



CHEMICAL INDUSTRIES EDUCATION & TRAINING AUTHORITY ANNUAL



PERFORMANCE PLAN 2024/25

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

CHIETA ANNUAL PERFORMANCE PLAN 2024/25

FOREWORD BY THE MINISTER



The mandate of the Sector Education and Training Authorities is derived, in the main from the Skills Development Act 97 of 1998 as amended, which amongst others, directs SETAs to develop Sector Skills plans (SSPs). In their Sector Skills Plans, SETAs must reflect and incorporate government priorities, especially those that address our priority developmental goals, that of tackling the triple challenges of poverty, unemployment, and inequalities. The SSPs are intended to ensure that skills are not a constraint to the economic development of our country.

The mandate of the SETAs must be understood within our vision of the post-school education and training system of having an integrated, coordinated, and articulated PSET system for improved economic participation and the social development of youth and adults. Critical to this vision is our challenge of addressing the plight of the youth that are Not in Education, Employment, or Training (NEET), which is standing at over 3.3 million in the third quarter of 2023.

The launch of the National Plan for Post-School Education and Training on 7 September 2023, signaled our government's commitment towards achieving an improved, transformed, expanded, responsive, and articulated Post-School Education and Training (PSET). Our National Plan for Post-School Education and Training (NPPSET) is our roadmap for implementing the vision of the White Paper for Post-School Education and Training (WP-PSET). It will continue to guide our SETA system strategy and planning instruments as it is framed within the broader goals and priorities of the National Development Plan (NDP), which foregrounds the national efforts to address the triple challenges of unemployment, inequality, and poverty. Important, to note, is that it remains our overarching policy instrument and a blueprint for guiding planning in our post-school system. It will be proper for everyone to have access to the National Plan for Post-School Education and Training. It aligns and integrates the work that is already underway and provides a policy framework for major transformative changes the government wants to bring about, across the post-school system and its nexus with society and the economy.

The White Paper for Post-School Education and Training (WPPSET) envisages the post-school education and training system as an important institutional mechanism that must be responsive to the needs of society. Critical to this, are our transformational and developmental imperatives which include amongst others: class, gender, race, geography, and youth, which must be reflected at all material times in our SETA interventions. The Ministry of Higher Education, Science, and Innovation is among the leading ministries for the 2019–2024 Medium Term Strategic Framework (MTSF) Priority 3: Education, Skills, and Health, and the following medium-term outcomes have been identified:

- An integrated and coordinated PSET system.
- Expanded access to PSET opportunities.
- Improved success and efficiency of the PSET system.
- Improved quality of PSET provisioning.
- A responsive PSET system

The President launched the Economic Reconstruction and Recovery Plan (ERRP) in October 2020 pointing out to skills development, science, and innovation as enablers in driving South Africa's economic reconstruction and recovery, but also key in sustaining it. In support of this initiative, the Department working with social partners at the National Economic Development and Labour Council (NEDLAC) & the National Skills Authority, in the main developed the Skills Strategy to support the government's efforts to mitigate the impact of COVID-19 global health pandemic and the initiatives towards economic and social recovery.

The Economic Reconstruction and Recovery Plan Skills Strategy (ERRP SS) aims to support the Economic Reconstruction and Recovery Plan (ERRP), ensuring that it is not compromised by skills shortages. It is born out of the urgency for a well-coordinated strategy of skills development to support both the management of the COVID-19 global health pandemic and economic and social recovery. President Ramaphosa captured our determination to reset the South African economy when he said: "We are determined not merely to return our economy to where it was before the coronavirus, but to forge a new economy in a new global reality." As stated in the ERRP, South Africa is now on the threshold of an important opportunity to imaginatively, and with a unity of purpose, reshape its economic landscape.

The ERRP SS is located within the broader skills planning arsenal of the Post-School Education and Training (PSET) system, which promotes the use of labour market intelligence (including future work scenarios) to inform PSET provisioning. The Department of Higher Education and Training has identified skills needs in the form of the List of Occupations in High Demand, the Priority Skills List, and the Critical Skills List (which it prepared on behalf of the Department of Home Affairs). The SETAs will continue to play a critical role in the implementation of the Skills Strategy to support the Economic Reconstruction and Recovery Plan.

The National Skills Development Plan (NSDP) 2030 remains at the centre in directing how the skills development levy will be disbursed up to 31 March 2030. For this reason, the Sector Education and Training Authorities (SETAs) have been re-established until 2030, in alignment with the National Development Plan to ensure that the SETAs focus on skills required for our socio-economic development. For the financial year, we aim to expand the participation of young people in skills development programs as well as workplace-based learning opportunities. We have surpassed the State of the Nation Address (SoNA) 10,000 Technical and Vocational Education and Training (TVET) target placements in 2022 leading to setting a target for 2023 of 20,000 TVET placements.

For the 2024/25 financial year, the entire SETA system has set itself the following targets, as part of expanding post-school opportunities:

- 190 000 workplace-based learning (WBL) opportunities;
- 150 000 learners registered in skills development programs;
- 36 375 learners entering artisanal programs;
- 26 500 learners passing artisanal trades;
- 53 000 learners completing learnerships;
- 11 000 learners completing internships; and
- 128 000 learners completing skills programs.

The SETA will enter into the Service Level Agreement with the Director-General of the Department and commit that 25% of all targets be achieved on a quarterly basis, with 100% achievement in the last quarter of the financial year. Whilst the TVET placement must be achieved at 100% by the end of December 2024.

The SETA Annual Performance Plan (APP) provides a clear commitment to the delivery of our skills development priorities and targets for implementation during the 2024/25 financial year.



Dr. BE Nzimande, MP

Executive Authority of Higher Education, Science, and Innovation

FOREWORD BY THE ACCOUNTING AUTHORITY



South Africa's youth unemployment and poverty rate remain the single largest socioeconomic challenge faced by our young democracy. Our ability to find sustainable and innovative solutions to this macro challenge will determine our collective success as a nation. This is aggravated by an economy that stubbornly refuses to grow at a decent pace and a rate that will allow for opportunities and inclusive in the various economic sectors of South Africa, including the Chemical Industry of the country.

The CHIETA's Strategic and Performance Planning Framework adopted by the CHIETA Accounting Authority is a focused and impact-driven response to directly confront these socioeconomic challenges tangibly and measurably. Through this planning Framework, CHIETA is accelerating the development of future skills, in future growth areas over the MTEF period in keeping up with realities and opportunities presented by the Fourth Industrial Revolution and increasing demand for digitised service delivery platforms within a volatile, uncertain, complex, and ambiguous (VUCA) business environment.

While many unemployed South Africans are hoping to find jobs someday in the formal economy, conventional wisdom shows that real employment growth will come from SMMEs and entrepreneurship development. We need to find ways of developing more entrepreneurs who can, in turn, create more jobs.

What is clear about the skills development problem in South Africa is that it is not something that government will be able to manage by itself. There needs to be a collaboration between the government and the private sector – not only big businesses but also SMMEs. Investment in SMME development is not only set as a target but in multi-level partnerships to set up new black, female-owned SMMEs and grow existing SMMEs. Skills development plays an important part in this process if we hope to grow an inclusive economy.

CHIETA has since continued to respond by aligning the CHIETA's Strategic Plan and Annual Performance Plan to the goals of the National Skills Development Plan (NSDP) and the Economic Restructuring and Recovery Skills Strategy (ERRP) underpinned by the other macro strategies, such as the National Development Plan (NDP) and the HRDC Strategy along with other relevant national and sector-specific government strategies, plans and programmes.

CHIETA will continue to ensure to make a real difference through collaboration and coordinating its plans and resources with the participation of CHIETA stakeholders. The Strategic and Annual Performance Plans Plan promotes strategic partnerships with public and private training providers across the further and higher education bands to continue to

work effectively, and with employers from member companies that provide access to workplaces.

In this endeavour, CHIETA will also continue to support fundamental skills focus areas including artisan training, learnerships, work-integrated learning, and coherent skills training programmes (also known as part qualifications) that allow for immediate job mobility while leaving the door open for candidates to further enhance their learning to obtain the remaining parts of the qualification incrementally using the lifelong learning principle. CHIETA has ensured full linkages between the CHIETA SSP, the CHIETA Strategic Plan, the annual roll-down of the APP, and integration of all of this with our Discretionary Grant Funding framework to ensure resources are placed and allocated correctly in achieving the APP deliverables agreed with the Executive Authority.

To this end, CHIETA's Strategic Plan is packaged in line with the eight outcomes of NSDP, and the core/priority and scarce skills needs, as articulated and confirmed by way of research and stakeholder engagements. This Plan has also considered important transformational priorities of institutional planning for women, youth, and people living with disabilities and within this context, CHIETA will facilitate the delivery of planned and specific skills interventions in the Chemical Industries Sector as identified by our stakeholders and articulated in our Sector Skills Plan.



MS WEZI KHOZA
BOARD CHAIRPERSON

STATEMENT BY THE CHIEF EXECUTIVE OFFICER



With the current realities of global competitiveness, 4IR, and the drive towards a digitised environment, South Africa inclusive of the Chemical Industry and CHIETA needs to embrace these opportunities,

with an innovative and new mindset informed through collaboration and transformation. Resources are becoming more under pressure and the ability to think innovatively in terms of specific financial resource applications to ensure a high return on investment in strategic skills development is going to be key in sustaining and improving the national and international competitiveness of the Chemical Industry. As

Chief Executive Officer of CHIETA, I am acutely aware of these challenges but also the opportunities they present in further strengthening our position as a true business partner to government and the Chemical Industry in countering the socioeconomic challenges we face as an industry and country.

There can be no doubt that given the current challenges facing our economy SETAs and more particularly CHIETA are more important than ever in producing the skills the economy lacks and supporting our employers who have been hardest hit by a current challenging economic environment. The key focus of our Performance Planning Framework is to contribute and ensure that enough skilled workers are at the disposal of business to drive and push production, creation and strategy forward.

In support of the above-mentioned, as defined within our Strategic and Annual Performance Plan Framework, we will also focus on key aspects such as addressing gender equality in the chemical industry, improving digital skills within the Industry inclusive of increased digital service delivery platforms by CHIETA to our stakeholders, promote STEM education amongst the youth and transformation of the Industry through contributing and instilling an approach of innovation and collaboration with our stakeholders. These foundational layers coupled with strategic research and skills planning and aligned implementation become important in the creation of the skills pipeline relevant to the needs of the Chemical Industry, providing sustainable employment and entrepreneurial opportunities to new entrants into the Chemical Industry, and supporting the transformational agenda of South Africa. As stated for the success of the implementation of our Annual Performance Plan it will be critical that we work closely with our CHIETA stakeholders and especially our labour and employer constituencies to ensure high-impact implementation and capitalise on opportunities within our current environment in which we must deliver on our skills development mandate.

Our results-based approach to strategic planning remains focused on maximum impact and is characterised by proactive and sustained high levels of performance to meet CHIETA's core mandate. The CHIETA's stakeholder-focused skills planning processes are guided and

aligned to the NSDP, ERRP, the Human Resources Development Strategy for South Africa, the New Growth Path, the NDP 2030 and the MTSF, among other policies. The planning for the period has been enhanced by working for a broader multiplicity of possible futures, which makes CHIETA an agile organisation responsive to uncertainty and rapid change required in our new world of work.

Our strategic planning is supported by an integrated organisational risk management framework to mitigate risks that have the potential to prevent CHIETA from achieving the defined performance targets in the Annual Performance Plan. The system is aligned to raise early warning signals for corrective action and interventions. The focus for the planning period is aligned to the tangible delivery of the eight (8) outcomes of NSDP announced by the Honourable Minister of Higher Education, Science, and Technology which inter alia support transformation imperatives around gender and youth development, SMME development, and assisting with the creation of new black entrepreneurs in the Chemical Industry value chain, increasing access to training and development opportunities and, employability through strong partnerships with TVET colleges, public and private service providers, as well as the industry at large. The delivery of this strategic and annual performance plan will not be possible without the support of the Honourable Minister of Higher Education, Science and Technology and the DHET, the CHIETA Accounting Authority and its relevant oversight Board Committees, and all the CHIETA Stakeholders.

I conclude by affirming CHIETA's commitment to the delivery of the strategic outcomes outlined in the Strategic Plan and Annual Performance Plan 2024/25 for the current planning cycle.



MR YERSHEN PILLAY
CHIEF EXECUTIVE OFFICER

OFFICIAL SIGNOFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management under the guidance and support of the Governing Board of the Chemical Industries Education and Training Authority (CHIETA).
- Takes into account all the relevant policies, legislation, and other mandates for which the CHIETA is responsible.
- Accurately reflects the impact and outcomes of the CHIETA management workshop on the 14th and 15th June 2023 and 22nd and 23rd June 2023 strategy workshop of the Board, which the CHIETA will endeavor to achieve over the period 2023/24–2024/25.

MS. KEDIBONE MOROANE
RESEARCH & SKILLS PLANNING EXECUTIVE



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MR. TREVOR CHANNING
GOVERNANCE & RISK EXECUTIVE



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MS. NCIKAZI KABI
CHIEF FINANCIAL OFFICER



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MR. YERSHEN PILLAY
CHIEF EXECUTIVE OFFICER



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MS. WEZI KHOZA
BOARD CHAIRPERSON



SIGNATURE

APPROVED

DR. BLADE NZIMANDE, MP
MINISTER OF HIGHER EDUCATION,
SCIENCE & INNOVATION



SIGNATURE

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ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
AfCFTA	Africa Continental Free Trade Agreement
AI	Artificial Intelligence
APP	Annual Performance Plan
AR	Augmented Reality
ATR	Annual Training Reports
BANI	Brittleness, Anxiety, Non linearity & Incomprehensibility
BBBEE	Broad-based Black Economic Empowerment
CET	Community Education and Training
CHIETA	Chemical Industries Education and Training Authority
COVID	Corona Virus Disease
DG	Discretionary Grant
DG	Director-General
DHET	Department of Higher Education & Training
EXCO	Executive Committee
EE	Employment Equity
ERP	Enterprise Resource Planning
ERRP	Economic Reconstruction & Recovery Plan
ERRP SS	Economic Reconstruction and Recovery Plan Skills Strategy
ETQA	Education and Training Quality Assurance
FSAPPs	Framework for Strategic and Annual Performance Plans
GDP	Gross Domestic Product
HySA	Hydrogen South Africa
MIS	Management Information System
MTSF	Medium-Term Strategic Framework
ICT	Information and Communication Technology
ILO	International Labour Organisation
IoT	(The) Internet of Things

NDP	National Development Plan
NEET	Not in employment, education, or training
NGP	New Growth Path
NQF	National Qualifications Framework
NSDP	National Skills Development Plan
NOCC	National Occupational Curriculum Content
OECD	Organisation for Economic Cooperation & Development
PFMA	Public Finance Management Act
PSET	Post-School Education and Training
POPI	Protection of Personal Information
QCTO	Quality Council for Trade and Occupations
R&D	Research and Development
SDA	Skills Development Act
SDL	Skills Development Levy
SDLA	Skills Development Levies Act
SEDA	Small Enterprise Development Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SOAR	Strengths, Opportunities, Aspirations, Results
SP	Strategic Plan
TPESTRE	Technological, Political, Economic, Social/Cultural, Trust/Ethics, Regulatory/Legal & Environmental
TERS	Temporary Employee Relief Scheme
UNDP	United National Development Programme
VUCA	Volatility, Uncertainty, Complexity & Ambiguity
WBL	workplace-based learning
WIL	Work-integrated learning

PART A: OUR MANDATE

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

There are no updates pertaining to CHIETA-specific legislative and policy mandates. However, CHIETA constantly observes and is guided by relevant instructions for planning cycles. For the current 2024/25 planning cycle, CHIETA has factored the considerations in Circular no. 3 of 2023 reference no. 12/1/3/2/1/1. Below is the breakdown of the relevant legislative and policy mandates that CHIETA operates on: **Table 1: Legislation and policies guiding CHIETA**

#	LEGISLATION/POLICIES	CHIETA CONTEXT
1.	National Development Plan (2030)	Contribute towards eliminating poverty and reducing inequality by 2030 through skills development provisioning for both existing and new entrants to the workforce.
2.	Skills Development Act,1998 (Act 97 of1998)	Expand the knowledge and competencies of the labour force to improve productivity and employment through supporting an array of skillsdevelopment initiatives based on industry needs and skills forecasting.
3.	Skills Development Amendment Act,2003 (Act 31of 2003)	
4.	Skills Development Act,2008 (Act 3 of2008)	
5.	Skills Development Levies Act,1999 (Act9 of 1999)	Fund the Skills Development Initiative - in the Chemical industry guided by industry demand and triangulated research to determine priority funding
6.	National Skills Development Plan(NSDP)	Ensure that South Africa has adequate, appropriate, and high-quality skills that contribute towards economic growth, employment creation and social development through the development of industry-relevant and well-researched SSP that will inform priority areas for partnerships and skillsinterventions.
7.	White Paper for Post-School Educationand Training (2013)	Promote and facilitate links between colleges and employers through the establishment of functionalstakeholder forums and chambers. These consultative platforms provide an important role inthe responsiveness and relevancy of labour market needs and curriculum design.
8.	Service level agreement regulations under regulation R 716 of 18 July 2005	Meet the NSDP targets, ministerial priorities, andimplement the strategic plan and annual performance plan that are informed by the SSP.

9.	Sector Education and Training Authorities (SETAs) grant regulations regarding monies received by a SETA and related matters (Government Notice R990) in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) dated 3 December 2012;	Ensure continuous collection of WSPs/ATRs to the quality and standards set by CHIETA, and the disciplined management and allocation of available funds as per the SETA grants regulations.
10.	Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended) (PFMA);	Ensure that all revenues, expenditures, assets, and liabilities are managed efficiently and effectively through tight financial controls, accountability, and good governance.
11.	Treasury Regulations issued in terms of the PFMA (Treasury Regulations) of 2005;	
12.	Public Audit Act, 2004 (Act No. 25 of 2004);	
13.	Directive; PFMA Act under GN 647 of 27 May 2007	
14.	Constitution for the Chemical Industries Education and Training Authority (CHIETA);	Achieve world-class education and training for the chemical industry through stakeholder-driven research and training and demonstrate high standards of quality assurance and performance throughout the organisation's value chain.
15.	Protection of Personal Information Act, 2013 (Act No. 4 of 2013).	Promote the protection of personal information by developing and maintaining CHIETA's management information system (MIS). Ensure stakeholder information stored on the MIS and all other functions related to data processing are secure and in full compliance with the Protection of Personal Information (POPI) Act.
16.	Promotion of access to information Act, 2000 (Act 2 of 2000)	Maintain the right to access to information held by upholding King IV report on corporate governance principles of transparency. CHIETA's MIS will provide an enabling environment to support this legislation as it will provide the ease to access organisational and stakeholder information.
17.	Employment Equity Act, Labour Relations Act, Basic Conditions of Employment Act and Occupational Health and Safety Act;	Promote equity, fairness, and equal opportunity in the workplace.
18.	Regulations regarding the establishment of Sector Education and Training Authorities under Notice R106 of 4 February 2005, (SETA Establishment Regulations);	CHIETA has been Licensed to 2030

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES AND IMPLICATIONS OVER THE 5- YEAR PLANNING

CHIETA has developed several policies and strategies to focus its strategy and guide the implementation of its annual performance plan across the value chain. These are various stages of implementation maturity. No new policies and strategies have been developed for the current planning cycle. The policies undergo policy management that ensures annual reviews for consistency, effectiveness and compliance with relevant statutes and regulations and are contained in a policy register. All revisions and amendments are approved annually by the CHIETA Accounting Authority.

2.1 INSTITUTIONAL POLICIES

Over its many years of existence, CHIETA has instituted policies, business processes and standard operating procedures (SOP's) that are subjected to ongoing review and re-engineering; to ensure that they remain relevant to the organisation's dynamic operational environment. The most recent policies that are aligned to the organisation's strategic direction cover Risk Management, Research, Grants and Bursary, Conflict of Interest and the Education and Training Quality Assurance (ETQA).

Based on the ambitious plans to transition towards being a leader in innovation, the organisation anticipates introducing a wide range of policies that will support its plan over the remainder of the current Medium-Term Strategic Framework (MTSF) period. For instance, the open innovation approach entails collaborations with a range of strategic partners who fulfil specific roles. Such collaborations need to be driven through structured processes that would require institutional policy guidelines for effective implementation to harness their full value.

2.2 INSTITUTIONAL STRATEGIES

CHIETA plans to develop the following strategies within the current five-year cycle that are critical to the business of CHIETA, both strategically and operationally:

1. Innovation Strategy

The Innovation Strategy will seek to ensure that both CHIETA and the broader sector embrace innovation as a catalyst for change within the skills development space. Developed in collaboration with strategic sector partners, the Strategy will entail the analysis of the sector's competitive and technological environment, challenges, opportunities, and distinctive advantages. It will guide decisions on how resources are to be used to meet the sector's objectives for innovation, deliver value and build competitive advantage.

2. Information and Communication Technology (ICT) Strategy

The ICT Strategy is overarching in ensuring an integrated ICT Management Framework where ICT is a core enabler of strategic delivery. It provides the foundation for an enabling ICT environment with specific reference to ICT Policy, ICT Risk Management, ICT Governance Charter, ICT Management Framework, ICT Portfolio Management, ICT Information Plan, ICT Business Continuity, Change Management Plan to correctly direct organisational behaviour toward accountability and awareness and independent assurance by Internal and External Audit as part of the CHIETA Combined Assurance Model.

3. Risk Management Strategy

The Risk Management Strategy is developed to provide an effective risk management framework which is designed to promote a standard approach to enterprise risk management at the CHIETA and to ensure that all risks that could affect our people, reputation, business processes and systems, financial and environmental performance are identified, assessed and mitigated to an acceptable level and within risk appetite levels as approved by the Governing Board.

4. Monitoring and Evaluation (M&E) Strategy

The M&E strategy is developed to provide an effective M&E framework that is designed to measure progress towards the achievement of the overall goal and objectives of the organisation.

5. Digital Transformation Strategy

The purpose of the Digital Transformation strategy is to outline the problem statement of what is needed to transform CHIETA into a digital environment. This is done by various digital transformation strategies.

6. Post-Learnerships Absorption Strategy

The Post-learnerships Absorption Strategy is aimed at improving post-education and training of placements in employment or entrepreneurship opportunities, utilising the re-envisioned programmes such as work readiness and job preparedness programmes, Entrepreneurship development programmes, mentorship, and market access programmes.

7. Regional Outreach Strategy

This strategy is aimed at supporting sector companies in rural areas to achieve meaningful impacts from skills development in transforming and growing the sector.

8. Sector Skills Plan (SSP)

The SSP serves as a comprehensive and well-researched document for providing a credible institutional mechanism for skills planning.

9. Stakeholder Management Strategy

The nature of the role of CHIETA in coordinating the sector human resource development (HRD) and facilitating employment creation requires that all key stakeholders in the value chain are effectively managed. Individual business units within CHIETA interact with stakeholders that are relevant to their operations. These relationships are invaluable to the effective operations and strategic positioning of CHIETA.

3. UPDATES TO RELEVANT COURT RULINGS

There are no court rulings that affect the operations of CHIETA, but the organisation duly continually tracks any such developments regarding the sector specifically and the SETA landscape in general.

PART B: OUR STRATEGIC FOCUS

1. UPDATED SITUATIONAL ANALYSIS

This Annual Performance Plan is the last for the current MTSF period towards the achievement of the CHIETA Vision 2025 and the realisation of the overall National Development Plan (NDP) 2030 impact.

The operating environment continues to be a volatile VUCA-BANI¹, one with a myriad of uncertainties. The planning context remains one of the high demand for skills to grow the economy and support the government's post-pandemic economic recovery plan. The impacts show a need for up to 44% of workers requiring re-skilling as a result of the proliferation of Artificial Intelligence (AI) tools like ChatGPT replacing many administration jobs.

Against this challenge of skills demand is the staggering numbers of youth between the ages of 15-24, not in employment, education, or training (NEET), measured at an estimated 3.5 million in Q3 of 22, as reported by the Department of Higher Education. The survey conducted indicates a gender split where more women are NEET, based on race black people are the most affected; with the highest concentration in Gauteng followed by Kwa-Zulu Natal. This category of youth is the target for CHIETA as part of the broader Post-School Education and Training (PSET) system aimed at reducing unemployment through relevant education and training.

Various stakeholders at a macro level like the International Labour Organization (ILO), the United Nations Development Programme (UNDP) and the Department of Communications and Digital Technology have launched a South African Skills Innovation call to training institutions in the digital skills development space to up-skill NEET youth for employment.

¹ Volatility, Uncertainty, Complexity & Ambiguity (VUCA) - Brittleness, Anxiety, Nonlinearity & Incomprehensibility (BANI)

1.1 External environment analysis

For the assessment of our external environment, we used the TPESTRE analysis (as seen in Figure 1 below). This tool is in the PESTEL family of analysis extended to include a second T and E, this is Trust and Ethics as a pillar, demonstrating our responsiveness to the current issues around corruption.

Figure 1: TPESTRE analytical tool



Source: Gartner

1.1.1 Technological Trends

Technological trends in the chemical industry inform CHIETA on areas of skilling and re-skilling that employers need support in for the future and where potential areas of collaboration are. The release of ChatGPT in November of 2022 can be said to have unleashed an innovation revolution in the Artificial Intelligence realm that is redefining the nature and sustainability of different industries.

The chemical industry is not immune to AI and was identified in the previous year as an emerging trend. According to Startup Insights, a Startup insights online service, there are eight key emerging trends which are AI, Data Analytics, the Internet of Things (IoT), Cloud Technology, Block-chain, Green Chemistry, Innovative Materials and Advanced Manufacturing. Startups in the chemical industry are introducing innovative technologies such as artificial intelligence, computational chemistry, and solutions for the circular economy and biotechnology. They tap into corporate venturing and collaborate with academic spin-offs and entrepreneurs to

commercialise innovative ideas. The significant growth in chemical-related startups indicates that new entrants are filling gaps. This influx of startups brings fresh talent and expertise to the industry. Startups are addressing important growth and innovation areas such as building materials, waste management, additive manufacturing, and machine learning (ML).

1.1.2 Political Trends

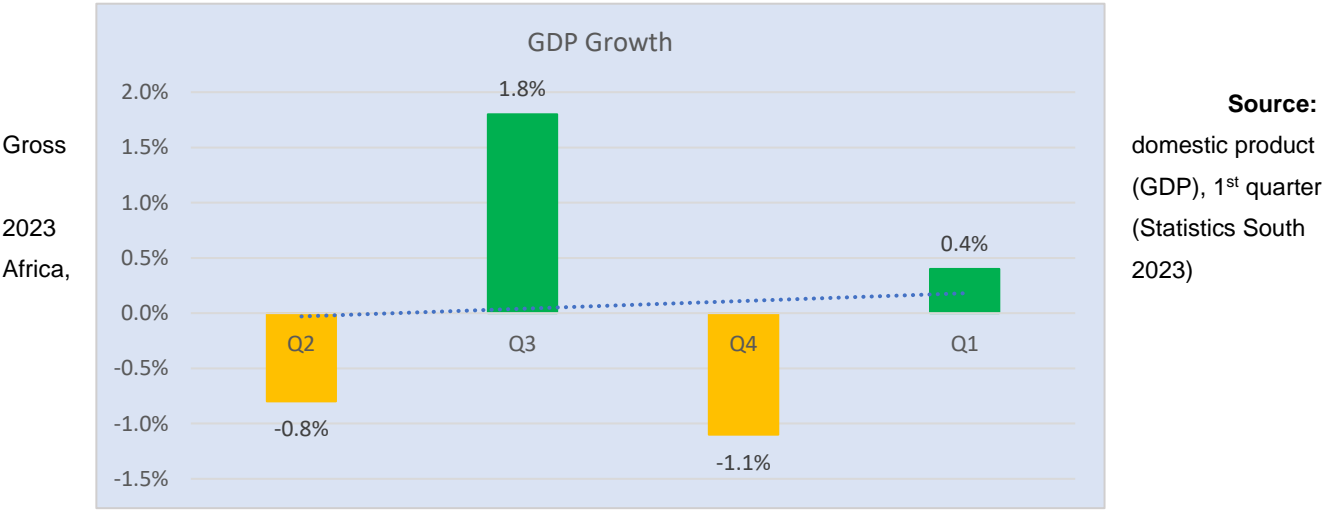
The end of the MTSF planning period also marks the ushering in of the new political administration which will take place through the seventh instalment of a democratic national elections process due to take place in 2024. The outcomes of the Zondo Commission probing the levels of corruption in the state continue to create heated interactions between the current administration and opposition parties which is expected to increase the closer we move towards the general elections. Despite the commitment by the President to fighting corruption and successful recoveries from the Special Investigation Unit, the perception that South Africa has a high prevalence of corruption remains high as demonstrated by the Transparency International global ranking on corruption slipping back to the 2012 level of 72 out of 180 countries.

Policies on education and training remain stable, however high unemployment is impacting immigration policies making it difficult to import talent with regard to labour mobility.

1.1.3 Economic Trends

In the first quarter of 2023, South Africa achieved a 0.4% Economic growth as reported by Statistics South Africa, from the previous year's fourth quarter contraction of 1.1%.

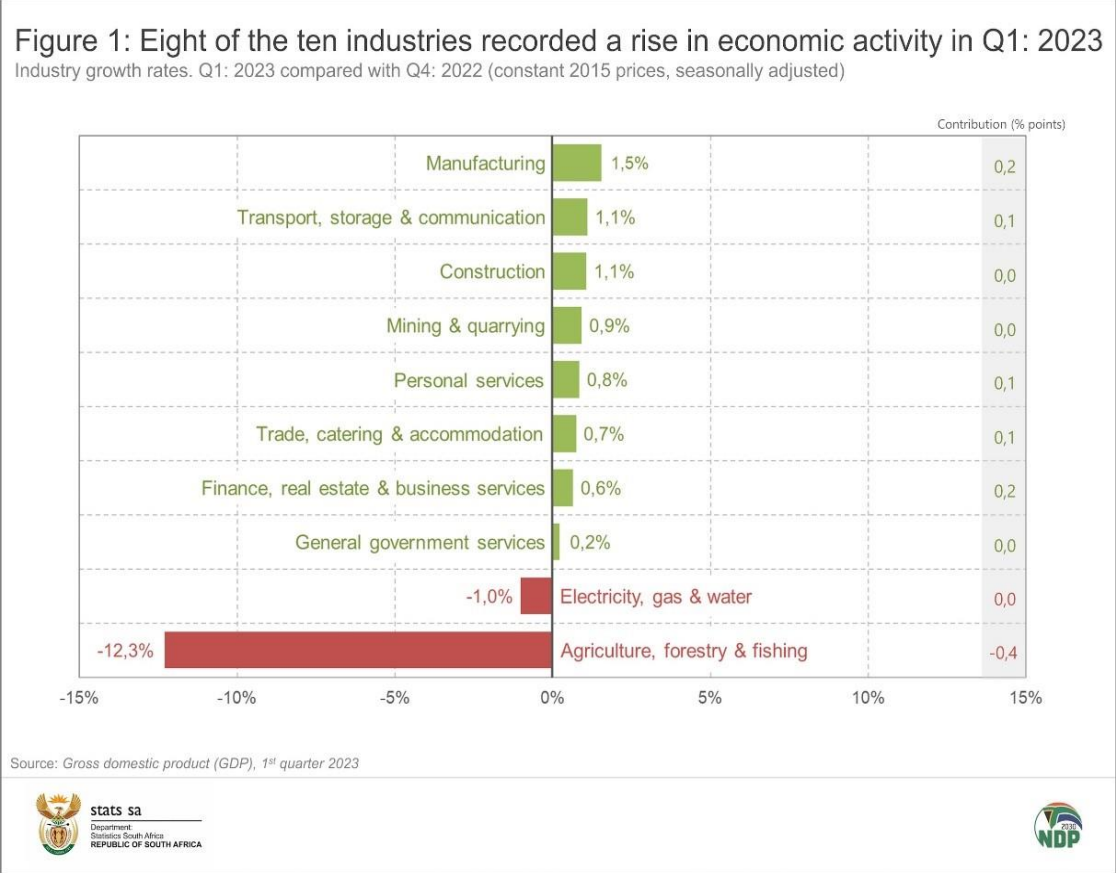
Figure 2: Gross domestic product – Q1, 2023



Source: domestic product (GDP), 1st quarter (Statistics South 2023)

The major driver of the recorded growth came from the manufacturing sector, which the chemicals industry contributes an estimated 23%.

Figure 3: Eight of the industries recording a rise in economic activity in Q1, 2023



Source: Gross domestic product (GDP), 1st quarter 2023

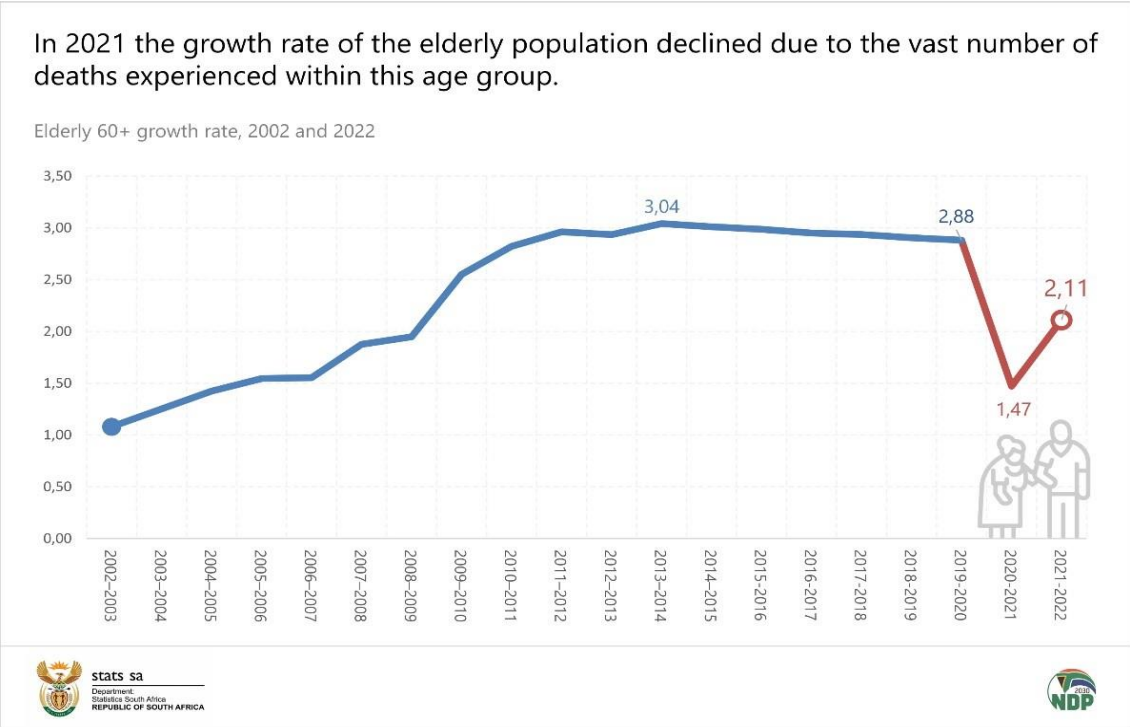
The Organisation for Economic Cooperation and Development (OECD) is forecasting the global average GDP growth in the range of 2.7% in 2023 and increasing to 2.9% in 2024. For South Africa, GDP growth is forecasted at 1% with a debt-to-GDP ratio of 74.9%. The maintenance of the monetary policy credibility in managing inflation is noted positively, however, at the household and labour market level, the increasing interest rates are creating pressure as the cost of debt increases. In this environment member trade unions are negotiating hard for their members to get above-inflation salary increases and overall protesting against the increasing of interest rates.

The inequality gap remains the highest in the world sitting at 0.65 as last measured in 2015 according to IMF reports. Our NDP targets aim to reduce this gap to 0.60 by 2030. Overall business and investor confidence remains weak post-pandemic, with energy security being a significant challenge.

1.1.4 Social/Cultural Trends

The latest population statistics from the June 2022 Mid-Year Population Estimates report, estimate the population at 60.6 million with the most populous province being Gauteng followed by Kwa-Zulu Natal and the least populated being the Northern Cape. Despite COVID-19, there has been a noted increase in population numbers as well as improved life expectancy from 61.7 in 2021 to 62.8 in 2022. Of the different population groups, the elderly people were the most devastated by COVID-19 as seen in the graph in Figure 4 below.

Figure 4: 2021 elderly population performance



Source: Statistics South Africa (StatsSA), 2022

The chemical industry employs an estimated twenty million people globally and in South Africa contributes 23% to manufacturing sales, employing 169 739, contributing 3.0% to GDP. The gender split falls in favour of men and on race, and demographic representation at decision-making levels is skewed in favour of traditional white male managers. A sizeable number is about to retire and without an industry succession plan to build a pipeline, this presents a significant risk. A risk that threatens the transformation agenda from a racial and gender diversity perspective.

With the current skills landscape as it is, research highlights key challenges for the chemical industry in South Africa being the attraction and retention of skilled talent. In addition, the industry is facing an aging and about-to-retire talent making up an estimated 25% of the workforce, without a Science, Technology, Engineering & Maths (STEM) skills pipeline to replace the potential 106 000 skills shortage. The availability of skilled workers and immigration policies affect the industry's ability to attract talent and meet labour demands. The industry needs are a blend of traditional engineering and technical skills with digital capabilities.

The industry is also facing disruptive changes in chemical industry processes brought by the biologisation of chemistry that sees the shift to biochemistry and related skill set. Sustainability and climate change have also necessitated the industry to redesign its processes to be more environmentally conscious and towards achieving this, the industry is adopting the circular economy model of production that promotes sharing, re-using, and repairing.

Sustainability is also being driven by leveraging internet technologies driven by 4IR with the development of Chemistry 4.0 innovative management concepts. Developments in this area can be seen in industry transformation that speaks to the digital revolution, sustainability, climate protection, closing material cycles and raw materials the intensive use of data, recycling of carbon-containing waste, and H₂ from renewable energies in combination with CO₂ used to produce base chemicals. Against these developments in the sector, the skills needs for which the organisation must plan and deliver are tabulated in Table 1, below.

Table 2: Change drivers and skill needs

CHANGE DRIVERS	SKILLS NEEDED
The current talent and the evolution of work	<ul style="list-style-type: none"> • Extensively trained Chemical laboratory technicians and Quality Assurance managers • Advanced chemical engineering, data science • Digital skills such as cloud computing, artificial intelligence, machine learning
The Circular Economy (The Chemical Industry's key role)	Modular production skills, understanding robotics, Customer Data Analysis, Waste Management Logistics, environmental engineering, Synthetic Chemistry, Resource Management, lifecycle assessment, sustainable supply chain management, Recycling Technologies, professionals who understand sustainability strategies and can implement them at a corporate level, Waste-to-value Conversion, Sustainability Strategy Development
Disruptive changes in process in the Chemical industry	Electrochemistry, sustainable materials science, process engineering, environmentalists, hydrologists, and biochemists, green engineering and technical skills, operation management and system integration skills of engineers, technicians and green artisans, hydrogen fuel transporters, business process management, and Information technology, Digital agriculture, additive manufacturing (3D printing), and e-health technologies
Start-Ups in the chemical industry	Computational chemistry, 3D printing, E-commerce, Digital Economy Skills, soft skills, entrepreneurship
Development from Chemistry 4.0	Requires skills in strategic planning and Customer Relationship management. Skills related to the integration of digitisation, Digital technologies, resource-efficient practices, and sustainability measures, environmentally friendly practices
Energy Transition	New skills demand in renewable energy technologies, advanced drilling underwater, environmental skills for sea life, Environmental-Marine Ecosystems Skills, Research, and development

1.1.5 Trust and Ethics Trends

Trust levels between government and its citizens are low as demonstrated by the consistently high perception of corruption levels in the country. Among the State of the Nation Address (SONA) commitments towards combating corruption – and thus improving the perceptions and trust levels – was to implement recommendations from the Zondo Commission on state capture and to recover funds stolen through corruption.

Alongside these actions, there has also been an increasing demand for lifestyle audits to be conducted on politicians and public servants as a means of rooting out corruption.

1.1.6 Regulatory/Legal Environment

The chemical industry and manufacturing sector as a whole remain well-regulated and able to consistently contribute to economic recovery and growth. There are new developments in the education and training space. They regard phasing out the unit standards and aligning the skills programmes intended for the workplace, with the new QCTO qualifications; as part of the main qualifications framework, the National Qualifications Framework (NQF).

This development has been well received by industries and it is believed that this approach will make a dent in the numbers of unemployable youth and reduce skills shortages in the market.

For SMMEs and startups, barriers to entry based on compliance and licensing differ on the sub-sector of the chemicals industry one wishes to operate in. The cosmetics and household cleaning chemicals remain the easiest with the petroleum and hydrogen limited to a few participants due to the cost of technology and compliance.

1.1.7 Environmental Impacts

The manufacturing of chemicals has a significant impact on natural resources such as water, air, and soil, which all living beings depend on. Linked to the previous pillar on regulation, it becomes necessary for the industry's activities to be monitored closely to ensure its positive contribution to development growth is not at the expense of the environment. In other words, there is a need to decouple the industry's success and environmental degradation. Thus, education and training play a major role in ensuring that all those that work in the industry are well-trained to eliminate risks that can result in the contamination of the environment.

In addition, and most critical is an investment in research and innovation to improve manufacturing processes, reducing contribution to climate change and where possible reversing the impacts of previous processes. In support of integrated sustainability reporting CHIETA has also developed an Environmental, Social and Governance (ESG) Reporting Framework that will assist in reporting to stakeholders on how CHIETA deliver on its mandate as part of being a responsible Corporate Citizen.

1.2 Internal environment analysis

1.2.1 Strengths

The strengths and competitiveness of the organisation remain unchanged with the following being the core:

- A dedicated chemical industry education and training authority.
- Effective CHIETA Governance structures and setting the correct tone at the top.
- Clarity on strategic priorities with proper monitoring, oversight and reporting
- BSC Framework that guides performance standard on organizational, BU and staff levels within CHIETA.
- Strong value based behavioural standards in support of integrated Ethics Management Framework
- Effective and sustainable mechanisms in place to maintain good relations with key sector partners.
- Systems to manage industry data.
- Effective and functional organisational performance, planning, monitoring, and reporting frameworks as per independent assurance reports over several financial years
- Sound leadership capabilities.

1.2.2 Opportunities

New opportunities have emerged since the organisation embarked on an innovation and digitisation journey. Numerous opportunities to improve internal systems and improve stakeholder relations and partnerships have been identified in addition to the following:

- Improve existing sector stakeholder relations and foster new strategic alliances and partnerships with players outside the chemical industries.
- Need to adopt innovative solutions to counter the impact of:
 - Increased downtime in the sector due to power supply uncertainty and the pandemic
 - The slow pace in adopting remote learning and other technologies to support the transition of learners into the chemical world of work and entrepreneurs into market opportunities – digital innovation (4IR)
 - New economy skill demands on the organisation.

- CHIETA could fill gaps to facilitate inclusive participation to drive diversity in the sector.
- Facilitate participation by SMMEs in the industry value chain, including the manufacturing of sanitisers through planned interventions with the fast-tracking of SABS approvals.
- Partner with institutions of higher learning for skills development of CHIETA staff to encourage lifelong learning from the formal education perspective to augment the anticipated mentorship programme for informal on-the-job learning.
- Implement more robust systems to manage the industry data collected through WSPs and ATRs to optimise its strategic value.
- Showcase industry opportunities to improve awareness that may induce greater industry interest.
- SMME start-ups on Hydrogen Economy
- CEO Skills Levy Income Generation Committee
- Alignment of artisan stipends to socioeconomic realities
- CHIETA/NYDA collaboration on artisan entrepreneurial programme
- Establishment of Hydrogen Centre of Specialization
- Scaling and impact of establishing more smart skills centers within rural areas
- CHIETA/SAFCOL Partnership on first green Smart Skills Centre
- Development of CHIETA Innovation Hub
- CHIETA/UJ centre for Digital Transformation and CHIETA Digitization readiness assessment

1.1.3 Aspirations

The core aspirations as part of the journey to Vision 2025 remain unchanged with commitment strengthened to ensure all are realised:

- Become a repository of sector intelligence regarding specific innovations including the green economy.
- Entrench standard practice of augmented/virtual reality to expand or broaden the reach of artisan training beneficiaries.
- End-to-end digitisation to create a paperless operational environment.
- Equitable national presence across provinces
- Maintaining a sound governance environment through clean AGSA Audits
- Online approval of workplaces

- Career guidance to rural learners
- STEM support to rural black female learners
- Improvement of learner absorption levels within Industry

1.1.4 Results

The desired results as indicators that the attainment of Vision 2025 is on track, are re-affirmed as follows:

- Efficient systems to track, trace, and monitor developments relating to beneficiary programmes.
- Increased the number of new SMMEs and cooperative market entrants facilitated through CHIETA interventions.
- Partnerships and systems that are aligned to outcomes.
- Employment of learners and thriving entrepreneurs.
- Diversified revenue streams.
- CHIETA receiving a clean unqualified audit outcome for 2022/23
- CHIETA supporting 30032 learners in 2022/23 on career guidance with a cumulative target of 70 000 in 2023/24
- Successful launch of three (3) Smart Skills Centre
- Digitization readiness assessment to be completed in 2023/24 through CHIETA/UJ partnership.
- Supported 1000 Stem learners in 2022/23 and on track with a cumulative target of 3000 by 31 March 2025

1.3 Organisational issues

The organisation consists of the following five programmes that make up its operations, each with its specific purpose to collectively enable CHIETA to meet and exceed its service delivery objectives and targets.

1. ADMINISTRATION

Instil and maintain a culture of good governance within CHIETA.

2. RESEARCH AND SKILLS PLANNING

A professional and credible skills development planning tool for the chemical industry articulating sector realities and needs and agreed sector strategies to address skills need.

3. OCCUPATIONALLY DIRECTED PROGRAMME

To ensure continuous training of the chemical industry workforce through low-level / mid-level skills need and high-level apprenticeship training and addressing of high level national scarce skills through work-ready graduates from higher education institutions (HEIs) as is defined in the NSDP.

4. EDUCATION AND TRAINING QUALITY ASSURANCE (ETQA)

Accreditation, registration of Assessors & Moderators quality assurance of learner achievements, workplace approvals and monitoring of skills development.

5. TECHNOLOGY AND INNOVATION

Born out of the recent structural review, this business unit is designated to drive innovation in CHIETA's digitisation projects as well as ensure that the innovation strategy, IT strategy, and digital transformation strategy align with CHIETA's strategy and the overall vision. Further, it is required to ensure the effective coordination and execution of innovation initiatives, as well as drive CHIETA's complex initiatives through solution design, entrepreneurship, and project management. The digital transformation strategy development is undertaken through an enterprise architecture project, that is automating the various standard service functions of the CHIETA, to facilitate advanced functions such as agile enterprises, data analysis, automated reporting and artificial intelligence (AI). The approach is premised upon the mapping and analysis of the baseline (as-is) processes, mapping of the to-be processes, simulation of the processes based on CHIETA objectives and gap analysis, to enable the identification of areas for improvement and digitalisation.

NB: Whilst forming an integral part of the revised structure, this business unit currently does not have a dedicated programme. CHIETA is comprised only of four programmes.

CHIETA has embarked upon the development of a new Business Continuity Framework to regulate organisational response to a various category of environmental, human and disease/medical disaster areas in support of continuance of service delivery to stakeholders and further strengthening organisational agility and resilience.

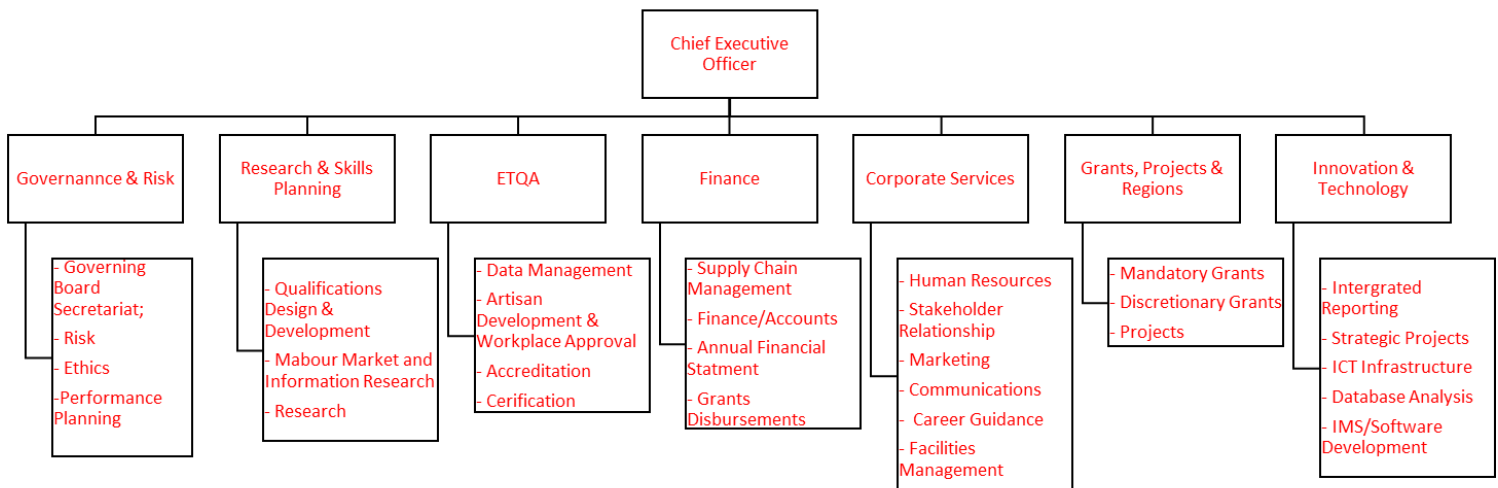
1.3.1 Organisational capacity

To deliver on the aspirations, take advantage of the opportunities, and ultimately realise the results and as outlined in the SOAR analysis, adequate organisational capacity in terms of all resources is critical. CHIETA is acutely aware of the preconditions that must prevail for the organisation to maintain and further improve its internal strengths on which to anchor its endeavours.

CHIETA has a staff complement of 80 employees and 23 interns to deliver on its mandate; configured as per the organisational structure in the undermentioned figure below.

The operations of CHIETA are centralised at the head office in Midrand, Johannesburg, and has regional offices in KZN, Western Cape and Gqeberha. There are six fully cross-functional business units to meet the institution’s mandate of service delivery requirements within the skills development arena nationally.

Figure 5: CHIETA organisational structure



CHIETA continues to receive its revenue from the levies collected from its constituent employers as legislated through the Skills Development Levies Act.

Through employee personal development plans emanating from CHIETA's performance management processes, staff members and line managers agree on developmental areas to ensure a culture of continuous learning for the ultimate benefit of organisational performance and self-actualisation.

1.3.2 Stakeholder management and strategic partnerships

In the unpredictable and complex environment that CHIETA operates in, its stakeholders remain our allies in navigating this complex environment. We continue strengthening current partnerships and broadening our reach to support the innovation trajectory and diversifying our income streams. Collaborative partnerships with strategic stakeholders seem to be the most effective way to tackle these challenges facing the skills shortages in growing the economy. In the same approach, CHIETA continues to drive its vision through industry partnerships, leveraging the best-of-breed technologies to give beneficiaries a competitive edge in the skills they acquire.

The organisation has adopted a partnership mode informed by the four strategic pillars (innovation, collaboration, digitisation, and transformation). The strategic value of this approach is the contribution of these partnerships towards consolidating the organisational capacity to deliver stakeholder value and achieve the desired social impact.

In building its partnership ecosystem CHIETA identified the following five factors as the most essential for success against the thirteen factors in the Borden and Perkins (1999) model for effective collaboration, as seen in Figure 6, below.



Figure 6:
CHIETA's five-factor
partnership model

1.3.3 Governance

CHIETA is governed by a Governing Board and its sub-committees which provide strategic management direction to CHIETA. The performance environment in which CHIETA must contribute is clear and explicit. Of critical importance for CHIETA is to clearly illustrate the translation of the macro and high-level strategic outcomes and output into cross-cutting organisational programmes supported by measurable performance indicators and predetermined targets for each performance cycle and financial year. This clearly illustrates the contribution from CHIETA supporting government and Chemical industry priorities in such a manner that sustainable impact can be demonstrated.

The CHIETA Governing Board mandated an organisational architecture arrangement to optimally support the delivery on the NSDP. Specific emphasis was placed on the importance of Research and Skills Planning, multi-stakeholder partnerships within best practice Governance and Financial Compliance Management Frameworks and a new Business Unit that will guide and support the CHIETA Innovation, digitization and business transformation agenda. The CHIETA Annual Performance Plan targets are linked to CHIETA Business Unit targets and individual performance agreements to ensure common focus, ownership and synchronized organisational behaviour towards target and performance achievement. CHIETA has also implemented an effective Organisation-Wide Risk Management Framework that proactively identifies, analyses and mitigates strategic and operational risks that potentially can prevent CHIETA from attaining its strategic objectives and predetermined organisational performance targets.

1.3.4 Human capital management

CHIETA aims to establish a challenging, rewarding, and fulfilling work experience that leads to a **learning,high-performance** organisational culture.

The CHIETA strategy focuses on:

- Attracting
- Engaging
- Recognising
- Rewarding talented employees
- Retention of critical staff

It continually seeks to develop and implement relevant and legally compliant human resource management policies, systems, and good practices. It further seeks to continually provide a continuous learning and development opportunity that leads to individual and organisational growth.

1.3.4.1 Staff turnover

Over the last two years, staff turnover in CHIETA on all collective levels was at an average of 3.6 %. This articulates organisational stability to ensure the delivery of strategic objectives.

1.3.4.2 Equity

The gender ratio of the CHIETA is 61% female and 39% male, of whom 8% are Indians, 2% Whites, 6% Coloureds, 84% African people and 1% of people living with disabilities. All races and genders are represented on most of the occupational levels in the organisation. CHIETA views diversity as a business asset that will contribute significantly towards stakeholder delivery.

1.3.4.3 Training and Development

Through employee personal development plans forthcoming from the Performance Management processes of CHIETA staff members and line managers agree on developmental areas to ensure a culture of continuous learning for the ultimate benefit of organisational performance and self-actualisation.

1.3.4.4 Recruitment

The main objective of recruitment at the CHIETA is to appoint candidates with skills and attributes specific to the organisation's needs and who will add the highest value. This is done by conducting competency-based interviews and assessments. Recruitment decisions are also informed by the organisation's current equity profile.

1.3.4.5 Employee Wellness

CHIETA has partnered with a wellness company assist with the physical and emotional well-

being of its staff, cognisant of the value of overall wellness of individuals in organisational productivity. In further advancing effective well-being support and the CHIETA Digitisation agenda, the CHIETA employee well-being programme is now also accessible through a software application (app).

1.3.5 Information Communication Technology

Digitisation is one of the key strategic pillars upon which the vision will be realised. The organisation has mapped the technological needs across the organisation and identified the need to implement an ERP system that will address the following:

- Automation
- Coordination of activities across units
- Data and information sharing
- Customer focus (improvement of the Management Information System (MIS))
- Improved decision making
- Enhanced collaboration
- Effective reporting

1.3.7 Financial Resources

The key source of CHIETA revenue is Skills Development Levy (SDL) income contributed by levy-paying member companies. As per the requirements of the skills development legislation, CHIETA member companies contribute 1% of their payroll to the South African Revenue Services (SARS) as a Skills Development Levy. SDL income received by SARS is transferred to the Department of Higher Education and Training (DHET), which then transfers 80% of the levies received to the relevant SETA and the balance of 20% to the National Skills Fund.

Based on the revenue received, the budget is allocated to the five programmes informed by priority and affordability. The priorities, upon which the budget allocations are affected, are aligned with the NSDP. Discretionary Grants budgeting is in line with the costs of training to be provided on the committed initiatives. Mandatory Grants projections are based on estimated levy income and historic claim ratio.

Historically, administrative expenses and project administration expenses have been within the legislative threshold of 10.5% and 7.5% respectively, and this trend has been projected going forward into the future.

Table 3: Financial projections to support the implementation of the Strategic Plan

CHIETA BUDGET ITEMS	2022/2023 '000	2023/2024 '000	2024/2025 '000
Skills Levy	588 948	630 708	697 393
Mandatory Grants	141 399	151 297	167 374
Discretionary Grants	352 710	397 783	439 358
Administrative Budget	94 838	81 628	90 661

Diminishing financial resources, mainly as a consequence of massive job losses, levy exemptions, and business closures, present a challenge for the strategic focus areas of the organisation. However, this equally presents an opportunity and a case for collaboration.

The following are assumptions upon which CHIETA's budget is based:

- The budget is based on a mandate that must be executed.
- Assumption on staff establishment.
- Assumption for salary increases.
- Performance and recognition for all levels
- Inflation scenarios on income.
- Inflation of costs.
- Assumptions on Government/Levy funding.
- Equipment replacement strategy.
- Confirm whether the estimated budget presented will enable the SETA to implement activities.
- Cost-saving measures; and
- Reprioritisation of resources.

The following table provides a breakdown to support National Priorities as outlined at the SONA and other Governing Board Strategic Priorities:

Table4: CHIETA Governing Board strategic priorities

Indicator	Number of learners	Cost per learner	Total Budget projected/estimate
Retrenched /Trade Union Support	N/A	N/A	R12 000 000,00
Smart Skills Centres	N/A	N/A	R12 000 000,00
STEM Learner Support	1000	R10 000,00	R10 000 000,00
ERRP Skills Strategy	526	R76 000,00	R40 000 000,00
World Skills	0	R4 000 000,00	R4 000 000,00
TOTALS	1526	R4 086 000,00	R78 000 000,00

Table 5: ERRP-specific CHIETA interventions

ERRP AREA		CHIETA INTERVENTIONS & INITIATIVES
1.	INTENSIFYING SMME PARTICIPATION IN THE FMCG SECTOR	Support 1 000 SMMEs through a multi-SETA project expanding a CHIETA/ University of Johannesburg business development model to grow fast-moving consumer goods (FMCGs)
2.	SUPPORTING YOUNG ENTREPRENEURS AND SMMEs TO BOOST AND INTENSIFY EMPLOYMENT CREATION	<p>Advancement of the post learnerships absorption strategy in its focus on the empowerment of particularly young, women and Black-owned businesses</p> <p>SMME development focusing specifically on start-up businesses for black women entrepreneurs</p> <p>The development of such businesses is targeted at ultimately converting them into CHIETA levy-paying companies that contribute to employment creation. SMMEs face unique challenges in development and service delivery. Rural organisations and enterprises that work in difficult and generally hard-to-access areas require special support and assistance. They have the greatest potential to create jobs and empower black people, women and youth. This initiative will also be assisted through multi-level partnerships with sustainable start-up businesses in the chemical industry value chain, a programme supporting the ERRP. It will be implemented through all CHIETA Learning Programmes (Skills Programmes, RPL & Learnerships) in programme three (3) of the CHIETA 2022/23 Annual Performance Plan.</p>
3.	INNOVATION	<ul style="list-style-type: none"> Currently exploring opportunities and planning to open CHIETA hub

ERRP AREA	CHIETA INTERVENTIONS & INITIATIVES
	<p>by 2025 with an approved budget of R3 000 000 for the 2021/2022 financial year. The Innovation Hub would be dedicated to supporting the growth of very early-stage technology-based businesses in the South African chemicals industry.</p> <ul style="list-style-type: none"> • Learning and digitisation of skills development through the virtual/simulated coded welding programme • SMART Skills Centres
4. SKILLS DEVELOPMENT	<ul style="list-style-type: none"> • Reskilling and retraining of retrenched workers. • Contribution to the 20000-artisan development and related targets to curb the impact of COVID -19
5. INTEGRATION INTO THE AFRICAN CONTINENT	<p>Take advantage of the African Continental Free Trade Agreement and collaborate on partnerships that open market access for emerging, small, and medium-sized chemical manufacturers</p>
6. ERRP SKILLS STRATEGY	<p>Support of learners through Work Integrated Learning and Work Placement</p> <p>CHIETA has increased its target for 2022/23 internships and Skills Programmes in support of the occupational shortages. This programme will assist in maximising opportunities for new entrants to access labour markets to boost job creation and to support re-training of employees to prevent further job losses.</p> <p>Work-Integrated Learning for unemployed learners at TVET colleges and access to workplace experience through CHIETA employers</p> <p>CHIETA has prioritised support to work-integrated learning at TVET colleges to assist learners to complete their qualifications and workplace experience that new entrants require after completing their qualifications for a successful transition into the labour market. CHIETA in partnerships with stakeholders will streamline the incentives in order to make it possible to grow these opportunities in ways that create sustainable employment. This includes ensuring these different forms of workplace experience are recognised in the BBBEE Codes. This programme is also in support of the Presidential Youth Employment Service (YES) initiative to enhance access to these opportunities.</p>
	<p>Artisan development through RPL as a cost-effective and accelerated means to develop artisans Government studies have found that artisan skills are among national priorities. They are not only essential for government's national strategic projects (such as the Strategic Integrated Projects) but will also be in strong demand across the economy as growth begins to gain momentum. In response, CHIETA has prioritised the 13 designated priority trades and occupations for economic development through the recognition of prior learning (RPL) intervention as a cost-effective and accelerated means to develop artisans in support of the NDP target of 30 000 artisans by 2030</p>

ERRP AREA	CHIETA INTERVENTIONS & INITIATIVES
	<p>Supporting investment in STEM (Science, Technology, Engineering and Mathematics)</p> <p>This programme will seek to expose young women to STEM chemical industry careers in accordance with Priority 2 of the CHIETA SSP and the CHIETA identifying the importance of improving performance of learners in Mathematics and Science to increase their uptake of these studies.</p> <p>This STEM Programme includes programmes in the Fourth Industrial Revolution (4IR) that represents a new era of innovation in technology that will enhance human and machine interaction, unlock new market opportunities and fuel economic growth. This will result in the emergence of game-changing technologies such as Artificial Intelligence & Robotics.</p> <p>Traditional jobs are being transformed while new forms of work are being created. . Currently, there is an acute shortage of critical skills. Addressing these shortages of critical skills will ensure that new opportunities are made accessible to all South Africans, in particular youth, to address the current inequalities and these are key skills demand and supply in the chemical sector.</p> <p>This initiative supports 44 unemployed young female learners from rural and informal settlements and township areas. This programme will also specifically prioritise beneficiaries from households with a total monthly income of less than R 5000.</p> <p>Supporting Candidacy Programmes</p> <p>This initiative is in support to the ERRP Skills Strategy and is implemented in programme three (3) (Artisan Development) of the CHIETA 2022/23 Annual Performance Plan. This is a Graduate Development three (3) year Programme for Engineers which is a comprehensive program that will deliver well-balanced and competent engineers that can add value anywhere in the industry that they have been trained for. This programme is also registered with the Engineering Council of South Africa (ECSA).</p> <p>Increased investment into blended learning, e-Learning and virtual learning</p> <p>This programme was also identified from the PC4IR Strategic Implementation Plan (PC4IR SIP) through rapid development of 4IR skills as well as involving learners in the Virtual Reality learning platform. Learners will be exposed to a simulated environment allowing the learners to continually retry until competence has been achieved at selected sites. The CHIETA has increased its investment into blended learning, e-learning and virtual reality learning and will gradually increase this percentage by 20% by 31 March 2025. This programme further supports CHIETA to move to a 4IR development on Entrepreneur Development.</p>

ERRP AREA	CHIETA INTERVENTIONS & INITIATIVES
	<p>Retrenched worker support</p> <p>The focus here will be on retraining and up-skilling to preserve jobs and job losses. Building on learning from the Temporary Employee Relief Scheme (TERS) the CHIETA through strategic projects fast track supportfor the up-skilling of employees.</p> <p>CHIETA is also in partnership with related industry associations to determine which skills are required for the recovery and re-orientation of identified CHIETA companies.</p>
	<p>Career Guidance</p> <p>Six career guidance programmes will be implemented in rural (3) and urban (3) for potential careers in the chemical industry. These career guidance programmes have been revised to discontinue those that are no longer in demand whilst scaling up those that have better labour absorption capacity; energy, digital skilling, online platforms, as well the incorporation of entrepreneurship for self-employment.</p>

Table 5: List of active key partnerships

	NAME OF INSTITUTION / PARTNER ORGANISATION	BRIEF DESCRIPTION OF PARTNERSHIP	OBJECTIVES & VALUE OF PARTNERSHIP
1.	Technical and Vocational Education and Training (TVET) college sector	<p>The partnerships are in line with CHIETA’s mandate of capacitating the TVET college sector. The chemicals industry relies heavily on technical and artisan skills which TVET colleges play a critical role in supplying.</p> <p>Coded-welding e-learning as part of the digitisation of technical skills at TVET colleges</p> <p>The Centres of Specialisation initiative is designed to meet two objectives simultaneously, 1) to address the demand for priority trades needed for the implementation of the government’s NDP in general and its National Infrastructure Plan in particular and 2) to contribute to the building of the capacity of its public TVET college system to deliver trade qualifications with employer partners.</p>	<p>The value of the partnership is seen to be improving the quality of learning and the delivery and supply from TVET colleges.</p> <p>A pilot e-learning project to develop coded welders to curb youth unemployment, improve livelihoods and support economic development.</p> <p>The value for the programme lies in its partnership approach that links TVET colleges and workplaces. The programme aims to develop 13 priority trades that have been identified as being in high demand for the infrastructure programmes, as well as for other strategic programmes such as the War-on- Leaks and the new Operation Phakisa: Ocean Economy programme. If the government decides on nuclear energy, many of the same trades will be needed for that investment as well, which can be delivered through the Centres of Specialisation model. The programme is in its third term.</p>
2.	Gandhi Mandela Centre of Specialisation for Artisan Skills in South Africa	<p>Now in its third term, the project meets the training requirements of young people and the artisan skill requirements of the country by linking institutions with industry.</p>	<p>A collaborative partnership aimed at expanding and strengthening bilateral cooperation in skills development and promote quality vocational education and training.</p>

NAME OF INSTITUTION / PARTNER ORGANISATION		BRIEF DESCRIPTION OF PARTNERSHIP	OBJECTIVES & VALUE OF PARTNERSHIP
3.	University of Johannesburg	SMME survival – the need for collaborative partnerships is of a national priority against the increasing unemployment rate.	The partnership offers a high-quality programme that ensures the suitability of the SMME. The Programme with the University of Johannesburg is designed for existing business owners and is offered at NQF Level 5 and implemented over four months. Entrepreneurs are required to present their turnaround strategies based on the lessons learnt on the programme.
4.	Vaal University of Technology	The advancement of postgraduate education and Innovation and Research	CHIETA funded the Vaal University of Technology to produce Nanosilica from WasteGlass. Unemployed youth in the Vaal Region townships will be collecting and recycling the glass bottles which will be used to produce nano silica products for tyre manufacturers, pharmaceutical and plastics industries, which will benefit exporting than importing. The project will also contribute to addressing environmental issues such as reducing pollution through recycling.
			As part of Research capacity building for students from previously disadvantaged institutions, the CHIETA funded the Vaal University of Technology to develop Master's students, through the development of a chitosan membrane for electricity production project; which will be utilised to develop fossil batteries for electric cars and capacitate the students with fourth industrial revolution skills. The University will be working with Pet Industrial, using their facilities for membrane development
5.	Sefako Makgatho Health Sciences University	Work-integrated learning for undergraduate students	CHIETA funded Sefako Makgatho Health Sciences University to partner with pharmaceutical companies in offering work-integrated learning for undergraduate students who are studying pharmaceutical- related qualifications. The project will provide students with workplace experience and thereby create a pool of graduates for possible absorption into the pharmaceutical sector.

6.	CHIETA /UJ Multi-SETA Project	<ul style="list-style-type: none"> • Grow collaboration among SETAs (envisioned partnership with EWSETA, ETDPSETA, Services SETA, AgriSETA & INSETA) • Co-funding to increase budget for SMME development across sectors • Industry-institution partnership 	InterSETA collaboration and cross-sectoral SMME development
NAME OF INSTITUTION / PARTNER ORGANISATION		BRIEF DESCRIPTION OF PARTNERSHIP	OBJECTIVES & VALUE OF PARTNERSHIP
7.	CHIETA/CHEMIN Innovation Hub	Incubation of early-stage businesses and start-ups in the Chemicals Industry	Under the Small Enterprise Development Agency (SEDA) incubation project, development of early-stage technology-based businesses and start-ups.
8.	Sector Trade Unions	Partnership with 5 sector trade unions for the re-skilling of chemicals industry's retrenched workers	Re-skilling of the chemicals industry's retrenched workers focusing on: <ul style="list-style-type: none"> • Support and work-readiness • Career development • Entrepreneurial skills
9.	SMART Skills Centres	<ul style="list-style-type: none"> • SMMEs/Entrepreneurial digital support • Provide internet, WiFi and e-learning services. • Digitisation of skills development 	Close the digital divide and give access to digital services or technology to SMMEs in rural communities

PART C: MEASURING OUR PERFORMANCE

1.1 PROGRAMME 1: ADMINISTRATION

1.1.1 Purpose	To provide business oversight and enablement services to the core business units and instill and maintain a culture of good governance within CHIETA
1.1.2 Budget	R90 143 000

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
compliant, high-performance CHIETA that is well-capacitated to improve workforce productivity and enhance labour market prospects of employees for CHIETA aligned to the key principles of corporate governance		Maintaining an Unqualified audit at the end of the financial year 2023/24	1	1	1	1	1	1	
		Providing 4 Governance Charter Reports	4	4	4	4	4	4	
Baseline			5	5	5	5	5	5	

1.1.4 Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.1	Maintaining an Unqualified audit at the end of the financial year 2023/24	1	-	-	-	1
1.2	Providing 4 Governance Charter Reports	4	1	1	1	1
Baseline		5	1	1	1	2

1.1.5 Explanation of Planned Performance Over The Medium-Term Period

OUTCOME 1: A compliant, high-performance CHIETA that is well-capacitated to improve workforce productivity and enhance labour market prospects of employees for sustainable livelihoods.

In the medium term, the CHIETA intends to ensure effective corporate governance principles. The focus for this period will fall on the implementation of effective financial and administrative management practices through the application of sound financial management systems and procedures in line with the requirements of the Public Finance Management Act (PFMA). Attention will be also given to effective cash flow management ensuring that the planned CHIETA administration budget does not exceed 10.5% and remains within the budgetary allocations taking into consideration the current economic environment because of the COVID-19 impact and our fiscal constraints. The CHIETA's Monitoring & Evaluation Management Framework will be strengthened ensuring the key principles of King IV are adhered to across the organisation.

The main purpose is to provide business oversight and enabling services to the core business units within CHIETA and to ensure that it maintains its clean and unqualified audit outcomes over the medium-term period.

1.2 PROGRAMME 2: RESEARCH AND SKILLS PLANNING

1.2.1 Purpose A professional and credible skills development planning tool for the Chemical Industry articulating sector realities and needs and agreed sector strategies to address skills need.

1.2.2 Budget R18 000 000 (This forms part of the total Discretionary Grants Budget)

1.2.3 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Improved workforce productivity and diversity through structured industry knowledge and capacity building	A credible institutional mechanism for research and skills planning	Number of learners absorbed into employment	1	1	1	1	1	1	1
		The SSP is well researched for providing a credible institutional mechanism for skills planning	1	1	1	1	1	1	1
		Number of HEI Partnerships	0	3	3	3	3	3	3
		Number of sector research agreements signed for TVET growth occupationally directed programmes	-	1	1	1	1	1	1
		Number of established or emergent cooperatives trained in the sector and national priority occupations or skills	-	1	1	1	1	1	1
		Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	1	1	1	1	1	1	1
		Impact study to measure CHIETA's effectiveness	1	1	1	1	1	1	1
Baseline		4	9	9	9	9	9	9	

Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2.1	Number of learners absorbed into employment	1	-	-	-	1
2.2	The SSP is well-researched for providing a credible institutional mechanism for skills planning	1	-	1	-	-
2.3	Number of HEI Partnerships established	3	-	-	-	3
2.4	Number of sector research agreements signed for TVET growth occupationally directed programmes	1	-	-	-	1
2.5	Number of established or emergent cooperatives trained in the sector and national priority occupations or skills	1	-	-	-	1
2.6	Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	1	-	-	-	1
2.7	Impact study to measure CHIETA's effectiveness	1	-	-	-	1
Baseline		9	0	1	0	8

1.1.5 Explanation of Planned Performance Over the Medium-Term Period

OUTCOME 1: Improved workforce productivity and diversity through structured industry knowledge and capacity building.

The CHIETA plans to continue developing the sector skills plan within the framework of the National Skills Development Plan (NSDP) over the medium-term period. The main focus will be to maintain the established credible mechanism for skills planning to ensure CHIETA's research is an authoritative voice on skills in the Chemical Industries Sector. The Research & Skills Planning will also support the evidence decision-making for skills development by providing information and insights that drive the work of the CHIETA; and motivating the

introduction of changes to CHIETA stakeholders regarding skills development interventions that support continuous improvement.

The Research Policy will provide research-based leadership in the CHIETA areas of responsibility:

- The CHIETA research policy framework in conjunction with the Strategic Research Agenda sets out the research needs of the CHIETA within the medium-term period.
- It has been developed to inform research processes within the CHIETA, inform stakeholders of the CHIETA's research priorities, and assist in guiding the resource allocations.

The SSP Framework will be updated annually so that CHIETA ensures that South Africa has adequate, appropriate, and high-quality skills to contribute toward economic growth, employment creation, and social development within the Chemical Industries Sector.

The SSP will assist the country, among other things, in identifying the top ten occupations in high demand in the chemical sector of the economy, as well as the interventions that are required. This will also include the occupations that will be needed for the Economic Reconstruction and Recovery Skills Strategy. New research will be undertaken in key occupations and skills requirements in sub-sector growth areas such as the Pharmaceutical Industry, Bio-Economy, Hydrogen Economy, Nano Technology and Green Chemicals for both SMME and learner development.

1.3 PROGRAMME 3: OCCUPATIONALLY DIRECTED PROGRAMME

1.3.1 Purpose	<ul style="list-style-type: none"> To ensure continuous training of the Chemical Industry workforce through mid-level skills need and apprenticeship training and addressing of high-level national scarce skills through work-ready graduates from Higher Education Institutions. To address the low-level language and numeracy, supporting co-operatives, NGOs, and small enterprises, increasing public capacity for improved service delivery, building career, and vocational guidance, and addressing the medium-term strategic priorities of government
1.3.2 Budget	<ul style="list-style-type: none"> R396 491 000 (Discretionary Grants (DG)) R29 736 000 Project Administration R167 374 000 and Mandatory Grants

The Discretionary Grants Budget includes the Strategic Projects and CHIETA Macro Indicators

1.3.3 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Learning programme support for increased access for high and intermediate skills	Increased access and delivery on occupationally directed programmes	Percentage of Discretionary grant budget allocated at developing high level skills	62%	62%	55%	55%	55%	55%	55%
		Percentage of Discretionary grant budget allocated at developing intermediate skills	37%	37%	44%	44%	44%	44%	44%
		Percentage of Discretionary grant budget allocated at developing elementary level skills	1%	1%	1%	1%	1%	1%	1%
		The number of WSPs & ATRs approved for large firms	120	120	120	120	120	120	120
		The number of WSPs & ATRs approved for medium firms	170	170	170	170	170	170	170

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
		The number of WSPs & ATRs approved for small firms	320	320	320	320	320	320	320
		Number of workers enrolled in Learnership programmes	514	1500	550	671	671	671	671
		Number of workers completed Learnership programmes	385	750	275	336	336	336	336
		Number of workers granted bursaries (New Entries)	0	50	50	50	50	50	50
		Number of workers granted bursaries (Continuing)	219	51	51	51	51	51	51
		Number of workers granted bursaries completed their studies	0	45	25	30	35	35	35
		Number of workers enrolled in Skills Programmes	100	1000	1050	1188	1200	1300	1300
		Number of workers completed Skills Programmes	50	500	525	594	594	594	594
		Number of artisan learners enrolled	480	620	1000	1083	1083	1083	1083
		Number of artisan learners completed	413	413	554	595	595	595	595
		Number of unemployed learners granted bursaries (Continuing)	585	486	200	210	220	220	220
		Number of Unemployed learners granted bursaries (new enrolments)		60	-	-	-	-	-
		Number of unemployed learners granted bursaries completed their studies	0	40	20	25	30	30	30

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
		Number of learners enrolled on RPL /ARPL	0	250	400	500	600	600	600
		Number of learners completed RPL /ARPL	0	125	200	200	200	200	200
		Number of SETA / Employer partnerships established	85	85	100	120	130	130	130
		Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	0	200	50	93	93	93	93
		Number of university students completed their Work Integrated Learning placements	0	100	25	46	46	46	46
		Number of unemployed learners enrolled in Internships	0	500	525	615	615	615	615
		Number of unemployed learners completed internships	0	250	263	322	322	322	322
		Number of unemployed learners enrolled in Skills Programmes	100	1000	1200	1395	1395	1395	1395
		Number of unemployed learners completed Skills Programmes	50	500	600	723	723	723	723
		Number of unemployed learners enrolled on learnerships programmes	1845	2300	1700	1085	1085	1085	1085
		Number of unemployed learners completed learnerships programmes	923	1150	850	565	565	565	565
		Number of unemployed learners enrolled for Candidacy Programmes	30	30	30	78	78	78	78

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
		Number of unemployed learners completed Candidacy Programmes	15	15	15	15	15	15	15
Baseline			6459	12690	10868	11254	11342	11442	11442

NB: The CHIETA has provided a breakdown of the learners participating in bursary programmes that are continuing to complete their qualifications. It is important to note that the CHIETA has committed funding towards these learners and will report them accordingly.

1.3.4 Indicators, Annual and Quarterly Targets

		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.1	Percentage of Discretionary grant budget allocated at developing high level skills	55%	-	-	-	55%
3.2	Percentage of Discretionary grant budget allocated at developing intermediate skills	44%	-	-	-	44%
3.3	Percentage of Discretionary grant budget allocated at developing elementary level skills	1%	-	-	-	1%
3.4	The number of WSPs & ATRs approved for large firms	120	-	-	-	120
3.5	The number of WSPs & ATRs approved for medium firms	170	-	-	-	170
3.6	The number of WSPs & ATRs approved for small firms	320	-	-	-	320
3.7	Number of workers enrolled in Learnership programmes	671	100	150	200	221
3.8	Number of workers completed Learnership programmes	336	50	75	100	111
3.9	Number of workers granted bursaries (New Entries)	50	-	-	-	50
3.10	Number of workers granted bursaries (Continuing)	51	-	-	-	51
3.11	Number of workers granted bursaries completed their studies	35	-	-	-	35
3.12	Number of workers enrolled in Skills Programmes	1200	50	150	400	600

		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.13	Number of workers completed Skills Programmes	594	50	100	200	244
3.14	Number of artisan learners enrolled	1083	100	200	350	433
3.15	Number of artisan learners completed	595	65	100	200	230
3.16	Number of unemployed learners granted bursaries (Continuing)	220	-	50	100	70
3.17	Number of Unemployed learners granted bursaries (new enrolments)	0	-	-	-	-
3.18	Number of unemployed learners granted bursaries completed their studies	30	-	-	-	30
3.19	Number of learners enrolled on RPL /ARPL	600	-	100	250	250
3.20	Number of learners completed RPL /ARPL	200	-	-	-	200
3.21	Number of SETA / Employer partnerships established	130	-	-	-	130
3.22	Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	93	-	-	-	93
3.23	Number of university students completed their Work Integrated Learning placements	46	-	-	-	46
3.24	Number of unemployed learners enrolled in Internships	615	50	100	200	265
3.25	Number of unemployed learners completed internships	322	-	-	161	161
3.26	Number of unemployed learners enrolled in Skills Programmes	1 395	150	250	400	595
3.27	Number of unemployed learners completed Skills Programmes	723	75	125	200	323
3.28	Number of unemployed learners enrolled on learnerships programmes	1 085	100	200	350	435
3.29	Number of unemployed learners completed learnerships programmes	565	50	150	180	185
3.30	Number of unemployed learners enrolled for Candidacy Programmes	78	-	-	-	78
3.31	Number of unemployed learners completed Candidacy Programmes	15	-	-	-	15
Baseline		11 200	840	1750	3291	5 461

1.3.5 Outcomes, Outputs, Performance Indicators and Targets (*Part of Programme 3 – not a sub programme*)

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved support for TVET and CET colleges through effective career and vocational guidance system	TVETs / CETs to be utilized as the training provider of choice	Number of SETA offices established and maintained in TVET colleges	2	2	2	2	2	2	2
		Number of centres of specialization supported	4	4	5	5	5	5	5
		Number of TVET lecturers exposed to the industry through skills programmes	60	100	105	105	105	105	105
		Number of TVET College Lecturers awarded bursaries (Continuing)	-	-	50	50	50	50	50
		TVET Colleges infrastructure development (Equipment / Workshops)	-	-	-	-	-	-	-
		Number of managers receiving training on curriculum-related studies(TVETs)	-	-	-	-	-	-	-
		Number of CET College lecturers awarded skills development programmes	-	50	50	75	100	100	100
		Number of managers receiving training on curriculum-related studies(CETs)	-	-	-	-	-	-	-
		Number of CET learners accessing AET programmes	-	1000	50	75	100	100	100
		Number of TVET	12	15	12	14	16	16	16

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		Partnerships established							
		Number of CET partnerships established	-	-	3	4	5	5	5
		CET Colleges infrastructure development support (Equipment /Workshops / Connectivity / ICT)	-	-	-	-	-	-	-
		Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	-	500	1000	1285	1285	1285	1285
		Number of TVET students completed their Work Integrated Learning placements	-	250	400	642	642	642	642
		Number of people enrolled in CET Internships	-	-	-	0	0	0	0
		Number of people completed in CET Internships	-	-	-	0	0	0	0
Baseline			78	1921	1677	2257	2310	2310	2310

1.3.6 Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.32	Number of SETA offices established and maintained in TVET colleges	2	-	-	-	2
3.33	Number of centers of specialization supported	5	-	-	-	5
3.34	Number of TVET lecturers exposed to the	105	-	-	50	55

OUTPUT INDICATORS		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	industry through skills programmes					
3.35	Number of TVET College Lecturers awarded bursaries (Continuing)	50	-	-	-	50
3.36	TVET Colleges infrastructure development (Equipment / Workshops)	-	-	-	-	-
3.37	Number of managers receiving training on curriculum-related studies ((TVETs)	-	-	-	-	-
3.38	Number of CET College lecturers awarded skills programmes	100	-	-	-	100
3.39	Number of CET learners accessing AET programmes	100	-	25	25	50
3.40	Number of TVET Partnerships established	16	-	-	-	16
3.41	Number of CET partnerships established	5	-	-	-	5
3.42	Number of managers receiving training on curriculum-related studies (CETs)	-	-	-	-	-
3.43	CET Colleges infrastructure development support (Equipment /Workshops / Connectivity / ICT)	-	-	-	-	-
3.44	Number of TVET students requiring Work Integrated Learning to completetheir qualifications placed in workplaces	1285	0	200	450	635
3.45	Number of TVET students completed their Work Integrated Learning placements	642	0	100	200	342
3.46	Number of people enrolled in CET Internships	-	0	0	0	0
3.47	Number of people completed in CET Internships	-	0	0	0	0
Baseline		2 310	0	352	725	1 260

1.3.7 Outcomes, Outputs, Performance Indicators and Targets (Part of Programme 3 – not a sub programme)

Outcome	Output		ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Seamless work integrated learning between training institutions, employees and industry	Number of federations / trade unions supported	Number of Federations / Trade Unions supported through relevant skills training interventions	1	5	3	4	5	5	5
Baseline			1	5	3	4	5	5	5

1.3.8 Indicators, Annual and Quarterly Targets

Output Indicators		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.48	Number of Federations/Trade Unions supported through relevant skills training Interventions	5	-	-	-	5
Baseline		5	0	0	0	5

1.3.9 Outcomes, Outputs, Performance Indicators and Targets (Part of Programme 3 – not a sub programme)

Outcome	Output		ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2025/26
Establishment of new enterprises and cooperatives and with increased skills development support to entrepreneurial activities in the chemical and related sectors	Work based learning opportunities for Micro, SMMEs and cooperatives in support of growth and sustainability	Number of Cooperatives funded for skills that enhance enterprise growth and development	0	50	100	110	120	130	130
		Number of Small businesses funded for skills that enhance growth and development	10	75	500	550	600	650	650
		Number of CBOs/NGOs//NPOs funded for skills that enhance the development and sustainability of their organisations' activities	0	50	80	85	90	95	95
		Number of people trained in entrepreneurship supported to start their business	20	100	50	55	60	65	65
Baseline			30	275	730	800	870	940	940

1.3.10 Indicators, Annual and Quarterly Targets

		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.49	Number of Cooperatives funded for skills that enhance enterprise growth and	120	-	-	50	70

		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	development					
3.50	Number of Small businesses funded for skills that enhance growth and development	600	-	50	100	450
3.51	Number of CBOs/NGO/ NPOs funded for skills that enhance the development and sustainability of their organisation's activities	90	-	-	40	50
3.52	Number of people trained on entrepreneurship supported to start their business	60	-	-	-	60
		870	0	50	190	630

1.3.11 Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Skilled and competent Chemical Industry entrepreneurs and Cooperatives	Prioritised career development services are accessible to learners on occupations of high demand	Number of Career development events completed in urban areas on occupations in high demand	1	2	3	3	3	3	3
		Number of Career development events completed in rural areas on occupations in high demand	1	2	3	3	3	3	3
		Number of Career Development Practitioners trained	-	-	-	-	-	-	-

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
		Number of capacity-building workshops on Career Development Services initiated	-	-	-	-	-	-	-
Baseline			2	4	6	6	6	6	6

1.3.12 Indicators, Annual and Quarterly Targets

Output Indicators		Annual Target 2024/25	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.53	Number of Career development events completed in urban areas on occupations in high demand	3	-	-	-	3
3.54	Number of Career development events completed in rural areas on occupations in high demand	3	-	-	-	3
3.55	Number of Career Development Practitioners trained	-	-	-	-	-
3.56	Number of capacity building workshops on Career Development Services initiated	-	-	-	-	-
Baseline		6	0	0	0	6

Outcomes, Outputs, Performance Indicators and Targets *(Part of Programme 3 – not a sub programme)*

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Seamless work-integrated learning between training institutions, employees and industry	Diversity on all collective levels in support of the transformational profile of the Chemical Industry	Number of Rural Development Projects initiated	0	10	10	10	10	10	10
		Number of workers enrolled on AET programmes	112	250	250	275	280	285	285
		Number of workers completed AET programmes	80	125	125	138	140	145	145
			192	385	385	423	430	440	440

1.3.14 Indicators, Annual and Quarterly Targets

		Annual Target 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.57	Number of Rural Development Projects initiated	10	-	-	-	10
3.58	Number of workers enrolled for AET programmes	280	-	50	100	130
3.59	Number of workers completed AET programmes	140	-	-	50	90

	Annual Target 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Baseline	430	0	50	150	230

FOOTNOTE ACTION RELATING TO PROGRAMME 3:

The DHET SLA and CHIETA APP reflect nine (9) indicators that have no targets set:

- This is informed by the CHIETA Governing Board, the Minister of Higher Education Science & Technology, and ERRP Skills Strategy Priorities in support of the Executive Authority.
- This is also reflected in the baselines of 2023/24 (actual performance) and 2024/25 (annual performance).
The Strategic Plan Outcomes for enrolments and completions are linked to Programme Three (3) in the APP as entered (enrolments) and completions Seamless work integrated learning between training institutions, employees, and industry is also linked to Programme Three (3) in the APP.
- There are no sub-programmes in Programme 3. CHIETA has further aligned the APP indicators according to the Strategic Outcomes as is indicated in the Strategic Plan.

1.3.15 Explanation of planned performance over the Medium-Term Period

This programme has three (3) outcomes:

This outcome supports the transformational agenda of the CHIETA to promote inclusive growth and employment over the medium-term period. Central to this outcome will be the creation of a pipeline for Black Industrials and professionals. Our main focus is increasing the number of Black employees receiving qualifications at higher levels and supporting them with bursaries to obtain professional designations and position to access occupations at senior levels.

The CHIETA will promote the developmental and transformational imperatives such as race, age, and gender, and prioritising women, youth and people living with disabilities. The social impact of the lockdown requires

consideration for learners whose living conditions at home are such that they are not in a position to participate meaningfully in remote teaching and learning. The current baseline of female-funded learners is 35% and CHIETA plans to increase this to 50% over the medium-term period by the end of March 2025. The learning living with disabilities is currently at 0.9% and CHIETA plans to increase this to 4% over the medium-term period by the end of March 2025. CHIETA has ensured that all projects and programmes will include and prioritise rural, youth, female learners and learners living with disabilities to reduce inequality.

CHIETA has also increased its Discretionary Grant allocation for virtual training and development from a 0% baseline to 20% over the medium-term period. Before the COVID-19 pandemic, a shift towards digitisation and embracing the principles of the 4th Industrial Revolution was in progress and ongoing but current events have accelerated the shift and brought it into acute focus. This will involve the increasing use of artificial intelligence, robotics, big data, digitisation, predictive analytics, and machine learning. The CHIETA has introduced a Digital Transformation Steering Committee to develop and launch innovative and responsive mechanisms to sustain the organisation to offer quicker services and online tools through our digital portals and automation of back-end processes.

OUTCOME 3: Improved support for TVET and CET colleges through effective career and vocational guidance system

Over the medium-term period, the focus will continue to plan, develop, implement, monitor, and evaluate national policy, programme and assessment practices and systems for TVET Colleges and CET Colleges. The key focus is to provide mid-level skills to support these priority sectors so that the pervasive youth unemployment and scarce and critical skills provision will be addressed and mitigated. The goal is ultimately to produce TVET graduates who are ready for the world of work. A key output is to improve the access and success of enrolled students to contribute to the employment of youth and also contribute to the combating of poverty and social inequality.

The CHIETA has planned to support five (5) Centres of Specialisation and will support Apprenticeships in the designated thirteen (13) priority Artisan Trades approved by DHET over the medium-term period. CHIETA will continue supporting TVET Lectures on bursaries and further Lectures on Skills Programmes over this period. The CHIETA has also prioritised 1200 TVET students requiring work-integrated learning opportunities within this period. CHIETA will enter into TVET College partnerships by the end of March 2025.

In addition to expanded access, the CHIETA advocacy strategy is intended to support CET Colleges to meet their enrolment targets by attracting more youth into CET opportunities. The CHIETA's main focus here is to target the youth who are not in education, employment, and training. CHIETA plans to support CET Lecturers and CET Adult Basic Education and Training programmes over this period. The CHIETA will develop a minimum of Smart Skills Centres across the country for infrastructure development in CET Colleges within the medium-term period.

OUTCOME 4: Seamless work-integrated learning between training institutions, employees and industry

This outcome focuses on Enrolling Unemployed learners to enter internships/workplace experience programmes and work-integrated learning opportunities. The CHIETA plans to provide WIL opportunities over the medium-term period. The CHIETA has prioritised support to Work Integrated Learning within the industry to assist learners in completing their qualifications and workplace experience work new entrants require after completing their qualifications for a successful transition into the labour market. The CHIETA in partnership with stakeholders will streamline the incentives to make it possible to grow these opportunities in ways that create sustainable employment.

The key focus is to encourage industry to absorb funded learners into employment This programme is also in support of the ERRP Skills Strategy and the Presidential Youth Employment such as the YES to enhance access to these opportunities and is supported in programme three (3) of the CHIETA.

Annual Performance Plan.

The focus here will be on retraining and up-skilling to preserve jobs and job losses. Building on learning from the Temporary Employee Relief Scheme (TERS) the CHIETA through Strategic Projects fast-track support for the upskilling of employees. The CHIETA plans to support the number of Federations / CHIETA Trade Unions for re-skilling and preventing further job losses. The CHIETA is also in partnership with related Industry Associations to determine which skills are required for the recovery and re-orientation of identified CHIETA companies.

OUTCOME 5: Skilled and competent Chemical Industry entrepreneurs and Cooperatives

This outcome focuses on the start-up of businesses for black and women entrepreneurs. In the medium term, these SMMEs to become CHIETA levy-paying companies and contribute to employment creation. The CHIETA will facilitate the creation of an inclusive and transformed society for these SMMEs, especially in townships and informal economies. The CHIETA will provide innovative skills solutions for growth and development to approximately 2 225 SMMEs over the medium-term period.

Cooperatives and Non-Governmental Organisations (NGOs) will be supported over the medium-term period. These initiatives will be assisted through Multi-Level Partnerships and Collaboration.

CHIETA will be focusing on attracting young entrants to the Chemical Industries Sector and empowering incumbents and employed people. CHIETA's scarce and critical skills aligned to the top ten occupations will be targeted in the 18 Career Guidance Events planned over the medium-term period. This will include giving career guidance on career pathways and education institutions where learners can study.

The CHIETA's Track and Trace System will allow for learners' CVs to be loaded for recruitment by member companies. The main focus is to make Career Guidance accessible to people in rural areas and promote Rural Development through Skills Development. Technology will be used to evoke interest in learners through innovative social media and online platforms and digital skilling. The CHIETA plans to provide support to over 50 000 learners by March 2025.

1.4 PROGRAMME 4: ETQA	
1.4.1 Purpose	To ensure the sustainability of the Chemical accreditation of service providers, the curriculum development of qualifications and the acceleration of certification
1.4.2 Budget	R10 000 000 (This budget forms part of the total Discretionary Grants Budget)

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Increased enrolments and completions of occupations in highdemand	Accreditation, registration of Assessors & Moderators quality assurance of learner achievements, workplace approvals and monitoring of skills development	Approved Workplaces including SETA endorsements.	75	85	30	40	50	50	50
		Quality Assurance of learner achievements are conducted per learning intervention.	250	200	210	201	201	201	201
		Assessors and moderators registered.	175	175	184	193	193	193	193

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2023/24	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
		Skills Development Providers are Accredited, re-accredited, and monitored, and Assessment sites /centers are approved for learnerships and skills programmes.	1	4	4	25	25	25	25
Baseline			501	464	419	459	469	469	469

1.4.4 Indicators, Annual and Quarterly Targets

OUTPUT INDICATORS		ANNUAL TARGET 2024/25	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
4.1	Approved Workplaces including SETA endorsements.	50	-	-	20	30
4.2	Quality Assurance of learner achievements are conducted per learning intervention.	201	-		100	101
4.3	Assessors and moderators registered.	193			93	100
4.4	Skills Development Providers are Accredited, re-accredited, and monitored, and Assessment sites. /centers are approved for learnerships and skills programmes.	25	-	-	-	25
Baseline		469	0	0	213	256

1.4.5 Explanation of planned performance over the Medium-Term Period

OUTCOME 2: Increased enrolments and completion of occupations in high demand Skilled and competent Chemical Industry entrepreneurs and Cooperatives

The ETQA will be implementing the development of a web-based Application with the approval and monitoring online platform to carry out remote workplace assessments and evaluations. The CHIETA will be able to review the application online and make comments directly into the web-based application (app) approvals will be performed through 4IR Digital Innovation Programmes over the medium-term period to ensure that workplaces are always in a state of readiness to implement all learnership and artisan development qualifications. CHIETA is already moving out of the space of the legacy qualifications to the new NOCC curriculum for artisan development. This process will continue over the medium-term period.

5 Financial Considerations

**3. OVERVIEW OF 2020
/2027 BUDGET AND MTEF
ESTIMATES**

**Table .Financial detail for
the Chemical Industries
Education and Training
Authority**

		Outcome			Current year	Medium Term Estimate		
	Audited	Audited	Audited	Audited	Current	Forecast	Forecast	Forecast
R Thousand	2019/20	'2020/21	'2021/22	'2022/23	'2023/24	'2024/25	'2025/26	'2026/27
Revenue								

Tax revenue								
Non-tax revenue	24.521	17.393	18.457	33.574	9.135	9.774	10.459	11.191
Other non-tax revenue	24.521	17.393	18.457	33.574	9.135	9.774	10.459	11.191
Fines penalties and forfeits								
Interest	7.215	6.917	12.895	26.175	3.161	3.382	3.619	3.872
Dividends		-	-	-	-	-	-	-
Rent on land		-	-					
Other non-tax revenue	17.306	10.476	5.562	7.399	5.974	6.392	6.840	7.318
Transfers received	533.483	369.533	586.565	620.618	642.625	687.619	735.752	787.255
Department of HET (SETAS only)	533.483	369.533	586.565	620.618	642.625	687.619	735.752	787.255
Skills Development Levies	533.483	369.533	586.565	620.618	642.625	687.619	735.752	787.255
Admin - 10% / 10.5%	70.019	48.505	76.860	81.461	81.414	90.661	97.007	103.798
Employer Grant Fund Levy- 20%	133.353	92.387	146.419	154.976	159.318	167.374	179.090	191.626
Discretionary Grants - 20% / 49.5%	330.111	228.641	363.286	384.181	401.893	429.584	459.655	491.831
Surplus motivation					362.285			
International donor organisations								
Total revenue	558.004	386.926	605.022	654.192	1.014.045	697.393	746.211	798.446
Expenses	69.302	93.012	79.538	91.294	110.089	90.661	97.007	103.798
Current expense	26.880	31.579	28.151	33.541	31.709	6.754	6.926	7.771
Compensation of employees	42.422	61.433	51.387	57.753	78.380	83.908	90.080	96.027

Salary & Wages	35.053	53.458	43.256	48.941	69.984	74.883	80.423	86.053
Basic salary	27.979	42.837	38.432	41.619	59.298	63.449	67.890	72.643
Performance rewards	5.767	8.054	4.383	7.990	8.851	9.471	9.885	10.576
Leave days	1.307	2.567	415	-685	1.835	1.963	2.648	2.834
Temporary staff			26	17				
Stay bonus								
Other non-pensionable allowances								
Social Contributions (employer contributions only)	7.369	7.975	8.131	8.812	8.396	9.025	9.657	9.974
Pension	4.768	5.180	1.469	5.841	5.579	5.858	6.268	6.348
Medical	2.265	2.465	6.276	2.565	2.658	2.791	2.987	3.196
UIF	336	330	386	406	359	376	402	430
Bargaining council								
Unions								
Insurance								
Post retirement benefits (Medical)								
Use of goods and services	26.880	31.579	28.151	33.541	31.709	6.754	6.926	7.771
Advertising	700	557	472	556	400	8	705	851
Advertising of posts								
Advertising (marketing)	700	557	472	556	400	8	705	851
Audit Fees	4.214	2.780	4.229	4.812	5.991	681	854	917
Internal	1.126	284	912	891	2.660	606	692	594
Forensic								
External	3.088	2.496	3.317	3.921	3.331	75	162	323

Other expenses	238	2.163	1.380	2.915	-	-	-	-
Board Costs	3.281	5.083	4.016	4.336	2.120	2.065	1.634	1.830
Board - Remuneration	2.150	3.490	2.657	2.930	989	102	107	110
Audit Committee remuneration	717	1.215	1.031	829	539	71	985	1.012
Board - Secretariat fees	414	378	328	577	592	12	542	708
Board - Committee fees		-		-	539	162	170	179
Bursaries (employees)								
QCTO Payment	3.597	3.874	2.502	3.660	4.318	2.630	2.492	2.772
Communication	895	694	718	953	1.000	40	45	117
Telephone	565	627	501	376	781	25	98	103
Cellphones	-	-	-	-	-	-	-	-
Postage & Courier	330	67	217	577	219	15	12	14
Satellite signals	-	-	-					
Other	-	-	3.999	4.590				
Computer services	1.325	2.309	714	714	1.131	102	108	128
SITA services	-	-	-	-	-	-	-	-
External service providers-Internet	1.325	2.309	714	714	3.124	102	108	128
Consultants, contractors and special services	12.630	14.119	10.121	11.005	16.749	1.228	1.088	1.156
Digitization	1.416	3.115			550	99	25	25
Other services	659	150	337	487	168	97	65	78
Insurance cost	122	108	160	95	335	85	84	89
Workshop	537	42	177	392		12	109	183

and meeting costs								
Item 1								
Item 2								
Item 3								
Entertainment								
Equipment less than R5000								
Inventory	580	507	741	778	1.120	85	23	23
Consumables								
Food and food supplies								
Fuel, oil and gas								
Parts and other maintenance material								
Stationery and printing	580	507	741	778	1.120	85	23	23
Restoration and fittings								
Other								
Legal fees	287	698	553	421	601	15	13	13
Loss or (Gains)								
Losses due to Fraud								
On Sale of Assets								
Forex								
Adjustments to Fair Value								
Other								
Maintenance and repairs	860	2.012	81	714	613	250	216	216
Buildings	120	1.087	-		121	130	137	137

IT Maitenance	740	925	81	714	492	120	79	79
Vehicles			-					
Equipment								
Operating leases	3.236	4.468	3.095	2.789	3.638	265	289	303
Rent-buildings	3.236	4.468	3.095	2.789	3.638	265	284	303
Rent-equipment								
Other								
Owned/ leasehold and property exp. (Establishment Costs)								
Transport - Motor Fleet								
Transport - Private Vehicles								
Other								
Printing and publication								
Professional bodies and membership fees								
Travel and Substinance	2.587	234	867	419	2.054	240	258	287
Air Travel - Air Tickets (Domestic)								
Air Travel - Air Tickets (International)								
Travel and Accommodation - Domestic	2.587	234	867	419	1.204	240	258	287
Accommodation - International					850			
Entertainment								
Other								

Training and staff development	1.152	1.214	1.947	1.947	994	150	158	165
Utilities	1.217	940	503	675	2.373	9	10	18
Water and electricity	1.217	940	503	675	2.373	9	10	18
Item 1								
Item 2								
Venues and facilities								
Project expenditure								
National Skills fund expenses								
Item 2								
Depreciation	636	781	1.997	2.775	4.304	18	32	28
Land								
Dwellings								
Non- Residential Buildings								
Investment Property								
Other Structures (Infrastructure Assets)								
Mineral & Similar Non - Regenerative Resources								
Capital Work in Progress								
Heritage Assets								
Biological Assets								
Computer equipment	363	325	722	1.351	3.418	5	6	8
Furniture and	140	170	193	257	189	3	9	6

Office equipment								
Other Machinery and equipment	84	164	176	262	82	2	8	7
Specialised military assets								
Transport Assets								
Computer Software	49	122	906	905	615	8	9	7
Valuables (e.g. works of art)								
Mastheads and Publishing titles								
Patents, Licences, Copyrights, Brand names & Trademarks								
Recipes, Formulae, Prototypes, Designs & Models								
Service and Operating Rights								
Other Intangibles								
Interest, dividends and rent on land	-	-	-	-	-	-	-	-
Interest								
Dividends								
Rent on land								
Transfers and subsidies	528.982	247.014	471.579	493.274	903.956	606.732	649.204	694.647
Employer Grant	124.937	82.414	128.971	137.264	158.521	166.537	178.195	190.668
Provincial government								
Municipalities								
Departmental								

agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public and private corporations	124.937	82.414	128.971	137.264	158.521	166.537	178.195	190.668
Nonprofit institutions								
Households								
Discretionary Grant	404.045	164.600	342.608	356.010	745.435	440.195	471.009	503.979
Provincial government								
Municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public and private corporations	377.912	153.116	315.994	331.172	693.428	409.484	438.148	468.818
7.5% Project Administration	26.133	11.484	26.614	24.838	52.007	30.711	32.861	35.161
Nonprofit institutions								
Households								
Transfers other than for skills development								
Provincial government								

Municipalities								
Rates and taxes								
RSC levie								
Other								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public and private corporations								
Non life insurance								
Other (Artisans)								
Non-profit institutions								
Households								
Total expenses	598.284	340.026	551.117	584.568	1.014.045	697.394	746.211	798.446
Surplus / (Deficit)	-40.280	46.900	53.905	69.624	-0	-0	0	0
Tax payment								
Outside shareholders Interest								
Cash flow summary								
Adjust surplus / (deficit) for accrual transactions	-40.280	46.900	53.905	69.624	-0	-0	0	0
Adjustments for:								
Depreciation	587	691	1.090	1.873	3.689	10	23	21

Interest	-17.306	-10.476	-13.119	-26.175	-5.974	-6.392	-6.840	-7.318
Amortisation	49	90	906	656	615	8	9	7
Net (profit) / loss on disposal of fixed assets	27	272	146	182	-	-	-	-
Other-Relating to grants		-	-	-	-	-	-	-
Operating surplus / (deficit) before changes in working capital	-16.643	-9.423	-10.977	-23.464	-1.670	-6.374	-6.808	-7.290
Changes in working capital	-51.316	46.379	27.076	-25.458	533	533	533	533
(Decrease) / increase in accounts payable	-50.480	47.968	27.632	-31.781	564	564	564	564
Decrease / (increase) in accounts receivable	-939	-2.149	865	2.218	-136	-136	-136	-136
Decrease / (increase) in inventory		518	-42	45				
(Decrease) / increase in provisions	103	42	-1.379	4.060	105	105	105	105
Cash flow from operating activities	-90.933	94.332	83.123	46.877	4.836	551	565	561
Transfers from government	-	-	-					
<i>Of which: Capital</i>								
<i>: Current</i>								
Cash flow from investing activities	-351	-7.397	-3.001	-6.077	-1.421	-1.492	-1.567	-1.645
Acquisition of Assets	-351	-7.397	-3.001	-6.077	-1.421	-1.492	-1.567	-1.645
Land								
Dwellings								
Non- Residential								

Buildings								
Investment Property								
Other Structures (Infrastructure Assets)								
Mineral & Similar Non - Regenerative Resources								
Capital Work in Progress								
Heritage Assets								
Biological Assets								
Computer equipment	-337	-1.375	-2.839	-6.077	-684	-718	-754	-792
Furniture and Office equipment	-22	-11			-563	-591	-620	-651
Other Machinery and equipment	-17	-144			-91	-96	-101	-106
Specialised military assets								
Transport Assets								
Computer Software	-	-5.879	-239		-83	-87	-92	-96
Proceed from disposal	25	12	77					
Mastheads and Publishing titles								
Patents, Licences, Copyrights, Brand names & Trademarks								
Recipes, Formulae, Prototypes, Designs & Models								
Service and Operating Rights								

Other Intangibles								
Other flows from Investing Activities		-	-	-	-	-	-	-
long term investments								
Proceeds from sale of assets								
Increase in term receivables								
Cash flow from financing activities		-						
Deferred Income								
Borrowing Activities								
Grants received		-						
Net increase / (decrease) in cash and cash equivalents	-91.284	86.935	80.122	40.800	3.416	-941	-1.001	-1.084
Balance Sheet Data								
Carrying Value of Assets	2.533	8.878	9.455	12.824	4.435	4.657	4.890	5.134
Land								
Dwellings								
Non- Residential Buildings								
Investment Property								
Other Structures (Infrastructure Assets)								
Mineral & Similar Non - Regenerative Resources								
Capital Work in Progress								
Heritage Assets								

Biological Assets								
Computer equipment	843	1.807	1.927	5.569	1.229	1.290	1.355	1.423
Furniture and fittings	1.084	914	1.665	1.978	308	324	340	357
Office equipment	556	350	300	502	466	489	514	539
Leasehold improvement			461	329				
Leasehold improvement								
Computer Software	50	5.807	5.102	4.446	2.432	2.554	2.681	2.815
Valuables (e.g. works of art)								
Mastheads and Publishing titles								
Patents, Licences, Copyrights, Brand names & Trademarks								
Recipes, Formulae, Prototypes, Designs & Models								
Service and Operating Rights								
Other Intangibles								
Long Term Investments	-	-	-	-	-	-	-	-
Floating								
Current								
1<5 Years								
5<10 Years								
>10 Years								
Cash and Cash Equivalents	256.467	343.960	424.070	464.870	420.877	253.160	252.161	252.161
Bank	256.457	343.950	424.056	464.860	420.873	253.159	252.160	252.160

Cash on Hand	10	10	14	10	4	1	1	1
Other								
Other								
Receivables and Prepayments	3.144	5.293	2.913	623	2.854	1.997	3.146	3.150
Trade Receivables	2.801	5.293	2.841	623	2.785	1.924	3.070	3.070
Inteseta Debtors		-			69	73	76	80
Deposit	143							
Skills Development Levy receivables	191							
Prepaid Expenses	-							
Other	9		72					
Inventory	548	30	72	26	88	96	97	97
Trade	548	30	72	26	88	96	97	97
Other								
Other								
Capital & Reserves	202.980	249.636	305.509	375.136	206.423	206.423	206.423	206.423
Admin Reserve	6.094	6.094	9.454	12.824	6.094	6.094	6.094	6.094
Accumulated Reserves								
Surplus / (Deficit)								
Prior Year Adjustments								
Other								
Employer Grant	-							
Discretionary reserve	196.886	243.542	296.055	362.312	200.329	200.329	200.329	200.329
Borrowings	-	-	-	-	-	-	-	-
Floating								

Current								
1<5 Years								
5<10 Years								
>10 Years								
Post Retirement Benefits	-	-	-	-	-	-	-	-
Present value of Funded obligations								
Unrecognised transitional liabilities								
Other								
Trade and Other Payables	51.454	96.678	122.943	91.161	50.664	49.697	50.319	50.972
Trade Payables	1.647	7.766	11.023	7.562	38.814	37.254	37.254	37.254
Accrued Interest								
Deferred income								
Skills Development Levy payables	49.807	88.912	111.920	83.599	11.850	12.443	13.065	13.718
Other payables								
Provisions	8.258	11.847	7.986	12.046	2.454	3.790	3.552	3.147
Provisions	1.307	2.567	7.986	12.046	1.464	1.537	1.614	1.695
Bonus provision	5.767	8.054	-	-	-	-	-	-
Advance Billing								
Other 1	1.184	1.226			990	2.253	1.938	1.452
Other 2								
Managed Funds (eg Poverty Alleviation Fund)	-	-	-	-	-	-	-	-
Poverty Alleviation Fund								
Regional Development Fund								

Third Party Funds								
Other 4								
Contingent Liabilities	-	-	-	-	-	-	-	-
Retirement Fund								
Housing Guarantee								
Other 1								
Other 2								

Expenditure Estimates

The total projected expenditure budget of R697 393 (R'000) is made up of R396 491 (R'000) in direct Discretionary Grant and Strategic Project expenses, R29 736 (R'000) in project administration expenses, R167 374 (R'000) in approved Mandatory Grants and R90 661 (R'000) in administration expenditure resulting in a zero net surplus/deficit. As per the Discretionary Grant Regulations, a maximum of 7.5% of discretionary grants spent can be utilized for the purposes of project management. The Mandatory Grant expenditure budget is based on a rebate of 20% of the SDL levy received for qualifying member companies participating in mandatory grants. Mandatory grants are based on the submission of a Workplace Skills Plan and Education and Training report in a manner and quality that is acceptable to the CHIETA as per the grant regulations.

Relating expenditure trends to strategic outcomes

The strategic outcomes-oriented goals of the CHIETA Strategic Plan are clearly defined into four strategic outcome-oriented goals. Administration is contextualized in the Annual Performance Plan as Programme One (1). The programmes in the Annual Performance Plan sets performance targets of the CHIETA for the upcoming budget year (2023/24) over the MTEF for each of our strategic objectives identified in part B of the CHIETA Strategic Plan. The budget allocations for the four programmes enable the CHIETA to achieve the performance indicators as set out in the Annual Performance Plan. The budget per programme is provided in the APP under each programme description.

The income and expenditure trends indicate how the budget and the MTEF allocations contribute to the CHIETA strategic outcome-oriented goals.

The budget is programme-based; funds are allocated to different initiatives based on priority and affordability. The priorities, upon which the budget allocations are affected, are aligned to the NSDP. Annual targets are set after reviewing the performance of the previous year and budget availability. A conservative approach has been implemented in setting the assumptions upon which the budget is based. This has been done to ensure that in the event of unanticipated occurrences, the budget will still remain feasible and delivery on the mandate is not compromised.

Discretionary Grants budgeting is in line with the costs of training to be provided on the committed initiatives. Mandatory Grants projections are based on estimated levy income and historic claim

ratio. Historically, administrative expenses and project administration expenses have been within the legislative threshold of 10.5% and 7.5% respectively and this trend has been projected going forward into the MTEF period with the exception of the 2020/21 financial year where these areas are projected to exceed the above thresholds due to the impact of COVID-19 and the four-month levy holiday.

Revenue

The key source of CHIETA revenue is Skills Development Levy (SDL) income contributed by levy paying member companies. As per the requirements of the skills development legislation, CHIETA member companies contribute 1% of their payroll to the South African Revenue Services (SARS) as a Skills Development Levy. SDL income received by SARS is transferred to the Department of Higher Education and Training (DHET), which then transfer 80% of the levies received to the relevant SETA and the balance of 20% to the National Skills Fund. The total projected revenue for the 2024/25 financial year is R697 393. Investment return is projected at R6 392 (R'000) and revenue from interest and penalties is projected at R6 382 (R'000). The total expenditure projection of R697 393 (R'000) is made up as follows in the projected budget.

Expenditure

- R439 358 (R'000) – 57% of the total budget in direct discretionary grant and project expenses
- R29 736 (R'000) – 4% of the total budget in project administration expenses, representing 8% of projected discretionary grant and project expenditure.
- R167 374 (R'000) – 24% of the total budget in mandatory grant expenses
- R90 661 (R'000) - 12% of the total budget in administration expenses

Key assumption of the budget projection for 2024/25

The above budget is based on the assumption that the industry has stabilised since the COVID-19 epidemic. The budget is therefore based on a resumption of normal SDL contributions from April 2024 by all organisations in the chemicals sector.

PROGRAMME NUMBER	PROGRAMME NAME	BUDGET ALLOCATION 2024/25
1	Administration	R 90 661 000
2	Research and Skills Planning	R 18 000 000
3	Learning Programmes and Projects	R 381 622 000
	Mandatory Grants	R 167 374 000
	Project Administration	R 29 736 000
4	ETQA	R 10 000 000
TOTAL		R 697 393 000

1. UPDATED RISK AND MITIGATION FROM THE STRATEGIC PLAN

The combination of innovation and accelerated performance has elevated management has elevated the focus on risk management. The following tables illustrate the developments in risk management from the institutional policy perspective.

Figure 7: Board macro strategic risk (STR 1 – STR 2)

STRATEGIC RISK DESCRIPTION	STRATEGIC RISK MITIGATION	ROOT CAUSE ANALYSIS	RESIDUAL RISK SCORE
<p>STR1 Inability to improve and sustain the required Governance and Internal Control environment</p> <p>STRATEGIC PLAN LINKAGE: Strategic outcomes 1 - 6 and Institutional Strategies 2,3,4 and 9 dealing with ICT, Risks, Monitoring and Evaluation, and SSP</p>	<ul style="list-style-type: none"> • Focussed SSP supported by clear strategic research agenda • Compliance to CHIETA Constitution and Charters • Regular GB assessment, Board capacity building and induction • Compliance to key legislative Frameworks - PFMA, NT,SDL, Labour Relations ,BBB-EE • MG disbursement in line with legislation • DG disbursement in line with Grant Regulations and strategic objectives with monitoring and reporting • ETQA Quality assurance/compliance framework • Ethics Management Framework • Functional Organizational Policy Framework • Annual Strategic Planning and Performance Planning, monitoring and reporting • ICT Governance Framework • Integrated HR Strategic Framework • Strategic stakeholder communication • Strategic Risk Management Framework • Accurate and complete AFS • Functional BCM Framework 	<p>CHIETA as a Schedule 3 PFMA institution need to deliver its mandate as per the Skills Development legislation in a transparent, performance driven and accountable manner. Adequate internal controls and governance best practices as per KING IV across the various business processes must be functional that instil trust and confidence with the Shareholder and broad CHIETA Stakeholder base. This potentially can have a catastrophic impact on CHIETA with regard to irregular /fruitless and wasteful expenditure, fraud/corruption and CHIETA being placed under administration by the Executive Authority</p>	10
<p>STR2 Inability to deliver on Vision 2025 Outcomes</p> <p>STRATEGIC PLAN LINKAGE: Strategic outcomes 1 -6 and Institutional Strategies 1,4,5,6 dealing with Innovation, Monitoring and Evaluation, Digital Transformation and Post Learning Absorption</p>	<ul style="list-style-type: none"> • Development of key macro indicators for vision 2025 • Development of delivery and milestone frameworks per financial year • Macro indicator dashboard • Regular monitoring and reporting to CEO and Governance structures 	<p>Vision statements can be meaningless if success of achievement is not defined in a focused manner that is understandable and owned by the organization on all levels in demonstrating innovation for impact to our stakeholder base</p>	8

STRATEGIC RISK DESCRIPTION	STRATEGIC RISK MITIGATION	ROOT CAUSE ANALYSIS	RESIDUAL RISK SCORE
<p>STR 3 Inadequate Skills Levy income to deliver optimally on core CHIETA mandate</p> <p>STRATEGIC PLAN LINKAGE: Strategic outcomes 1 and Institutional Strategies 1, 3 and 9 on Innovation, Risks and Stakeholder Management - 6</p>	<ul style="list-style-type: none"> Business and predictive analysis of funding forecasting scenarios for CHIETA Support to DHET in the BUSA matter Marketing of CHIETA services on a strategic digitized platform Stakeholder retention strategy and framework Exploring investment and co-funding opportunities within Industry and non-Industry Functional CEO Income Generation Committee 	<p>The current economic realities in South Africa is placing great strain on the bottom line of companies within the Chemical Industry, which potentially can impact CHIETA funding sustainability for the future given the legislated SETA funding model of skills levy contribution equal to 1% of payroll. The current drawn out battle between DHET and BUSA on SETA funding creates uncertainty around future financial sustainability</p>	15
<p>STR 4 Stakeholders not recognising CHIETA as an innovative, collaborative and strategic business partner</p> <p>STRATEGIC PLAN LINKAGE: Strategic outcomes 1 and Institutional Strategies 1, 3, 5,7, and 9 dealing Innovation, Risks, Digital Transformation, Regional outreach and Stakeholder Management -6</p>	<ul style="list-style-type: none"> MOA delivery and support build on digitized platform Effective and accurate disbursement of stakeholder payments Strategic Stakeholder Communication Framework Digitized CHIETA delivery platform 	<p>CHIETA is a stakeholder driven organization where the failure to sustain and develop innovative, performance driven digitized support and delivery platforms will have a severe impact on the CHIETA reputation, trust relationship and credibility with CHIETA stakeholder.</p>	10

Figure 8: Board macro strategic risk (STR 3 – STR 4)

Figure 9: Board macro strategic risk (STR 5)

STRATEGIC RISK DESCRIPTION	STRATEGIC RISK MITIGATION	ROOT CAUSE ANALYSIS	RESIDUAL RISK SCORE
<p>STR 5 Ineffective Cyber Security Framework</p> <p>STRATEGIC PLAN LINKAGE: Strategic outcomes 1 - 6 and Institutional Strategies 1, 2, 3,5 and 10 dealing with Innovation, ICT, Risk, Digital Transformation and Data Management</p>	<ul style="list-style-type: none"> In effective Cyber Security/Cyber security culture Functional and adequate ICT Security Architecture Organisational culture/awareness, supportive mindset by CHIETA Staff, stakeholders and governance structures Building digitized Skills/Capacity Gaps to deliver on new ways of work on digitized platforms within secure approach/environment Dedicated investment into a Digitization Strategic Framework Ethical utilization of information (POPIA and PAIA) Alignment with CHIETA Strategy and delivery Regular network vulnerability assessment and continuous improvement plans Development, monitoring and reporting on a Digitization Strategy Functional CHIETA Digitization Steering Committee 	<p>The CHIETAs delivery platforms are moving to a digitized approach to enhance operational effectiveness, stakeholder satisfaction, organizational performance and convenience to CHIETA Stakeholders.</p> <p>With the opportunity presented by new digitized platforms also comes the enhanced threats of cyber - attacks and cyber terrorism.</p> <p>This directly impact credibility and trust with CHIETA Stakeholders to receive reasonable assurances in that personal and private information are well secured, and that no significant downtime will be experienced in rendering quality digitized CHIETA services and deliverables to CHIETA stakeholders.</p>	15

Figure 10: Five strategic risk and mitigation plans

TOP FIVE EMERGING RISKS	RESIDUAL RISK SCORES	RISK MITIGATION PLANS
1. Rolling mass action and riots in response to current socio – economic realities. Rising inflation, unemployment, poverty, food prices/food security and protracted loadshedding is a becoming a toxic mix for widespread and sustained social unrest. This also now aggravated by water supply and quality of water infrastructure	VERY HIGH	<ul style="list-style-type: none"> • Closer collaboration with CHIETA subsectors on business continuity plans and disaster management plans to gather business intelligence as it relates to CHIETA MOA deliverables, risk resilience, risk agility, and early warning. • Determine tolerance profile of companies/MOAs in event of disruptive events.
2. Secondary sanctions against South Africa amid heightened Geo - Political polarisation with potential consequences of greater capital outflow, declining market depth and liquidity. Impact on Chemical companies who are largely import driven and impact on financial sustainability and/or financial decline	HIGH	<ul style="list-style-type: none"> • Close collaboration with stakeholders on potential impact with early warning and agility in terms of MOA deliverables and agreed performance targets. • Optimal engagements with collective stakeholder structures within CHIETA to gather business intelligence and potential response plans
3. Increased levels of Cyber Security threats as CHIETA Stakeholders and CHIETA embrace more digitized manufacturing and organizational delivery processes	HIGH	<ul style="list-style-type: none"> • Regular Network vulnerability assessment and mitigation • Increased staff and stakeholder awareness • Close collaboration with stakeholders on their respective Disaster Recovery and Business continuity plans and frameworks
4. Increased Macro-economic challenges such as weak GDP growth, rising global inflation, rising cost of living, employment and livelihood crises and Industrial action from organised labour	VERY HIGH	<ul style="list-style-type: none"> • Closer collaboration with CHIETA subsectors on Industrial Action Management Plans with forecasting/planning on MOA deliverables • Linkage with industry representatives on CHIETA Governance structures for gathering business intelligence to support skills development planning and agile execution.
5. SA Energy crisis with maintained and/or higher levels of loadshedding levels and potential grid collapse of loadshedding with severe impact on manufacturing processes.	VERY HIGH	<ul style="list-style-type: none"> • Placing collaboration as central towards accelerating new generation capacity, incentivising hydrogen economy, solar and alternative energy sources. • Close collaboration with stakeholders on CHIETA MOA and skills development planning.

Table 6: CHIETA outcomes risk mitigation

OUTCOME	KEY RISK	RISK MITIGATION
1. A compliant, high-performance CHIETA that is well-capacitated to improve workforce productivity and enhance labour market prospects of employees for sustainable livelihoods	1.1 Reduction in CHIETA Skills Levy and available discretionary grant for skills development	<ul style="list-style-type: none"> • Effective Marketing and • Digitisation Strategy to recruit new member companies and retain current member companies. • Cost containment management plan • Co-funding models with industry
	1.2 Non-compliant with primary skills development and financial legislation	Integrated Legal Compliance Risk Management Framework builds on Combined Assurance
	1.3 Unable to meet agreed targets with the Executive Authority	Pro-active monitoring and line of sight reporting and mandating processes with DHET
	1.4 The potential impact of the BUSA Court Ruling on CHIETA financial capacity	Participation through the office of CEO in assisting DHET in current engagements with BUSA with strategic and operational input and predictive analysis
	1.5 Closure/Restructuring of member companies	Industry intelligence to pro-actively manage in support of resilience and agility
	1.6 Closure of Training Providers	Industry intelligence to pro-actively manage in support of resilience and agility
2. Increased enrolments and completion of	2.1 Inability of employers to honour MOA and deliver	<ul style="list-style-type: none"> • Pro-active monitoring of MOAs by CHIETA regional offices

OUTCOME		KEY RISK		RISK MITIGATION
	occupations in high demand		responsibilities due macro environmental challenges	<ul style="list-style-type: none"> • Early warning systems through regional offices to Head Office • Pro-active Risk Intelligence gathering with predictive analysis
		2.2	Reduction in available workplaces for training	<ul style="list-style-type: none"> • Focused Workplace approval Plan/targets by ETQA • SETA Collaboration with other relevant SETAs for maximum benefit on available workplaces
		2.3	Restructuring in Industry affecting enrolments and completions	<ul style="list-style-type: none"> • Engagements with Industry/sub-sectors to identify potential and planned restructuring and impact on CHIETA MOAs • Pro-active measures to place learners at alternative employers and funding allocation
		2.4	Lack of industry baseline data for monitoring, root cause analysis and reporting	<ul style="list-style-type: none"> • Functional database for tracking and monitoring within sub-sectors to inform trend analysis, root cause and agile correction by CHIETA
		2.5	Misalignment of companies not applying for DG's against occupations and qualifications in high demand	<p>Focused DG funding windows against specific occupations and qualifications in high demand-DG Funding matrix</p> <p>Granular DG funding windows</p>
		2.6	Reduction in DG available and co-funding support from employers	<ul style="list-style-type: none"> • Predictive scenario analysis on DHET/BUSA scenarios • Focused marketing strategy to attract new members built on CHIETA offerings and digitized platforms • CHIETA Retention Strategy and protocol • Focused and deliberate prioritisation of DG funding areas
3.	Seamless work integrated learning between training institutions and employers	3.1	Lack of confidence by Industry in the capability of TVET Colleges	<ul style="list-style-type: none"> • Through successful collaboration with TVETs assist TVET College to change Industry perception • Canvas for Industry representation on TVET Governance structures
		3.2	Poor uptake by learners for WIL	<ul style="list-style-type: none"> • WIL appetite assessments through regional offices with root causes and risk treatments responses • Incentivising WIL uptake through improved DG allocation rates
		3.3	Lack of accredited workplaces for WIL	<ul style="list-style-type: none"> • Workplace approval risk assessment with root cause and mitigation • Workplace approval APP with targeted numbers per sub-sector
4.	Improve workplace productivity and diversity through structured industry knowledge and capacity building	4.1	Slow or non-response from Industry to capitalize on requirement and opportunities in 4IR	<ul style="list-style-type: none"> • Focused CHIETA Research Agenda to facilitate and guide areas of opportunity • Strategic Industry engagements forums per sub-sector to gather business intelligence and alignment
		4.2	Lack of focused DG and Strategic Projects funding to support transformational	<ul style="list-style-type: none"> • Targeted and ring fenced DG allocation of learning interventions towards youth, female, rural and disabled learners

OUTCOME		KEY RISK	RISK MITIGATION
		priorities	<ul style="list-style-type: none"> Impact studies and measurement on sustainability
		4.3 Misaligned Sector Skills Plan	<ul style="list-style-type: none"> Effective data analysis of annual WSP and trend analysis Stakeholder intelligence gathering through CHIETA Chambers Independent validation and business intelligence through CHIETA commissioned research
		4.4 Low completion rates of learning interventions	<ul style="list-style-type: none"> Regional MOA monitoring and post mortem analysis with employers and learners Impact assessments with root cause and remedial recommendations
		4.5 Increased number of learner drop outs	<ul style="list-style-type: none"> Increased contact sessions with employers, learners and providers to establish root cause and corrective action Regular monitoring of MOAs by regional offices for early warning and intervention Minimum threshold of absorption in MOAs
		4.6 Learner absorption rates below the CHIETA Impact thresholds as per Vision 2025	<ul style="list-style-type: none"> Targeted and ring fenced DG allocation and incentives/co-funding for WIL coupled with absorption with employer Social accord discussions with employers
		4.7 Ineffective and reduced workplaces	<ul style="list-style-type: none"> Workplace approval plan and targeted approach Root cause analysis of barriers and opportunities to assist employers Collaboration with other SETAs for utilisation of workplaces
		4.8 Ineffective Skills Planning	<ul style="list-style-type: none"> Focused research and business intelligence on sub sector growth areas in support of relevant skills development
		4.9 Industry and CHIETA Financial constraints	<ul style="list-style-type: none"> Structuring of Co-funding partnerships with Industry Sponsorship's and investments from non-Industry partners Marketing of CHIETA services build on digitised delivery platform Skills Levy Payer retention framework
		4.10 Ineffective mobility of learners between career paths and changing business needs in a 4IR environment	<ul style="list-style-type: none"> Targeted and specialized skills programme to ensure agility and movement between careers, new generated skills and occupations for the future
5.	Improved support for TVET and CET colleges through effective career and vocational guidance system	5.1 Lack of industry confidence in TVET and CET Colleges	<ul style="list-style-type: none"> DHET/CHIETA /Industry collaboration to enhance effectiveness of TVETs Industry representation on TVET Governance structures
5.2 Inadequate funding and infrastructure at some TVET and CET Colleges		<ul style="list-style-type: none"> DHET/CHIETA collaboration to understand funding plan to TVETs and CHIETA contribution or role in it. 	
5.3 Lack of quality TVET lecturers with reference to practical exposure		<ul style="list-style-type: none"> Focused funding of capacity building of TVET lecturers Industry collaboration and MOAs for practical 	

OUTCOME		KEY RISK		RISK MITIGATION
				exposure
		5.3	Insufficient funding for WIL	<ul style="list-style-type: none"> • Prioritise and dedicated DG funding windows • Predictive analysis and planning of WIL budget to structure delivery and expectation
6.	Skilled and competent Chemical industry entrepreneurs and cooperatives	6.1	Lack of focus on SSME start-up businesses with biased towards youth and female business owners	<ul style="list-style-type: none"> • Conceptualization of Strategic CHIETA Projects for start-up businesses with focused funding/co- funding, collaboration with investment partners • Targeted approach for start-up businesses per financial year to track and report progress

2. PUBLIC ENTITIES

None.

3. INFRASTRUCTURE PROJECTS

Infrastructure Projects includes Smart Skills Centres with a total estimated budget of R12 million

4. PRIVATE PARTNERSHIPS (PPPs)

None

PART C: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

TIDs separately attached.

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

Annexure A: Amendments to the Strategic Plan

There are currently no amendments to the Strategic Plan. The development of revised behavioural standards for the newly adopted organisational values is currently work in progress. Once concluded, the necessary updates will be effected accordingly.

Annexure B: Conditional grants

None

Annexure C: Consolidated indicators

None

Annexure D: District Development Model

None

ADDITIONAL CHIETA SPECIFIC ANNEXURES:

Annexure A1: Chemical Industries Top Ten Sectoral Priority Occupations

SETA NAME	Period	Occupation Code	Occupation	Intervention(s) Planned	NQF Level	NQF Aligned (Y/N)	Quantity needed	Quantity to be supported
CHIETA	2024/25	2021-671101	Electrician	Apprenticeships, Learnerships, RPL	4	Y	4 335	2 183
CHIETA	2024/25	2021-651302	Boiler Maker	Apprenticeships, Learnerships, RPL	4	Y	1 248	359
CHIETA	2024/25	2021-214501	Chemical Engineer	Bursaries, Work Integrated Learning	6	Y	1 240	380
CHIETA	2024/25	2021-671202	Millwright	Apprenticeships, RPL - Artisan Related	4	Y	962	262
CHIETA	2024/25	2021-651202	Welder	Apprenticeships Grant, Learnerships Grant - Artisan Related, RPL - Artisan Related	6	Y	4 352	792
CHIETA	2024/25	2021-214401	Mechanical Engineer	Bursaries, Work Integrated Learning	4	Y	1 670	332
CHIETA	2024/25	2021-213302	Environmental Scientist	Bursaries, Work Integrated Learning	6	Y	473	121
CHIETA	2024/25	2021-211301	Chemist	Bursaries, Work Integrated Learning	6	Y	1 354	480
CHIETA	2024/25	2021-311101	Chemistry Technician	Bursaries, Work Integrated Learning	4	Y	201	38
CHIETA	2024/25	2021-653303	Mechanical Fitter	Apprenticeships, Learnerships, RPL	6	Y	1 985	512

Annexure B1: List of hard-to-fill vacancies in the Chemicals Industry (2023)

OFO Group	Occupation Code	Occupation Name	Number of Organisations (Indicated vacancy amount)	Total Weighted Vacancies	Number of people employed in the occupation across the sector (Weighted)	Total Positions (Vacancies + Employed)	Vacancy Reason
Managers	121201	Human Resource Manager	7	12	530	542	Poor remuneration
	132102	Sales and Marketing Manager	7	10	989	999	Unable to find suitable candidates that meet the inherent requirements of the job
	132106	Manufacturing Quality Manager	10	33	85	118	Market related remuneration
	132104	Engineering Manager	4	8	518	526	Unsuitable job location
	132107	Quality Manager	3	5	373	378	It is a very specialised and rare skilled position
Professionals	213202	Agricultural Scientist	3	3	161	164	Lack of suitable candidates
	214101	Industrial Engineer	11	11	265	276	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject Specialisation)

OFO Group	Occupation Code	Occupation Name	Number of Organisations (Indicated vacancy amount)	Total Weighted Vacancies	Number of people employed in the occupation across the sector (Weighted)	Total Positions (Vacancies + Employed)	Vacancy Reason
	214401	Mechanical Engineer	5	5	345	350	Lack of relevant experience
	214502	Chemical Engineering Technologist	3	10	115	125	Lack of relevant qualifications
	214907	Materials Engineer	3	3	27	30	Lack of relevant qualifications
	226202	Industrial Pharmacist	6	7	822	829	Retention is very low as the industrial pharmacy environment is very different to university or retail pharmacy
	241101	General Accountant	6	13	271	276	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject specialization)
	242213	Regulatory Affairs Officer	5	5	373	378	Equity considerations
	243102	Market Research Analyst	5	5	143	148	Lack of relevant experience
	243301	Industrial Products Sales Representative	6	6	861	867	Suitable candidates with Specialised

OFO Group	Occupation Code	Occupation Name	Number of Organisations (Indicated vacancy amount)	Total Weighted Vacancies	Number of people employed in the occupation across the sector (Weighted)	Total Positions (Vacancies + Employed)	Vacancy Reason
							Lubrication Knowledge and experience
	243302	Medical and Pharmaceutical Products Sales Representative	5	5	2 465	2 470	Lack of experience
Technicians and associate professionals	311101	Chemistry Technician	7	12	2 354	2 366	Lack of relevant experience
	332207	Chemical Sales Representative	7	9	1 113	1 122	Very specific field knowledge, experience and understanding of areas
Skilled and related workers	671202	Millwright	8	9	349	354	Competitive salaries



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT

entered into by and between

DEPARTMENT OF HIGHER EDUCATION & TRAINING

(hereinafter referred to as the “DHET” represented by Dr N Sishi, duly authorised thereto by virtue of his capacity as the Director-General,

and

CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY

(hereinafter referred to as “SETA” represented by Ms Wezi Khoza duly authorised thereto in his/her capacity as Accounting Authority (Chairperson)

1. *PURPOSE OF THE SERVICE LEVEL AGREEMENT*

This Service Level Agreement (SLA) is entered into between the above-mentioned parties to agree on the targets required by the SETA in performing its statutory functions, meeting the National Skills Development Plan (NSDP) principles, outcomes and output indicators in implementing its Strategic Plan (SP) and Annual Performance Plan (APP).

2. *DURATION OF THE SERVICE LEVEL AGREEMENT*

The SLA is entered into for the period of 01 April 2024 to 31 March 2025.

3. *OBLIGATIONS OF THE SETA*

3.1 The SETA undertakes to:

- 3.1.1 perform its functions as required by the Skills Development Act No, 97 of 1998 as amended (SDA), Skills Development Levy Act No.9 of 1999 (SDL), Public Finance Management Act No. 1 of 1999 (PFMA), and all Related Regulations (RR), notices and guidelines promulgated currently and in the future and other related legislation;
- 3.1.2 implement the approved SP, APP, and budget;
- 3.1.3 provide ad hoc reports that may from time to time be required by the Minister, Cabinet and Parliament within specified timelines;
- 3.1.4 address all findings raised by the Auditor-General South Africa (AGSA) in the previous financial year;
- 3.1.5 achieve all NSDP SLA targets, as failure to do so may result in the Department of Higher Education and Training (DHET) recommending to the Minister, implementation section 14 of the SDA, subsequently section 15;
- 3.1.6 advance economic growth, job creation and labour market development drivers through skills in current and future skills needed for development in technological advancement and digitalisation (4th Industrial Revolution);
- 3.1.7 submit Quarterly Skills Education and Training Management Information System (SETMIS) Reports and Annual Reports (AR) in accordance with National Treasury (NT), Department of Planning, Monitoring and Evaluation

(DPME) and DHET requirements, including reporting on Sector funded interventions;

- 3.1.8 establish policies, processes and systems for credible research, monitoring, reporting and evaluation to support evidence based planning decisions (including the development of Sector Skills Plan (SSP), SP, APP) and operational decisions;
- 3.1.9 conduct tracer and impact evaluation studies inclusive of but not limited to determining employment (including self-employment) absorption rates of unemployed learners completing the SETA's priority occupations;
- 3.1.10 integrate in its interventions targets for women, differently-abled persons, youth, rural and other economically excluded beneficiaries;
- 3.1.11 establish a functional operational structure and staff establishment appropriate to the size of the sector, levy income and the administration budget limit thereof;
- 3.1.12 establish collaborations to implement the approved SP and APP including but not limited to partnerships with departments and public entities at all three spheres of government, inter SETA partnerships, public – private partnerships, and other organisations as permitted by the SDL Acts, RRs and the SETA Grants Policy;
- 3.1.13 support the imperatives contained within Job Summit Agreements and the temporary employee and employer relief scheme through delivery of flexible programmes that ensure that young people are suitably prepared and skilled to fill every entry level roles, particularly where companies need to scale their operations, these may include inter alia work readiness programme, short courses (accredited or non-accredited) that allow candidates to respond to changing economy;
- 3.1.14 support the collaboration in the establishment of public college Centres of Specialisation in partnership with employers and labour organisation.
 - 3.1.14.1 ring-fence grants annually and allocate as employers become available to take apprentices for Centres of Specialisation (CoS).

3.1.14.2 prioritise the allocation of grants and report to DHET on the results annually.

3.1.15 support the implementation of rural development programmes for women, youth and people with disability;

3.1.16 support the revitalisation of rural and townships to uplift local economy through skills development;

3.1.17 provide financial support to World Skills South Africa;

3.1.18 the SETA Discretionary Grant (DG) Policy to include a provision for unsolicited proposals to enable flexibility and responsiveness to emerging needs of the Economic Reconstruction and Recovery Plan (ERRP), the Presidential Youth Employment Intervention (PYEI), and other government related priority projects. These projects will be guided by any of the interventions listed in the ERRP Skills Strategy which outlines a set of core interventions that allow for responsiveness to current and emerging opportunities in ways that build the system.

3.1.19 the SETA will meet one hundred percent (100%) of its TVET Graduate Placement targets by 31 December 2022.

3.1.20 the SETA will endeavor to meet at least twenty-five percent (25%) of its targets in every quarter and quarterly reports will be submitted to the Department to track progress on the implementation of set targets.

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
1. Identify and increase production of occupations in high demand	1.1 National enrolment and resource ratios for the high, intermediate and elementary skills level.	Percentage of discretionary grant budget allocated at developing high level skills	55%	55%	None
		Percentage of discretionary grant budget allocated at developing intermediate skills	44%	44%	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
		Percentage of discretionary grant budget allocated at developing elementary skills	1%	1%	None
	1.4 Identification of interventions required to improve enrolment and completion of priority occupations:	Number of WSPs and ATRs approved for Small firms	320	320	None
		Number of WSPs and ATRs approved for Medium firms	170	170	None
		Number of WSPs and ATRs approved for Large firms	120	120	None
		Number of sector research agreements signed for TVET growth occupationally directed programmes	1	1	None
		Number of learners who completed workplace based learning programmes absorbed into employment or self-employment (Trace and Trace)	1	1	None
		Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	1	1	None
		Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	1	1	None
		Number of people trained on entrepreneurship supported to start their business.	55	60	None
2. Linking education and the workplace	2.1: Opening of workplace-based learning opportunities increased	Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	1285	1285	None
		Number of TVET students completed their work integrated	642	642	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
		learning placements.			
		Number of people enrolled in CET Internships	0	0	None
		Number of people completed CET Internships	0	0	None
		Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	93	93	None
		Number of university students completed their Work Integrated Learning placements	46	46	None
		Number of unemployed learners enrolled Internships	615	615	None
		Number of unemployed learners completed Internship	322	322	None
		Number of unemployed learners enrolled Skills programmes	1395	1395	None
		Number of unemployed learners completed Skills programmes	723	723	None
		Number of unemployed learners enrolled Learnerships programmes	1085	1085	None
		Number of unemployed learners completed Learnerships programmes	565	565	None
		Number of unemployed learners enrolled for Candidacy programmes	78	78	None
		Number of unemployed learners completed Candidacy programmes	15	15	None
3. Improving the level of skills in the South African	3.1: To increase workers participating in various learning	Number of workers enrolled in Learnerships programmes	671	671	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
workforce	programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.	Number of workers completed Learnerships programmes	336	336	None
		Number of workers granted Bursaries (new entries)	50	50	None
		Number of workers granted Bursaries (continuing)	51	51	None
		Number of workers granted Bursaries completed their studies	30	35	None
		Number of workers enrolled Skills programmes	1188	1200	None
		Number of workers completed Skills programmes	594	594	None
		Number of workers enrolled AET programmes	250	280	None
		Number of workers completed AET programmes	138	140	None
		4. Increase access to occupationally directed programmes	4.2: Increase access for Intermediate and high level skills	Number of artisan learners enrolled	1083
Number of artisan learners completed	595			595	None
Number of unemployed learners granted Bursaries (new enrollments)	0			0	None
Number of unemployed learners granted Bursaries (continuing)	210			220	None
Number of unemployed learners granted Bursaries completed their studies	25			30	None
Number of learners enrolled RPL/ARPL	500			600	None
Number of learners completed RPL/ARPL	200			200	None
Number of TVET partnerships established	14			16	None
Number of HEI partnerships	3			3	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
		established			
		Number of CET partnerships established	4	5	None
		Number of SETA-Employer partnerships established	120	130	None
5. Support the growth of the public college system	5.1: Support the TVET Colleges	Number of SETA offices established and maintained in TVET colleges	2	2	None
		Number of Centres of Specialisation supported	5	5	None
		Number of TVET Lecturers exposed to the industry through Skills Programmes	105	105	None
		Number of Managers receiving training on curriculum related studies (TVETs)	0	0	None
		Number of TVET colleges Lecturers awarded Bursaries (Continuing)	50	50	None
		TVET colleges infrastructure development (equipment/workshops)	0	0	None
	5.2 Support the CET Colleges	Number of CET colleges lecturers awarded skills development programmes	75	100	None
		CET colleges infrastructure development support (equipment/workshops/Connectivity/ ICT)	0	0	None
		Number of Managers receiving training on curriculum related studies (CETs)	0	0	None
		Number of CET learners accessing AET programmes	75	100	None
6. Skills development	6.1: To increase skills development	Number of cooperatives funded for skills that	110	120	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
support for entrepreneurship and cooperative development	support for entrepreneurial activities and the establishment of new enterprises and cooperatives	enhance enterprise growth and development			
		Number of small businesses funded for skills that enhance growth and development	550	600	None
		Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities.	85	90	None
7. Encourage and support worker initiated training		Number of Federations /Trade Unions supported through the relevant skills training interventions	4	5	None
8. Support career development services		Number of Career Development Events completed in urban areas on occupations in high demand	3	3	None
		Number of Career Development Events completed in rural areas on occupations in high demand	3	3	None
		Number of Career Development Practitioners trained	0	0	None
		Number of capacity building workshops on Career Development Services initiated	0	0	None
9. Governance		Quarterly SETA Good Governance report	4	4	None
10. Rural Development		Number of Rural Development	10	10	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
		Projects initiated			

3.2 achieve all targets for the planning period as reflected in the table below:

4. **NOTE:** Sector-funded targets are funded from the ETQA Budget. The CHIETA supports the number of learners from industry /sector through the services offerings of the CHIETA ETQA (SST support & QALA Reports from CHIETA Subject Matter Experts). The CHIETA employs a fully functional ETQA Business Unit as a support service to Industry and the sector. These relate to Learnerships entered & completed (Employed & Unemployed) and Artisan entered and completed and included in the APP targets. CHIETA has included the Sector funded learners and SETA- funded learners on the 2024/25 APP and will report these learners accordingly.

5. OBLIGATIONS OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

5.1 The Department undertakes to:

5.1.1 consult the SETA on policy and strategic matters that may affect the functioning of the SETA;

5.1.2 specify timelines for the submission of adhoc reports;

5.1.3 continuously and timeously inform the SETA of any changes to legislation, regulations, policies and strategies that impact on the strategy and functions of the SETA and provide guidance for implementation;

5.1.4 provide the SETA with guidance on strategic planning documents and any matter that may be requested by the SETA in relation to its functions;

5.1.5 provide support to SETA where applicable in performing its functions and responsibilities;

5.1.6 validate and verify the accuracy of reports submitted by SETA and provide feedback quarterly.

6. GENERAL

In-year amendments to the approved Service Level Agreement are not encouraged.

SIGNED AT Midrand **ON THIS** ____ **DAY OF** 2023

CHAIRPERSON (Represented by Wezi Khoza who warrants that he/she is duly authorised to this agreement)

SIGNED AT ON THIS DAY OF 20

DIRECTOR-GENERAL (Represented by **Dr N Sishi**, duly authorised thereto)

Acronyms and Abbreviations

AET	Adult Education Training South Africa
AGSA	Auditor-General
APP	Annual Performance Plans
VARPL	Artisan Recognition of Prior Learning
ATRs	Annual Training Reports
CBO	Community Based Organisations
CET	Community Education and Training Colleges
CoS	Centres of Specialisation
DG	Director General of Higher Education and Training
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
ICT	Information Communication Technology
INDLELA	National Development of Learnerships, Employment Skills and Labour Assessment
4 IR	4th Industrial Revolution
M & R	Sub-directorate: Monitoring and Reporting of the (SETA Performance Management)
Minister	Minister of the Department of Higher Education and Training
NC (V)	National Certificate (Vocational)
NGO	Non-Government Organisation
NPO	Non-Profit Organisation
NSDP	National Skills Development Plan
NT	National Treasury
PFMA	Public Finance Management Act No. 1 of 1999
RPL	Recognition of Prior Learning
RR	Related Regulations
SDA	Skills Development Act No, 97 of 1998 and Skills Development Levy Act No.9 of 1999
SDLA	Skills Development Levy Act No.9 of 1999
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SP	Strategic Plans
SPM	SETA Performance Management of the DHET
SSP	Sector Skills Plans
TR	Treasury Regulations
TVET	Technical and Vocational Education and Training (formerly FET) Learning
WBLPAR	Workplace Based Learning Programme Agreement Regulation
WIL	Work Integrated
WSPs	Workplace Skills Plans

Annexure D1: Materiality & Significance Framework



CHIETA MATERIALITY & SIGNIFICANCE FRAMEWORK

1. Materiality and Significance

Framework Objective

The policy is intended to determine material & significant events that warrant disclosure by the Accounting Authority to:

- The Executive Authority / legislature;
- The National Treasury;
- The Office of the Auditor General

Therefore, events of a similar nature as considered material & significant but does not constitute material & significant will be managed “in-house” by the Accounting Authority in terms of formal inquiries & disciplinary processes defined by the Human Resources policies and procedures.

Legal Framework

In terms of Treasury Regulations, section 28.1.5, issued in terms of the Public Finance Management Act, Act No. 1 of 1999, and the Accounting Authority must develop and agree a framework of acceptable levels of Materiality and significance with the relevant Executive Authority in consultation with the external auditors.

The specific sections of the Public Finance Management Act that is relevant to:

Materiality is: -

Section 50(1)(c) – “The Accounting Authority for a public entity must on request, disclose to the Executive Authority responsible for that public entity or the legislature to which the public entity's accountable, all material facts, including those reasonably discoverable, which in any way influence the decision or actions of the Executive Authority or that legislature.”

Section 55(2)(b) (i) – “The annual report and financial statements must include particulars of any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.”

Section 66(1) – “An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security, or other transaction –

Is authorized by this Act; and

In the case of public entities, is also authorized by other legislation not in conflict with this Act; and In the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act, 1996 (Act No. 48 of 1996).”

Significance is: -

Section 54(2) – “Before a public entity concludes any of the following transactions, the Accounting Authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for approval of the transaction –

Establishment or participation in the establishment of a company.

Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement. Acquisition or disposal of a significant asset.

Commencement or cessation of a significant business activity; and

A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.”

Factors considered in developing the Framework

The following factors were considered in determining the framework:

Nature of the business

Given the nature of the organization's activities i.e. –

The creation and registration of national standards and qualifications in the sector and sub-sectors. To curricula, assess, certify and manage performance in the sector to ensure targeted and generic service skills.

To ensure that a quality learning provision is maintained throughout the sector.

To create and maintain a database to target generic and specific skills development. To engage in learnerships and skills programme activities.

To implement the sector skills plan; a lower level of Materiality is considered appropriate.

Statutory Requirements

The organization is a public entity, as contained in schedule 3A of the Public Finance Management Act, and as such is governed by legislation applicable to government entities. Such legislation are therefore prepared in terms of good corporate governance and is intended to govern finance, supply chain management, asset management, etc. within the organization. In light of this, the probability of a material or significant infringement is considered unlikely.

Governance Structure

The Accounting Authority (Governing Board) is represented by its stakeholder's i.e., organized employer and employee representation from the sector. The Accounting Authority, in terms of legislation is accountable for the performance and governance of the organization to the Executive Authority. In terms of governance, the organization is further directed by the Audit Committee (external members), the external auditors (the Auditor General's office), and the internal auditors (external firm of auditors).

In view of the external participation in the operations of the organization, it is considered appropriate to have a lower level of Materiality.

Control and Inherent Risks

The following factors were examined in determining the control and inherent risk in the organization: Annual risk assessment. Three-

year internal audit plan. Fraud prevention plan.

Appropriate procurement policy and modalities.

The implementation and adoption of a quality management system.

Technical competence, skills and experience of staff engaged in the decision-making process. Structure of the Audit Committee with reference to the King Code of Corporate Governance. In terms of the control and inherent risks, a lower level of Materiality is considered appropriate.

Qualitative Factors

Materiality is only related to the size of and the elements of the financial statements. Misstatements that are large individually or in aggregate may affect a reasonable user's assessment. Misstatements may also be material on qualitative grounds. The organization has considered the following qualitative factors:

Unusual transactions entered into that are not of a repetitive nature and are disclosed due to the nature and the knowledge thereof affecting the decision-making of the users of financial statements. Sizable increase in the stakeholder base i.e. more member companies contributing SDL to the organization;

Fraudulent or dishonest behaviour of ALL officers or staff of the organization. Any rand value will warrant disclosure.

Operations in regions that are economically unstable or the expansion into new locations. Operations exposed to volatile markets.

Going concern and liquidity including loss of significant stakeholders. Constraints on the availability of capital and credit.

Changes in the industry in which the entity operates. Developing or offering new products or services.

Entities or business segments likely to be traded or lost. Complex alliances and joint ventures.

Changes in key personnel including departure of key executives. Changes in the IT environment.

Pending litigation and contingent liabilities.

Public accountability to stakeholders, parliament, auditors and the community at large. The sensitivity of the organization's financial information in making decisions.

Inadequate policies and procedures to mislead users. Material infringement of legislation.

The imposition of regularity restrictions that can impair operating capabilities. Any transaction entered that could result in reputation risk.

Application of new or changes in accounting policy.

1.1 Materiality Definition

Information is material if its omission or misstatement could influence the economic decisions of users taken based on the financial statements. Materiality depends on the size of the item or error judged in the circumstances of its omission or misstatement. Thus, Materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful.

Materiality Level

The level of a material loss is assessed at 1% of budgeted total revenue (NSF revenue and VAT excluded, includes levy income, interest and penalties and any other income).

Different levels of Materiality can be used and the decision to use a conservative level of 1%, irrespective of whether the transaction / event relates to assets, liabilities, or reserves, is based on the fact that the total assets of the organization is not considered to be an indicator of performance as the organization is not an asset intensive entity and the revenue component is selected as a basis for the Materiality calculation as the level of activity (grant and discretionary disbursements) is dependent on the total revenue received.

TREASURY REGULATION 28.1.5		
"For purposes of "material" [sections 50(1), 55(2) and 66(1) © of the Act] and "significant" [section 54(2) of the Act],		
the accounting authority must develop and agree a framework of acceptable levels of Materiality and significance with the relevant executive authority in consultation with the external auditors."		
MATERIAL		
Section 50	(1) The accounting authority for a public entity must – on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way influence the decision or actions of the executive	Quantitative – 1% of total revenue Qualitative – events as contained in the Materiality & Significance Framework Policy

	authority or that legislature.	
Section 55 (2)	(2) The annual report and financial statements must – include particulars of – (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year	Quantitative – 1% of total revenue Qualitative – events as contained in the Materiality & Significance Framework Policy
Section 66 (1)	An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction – (a) is authorized by this Act; and (b) in the case of public entities, is also authorized by other legislation not in conflict with this Act; and In the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act, 1996 (Act No 48 of 1996).	All events / transactions will require disclosure – 100% compliance

1.2 Significance Definition

A transaction is significant if conducting the transaction is vitally important to fulfil the organization’s mandate and for it to operate effectively.

Significance is larger than materiality as significant transactions may impact the organization as a whole. A transaction may be material but not significant whereas all significant transactions are material.

Significance Level

The organization will promptly and in writing inform the National Treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for approval of the transaction. The following transactions will be regarded as significant and will require full disclosure: Establishment or participation in the establishment of a company.

Participation in a significant partnership, trust, unincorporated joint venture, or similar arrangement. Acquisition or disposal of a significant asset.

Commencement or cessation of a significant business activity; and

A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement

Reporting of the Framework

The Materiality and significance framework must be updated yearly, preferably before the financial year commences to ensure the identification of material and significant transactions. The framework will further be developed in consultation with the external auditors. The framework will be included into the strategic plan and Annual Report