector.

The tourism sector is at the forefront of technology, with many of its sub-sectors utilising the latest ICT systems available for their daily operations. The hospitality and travel & tourism sub-sectors use operating systems and software packages such as Galileo, Amadeus, Fidelio and Opera for their operations, there staff need to be trained on how to use these systems. Likewise any aspirant jobseekers wishing to enter the job markets within these sub-sectors also need to be trained in these booking and operating systems, as without these they will encounter major hurdles to finding work. Enterprises operating within the tourism sector need to keep up-to-date with the latest technology, any new operating system or software change or technological innovation will cause large numbers of their staff to be trained and in this way drive the demand for skills.

Legislative and regulatory changes also have an impact on the demand for skills. An example of this is post the 9/11 terror attacks in the USA, globally all governments put in place legislation and regulations that made it difficult for individuals or groups to finance terrorist organisations and for these organisations to transfer money undetected around the globe. South Africa also put such legislation in place and introduced the Financial Intelligence Centre Act (FICA) to prevent such money laundering activities. This resulted in large numbers of workers in the gaming and lotteries sub-sector to be trained in order to ensure that the enterprises in the sector complied with FICA.

There is also currently a qualifications mismatch in South Africa, in that many of the qualifications that learners and students receive, doesn't equip them with all the skills that industry requires. This results in employers continually needing to address these skills gaps by placing their employees on training courses and entering them in skills programmes to provide them with the necessary top-up skills. This skills mismatch is one of the biggest contributing factors to there being such a huge demand for skills in the tourism sector.

2.1 Current employment

The summary of all 145 695 employees in the sector classified according to occupational class, race and gender as illustrated in **Table 9**, clearly indicates that African Workers constitute 66% of the entire workforce of the Tourism sector and it is by far the largest, followed by White employees at 17%; then Coloured employees at 13%; with the lowest being Indian workers at 4%.

Table 9: Profile of all employees in the sector by occupational class, race and gender

	African				Coloured				Indian				White				Grand
Occupational Class	**M**	**F**	**D**	**Tot.**	**M**	**F**	**D**	**Tot.**	**M**	**F**	**D**	**Tot.**	**M**	**F**	**D**	**Tot.**	**Total**
Managers	3159	2795	2	5956	649	1181	4	1834	608	521	0	1129	5016	4397	16	9432	18351
Professionals	1988	903	6	2897	256	286	1	543	207	243	0	450	1169	1229	7	2405	6295
Tech. & Trades	6021	3554	6	9581	804	680	4	1488	326	81	1	408	1043	408	7	1458	12935
Comm. & Personal Service	7832	8285	12	16129	1214	1594	1	2809	430	545	1	976	1738	2572	7	4317	24231
Clerical & Admin.	4570	6860	27	11457	936	2300	6	3242	509	947	4	1460	760	3345	12	4117	20276
Sales Workers	4842	8804	4	13650	833	1650	0	2483	480	520	0	1000	858	1429	0	2287	19420
Mach. Operator & Drivers	1706	115	1	1822	354	21	0	375	44	1	0	45	86	6	2	94	2336
Elementary Workers	13087	21158	10	34255	1217	4863	2	6082	107	301	0	408	536	568	2	1106	41851
Grand Total	43205	52474	68	95747	6263	12575	18	18856	2711	3159	6	5876	11206	13954	56	25216	145695
Percentage				66%				13%				4%				17%	100%

Source: THETA SMS

An analysis of the data contained in Table 9 indicates that the occupational group Managers constitutes 13% of the tourism sector’s employees. 51% of these managers in the sector are White, 32% African, 10% Coloured and only 6% Indian. This is clearly indicative of the legacy of South Africa’s apartheid past in which it’s policies of separate and unequal development led to countries population having a lop sided spread of skills. White managers still dominate the sector and it’s clear that there is a high demand for skills needed to accelerate Black people to managerial positions to address the inequalities of the past. This demand has been echoed in some of THETA’s past and current projects and skills interventions, such as the Management Development Programme (MDP) and Black Racing Managers Acceleration Programme (BRMAP). These projects and interventions aimed to provide black supervisors and junior managers with the skills necessary to accelerate them to management positions. Many of the participants have already been promoted into management positions and demand in the sector for more of these interventions and projects are extremely high.

Professionals constitute 4% of the sector’s employees, of these professionals 46% are African, 38% White, 9% Coloured and 7% Indian. There has been a 2% increase in the number of African professionals employed in the sector, the reason for this could be due to EE targeting and the fact that professionals are already qualified and by hiring them enterprises are able to satisfy their EE targets with minimal training costs.

Technicians & Trades Workers constitute 9% of the sector’s employees, of these workers 74% are African, 12% Coloured, 11% White and 3% Indian. Community & Personal Service Workers constitute 17% of the sector’s employees, of these workers 66% are African, 18% White,12% Coloured and 4% Indian. Clerical & Administrative Workers constitute 14% of the sector’s employees, of these workers 57% are African, 20% White, 16% Coloured and 7% Indian. Sales Workers constitute 13% of the sector’s employees, of these workers 70% are African, 13% Coloured, 12% White and 5% Indian. Machinery Operators & Drivers only constitute 2% of the sector’s employees, of these employees 78% are African, 16% Coloured, 4% White and 2% Indian. Elementary Workers constitute 29% of the sector’s employees, of these workers 82% are African, 15% Coloured, 3% White and 1% Indian. The figures in these occupational categories have remained virtually unchanged to those reported in the previous years update. However, it is important to note that these figures are also indicative of the legacy and inequalities of the past were certain race groups were encouraged to obtain technical qualifications or elementary skills only and in some instances this has even caused stereotyping of the employment opportunities for these racial groupings working in the sector.

Table 10: Percentage of workers in occupational classes across the sector in terms of race.

Occupational Group	African	Coloured	Indian	White
Managers	32%	10%	6%	51%
Professionals	46%	9%	7%	38%
Technicians & Trades Workers	74%	12%	3%	11%
Community & Personal Service Workers	66%	12%	4%	18%
Clerical & Administrative Workers	57%	16%	7%	20%
Sales Workers	70%	13%	5%	12%
Machinery Operators & Drivers	78%	16%	2%	4%
Elementary Workers	82%	15%	1%	3%

Source: THETA SMS

In terms Gender and Disability, 56% of the sector's employees are females, 43% male and 1% disabled. As illustrated in Table 11.

Table 11: Employees by Gender and Disability from 2004 – 2009

Gender	2004	2005	2006	2007	2008	2009
Male	51 391	57 523	55 790	62 289	64 968	63 385
Female	59 670	68 739	70 340	76 774	83 950	82 162
Disabled	190	343	757	188	141	148
Total Employees	111 251	126 605	126 887	139 251	148 918	145 695

Source: THETA SMS

In terms of Race the number of employees in all groupings decreased, Africans decreased by 1182 employees, Coloureds by 1027, Indians by 244 and Whites by 770. As illustrated by **Table 12**.This decrease in the number of employees is due to the global economic downturn and the decrease in demand for the tourism sector's products and services as discussed in chapter.

Table 12: Employees by Race from 2004 – 2009

Gender	2004	2005	2006	2007	2008	2009
African	67 300	78 260	78 653	91 357	96 929	95 747
Coloured	14 302	16 006	16 753	18 784	19 883	18 856
Indian	4 772	5 663	5 104	5 064	6120	5 876
White	24 893	26 676	26 377	24 046	25 986	25216

Source: THETA SMS

2.2 Employment trends and patterns

2.2.1 Vacancies in the sector

There is no co-ordinated data on the number of vacancies in the sector and how long it takes to fill them. In the WSPs some of the reasons that are prominently featuring in vacancies remaining open are issues where the enterprise needs a Black candidate to fill a particular vacancy in order to achieve their Employment Equity targets and there is a scarcity of such a skilled person in the designated group. The other main reason advanced was that there is a shortage of skilled people in general to fill certain positions and examples of those positions that are difficult to fill extracted from the WSPs are

Pastry Chefs, Head / Executive Chef, Dealers, Cashiers, Gaming Accountant, Black Rugby Forwards, Rugby Coaches, Technical Rugby Advisors and Travel Consultants.

The skills shortage in other vacant positions was not necessarily because there were no skilled people to fill the positions but that they did not have the additional skills that were required at the time. Examples are for instance the scarcity of Black people that can speak languages like French, German and Spanish; lack of good communication skills amongst Waiters; lack of sales skills amongst Travel Consultants; or lack of industry specific skills amongst Trainers / Facilitators.

Some of the positions are difficult to fill only during peak season like for an example skilled Waiters and Bartenders because of the cyclical nature of the business. If a new establishment like a casino or a restaurant is opened in an area where there was such a business in existence already, the pool of human resources gets depleted and it becomes difficult to fill certain vacancies that would have been otherwise easy to fill.
Another reason that was stated in the WSPs was that enterprises in rural locations find it difficult to fill positions if there is growth in the same industry in the urban areas; people tend to prefer working in the urban areas. The last reason that was stated was migration of people to other Provinces or other Countries.

2.2.2 Replacement Demand

Replacement demand, based on replacing those who retire or move to other sectors are also a challenge in the sector. People leave the sector for various reasons. In the Horse Racing industry, for an example, there is a noticeable amount of Senior Staff retiring and taking their experience, knowledge and skills with them which is extremely hard to replace. Horse Racing is big business in many other countries and many staff immigrate to where the salary packages are lucrative, the result of which is that South Africa has a diminishing skills pool in this industry.

A total number of 5 010 employees in the sector are over the age of 55 and there should already be a succession plan in place to replace the valuable skills that they will retire with in about 5 years time. The employees between the ages of 35-55 are 51 745 and being in their prime working years they should acquire the skills that will keep them relevant to the industry needs. However, because the sector is dominated by SMMEs, succession planning is not always a priority.

As more casinos are opened as licenses are awarded and the demand for skills is driven by poaching that happens between competitors from amongst the existing casinos and the newly established ones. Staff sometimes tend move from city to city and also between provinces to seeking better promotions and higher pay. There is also a high staff turnover in casinos as shift work is not appealing to many employees once they get married or start a family. Technological changes in this sub-sector also drives the demand for skills. The Gaming & Lotteries sub-sector relies heavily on technology and IT systems to operate. Examples of these are slot machines, wagering systems, betting terminals, surveillance systems, and accounting and financial systems. These systems have to be updated constantly to keep up with technological changes, which in turn means that staff have to be trained on how to operate, work and maintain these systems.

Gambling Board staff also need to be trained on how these new systems work as the systems need to be tested before they can be put into use and also need to be monitored to ensure compliance. There is also poaching from amongst the regulators that push the demand for skills higher. The new wagering systems even in lotteries require that the staff be retrained. The new operator that runs the National Lottery came with new policies and procedures and drove the demand for skills higher. The Limited Payout Machines (LPMs) as a start up industry also comes with new processes and procedures that require the staff to be trained. The current skills needs in Gaming and Lotteries sub-sector are cutting across all occupational classes including Managers, Technicians, Sales staff, and workers at elementary levels.

The role of the Travel Consultant in the Travel business is now changing. Currently the traditional Travel Consultant whose role was just to do the Galileo bookings now has to have sales skills in order to bring more business into the company. There is specialisation in either leisure travel or dealing with corporate clients which requires specific skills. The types of additional skills the Consultant has to have includes understanding the procurement policies ant travel policies of companies, management skills, business skills, negotiation skills, IT skills, understanding of destinations, must be analytical and stay abreast with world news.

2.3 Future employment signalling

In the Gaming and Lotteries sub-sector the growth in skills demand will be experienced by the Clerical and Administration staff and the Community and Personal Service Workers occupational classes where the Slots Operators, Table Dealers, Gaming Workers, Horse Riding Instructors and Gaming Officials, and support staff in IT, as the sub-sector grows.

There is a growing trend of workers being head hunted and poached for international markets because of the nature of specialty for certain jobs. For an example there is a greater shift in horse racing to Dubai where the Dubai World Cup, held annually is the World's richest horse race with a purse of US$6 million. Many South African grooms, jockeys, officials, trainers, assistant trainers and work riders ply their trade in the UAE.

Cross border tour packaging requires new skills for the Tour guides to understand the agreements signed between South Africa and the neighbouring countries in creating borderless tourism, as well as the rules applicable to tourists in the neighbouring countries. Marketing of tours that include the neighbouring countries requires in-depth knowledge of the said country by the tour operating companies and their employees.

2.3.1 Future skills needs

The following were found to be the generic current and future skills needs across all the sub sectors as per the skills audit report conducted in 2007 in the sector. The future skills needs shall be elaborated upon in Chapter 4 that deals with scarce and critical skills.

- Leadership and management,
- Business management skills,
- Marketing skills,
- Languages,
- Communication skills,
- Information Technology,
- Financial Management, and
- Customer Service

CHAPTER 3: SUPPLY OF SKILLS

3.1 Current Skills Levels

3.1.1 Current qualifications and skills in the labour market

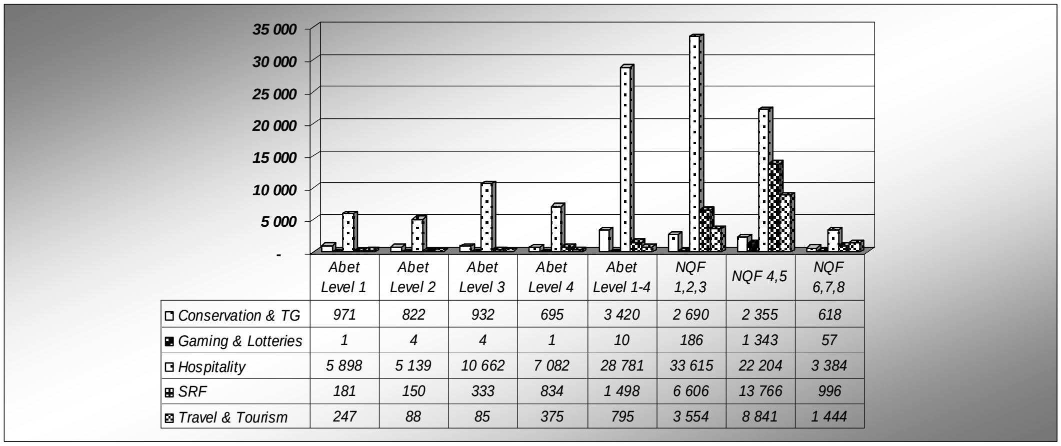
The Hospitality sub-sector has the highest number of employees at Abet Levels 1-4 and the lowest numbers at NQF Levels 6, 7 & 8 qualifications. The Gaming and Lotteries sub-sector has the highest number of employees with qualifications at NQF Levels 4 & 5 and the lowest amongst all the sub-sectors with ABET Levels 1-4.

The Conservation and Tourist Guiding has the highest concentration of employees at ABET Levels 1-4 however the number of employees with NQF Levels 1, 2, & 3 is almost equal to that of employees with NQF Levels 4 & 5 qualifications. The Sports, Recreation and Fitness sub-sector has the highest number of its employees with NQF Levels 4 & 5 qualifications and the lowest number of employees at NQF Levels 6, 7, & 8. The employees at ABET Level are not so high in proportion to the total number of employees in the sub-sector.

The Travel and Tourism sub-sector has the highest number of employees with NQF Levels 4 & 5 qualifications and the lowest number of employees at ABET Levels 1-4. They also have the highest percentage of employees with NQF Level 6, 7 & 8 qualifications in the sector. It is difficult to find employment in the sub-sector without some form of qualification.

The qualifications of employees in the sub-sectors are in line with the occupational categories which they occupy. It is evident that some sub-sectors require highly specialised skills at degree level in order to do their work whereas others can operate with lower qualifications. The report of the NTSSD Forum indicated that overall the supply of skills in the sector are adequate to meet the industry needs except for a few minor adjustments that should be made to the curriculum. **Figure 1** depicts the skills and qualifications of the labour market across chambers. This is in terms of the 2008 ATR.

Figure 1: Qualifications and skills in the labour market



3.2 Main Education and Training Providers

There are about 190 FET Colleges and of that THETA has linkages with 16 of them. THETA has no linkages with the 128 HET Colleges. Skills provision in the sector is done by employers, Government Departments, Accredited Training Providers and international donor agencies.

The information in **Table 13** illustrates the status of Training Providers Accredited by Theta across the provinces. It reflects companies by their head offices and not necessarily branches. There are 98 training providers that are accredited by THETA and the majority of whom are in the Hospitality sector followed by Conservation and Sport, Recreation & Fitness respectively.

Table 13: Training Providers accredited by THETA

Province	Training Provider per Chamber Across Provinces					Total
	Conservation	Gambling	Hospitality	Travel	Sport	
Eastern Cape	3	1	4	2	1	11
Free State	-	-	2	-	1	3
Gauteng	8	3	18	10	6	45
KwaZulu-Natal	5	-	7	1	2	15
Mpumalanga	3	-	1	-	1	5
Northern Cape	-	-	-	-	-	0
Limpopo	3	-	2	-	3	8
North West	1	-	1	3	-	5
Western Cape	2	-	4	0	1	6
Total	27	3	46	14	19	98

The Northern Cape is the only province that does not having any accredited training providers residing in the province. THETA has made concerted efforts to encourage training providers from the Northern Cape to become accredited. However, it must be noted that training providers normally apply for accreditation based and the demand thereof from their clients. Perhaps what is needed is not a drive to create providers in the Northern Cape who will then struggle to find business, but rather to promote accredited training to the enterprises operating in the provinces tourism sector. The current demand in the province for accredited training is met by THETA accredited training providers from surrounding provinces. The geographical nature and demographics of the province must also be taken into account, as these factors may also contribute to the low demand for education and training in this province, especially since there is no university resident in the province.

THETA has attempted to increase the number of accredited training providers by commencing with Phase 2 of the Training Provider Capacity Building Project. The main objective of phase 2 of the project is to increase the number of accredited training providers in the tourism sector. To achieve the project's objective the project aimed to capacitate THETA constituent training providers in the following accreditation training interventions: Assessor, Moderator, Facilitator, Coaching, Mentoring, Quality Management Systems, Programme Design, Programme Development and Computer Literacy. The project targeted 21 000 learners from 150 emerging training providers in the tourism sector.

To date the Training Provider Capacity Building Project has achieved the following results 300 Assessors, 255 Facilitators, 131 Moderators, 207 Coaches, 207 Mentors, 120 learners trained in Computer Literacy, 99 training providers trained in Programme Design & Development and 128 training providers trained in Quality Management Systems. These are significant achievements and will ensure that in the months to come the number of accredited training providers will definitely increase, and this will help to address the huge demand for training in the sector.

3.2.1 Supply of Education and Training

It was asserted that qualifications to address the scarce and critical skills in the Hospitality sub sector do exist for all levels ranging from Senior Management positions to Elementary occupational levels in the NTSSDF report. The problems that were identified with the Hospitality related qualifications were in most cases with the packaging of the training material and the course content which resulted in skills gaps for the people who acquired these qualifications. The areas of learning were not packaged in such a way that they were occupationally directed, that is, leading to any one particular specialised occupation / job. Instead the learner would have to study a number of unit standards scattered all over in order to be competent for a specific job in management or communications. The training provision was done widely in the sub sector at all levels and across all bands.

In terms of the National Sports and Recreation Amendment Act, Act No. 18 of 2008, SASCOC may, in order to address the education and training needs in high performance sport provide support in organising and presenting training workshops, courses and seminars for high performance sport leaders, managers, administrators, sport coaches and technical officials in co-operation with the relevant national federations and other macro-bodies. They may take steps to ensure that the training material is standardised in compliance with the unit standards as developed by the Standard Generating Bodies for Sport, Recreation and Fitness and maintain a database of trained high performance sport leaders, managers, administrators, sport coaches and technical officials in cooperation with the relevant national federations and macro-bodies. The Act allows them to develop and continuously update a strategic framework for education and training.

Sport and Recreation South Africa may, in terms of the Act as well, do the same for mass participation sport and recreation leaders, managers, administrators, sport coaches and technical officials in order to address the education and training needs in sport and recreation. SRSA are already in discussions with THETA to get their training programmes approved by the ETQA and they have already licensed 17 providers who should also satisfy the requirements of the THETA ETQA in order to deliver on their programmes.

In April 2007, SRSA commenced with negotiations with SAQA to draw up a Joint Implementation Plan (JIP) where critically important qualifications that were in the process of development or revision, was fast tracked and to develop new qualifications and unit standards that were urgently needed. The JIP resulted in the following qualifications and unit standards to be developed and or revised: (NQF level 4) FETC: Sport Administration (replacing the NC: Sport, Recreation and Fitness Leadership); (NQF level 5) NC Sport Management and the (NQF level 4) FETC: Volunteer Support. The JIP also resulted in the development of 4 unit standards for basic facility management/supervision at community level facilities.

In March 2008, SRSA extended the JIP agreement with SAQA to include the following developments:

- FETC: Sport Technical Officiating at NQF level 4.
- 40 unit standards for sport specific coaching at NQF level 3, 4 and 5. There are 6 sporting codes covered already and this JIP would extend the number of sport specific coaching unit standards to approximately 19 codes of sport. It would also assist with the development of a career path for sport coaches from NQF level 3 to 5.
- Elective streams to be developed in the area of “Life skills for Sport” and to skill people on “injury management in sport” without taking the job of properly trained first aid practitioners. These unit standards would also be at NQF level 3, 4 and 5.

The existence of the JIP further influenced the progress of the coaching, recreation and fitness qualifications in the system positively as it improved the relationship between SAQA, SRSA and the SGB to such an extent that significant improvement in the sport qualification framework was made as at July 2008. The qualifications form the foundation of many skills programmes and unit standard based learning so much needed in the field of sport and recreation.

THETA through its ETQA department and Standards Generating Bodies have to date managed to register 29 new qualification with SAQA and THETA would like to acknowledge the tireless efforts of the SGBs in scoping, developing and registering these new qualifications. Some of these new qualifications are NC: Sport Management, NC: Community Recreation, NC: Gaming Operations, ND: Professional Golfing, FETC: Professional Hunting, FETC: Sport Administration, FETC: Community Recreation, FETC: Volunteer Services, FETC: Life Guarding and FETC: Adventure Based Learning.

There are numerous qualifications still waiting for SAQA approval and THETA is hoping these will be speedily approved and once approved will greatly enhance, improve and increase the supply of education and training in the sector. It is crucial to mention that the process of registering the new qualifications has been extremely slow and frustrating. It would appear that the impending switch from SAQA to QCTO has not helped the situation either.

Allied to the development and registration of new qualifications for the tourism sector, THETA also engaged in the Generic Fundamental Unit Standards Project. The aim of this project was to develop generic unit standards for use by THETA accredited training providers. The rationale for developing these generic fundamental unit standards is that most training providers find it very difficult to develop fundamental unit standards and this results in training providers having fewer qualifications in their scope or concentrating on skills programmes instead of qualifications and sometimes discourages training providers from becoming accredited. THETA has not only developed these generic fundamental unit standards but also developed learning material to accompany these generic fundamental unit standards and makes these available to all its accredited training providers in the form of Fundamental Programme Packs. Examples of the generic fundamental unit standards that have been developed include 120300 – Analyse leadership and related theories in a work context, 252026 – Apply a system approach to decision making, 252036 – Apply mathematical analysis to economic & financial information, 12433 – Use communication techniques effectively, 252022 – Develop, implement and evaluate a project plan and 252040 – Manage the finances of a unit. These generic fundamental unit standards will not only greatly enhance, improve and increase the supply of education and training in the sector, but also ensure that the provision of these fundamental unit standards are standardised throughout the sector.

3.2.2 Challenges facing the provision of training in the sector

There are a number of challenges that may hamper the provision of skills in the sector. The following are some of those known challenges in the sector.

Skills Mismatch: The qualifications available within a sub-sector have a relevant title but the content is not what the industry requires in a particular occupation. For an example a qualification on basic tourism has different course content to what its title promises. This is particularly evident in the travel & tourism sub-sector, where many graduates have degrees, diplomas and certificates, but have never operated a GDS system, such as Galileo. Without experience or knowledge of a GDS system may of these graduates struggle to find employment. THETA's Graduate Development Programme has played an important role here, as this programmes offers incentives to employers to host these graduates as interns, and in this way many graduates have not only obtained workplace experience but have also been exposed to operating systems such Galileo, Fidelio and Opera.

Progression from one qualification to another (inability to progress): Some certificate courses offered are not worth any credit towards a diploma or a higher qualification because they are not NQF aligned. Although this problem is starting to be addressed by the Recognition of Prior (RPL) process, whereby learners can be "RPLed " on certain unit standards based on the knowledge and workplace experienced already gained.

Geographic spread of Training Providers: Some provinces have very few or no THETA accredited training providers, while others have training providers that are accredited but do not have the scope to cover qualifications in the five sub-sectors. THETA has been running Training Provider Capacity Building Programmes for the last two years and there a quite a few training providers who are in the process of finalising their accreditation, which should alleviate this problem.

Funding: Some employers, especially the SMMEs do not have enough funds to pay for training for their employees. THETA has an annual learnership rollout and various projects that are financed out of discretionary grants. However, these initiatives are drop in the ocean and cannot satisfy the demand for skills in the sector. To fully satisfy this demand THETA has already started seeking alternative funding sources, such as NSF funding, to attempt to meet the demand for skills and skills development in the sector.

Few students studying in specialised areas: Some careers are not attractive to school leavers, while others require learners to have obtained high symbols mathematical and scientific subjects. The result of this is that there are a few students studying in specialised fields to become Ornithologists, Entomologists, Herbologists, Botanists, Ecologists, Marine Biologists, Air Quality Control Managers and Environmental Research Scientists. All of these skills are necessary for the preservation of the biodiversity and natural resources of the country, which are in turn visited by tourists who come into the country.

3.3 Training Expenditure Analysis

Table 14 illustrates that total training expenditure for the sector was R 345 609 174.86, of this Total the Hospitality sub-sector spent the most money on training which totalled R 204 259 385.80 which constituted 59.10% of the total expenditure. The Gaming & Lotteries sub-sector spent R 58 625 887.79 which constituted 16.96%, Travel and Tourism spent R 55 314 705.83 which constituted 16%, Sport Recreation & Fitness spent R 16 656 449.22 which constituted 4.81% and lastly Conservation & Tourist Guiding spent R 10 752 746.22 which constituted 3.13%.

Table 14: Training Expenditure Analysis

Sub-Sector	Total Spent of Training	Percentage
Hospitality	R 204 259 385.80	59.10%
Gaming & Lotteries	R 58 625 887.79	16.96%
Travel & Tourism	R 55 314 705.83	16%
Sport, Recreation & Fitness	R 16 656 449.22	4.81%
Conservation & Tourist Guiding	R 10 752 746.22	3.13%
Total	R 345 609 174.86	100%

Source: THETA ATR

Table 15 illustrates the training spend by skills priority per sub-sector. It must be noted that his is not the complete list of skills priorities, but rather those that are common among all sub-sectors and the skills priorities not included in the table are sub-sector specific.

Table 15: Training Spend by Skills Priority by Chamber

Skills Priority	Hosp.	Gam.	T&T	SRF	Con & TG	Total	%
ABET	0	0	0	0	0	0	0
Client Services	62,182,021.26	13,233,997.30	8,540,649.66	1,957,060.83	733,875.57	86647604.62	33%
Employee Development	23,720,858.15	16,228,588.39	7,211,492.97	3,527,607.45	5,179,937.11	55868484.07	21%
Information Technology	9,097,414.75	3,932,096.57	1,949,623.00	4,450.00	1,085,442.50	16069026.82	6%
Labour Relations	0	58,000.00	0	0	0	58000.00	0%
Legislative Compliance	0	6,336,119.91	785,168.14	1,531,269.67	1,232,581.46	9885139.18	4%
Management & Leadership	15,537,060.00	10,286,342.98	7,618,573.62	3,500,096.75	905,391.11	37847464.46	14%
Support & Admin. Skills	4,248,670.48	1,994,494.34	23,570,999.15	620,162.20	708,594.67	31142920.84	12%
Technical Skills	14,312,385.49	4,241,851.30	5,416,922.29	2,934,903.06	695,986.50	27602048.64	10%
Total	129,098,410.13	56,311,490.79	55,093,428.83	14,075,549.96	10,541,808.92	265120688.63	

Source: THETA ATR

It is interesting to note the following regarding the skills priorities:

ABET: It is very interesting to note that none of the sub-sectors spent any money on ABET training. While this training is a very time consuming and expensive intervention, it is interesting to note that in 2007 R15 868 715.00 was spent on ABET training. In 2008 THETA ran two ABET projects that provided ABET training to the sector and it is likely that while due to these two projects enterprises decided to spend their training budget on other priorities.

Clients Services: This is the skills priority that received the most attention in the sector, with R 86 647 604.62 spent on this priority, which constituted 33% of the training expenditure of the sector. This can be ascribed to the fact that enterprises in the sector are preparing for the 2010 FIFA World Cup and are ensuring that their staff are properly trained to deal with the influx of clients for this event. The current economic conditions and climate could also contribute to client services being such a skills priority as when times are tougher you need to offer your customers the best service possible. This is also indicative of the early success of the Tourism Service Excellence Strategy and the Tourism Service Excellence Initiative of the Department of Tourism.

Labour Relations: It would appear that this skills priority is no longer a priority as in 2007 R 3 031 565.00 was spent on training employees on this priority, but in 2008 only R58 000.00 was spent on this priority. This could be due to the fact that this priority was addressed with sufficient interventions in 2007 or that the Client Services skills priority is so crucial for 2010 World Cup preparations that funds have been diverted for Labour Relations to Client Services.

The remaining skills priorities, namely Employee Development, Information Technology, Legislative Compliance, Management & Leadership, Support & Administrative Skills and Technical Skills have remained largely unchanged from 2007 and is indicative that they are still very relevant priorities and that the enterprises in the sector and still allocating substantial amounts of the training budgets to these priorities.

CHAPTER 4: SCARCE AND CRITICAL SKILLS IDENTIFICATION

Scarce skills refer to occupations in which there is a scarcity of qualified and experienced people, current or anticipated either because such skilled people are not available or they are available but do not meet the employment criteria. Critical skills refer to specific key or generic top up skills within an occupation. It is important to distinguish between the two, as they have very specific meanings in terms of skills development, but are however used interchangeably by various individuals in the tourism sector. **Table 16** provides a list of the scarce and critical skills in the tourism sector.

The following occupations have been listed as being scarce: General Manager, Café Licensed or Restaurant Manager, Hotel or Motel Managers, Licensed Club Manager, Environment Research Scientist, Bioknieticist, Chef, Casino/Gaming Dealer, Travel Consultant, Fitness Instructor, Jockey, Receptionist, Hotel or Motel Receptionist and Accounts Clerk. The reasons why the occupations are scarce and many and varied and could be due to a number of factors, such a lack suitable qualified black managers. Due to the legacy of the inequalities of the apartheid system there is a major scarcity of black managers in the tourism sector. The preparations for the 2010 FIFA World Cup have resulted in many new hotels and motels being open in the host cities, this has resulted in a scarcity of hotel and motel managers. There is both a scarcity of black and qualified licensed club managers in the gaming sub-sector. This scarcity affects both the casinos and the horse racing industry and while there have been skills training interventions which have provided black supervisors with the critical skills to allow them to become managers, these have only scraped the surface of the problem and THETA will have to make concerted efforts to address this problem effectively.

There is a scarcity of both chefs but more specifically black chefs in the tourism sector. This scarcity is also worsened by the fact that it's the norm for well trained chefs to travel and work around the world in order to obtain experience working in different kitchens and restaurants, obtain different skills and learn new dishes. South African chefs are in demand in the world's kitchens as they have a reputation of being well trained and hard working. THETA has been addressing this scarcity over the past few years by providing numerous professional cookery learnerships to both employed and unemployed learners. These learnerships have yielded many successful cooks and chefs and THETA will need to keep promoting and funding these learnerships in the sub-sector to ensure that this scarcity is addressed.

Some occupations are highly specialised and in demand in the sector both globally and locally. Jockeys are an example of this kind of occupation. South African jockeys are highly skilled, professional and very successful which has resulted in them being highly demanded both globally and locally. South African jockeys are currently racing in major racing centres across the globe such as, Australia, Dubai, Hong Kong, Japan, Mauritius and United Kingdom. Jockeys who leave the country to race internationally do so for various reasons such as international fame, experience and increased earnings. This exodus of South African jockeys has resulted in there being a scarcity of jockeys for the local racing industry. There is also a scarcity of both black and female jockeys in South Africa. THETA has been addressing this scarcity by working in conjunction with the racing operators, Gold Circle and Phumelela, and the Racing and Equestrian Academy to implement the Racing and Equestrian Academy Access Project, which provides bursaries to PDI apprentice jockeys. This project has produced successful jockeys, such as Jared Samuels, and there are a number of other apprentice jockeys who will be qualifying as jockeys next year. It takes approximately three to four years for an apprentice to qualify as a jockey, so THETA will need to support this project for the next few years to ensure that the PDI apprentices in the project do indeed qualify and address this scarcity in the sector.

Travel consultants are interesting as they can be classified as both being scarce and critical. They are scarce as there is a shortage of qualified travel consultants in the sector. This sector will be addressed by THETA through learnerships. Travel consultants are also critical as many of the unemployed graduates with travel qualifications and recently employed travel consultants do not have the necessary software packages such as Galileo. This critical skill will be addressed by a project that will provided skills training in the use of these software packages.

Fitness instructors are similar to travel consultants as they can be classified as scarce and critical. They are scarce as there is a shortage of qualified fitness instructors in the sector. THETA has addressed this scarcity in the past few years through the funding and provision of learnerships and THETA will need to continue with these learnerships to address this scarcity in the sector. It is also anticipated that fitness instructors will become a critical skills when the new fitness regulations come into effect. These new regulations will result in the currently employed fitness instructors requiring top up skills in order for them and the enterprises that employ them to comply with the new regulations. These critical skills will need to be address by skills programmes.

Some occupations are scarce due to the high staff turnover in these positions, such as receptionists. Receptionists often start working at an enterprise and through on the job training and the workplace experience progress to other positions. This creates a scarcity of the position in the sector. Other positions are scarce due to there being both a combination of high staff turnover and the fact that there is no pool of trained to recruit from. A casino/gaming dealer is such an example. There is a high turnover of staff in the occupation due to many employees not enjoying the shift work nature of the occupation, while others get recruited by the many cruise liners that frequent our shores. When these staff leave the occupation they create a scarcity as the enterprises have to train new staff from scratch as there just isn't a pool of replacement staff to recruit from.

Some positions are scarce due to the remote nature of where the enterprises are situated such as resorts in the Drakensburg, Kruger National Park and Karoo. At these resorts it hard to find qualified chefs and managers. Often the resorts address these scarce skills by training members of the local population, but this doesn't always result in a solution as often these newly trained staff members migrate to the hotel and restaurants in the urban areas as there offer higher pay and long term career prospects.

The critical skills in the tourism sector are Animal Attendant/Groomer, Green Keeper and Bookkeeping Clerk. These occupations are not scarce as there are people already employed in the sector within these occupations; however these people need specific top up skills to enable to fulfil all aspects of their job requirements. For example the grooms in the horse racing sub-sector need ABET interventions to improve their literacy and numeracy skills. Green keepers need to trained in the latest horticultural techniques and have the knowledge of how use pesticides safely and effectively. Bookkeeping clerks need to be trained in accounting software packages such as SAP.

Both these scarce and critical skills will either be addressed by learnerships or projects utilising skills training interventions to eliminate them from the tourism sector. However, funding is always and issue and the demand for training in the sectors outstrips the supply until these is sufficient funding there will always be scarce and critical skills needs that the tourism sector needs to address.

The scarce and critical skills of the sector are reported through the ESSA system so they can be addressed by various government departments. For example the Department of Home Affairs utilises the scarce skills list to determine if a foreign worker should be awarded work and residence permits. They scrutinise applications and match these against the scarce skills list and in this way help to eliminate the scarce skills of the country and the tourism sector.

Table 16: Scarce and Critical Skills List

Occ. Code	Occupational Group	Specialisation	Scarce Skill	NQF Level	NQF Aligned	Total Number Required 2009	Total Number Required 2010
111201	MANAGERS	General Manager (Skill Level 5)	yes	6	y	300	300
141101	MANAGERS	Café (Licensed) or Restaurant Manager (Skill Level 4)	yes	6	y	0	150
141301	MANAGERS	Hotel or Motel Managers (Skill Level 4)	yes	6	y	0	150
141401	MANAGERS	Licensed Club Manager (Skill Level 4)	yes	6	y	40	75
234301	PROFESSIONALS	Environmental Scientist	yes	6	y	150	150
252901	PROFESSIONALS	Biokineticist	yes	7	y	50	25
351301	TECHNICIANS AND TRADES WORKERS	Chef (Skill Level 4)	yes	4	y	1300	975
361101	TECHNICIANS AND TRADES WORKERS	Animal Attendant/ Groomer (Skill Level 3)	no	1	y	600	400
362205	TECHNICIANS AND TRADES WORKERS	Green Keeper (Skill Level 3)	no	3	y	0	100
431301	COMMUNITY AND PERSONAL SERVICE WORKERS	Casino/Gaming Dealer (Skill Level 2)	yes	3	y	380	500
451602	COMMUNITY AND PERSONAL SERVICE WORKERS	Travel Consultant (Skill Level 2)	yes	5	y	0	100
452101	COMMUNITY AND PERSONAL SERVICE WORKERS	Fitness Instructor	yes	5	y	300	250
452403	COMMUNITY AND PERSONALSERVICE WORKERS	Jockey (Skill Level 3)	yes	3	y	45	35
542101	CLERICAL AND ADMINISTRATIVE WORKERS	Receptionist (General) (Skill Level 2)	yes	3	y	0	100
542103	CLERICAL AND ADMINISTRATIVE WORKERS	Hotel or Motel Receptionist (Skill Level 2)	yes	3	y	0	100
551101	CLERICAL AND ADMINISTRATIVE WORKERS	Accounts Clerk (Skill Level 2)	yes	4	y	200	300
551201	CLERICAL AND ADMINISTRATIVE WORKERS	Bookkeeping Clerk (Skill Level 2)	no	5	y	1000	500

CHAPTER 5: SMALL BUSINESS, ENTREPRENEURIAL OPPORTUNITIES AND OTHER NSDS PRIORITIES

5.1 SMALL BUSINESS, ENTREPRENEURIAL OPPORTUNITIES

The Tourism Skills Audit which was commissioned by DEAT and THETA, in 2007 estimated that SMME's account for most tourism businesses in the sector. According to that audit report, the SME population per sub sector comprised Hospitality (97%); Travel and Tourism (97%); Gaming and Lotteries (89%); Sport, Recreation and Fitness (98%); and Conservation and Tourist Guiding (89%).

Some of the businesses in the sector could be characterised as small because they employ less than 50 people however their turnover is higher than that of most small businesses. Most businesses in the sector are easy to start especially Bed& Breakfast establishments because of low capital required and the fact that individuals are able to easily convert their residences into such establishments. TEP and MATCH Hospitality as well as the Tourism Grading Council of South Africa have been working together with SMMEs to assist them with the grading of their businesses for accommodating tourists during the 2010 FIFA World Cup. This is one way of ensuring that SMMES benefit in a sustainable manner now and in the long term.

Most SMME businesses are run and managed by their owners who multi task. They have to have all the relevant skills of how to run a business. The preferred method of training delivery is through short courses that will not keep the business owners away from their business for too long.

The focus group discussions as well as the Tourism Skills Audit identified that Business Management; Financial Management; Sub-Sector Specific; Marketing and Sales; Communication; Computer; Customer Care and Legal knowledge are all skills requirements most needed by SMMEs operating in the tourism sector. At the Tourism Indaba 208 an SMME survey was conducted and the type of training that they identified for SMMEs is the same as the ones listed above and those that were identified in the 2008/9 SSP. The SMMEs in the focus groups were mostly concerned with how they could access finance, government tenders, and how THETA could support them in their businesses.

There are opportunities for small businesses across all sub-sectors and one example of the recent additions is that the Department of Trade and Industry launched a Tourism Support programme known as Enterprise Investment Programme during July 2008 to offer grants of up to 30% towards qualifying investment costs for establishing and expanding existing operations in South Africa.

5.1.2 Constraints relating to Skills Development for the SMMEs

The top most constraints for skills development for the SMMEs were said to be lack of access to finance for training purposes; lack of time for business owners to attend training; training programmes taking too long and as a result not suitable for people who own and manage their businesses.

5.1.3 Intervention strategies to address the above constraints

NTSSD Forum: THETA and stakeholders in the industry through the SMME task team of the NTSSD forum identified the need to co-ordinate efforts directed at helping the SMMEs with skills that will equip them to grow and manage their tourism businesses. These efforts would have to be driven at a central point and what was prioritised was as follows:

- Access to information for the SMMEs especially about opportunities that are existent in the sector
- Need for research to be conducted on the SMMEs and the information to be housed at a central place
- Development of a skills portal
- Funding made available for the training of SSMEs
- Training to be customised to meet the needs of the SMMEs
- Training material to be produced, packaged and distributed widely.

Tourism Enterprise Programme (TEP) and the Tourism Grading Council of South Africa (TGCSA), are making strides in ensuring that the maximum number of hotel and non-hotel accommodation establishments are graded by 2010. The aim is for small non-graded establishments like guest lodges, bed and breakfast and back packing lodges to benefit directly from the hosting of the 2010 World Cup, as they can register with MATCH Hospitality, which has been appointed by FIFA to ensure the provision of accommodation for the 2010 World Cup.

According to MATCH Hospitality the total number of contracted non-hotel accommodation as at March 2008 is 5313 rooms with the top 5 being KwaZulu Natal (1349), Gauteng (778), Western Cape (735), Free State (655), and North West (529). Northern Cape rooms had not been registered with MATCH Hospitality yet, at the time, and Eastern Cape was standing at 464 rooms, Mpumalanga (435) whilst Limpopo had 368 contracted rooms.

Boutique Hotels: The changes in the type of tourist that requires personalised service will change the structure and scale of operations where the more intimate and small boutique hotels gain prominence. These sophisticated tourists expect convenience, high levels of professional and personalised service as well as a “one stop shop” kind of service, combining relaxation, dining, accommodation, fitness, beauty, wellness and the like in one establishment.

Tax Relief for small businesses: The scrapping of regional service levies in 2006 is an example of the government’s commitment to reduce the cost of complying with regulations for small businesses. Exemption from the skills levy of businesses with annual sales of less than R500, 000 would save small businesses the time-consuming process of reclaiming 1% of the skills levy although their employees would still receive training and support from SETAs.

The number of annual VAT submissions by companies that had an annual turnover of less than R1 million was reduced from six to four. Companies with annual revenues of R6 million or less would pay no tax on the first R35, 000 of their profit whereas the previous threshold was R5 million. The preferential tax rate for these companies was reduced to 10% from 15%, while the profit ceiling on which the rate is levied was increased to R250, 000 from R150, 000.

5.2 THETA's ACHIEVEMENTS AGAINST NSDS KEY PERFORMANCE INDICATORS

Indicator 1.1 – Skills development supports national & sectoral growth development and equity priorities.

SSP workshops were conducted in 6 provinces and their input was included into the SSP. The purpose of these workshops was to ensure that provincial skills development and training needs were included in the SSP. The 2009/10 SSP was completed and submitted to the DoL on the 31 August 2008 and was duly accepted by the DoL as per the acceptance letter dated 27 January 2009. THETA has produced a SSP booklet and approximately 5000 of these have been distributed at various THETA exhibitions, seminars and workshops. THETA received 5 out of 5 for this indicator during the DoL SLA validation.

Indicator 1.2 – Information on critical & scarce skills is widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.

The Scarce & Critical Skills List was updated and submitted to the DoL in January 2009. Compiling the scarce and critical skills list requires intensive research and consultation including data analysis of the information captured in the WSPs and ATRs submitted by the sector's enterprises. THETA produced a Scarce and Critical Skills and Career Guide, which was widely distributed throughout the country at various skills development events and exhibitions such as career fairs and the National Tourism Career's Expo (NTCE).

In order to achieve the target for this indicator THETA trained 606 SDFs and Sector Specialists active in the sector. SDF workshops were held around the country to train and update SDFs on the latest changes, challenges and issues in skills development. Over 200 sector specialist attended workshops that took place at the NTCE.

Indicator 2.1 – By March 2010 at least 80% of large firms and at least 60% of medium firm's employment equity targets are supported by skills development. Impact on overall equity profile assessed.

Whilst Theta is required to address all the five objectives of the National Skills Development Strategy: The support for large and medium firms becomes paramount and crucial as these firms pay large sums of levies and therefore demand more attention and service from theta. These top levy payers provide a large percentage of the Seta income and they equally demand our full attention and in some cases to the detriment of the small firms and non-levy payers. Theta rose to the occasion by ensuring that large firms all claims are paid on time. The large firms consist of 150 plus employees and medium is 50 to 149 employees, the increase or decrease in the number of employees therefore determines the classification of the firm. A total of 1145 WSPs/ATRs were received by 30 June 2008 of which 185 were large firms. About 269 medium firms submitted their WSPs/ATRs.

Indicator 2.2 - By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.

Driving this target has been a challenge as these companies chose not to claim back their levies due to the costs involved. The smaller the firm the smaller are the levies paid. Theta is however in the process if exploring affordable means for these firms to benefit from their skills levies. Only 368 small levy-paying firms submitted their WSPs/ATRs in 2008.

Indicator 2.8 By March 2010, at least 125000 workers assisted to enter at least 50% successfully complete programmes, including Learnerships and apprenticeships, leading to basic entry, intermediate and high levels scarce skills, impact if assistance measured.

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4.1 - By March 2010 at least 125000 unemployed people assisted to enter at least 505 successfully complete programme, including Learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.

In 2008 Theta implemented Learning programmes linked to scarce and critical skills targeting 3638 employed workers and 3925 unemployed in 22 different qualifications including seta qualifications. A total of 210 employers and 35 training providers in all nine provinces participated in Learnership programmes. This was the biggest allocation of Learnerships Programme of 2001. This Learnership roll-out encountered some serious challenges due to the big number of allocation not supported by adequate capacity to ensure proper administration. However, over 120 site visits were conducted to ensure proper implementation of the Learnership plans.

By the end of the financial year a total amount reflected in the financial statement to cover a total of about 3000 learners was ring-fenced to pay the outstanding amount of completion of the programme. It becomes evident that an increasing number of employers are getting involved in Learnerships and a positive momentum has been created, as a result additional funds will be required in the next financial year to fund the increased demand for Learnerships in the sector.

Indicator 3.2 - By March 2010 at least 2 000 levy-paying enterprises, NGOS, Community Based Organisations and Community Based Co-operatives supported by skills development. Impact of support on sustainability measured with a target of 70% success rate.

Supporting non-levy payers remain a big challenge for Theta as their number far exceeds the number of levy-payers and this is financed from what is left over after levy payers have claimed their levies back. As much as this target was not achieved 113 non-levy-paying enterprises were supported in various training programmes. The project report in the succeeding sections elaborates on these interventions.

Indicator 4.2 - 100% of learners in critical skills programmes covered by sector agreements from Further Education and Training (FET) and Higher Education and Training (HET) institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment.

Theta further used its limited financial resources to provide workplace experience to 1 686 graduates and learners across the country. This is 112 percent achievement. Over 90 percent of these learners have since been employed.

Indicator 4.3 - By March 2010, at least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programmes.

Training young people to become entrepreneurs is quite a challenge as most of them find it difficult to complete the programme and start their own businesses. It also proves to be difficult if not impossible for young people to enter the tourism businesses. The reported 186 all have NVC qualifications and have registered companies but getting their businesses started and maintaining those remains a challenge.

Indicator 5.1 - By March 2010 each Seta recognizes and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public or private institutions and through Public Private Partnership (PPP's) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.

The ETQA department have developed criteria for recognising ISOE's in the tourism sector. These criteria have been distributed to all accredited training providers along with self evaluation guidelines. Training providers who felt they qualified were invited to submit application forms to be evaluated by the ETQA department. These applications have been received and the due diligence and evaluation of these applications is currently taking place.

Indicator 5.2 - By March 2010 each province has at least two provider institutions accredited to manage delivery of the new venture creation qualification, 70% of new ventures still operating after 12 months will be used as a measure of the institution's success.

The ETQA and Skills Development Departments of THETA are currently working together to encourage accredited training providers to extend their scope to include the new venture creation qualification. Certain training providers have expressed interest in extending their scope to include this qualification and are liaising with both departments to achieve this.

ACRONYMS AND ABBREVIATIONS

ABET	Adult Basic Education and Training
ASGISA	Accelerated and Shared Growth Initiative for South Africa
ATR	Annual Training Report
ASATA	Association of South African Travel Agents
B&B	Bed & Breakfast
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CHE	Council for Higher Education
DEAT	Department of Environmental Affairs and Tourism
DoE	Department of Education
DoL	Department of Labour
DTI	Department of Trade and Industry
EE	Employment Equity
EEA	Employment Equity Act
ETQA	Education and Training Quality Assuror
FEDHASA	Federated Hospitality Association of South Africa
FET	Further Education and Training
FICA	Financial Intelligence Centre Act
FIFA	Fédération Internationale de Football Association
FIT	Foreign Independent Traveller
GCP	Global Competitiveness Programme
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GGR	Gross Gambling Revenue
HCTC	Hotel and Catering Industry Training Council
HET	Higher Education and Training
HSRC	Human Sciences Research Council
IATA	International Air Transport Association
ICC	International Convention Centre
ISOE	Institute of Sectoral and Occupational Excellence
IT	Information Technology
JIPSA	Joint Initiative on Priority Skills Acquisition
LOC	Local Organising Committee
LPM	Limited Payout Machine
NAA-SA	National Accommodation Association of South Africa
NBI	National Business Initiative
NLRD	National Learner Registration Database
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NTCE	National Tourism Careers Expo
NTTT	National Tourism Task Team
NVC	New Venture Creation
NZG	National Zoological Gardens
OFO	Organising Framework of Occupation

PAS	Provincial Academies of Sport
PDI	Previously Disadvantaged Individuals
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SAT	South African Tourism
SAACREG	South African Advisory Council on Responsible Gambling
SANBI	South African National Biodiversity Institute
SANParks	South African National Parks
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SASC	South African Sports Commission
SASCOC	South African Sports Confederation and Olympic Committee
SATI	South African Tourism Institute
SATSA	South African Tourism Services Association
SAVRALA	South African Vehicle Rental & Leasing Association
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDL	Skill Development Levy
SETA	Sector Education and Training Authority
SGB	Standards Generating Body
SIC	Standard Industrial Classification
SISA	Sports Information and Science Agency
SME	Small, Micro Enterprise
SMME	Small, Medium and Micro Enterprise
SRSA	Sport and Recreation South Africa
SSP	Sector Skills Plan
Stats SA	Statistics South Africa
T&T	Travel and Tourism
TBCSA	Tourism Business Council of South Africa
TEP	Tourism Enterprise Programme
TFCA	Transfrontier Conservation Area
TGCSA	Tourism Grading Council of South Africa
THETA	Tourism, Hospitality and Sport Education and Training Authority
TQF	THETA Occupationally-Directed Qualifications Framework
UNWTO	United Nations World Tourism Organisation
WSP	Workplace Skills Plan
WSSD	World Summit on Sustainable Development
WTTC	World Travel and Tourism Council

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