

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

## ANNUAL PERFORMANCE PLAN 2023/24

30 NOVEMBER 2022

(Second Draft)



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 Plan (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 3.4 million in the fourth quarter of 2022.

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, is our transformational and developmental imperatives which include amongst others: class, gender, race, geography and youth, which must be reflected at all materials 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 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 at expanding 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 2023/24 financial year, the entire SETA system has set itself the following targets, as part of expanding post-school opportunities:

- 107 000 workplace-based learning (WBL) opportunities;
- 148 000 learners registered in skills development programs;
- 22 000 learners entering artisanal programs;
- 20 500 learners passing artisanal trades;
- 31 300 learners completing learnerships; and
- 5 200 learners completing internships.

The SETA will enter into the Service Level Agreement with the Director-General of the Department and commit that 25% of all targets to be achieved on a quarterly basis, with 100% achievement in the last quarter of the financial year.

The SETA Annual Performance Plan (APP) provides a clear commitment to the delivery of our skills development priorities and targets for implementation during the 2023/24 financial year.



**Dr. BE Nzimande, MP Executive Authority of Higher Education, Science, and Innovation**



South Africa's youth unemployment and poverty rate remain the single largest socio-economic 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 inclusivity 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 socio-economic 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 (8) 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 taken into account 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.

A handwritten signature in black ink, appearing to read 'Wezi Khoza', is positioned above a horizontal line.

**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 on 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 it presents in further strengthening our position as a true business partner to Government and the Chemical Industry in countering the socio-economic

challenges we face as an industry and country.

There can be no doubt that given the current challenges facing our economy that 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 that are being brought about by the current COVID 19 environment in which we have to 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 focussed 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 Medium-Term Strategic Framework (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 of preventing 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 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 2023/24 for the current planning cycle.



---

**MR YERSHEN PILLAY**  
**CHIEF EXECUTIVE OFFICER**

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 1<sup>st</sup> and 2<sup>nd</sup> June 2022 and 29th and 30th June 2022 strategy workshop of the Board, which the CHIETA will endeavour to achieve over the period 2023/24–2024/25.

**MS. KEDIBONE MOROANE**

**RESEARCH & SKILLS PLANNING EXECUTIVE**



**SIGNATURE**

**MR. TREVOR CHANNING**

**GOVERNANCE & RISK EXECUTIVE**



**SIGNATURE**

**MS. NCIKAZI KABI**

**CHIEF FINANCIAL OFFICER (ACTING)**



**SIGNATURE**

**MR. YERSHEN PILLAY**

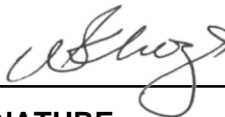
**CHIEF EXECUTIVE OFFICER**



**SIGNATURE**

**MS. WEZI KHOZA**

**BOARD CHAIRPERSON**



**SIGNATURE**

**APPROVED**

**DR. BLADE NZIMANDE, MP**

**MINISTER OF HIGHER EDUCATION,  
SCIENCE & INNOVATION**



**SIGNATURE**



## TABLE OF CONTENT

<b>FOREWORD BY THE EXECUTIVE AUTHORITY.....2</b> <b>(MINISTER OF HIGHER EDUCATION TRAINING, SCIENCE AND INNOVATION)</b>	
<b>FOREWORD BY THE ACCOUNTING AUTHORITY.....4</b>	
<b>STATEMENT BY THE CHIEF EXECUTIVE OFFICER .....6</b>	
<b>OFFICIAL SIGN-OFF .....8</b>	
<b>ACRONYMS AND ABBREVIATIONS.....11</b>	
<b>PART A: OUR MANDATE.....13</b>	
<b>1. CONSTITUTIONAL MANDATE.....13</b>	
<b>2. LEGISLATIVE AND POLICY MANDATES.....14</b>	
<b>3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE MTEF PERIOD .....16</b>	
3.1 Institutional Policies .....16	
3.2 Institutional Strategies .....16	
<b>4. UPDATED RELEVANT COURT RULINGS.....18</b>	
<b>PART B: OUR STRATEGIC FOCUS .....19</b>	
<b>5. UPDATED SITUATIONAL ANALYSIS.....19</b>	
5.1 EXTERNAL ENVIRONMENT .....19	
5.1.1 Political Factors.....19	
5.1.2 Economic Factors .....19	
5.1.3 Social Factors .....21	
5.1.4 Technological Factors .....22	
5.1.5 Environmental Factors .....24	
5.1.6 Legal Factors .....25	
5.2 INTERNAL ENVIRONMENT .....30	
5.2.1 SOAR Analysis.....31	
5.2.2 Organizational Capacity .....32	
5.2.3 Industry Partnerships .....34	
5.2.4 Governance .....36	
5.2.5 Human Capital Management.....36	
5.2.6 Equity.....37	
5.2.7 Information Communication Technology .....37	
5.2.8 Financial Resources.....37	

<b>PART C: OUR STRATEGIC FOCUS .....</b>	<b>39</b>
<b>6. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION .....</b>	<b>39</b>
<b>7. RESOURCE CONSIDERATIONS (FINANCE AND HR).....</b>	<b>64</b>
<b>8. SERVICE LEVEL AGREEMENT .....</b>	<b>79</b>
<b>9. MATERIALITY AND SIGNIFICANCE FRAMEWORK .....</b>	<b>89</b>
<b>10. CHIETA MONITORING AND EVALUATION POLICY .....</b>	<b>96</b>
<b>11. PUBLIC ENTITIES .....</b>	<b>115</b>
<b>12. INFRASTRUCTURE PROJECTS.....</b>	<b>115</b>
<b>13. PUBLIC / PRIVATE PARTNERSHIPS .....</b>	<b>115</b>
<b>14. CONDITIONAL GRANTS .....</b>	<b>115</b>

#### **PART D: ANNEXURES:**

Annexure 1 – Technical Indicator Descriptors

Annexure 2 – Hard-to-Fill Vacancies

Annexure 3 – CHIETAs Top Ten (10) Sectorial Occupations List

## ACRONYMS AND ABBREVIATIONS

4IR	Fourth Industrial Revolution
AfCFTA	Africa Continental Free Trade Agreement
AI	Artificial Intelligence
APP	Annual Performance Plan
AR	Augmented Reality
ATR	Annual Training Reports
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
DHET	Department of Higher Education & Training
EXCO	Executive Committee
EE	Employment Equity
ERP	Enterprise Resource Planning
ERRP	Economic Reconstruction & Recovery Plan
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
NDP	National Development Plan
NGP	New Growth Path
NSDP	National Skills Development Plan
PFMA	Public Finance Management Act
PSET	Post-School Education and Training
POPI	Protection of Personal Information
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

SOE	State-Owned Enterprise
SONA	State of the Nation Address
SOP	Standard Operating Procedure
SSP	Sector Skills Plan
SETA	Sector Education & Training Authority
STEM	Science, Technology, Engineering and Mathematics
TOR(s)	Term(s) of Reference
TVET	Technical and Vocational Education and Training
VR	Virtual Reality
VUCA	Volatility, Uncertainty, Complexity, and Ambiguity
WIL	Work-Integrated Learning
WSP	Work Skills Plan

**1. CONSTITUTIONAL MANDATE**

The South African Constitution provides in its Bill of Rights for the right to basic education, including adult basic education, and further education. The State is obligated to ensure through reasonable measures that such opportunities are progressively available and accessible to all citizens. Sector Education and Training Authorities (SETAs) are one of such measures. These are bodies established under the Skills Development Act (SDA), located in the Department of Higher Education and Training (DHET). Their purpose is to contribute to the improvement of skills in South Africa by achieving a more favourable balance between demand and supply, and by ensuring that education and training:

- Acknowledges and enhances the skills of the current workforce (in addition to ensuring that new entrants to the labour market are adequately trained).
- Meets agreed standards within a national framework.
- Is provided subject to validation and quality assurance; and
- Where appropriate, is benchmarked against international standards.

In the case of chemical industries, the Chemical Industries Education and Training Authority (CHIETA) was established to fulfil the following responsibilities, based on its own Constitution:

- Develop a Sector Skills Plan (SSP) within the National Skills Development Plan (NSDP) framework.
- Implement its SSP by:
  - a. Establishing learning programmes;
  - b. Approving Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs);
  - c. Allocating grants in the prescribed manner and according to any prescribed standards and criteria, to employers, skills development providers and workers; and
  - d. By monitoring the quality of occupation-based learning in the sector
- Promote occupation-based programmes that include work experience by:
  - a. Identifying workplaces for practical work experience.
  - b. Improving the facilitation and assessment of learning; and
  - c. By assisting with the conclusion of agreements for learning programmes.
- Register agreements for learning programmes.
- Support and form partnerships with other agencies on matters related to skills development.
- When required to do so, as contemplated in section 7(1) of the Skills Development Levies Act (SDLA), collect and disburse the skills development levies, allocated to it in terms of sections 8 and 9 of the SDLA, in its sector.
- Submit to the Director-General any budgets, reports, and financial statements on its income and expenditure, which it is required to prepare in terms of the Public Finance Management Act (PFMA), as well as plans and reports on the implementation of its Service Level Agreement (SLA).
- Liaise with the provincial office of the department, the provincial skills development forums, and any relevant education bodies, established in terms of any law regulating education and training in the Republic, to improve information about placement opportunities, as well as between skills development providers and the labour market.



- Formulate policies and procedures of the SETA.
- Appoint the employees necessary for the performance of its functions.
- Promote the national standard, established in terms of section 30 B of the Act: and
- Perform any other functions and duties imposed on it by the Act, the SDLA, other relevant legislation, and this Constitution, or that are consistent with the purposes of the Act, the SDLA, in other relevant legislation, and this Constitution.

## 2. LEGISLATIVE AND POLICY MANDATES

### 2.1 LEGISLATIVE MANDATE

Various government policies and plans have been developed over the last five to ten years by different organs of the state. Many of them overlap and some have been subsumed within others. The two goals that all of the policies and plans have in common are the stimulation of the South African economy and to assist with job creation and the quality of life for all South Africans. While the National Development Plan (NDP) provides an overall vision and framework for most of the other policies and plans, the Industrial Policy Action Plan (IPAP) and the projects steered by the DTI and some of the infrastructure projects have a direct bearing on the Chemicals Industry.

The CHIETA has contextualised our Strategic Plan 2020 - 2025 and Annual Performance Plan 2023-24 to the following by the policy framework of Government:

**The following Policy Mandates are outlined below.**

- The National Development Plan 2030
  - National Skills Development Plan
  - Human Resources Development (HRD SA)
  - Industrial Policy Action Plan (IPAP II)
  - The White Paper for Post Education and Training (Referenced in the NSDP)
  - The New Growth Path
  - Rural Development Strategy
  - The Economic Reconstruction and Recovery Skills Strategy (ERRP)
  - The COVID – 19 Adjusted Risk Management Strategy

The legislative and policy framework 2030 directs and guides CHIETA functions as follows:

#	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 of 1998)	Expand the knowledge and competencies of the labour force to improve productivity and employment through supporting an array of skills development initiatives based on industry needs and skills forecasting.
3.	Skills Development Amendment Act, 2003 (Act 31 of 2003)	
4.	Skills Development Act, 2008 (Act 3 of 2008)	
5.	Skills Development Levies Act, 1999 (Act 9 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 skills interventions.
7.	White Paper for Post-School Education and Training (2013)	Promote and facilitate links between colleges and employers through the establishment of functional stakeholder forums and chambers. These consultative platforms provide an important role in the 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, and implement 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 WSP-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's 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.
#	LEGISLATION/POLICIES	CHIETA CONTEXT
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

### 3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE MTEF PERIOD

#### 3.1 INSTITUTIONAL POLICIES

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

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.

#### 3.2 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.

In support of the HRDSSA commitment to improving the technological and innovation capabilities and outcomes within the public and private sectors to enhance our competitiveness in the global economy and to meet our human development priorities, the CHIETA has implemented its 16 MACRO Success Indicators, the ERRP Skills Strategy, and Programme three (3) indicators including Skills Programmes, Learnerships, Artisan Related Programmes and SMME Development.

## **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 that 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 through the use of various digital transformation strategies.

## **6. Post-Learnership Absorption Strategy**

The Post-learnership 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.

## **10. Data management Strategy**

The goal of this strategy is to ensure effective and efficient data management processes through innovation for better-informed decisions and evidence-based policymaking at the CHIETA and in its stakeholders.

## **4. UPDATED RELEVANT COURT RULINGS**

There are no court rulings that affect CHIETA and its mandate, directly or otherwise.



**5. THE UPDATED SITUATIONAL ANALYSIS**

Recent global events have forced a shift in perspectives as nations and organisations grapple with the ongoing Corona Virus Disease 2019 (COVID-19) pandemic. Economies ground to a halt when day-to-day activities were interrupted due to lockdown restrictions imposed to stem the tide of infections.

This comprehensive environment scan reflects on the impacts of this phenomenon on both the operations of the organisation and the chemical industries that CHIETA serves; given the extent to which COVID-19 permeated all spheres of life. Also, it examines the envisaged chemical industry effect of the Economic Reconstruction and Recovery Plan (ERRP) as the primary intervention adopted by the country to ameliorate the aftermath of this phenomenon.

**5.1 EXTERNAL ENVIRONMENT**

This environmental scan takes place within the context of CHIETA's adoption of the principles of open innovation that aims to establish the organisation as an innovation leader in training and education.

**5.1.1 Political factors**

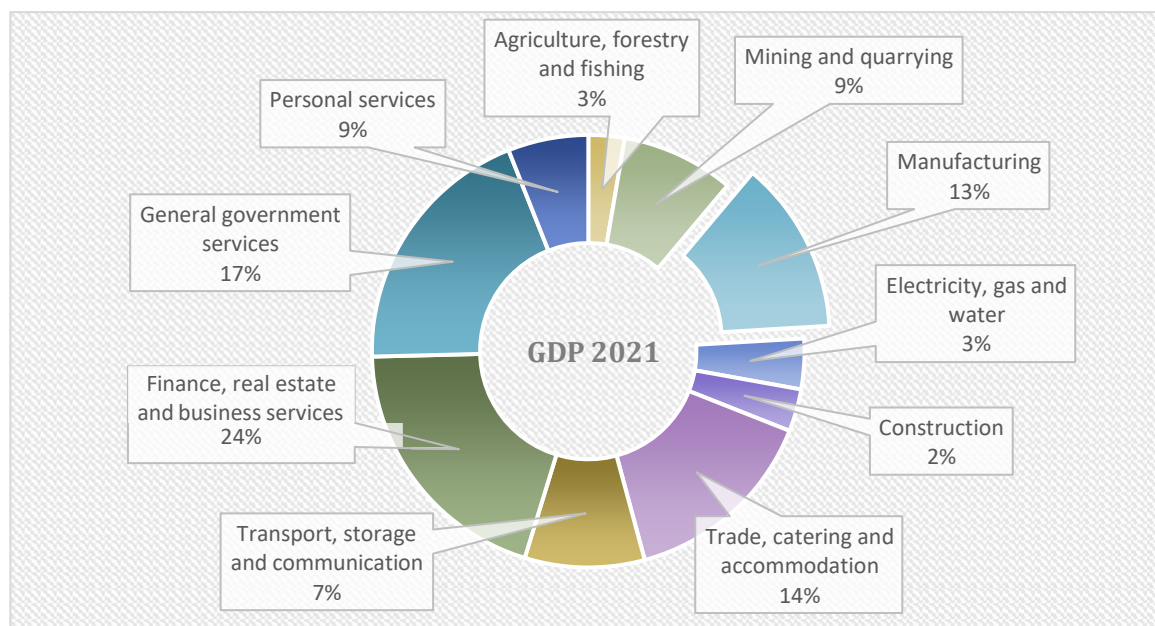
The sixth and current administration that took office in 2019, has invested in combating corruption and running a clean government that is accountable to the people. This is designed, inter alia, to bolster business confidence domestically and internationally to attract investment critical to growth in key sectors including the chemicals industry.

South Africa continues to be a constitutional democracy, where the rule of law is respected, notwithstanding any social challenges that confront it. As a sovereign state, it also enjoys good relations and respect in the continent and across the world, as an active player in multilateral continental and global structures. This bodes well for growth and development as demonstrated by the Africa Continental Free Trade Agreement (AfCFTA) that South Africa was one of the first to sign. The agreement will see more intra-Africa trade and barriers removed to enable the free movement of goods. Such developments are critical to the sector's growth plans and political stability, an imperative for creating an enabling environment.

**5.1.2 Economic factors**

The unemployment rate in South Africa averaged 26% from 2000 until 2021, reaching an all-time high of 32.6% in the first quarter of 2021, and a record low of 21.5% in the fourth quarter of 2008. The official unemployment rate among the youth (15-34 years) was 46,3% in Quarter 1, 2021, of which 9,3% was among university graduates. In Quarter 2 of 2020, real Gross Domestic Product (GDP) decreased by 51% because of COVID-19 with manufacturing, trade, and transport being the largest contributors to the GDP. The manufacturing industry contracted by 74.9% in Q2. All of the ten manufacturing divisions reported negative growth rates with the largest contributors being iron/steel, metal products/machinery, petroleum, chemical Products, rubber, and plastics.

► **Figure 1: Industries' share of GDP in 2021**



**Source:** Statistics South Africa, 2022

The economic performance of the chemicals industry is influenced by a host of factors that do not necessarily have the same impact on the respective subsectors. However, the one consistent sector-wide and globally reaching factor that has been socio-economically detrimental is the COVID-19 pandemic.

The global chemicals industry is a complex and important part of the global economy and supply chain network. In 2019 the chemicals industry's total worldwide revenue stood at USD3.94 trillion (Statista, 2021). The level of global economic growth influences the chemicals industry in several ways. For example, economic growth in the rest of the world increases the demand for chemicals and opens up new export markets or increases the demand from existing markets.

The industry is expected to grow in every segment, with overall industry growth expected to be 1.8% in 2024. Base chemicals are expected to see the largest growth of any chemical segment, at a 2.1% forecast for 2024. However, subdued global growth may, on the other hand, increase competition from imports. The prices of input commodities are affected by the level of growth in the rest of the world.

#### 5.1.2.1 The COVID-19 economic impact

The pandemic-induced lockdowns created a climate of uncertainty that resulted in high levels of volatility for the industry. The VUCA (Volatility, Uncertainty, Complexity and Ambiguity) effect was felt across the sector including the SETAs whose planned skills interventions were on hold for extended periods. Operations scaled down to between 40%-60% capacity owed to labour shortages and disruptions in the supply of raw material, and this negatively affected 42.7% of small businesses.

The unemployment rate increased from 30,8% in Quarter 3 of 2020 to 32,5% in Quarter 4, the highest unemployment rate recorded.

Recovery depends on an effective roll-out of vaccinations and the production of vaccines. The latter places the pharmaceutical sub-sector of the industry under the spotlight, as its capacity to support plans for locally manufactured vaccines for local and continental distribution, becomes critical. Infrastructure and skills will be in great demand for this feat to be achieved. In the crisis presented by COVID-19, there are new opportunities to fast-track the country's capacity to produce lifesaving vaccines.

#### 5.1.2.2 Economic Reconstruction and Recovery Plan

The stagnation of the economy for a long period coupled with the COVID-19 crisis led to low levels of capacity utilisation in the various sectors of the South African economy.

The ERRP has been identified by the government as an economic stimulator aimed at equitable and inclusive growth.

All SETAs were required to support COVID-19 relief efforts by pledging financial resources in key developmental and occupationally directed areas as directed by the ERRP, namely:

- Supporting final-year unemployed bursary students with study fees and the alleviation of study debt.
- Supporting learners through work-integrated learning and work placement; and
- Supporting centers of specialisation.

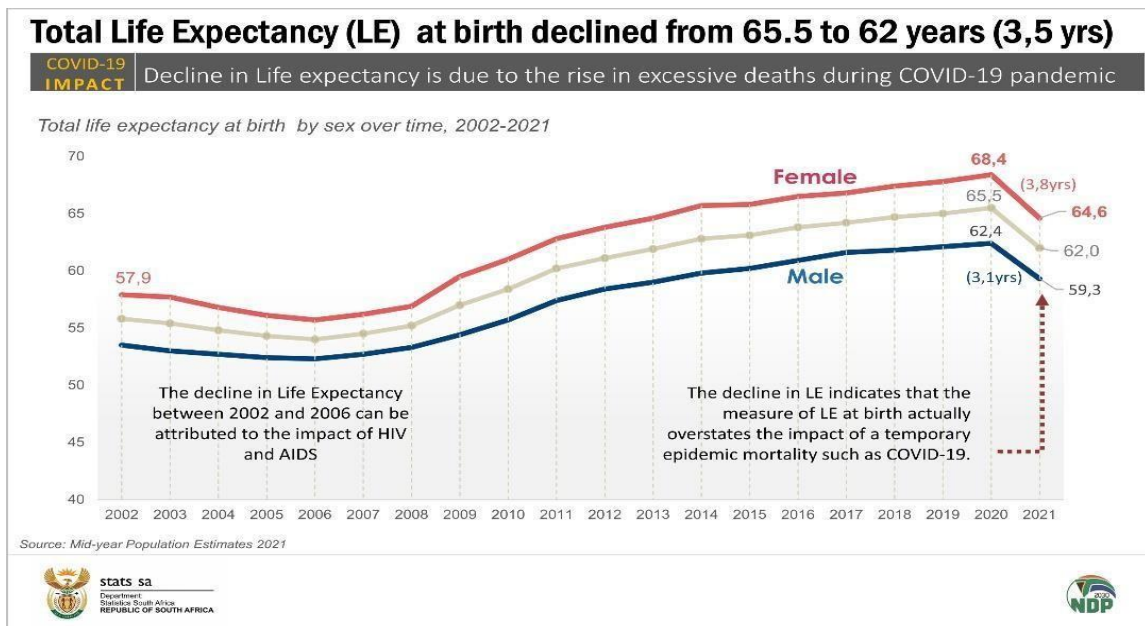
#### 5.1.3 Social factors

The Mid-Year Population Estimates put the country's population at 60.14 million<sup>1</sup> and of interest is the impact of the pandemic on mortality and migration. Male life expectancy has decreased by 3.1 from 62.4 to 59.3 and female life expectancy has declined by 3.8 from 68.4 to 64.6. In appreciating the impact of the pandemic on life expectancy, these dynamics taken at an organisational level would indicate a talent loss due to COVID-19. It is imperative that precautions are taken to protect talent from this risk using wellness and related human resources policies.

---

<sup>1</sup> Statistics South Africa, Mid-Year Population Estimates, July 2021

**Figure 2: Comparative life expectancy between 2002 and 2021**



#### 5.1.4 Technological factors

The scope for digital disruption within the chemicals industry is broad and the rate of digital innovation will likely accelerate due to Industry 4.0. The industry is committed to driving process improvements indicating a plan to invest 5% of their annual revenue (or approximately half their average operating profits) in digital advancements within their operations over the period 2016 and 2021 (Barnes & White, 2020).

As businesses navigate this uncharted territory, it is the digital transformation that proved to be a critical lifeline. Digitisation will continue to be fast-tracked across every aspect of the chemicals industry as one of five key trends that will shape 2021 (KPMG, 2021). One of the focal points of this efficiency-seeking digitisation is the reduction of waste, specifically heat, which is a significant input cost to most chemical plants. Modelling of the many data points in real-time can develop and maintain the most optimal energy plan and identify other potential applications for the surplus heat being generated in the conversion process.

A few examples exist of chemical companies changing the entire paradigm of operation through digitisation. However, companies such as Siemens are supporting the chemicals industry on this front by fast-tracking the digitisation of the industry. New skill sets are needed by the Chemicals Industry to respond to the challenges and capture the opportunities embedded within the transition to Industry 4.0. A move away from lower-skilled workers is clear given the increasing complexity of the digitised chemicals industry. To gain the full benefit of these and other technological developments, companies will need to invest in people and their capabilities or people with the relevant skills. Thus far, the industry has struggled to upskill the existing workforce partly due to financial limitations (PWC, 2020), but upskilling is essential to drive future growth.

Data suggests that the digitisation of the chemicals industry has proven to be challenging and it is not clear whether the industry is ready to embrace this revolution (GPCA, 2020). It is against this backdrop that CHIETA commissioned a study to assess the state of readiness among chemical manufacturing companies to operate in industry 4.0. The study draws attention to the diversity of subsectors, their knowledge of industry 4.0, their level of preparedness, and their skills requirements (Quest Research Services, 2020).

#### 5.1.4.1 Technology trends

The following are some of the preeminent trends observed during this planning period:

- The impact of 4IR on the chemicals industry is seeing increasing use of Artificial Intelligence (AI), the use of computer systems to perform tasks that would require human intelligence.
- **Growth in biosimilar adoption:** Biosimilar drugs are often confused with generic drugs. Both are marketed as cheaper versions of brand-name drugs and have the same clinical effect. Generics are identical original in chemical composition and biosimilars are highly similar. Results will be a loss of exclusivity.
- Greater acceptance of medical marijuana
- **Precision medicine:** Production of medicine based on a specific patient's diagnosis (demonstrates a higher level of effectiveness)
- Integration of Blockchain technology (helping pharma companies boost efficiency by streamlining processes – this being applied to transactions that involve healthcare clinics, hospitals, regulators and other stakeholders)
- Digital transformation is gaining momentum in the industry and helping operational efficiency and adherence to standard operating procedures. Digital training to ensure the proper and efficient use of technologies implemented.
- **Smaller production:** Precision medicine requires the use of smaller facilities (move toward production of a smaller number of higher quality medications instead of a large number of lower quality drugs.)
- **Greater focus on the research and development (R&D) value:** An increased focus on the value of medications and reaching the target audience

##### 5.1.4.1.1 Nanotechnology trends

The 2020 CHIETA study revealed that nanotechnology in South Africa is still mainly in the research phase as it has not advanced far into the manufacturing and commercialisation aspects. However, there is room for growth for the chemicals industry in nanotechnology as it has the potential to help in vast areas and industries.



The study also provided insightful recommendations that nanotechnology can improve South Africa's economic performance. However, to create the best outcomes of the patents and research outputs produced in this field in South Africa, the country needs to find sustainable commercialisation strategies.

#### 5.1.5 Environmental factors

The chemicals industry is one of the biggest industries in the world and is by far the largest industrial user of energy. It consumes 28% of the industrial and 10% of the final global energy (PNAS, 2019). This high energy demand, combined with extensive use of fossil raw materials, makes the Chemicals Industry one of the largest emitters on the planet. It is estimated that the impact of climate change will result in 3 000 job losses in the Chemicals Industry in South Africa and a further 11 400 due to changes in international trade (Worldwide Fund for Nature, 2018). Despite this, the industry holds the key to unlocking climate strategies across the industrial manufacturing value chain. This will be accomplished through the supply of sustainably produced products into downstream industries such as focus areas decarbonization, renewable energy, CO<sub>2</sub> reduction, and circular plastics (KPMG, 2021). Mitigation interventions such as hydrogen technology, are also expected to create job opportunities.

The Hydrogen Council, a global CEO-led initiative, estimates that the hydrogen economy will achieve annual revenues of more than \$2,5 trillion, and create more than 30 million jobs globally by 2050. Countries are now mobilising resources to deal with the climate crisis. South Africa's Economic Reconstruction and Recovery Plan (ERRP) also highlights the hydrogen economy through Hydrogen South Africa (HySA) programme as having considerable potential for greening the mining and transport sectors

Furthermore, many of the raw materials used and produced by the chemicals industry are hazardous, and if the correct preventative measures and implementation of legislation are not instituted and adhered to, workers may be exposed to diseases or injuries such as chemical burns, asthma, allergies, irritant contact and allergic contact dermatitis, skin infections and injuries, and skin and other cancers. Health and safety, and the design and implementation of new technologies, processes and practices aimed at reducing pollution and promoting a green economy are therefore key considerations in skills development in the industry.

##### 5.1.5.1 Hydrogen Trends

The term "hydrogen economy" refers to the vision of using hydrogen as a low-carbon energy source, replacing, for example, gasoline as a transport fuel or natural gas as heating fuel. Hydrogen is attractive because whether it is burned to produce heat or reacted with air in a fuel cell to produce electricity, the only by-product is water.

The hydrogen economy is not just for South Africa, but for the world at large. It can provide a transition with the potential to decarbonise various industry value chains and provide security of energy supply. It can also contribute towards the achievement of the Sustainable Development Goals. Hydrogen can decarbonise a greater range of sectors compared to renewable electrical energy alone.

Hydrogen straddles both environmental and technological considerations.

#### 5.1.6 Legal factors

The chemicals industry is generally a highly regulated environment; some of the subsectors are more so than others. The regulations that impact the industry span a whole array of areas, including control over the country's natural resources and energy supply, the handling of hazardous materials, occupational health and safety, control over medication, the protection of patents and intellectual property rights, and various others. New research also shows that regulations require environmental impacts on all products to be disclosed; consumers are publicly demanding that businesses move beyond token gestures and into hard action (KPMG, 2021).

Many of the regulations have a direct bearing on the types of skills that the industry can and may employ. Certain positions in organisations are, for example, reserved for registered professionals because they require high levels of skills and professional accountability. The industry is also reliant on highly skilled professionals who can interpret and apply regulatory requirements and ensure that the organisations in the industry meet all regulatory requirements. In the case of the pharmaceutical subsector, owing to regulatory compliance there is a need for pharmacists with the knowledge of and necessary experience in regulatory affairs. However, those with the required competencies and regulatory knowledge come at a premium, particularly employment equity (EE) candidates. This consequently drives up compensation costs (CHIETA, 2017; CHIETA, 2018).

CHIETA heeded the national call and adopted the ERRP as a strategic imperative. Support and funding were provided to alleviate historic student debt and support work-based learning. A total of 692 beneficiaries were funded. The Lesedi Youth Fund was established in 2021 under the ERRP funding to continue the alleviation of student debt, to assist what is termed "the missing middle". Because of the centrality of the chemicals industry to the ERRP for the country, several initiatives are underway with more planned in specific areas as articulated in the ERRP

**Table 1:** CHIETA-specific ERRP interventions

ERRP AREA		CHIETA INTERVENTIONS
1.	Intensifying SMME participation in the FMCG sector	<ul style="list-style-type: none"> <li>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).</li> </ul>
2.	Supporting young entrepreneurs and SMMEs to boost and intensify employment creation	<ul style="list-style-type: none"> <li>Advancement of the post learnership absorption strategy in its focus on the empowerment of particularly young, women and Black-owned businesses</li> </ul>
3.	Innovation	<ul style="list-style-type: none"> <li>Currently exploring opportunities and planning to open CHIETA hub by 2025 with an approved budget of R3 000 000 for the 2022/2023 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.</li> <li>Learning and digitisation of skills development through the virtual/simulated coded welding programme</li> <li>SMART Skills Centres</li> </ul>
4.	Skills development	<ul style="list-style-type: none"> <li>Reskilling and retraining of retrenched workers.</li> <li>Contribution to the 20000-artisan development and related targets to curb the impact of COVID -19</li> </ul>
5.	Integration into the African continent	<ul style="list-style-type: none"> <li>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</li> </ul>

#### 5.1.6.1 Diversity and inclusive participation

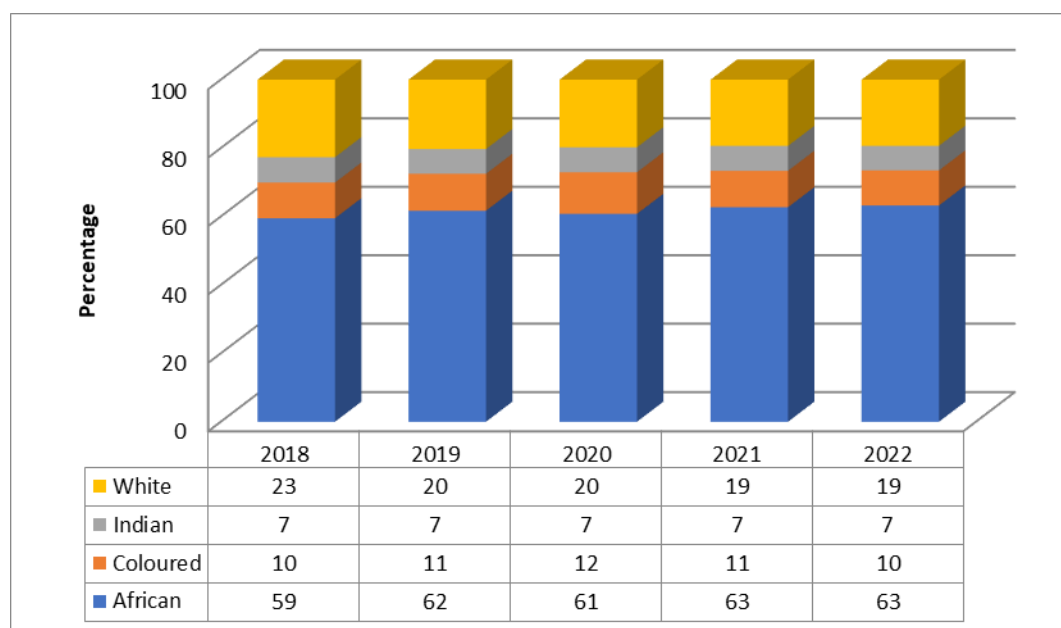
Participation of women and other marginalised groups in the sector remains a challenge, with numbers gleaned from the Sector Skills Plan 2022/23. The report indicates that the Chemicals Industry lags in the employment of African people in technical, professional and managerial positions, as well as gender equity and employing disabled workers (CHIETA, 2022).

Although the Petroleum subsector is the only subsector that is subject to a transformation charter (the Liquid Fuels Industry Charter), recruitment throughout the Chemicals Industry is very much influenced by EE targets and broad-based black economic empowerment (BBBEE).

##### 5.1.6.1.1 Labour market racial profile

The number of people employed in the sector mirrors the demography of the population, with Africans registering the higher percentages. The participation statistics however at decision-making, higher income, and professional levels, has African representation lower than the other groups, a consequence of historical inequality that needs targeted intervention.

**Figure 3:** Figure 3: Chemical industry labour market racial profile

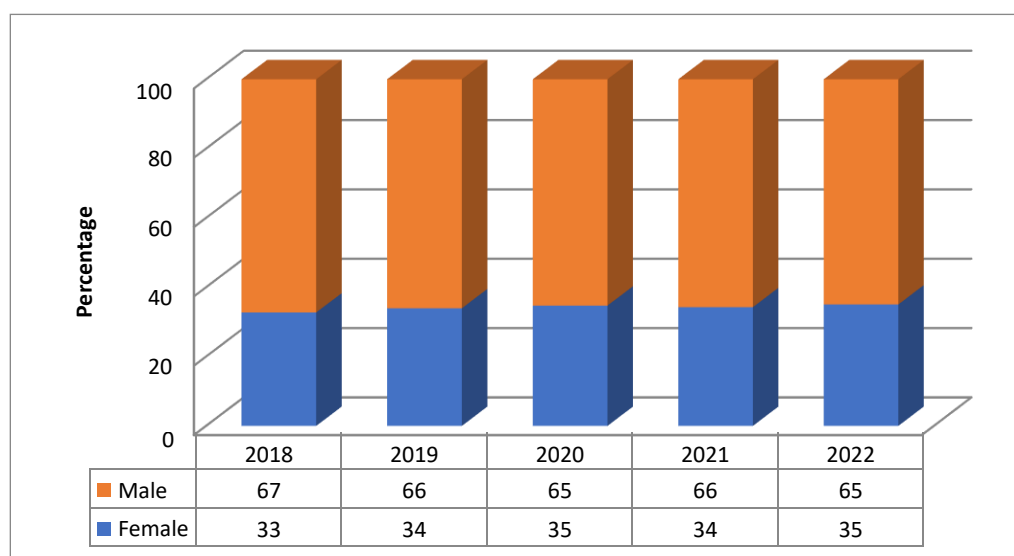


**Source:** Sector Skills Plan 2022/23

#### 5.1.6.1.2 Women Empowerment

Historically the sector has been male-dominated, and with recent local and global policy interventions on gender parity through the empowerment of women, there is a steady but slow increase in the participation of women, as can be seen in the table below. This slow pace may indicate the lack of capacity in the sector for transformation aimed at the gender pillar. More needs to be done to address the challenges impacting this area.

**Figure 4:** Gender distribution of employment in the chemicals sector: 2018 – 2022



Skills Plan 2021/22

**Source:** Sector

#### 5.1.6.1.3 Youth Empowerment

CHIETA introduces young people to careers in the chemical industry through various interventions across the three skills levels and entrepreneurship.

Programmes that support youth are run under the following interventions:

- **Lesedi Youth Fund:** Supporting final year unemployed bursary students in the so-called missing middle” with study fees and the alleviation of study debt.
- **Work-Integrated Learning:** Support is given to learners to gain practical through placement opportunities.
- **Entrepreneurship:** Young people are supported through the multi-seta enterprise development programme in partnership with the University of Johannesburg.

#### 5.1.6.1.4 Participation of people with disabilities

The National Development Plan, states that people with disabilities will have enhanced access to education and employment opportunities. In the chemical sector, the proportion of workers with disabilities over the 2018 to 2022 period has been around 1%. In 2022, there was a 0.2% increase in workers with disabilities employed in the sector. Females only form approximately a third (35%) of the total workforce, but they constitute close to half (49%) of the workers with disabilities.

**Table 2:** Racial, gender and age profile of workers with disabilities

Disabled workers		2018		2019		2020		2021		2022	
		N	%	N	%	N	%	N	%	N	%
Population group	African	875	56	853	56	1 032	58	1 103	63	1 251	63
	Coloured	203	13	223	14	231	13	218	12	193	10
	Indian	113	7	113	7	126	7	103	6	123	6
	White	365	23	343	22	406	23	318	18	405	21
	<b>Total</b>	<b>1 557</b>	<b>100</b>	<b>1 541</b>	<b>100</b>	<b>1 795</b>	<b>100</b>	<b>1 742</b>	<b>100</b>	<b>1 971</b>	<b>100</b>
		<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Gender	Female	664	43	668	43	785	44	809	46	965	49
	Male	893	57	873	57	1 011	56	933	54	1 006	51
	<b>Total</b>	<b>1 557</b>	<b>100</b>	<b>1 541</b>	<b>100</b>	<b>1 795</b>	<b>100</b>	<b>1 742</b>	<b>100</b>	<b>1 971</b>	<b>100</b>
		<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Age	16–34	552	35	510	33	571	32	739	42	847	43
	35–54	711	46	721	47	855	48	688	40	797	40
	55–59	174	11	193	13	192	11	176	10	202	10
	60–64	101	7	94	6	152	8	108	6	97	5
	60+	19	1	23	1	25	1	31	2	28	1
	<b>Total</b>	<b>1 557</b>	<b>100</b>	<b>1 541</b>	<b>100</b>	<b>1 795</b>	<b>100</b>	<b>1 742</b>	<b>100</b>	<b>1 971</b>	<b>100</b>
Percentage of total employment			<b>1.0</b>		<b>0.9</b>		<b>1.1</b>		<b>1.0</b>		<b>1.2</b>

**Source:** CHIETA 2022 Sector Skills Plan

In its role as a skills facilitator, CHIETA's interventions are underpinned by inclusive participation. To this end, its skilling interventions are integrated with placement and entrepreneurship.



**Employment:** In a first of its kind in the chemicals sector, young interns diagnosed with various hearing impairments were successfully placed at Aspen Pharmaceuticals in Gqeberha where some of the COVID-19 vaccinations are being manufactured.

**Entrepreneurship:** There is 10% participation of people with disabilities in the multi-SETA enterprise development programme.

#### 5.1.6.1.5 Skills demand and supply trends

The global chemicals industry is entering an era where companies will need to start viewing and valuing people as one of their most critical assets. The industry is heavily reliant on qualified professionals and scientists. In many instances, a very specific specialisation is needed. These skills are generally in short supply and the industry competes for them not only in the local market but also in the international labour market. This drives up the cost of employment for companies in the industry. The time it takes to close a skills gap has increased, and organisations must find ways to ensure that their workforce skills stay relevant.

New skills requirements that continue to emerge as others become obsolete only complicate the problem. The labour force has a significant impact on enterprise vitality. Without skilled workers, organisations struggle to innovate, deliver value to customers, grow their businesses, and create new jobs. The speciality chemicals subsector faces the biggest talent shortages because they require specialised skills, and this shortage is expected to grow over the next ten years. The UK oil and gas industry estimates that it needs to attract 25 000 new employees by 2025. Further, 4 500 of them will be in completely new roles that do not currently exist in areas such as data science, automation, engineering, and new materials. The challenge is not a shortage of workers but a shortage of workers with the right skills. Globally, engineers are the fourth most difficult-to-fill position.

The rate at which professional skills become obsolete is increasing, which worsens the issue. Data suggests that the half-life of professional skills was once estimated at 10-15 years. This estimate means that the value of those skills would decline by half or that half the knowledge associated with the skills would become irrelevant in approximately a decade (Research Insights, 2020). Today, the half-life of a learned skill is estimated to be five years, and even shorter for technical skills. This suggests that a skill learned today will be about half as valuable in just five years or less. However, the path remains unclear; therefore, to alleviate the skills gap and demand, skills development must be prioritized and personalised at scale, and new partnerships and platforms that integrate data and insights across the employee lifecycle must be used.

The CHIETA tracer study on the beneficiary impact of artisan-related programmes, learnerships, apprenticeship, and WIL completed since 2000 found that out of the 1 966 learners 62% were employed after training, 34% were unemployed while 4% were self-employed (Tracer Study, 2021).

## 5.2 INTERNAL ENVIRONMENT

The organisation consists of three (3) programmes in the following order that make up its operations that enable the efficient delivery of services and products; enabling the organisation to meet and exceed its performance 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. ETQA**

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

## 5.2.1 SOAR analysis

Through the lens of the SOAR analysis the focus is primarily on the strengths and opportunities necessary for the desired long-term results while, unlike the conventional SWOT analysis, it also takes a more aspirational approach to directly tackle identified weaknesses and threats.

<b>STRENGTHS</b>	<ol style="list-style-type: none"> <li>1. A dedicated chemical industry education and training authority.</li> <li>2. Effective and sustainable mechanisms in place to maintain good relations with key sector partners</li> <li>3. Systems to manage industry data</li> <li>4. Effective and functional organisational performance, planning, monitoring and reporting frameworks as per independent assurance reports over several financial years</li> <li>5. Sound leadership capabilities</li> </ol>
<b>OPPORTUNITIES</b>	<ol style="list-style-type: none"> <li>1. Improve existing sector stakeholder relations and foster new strategic alliances and partnerships with players outside the chemical industries.</li> <li>2. Repurposing of disused power facilities in Mpumalanga</li> <li>3. Need to adopt innovative solutions to counter the impact of: <ul style="list-style-type: none"> <li>• Increased downtime in the sector due to power supply uncertainty and the pandemic</li> <li>• 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)</li> <li>• New economy skill demands on the organisation</li> </ul> </li> <li>4. CHIETA could fill gaps to facilitate inclusive participation to drive diversity in the sector</li> <li>5. Facilitate participation by SMMEs in the industry value chain, including the manufacturing of sanitisers through planned interventions with the fast-tracking of SABS approvals.</li> <li>6. 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.</li> <li>7. Implement more robust systems to manage the industry data collected through WSPs and ATRs to optimise its strategic value.</li> <li>8. Showcase industry opportunities to improve the awareness that may induce greater industry interest</li> </ol>
<b>ASPIRATIONS</b>	<ol style="list-style-type: none"> <li>1. Become a repository of sector intelligence regarding specific innovations including the green economy.</li> <li>2. Entrench standard practice of augmented/virtual reality to expand or broaden the reach of artisan training beneficiaries.</li> <li>3. End-to-end digitisation to create a paperless operational environment</li> <li>4. Equitable national presence across provinces</li> </ol>
<b>RESULTS</b>	<ol style="list-style-type: none"> <li>1. Efficient systems to track, trace, and monitor developments relating to beneficiary programmes</li> <li>2. Increased the number of new SMMEs and cooperative market entrants facilitated through CHIETA interventions</li> <li>3. Partnerships and systems that are aligned to outcomes</li> <li>4. Employment of learners and thriving entrepreneurs</li> <li>5. Diversified revenue streams</li> </ol>

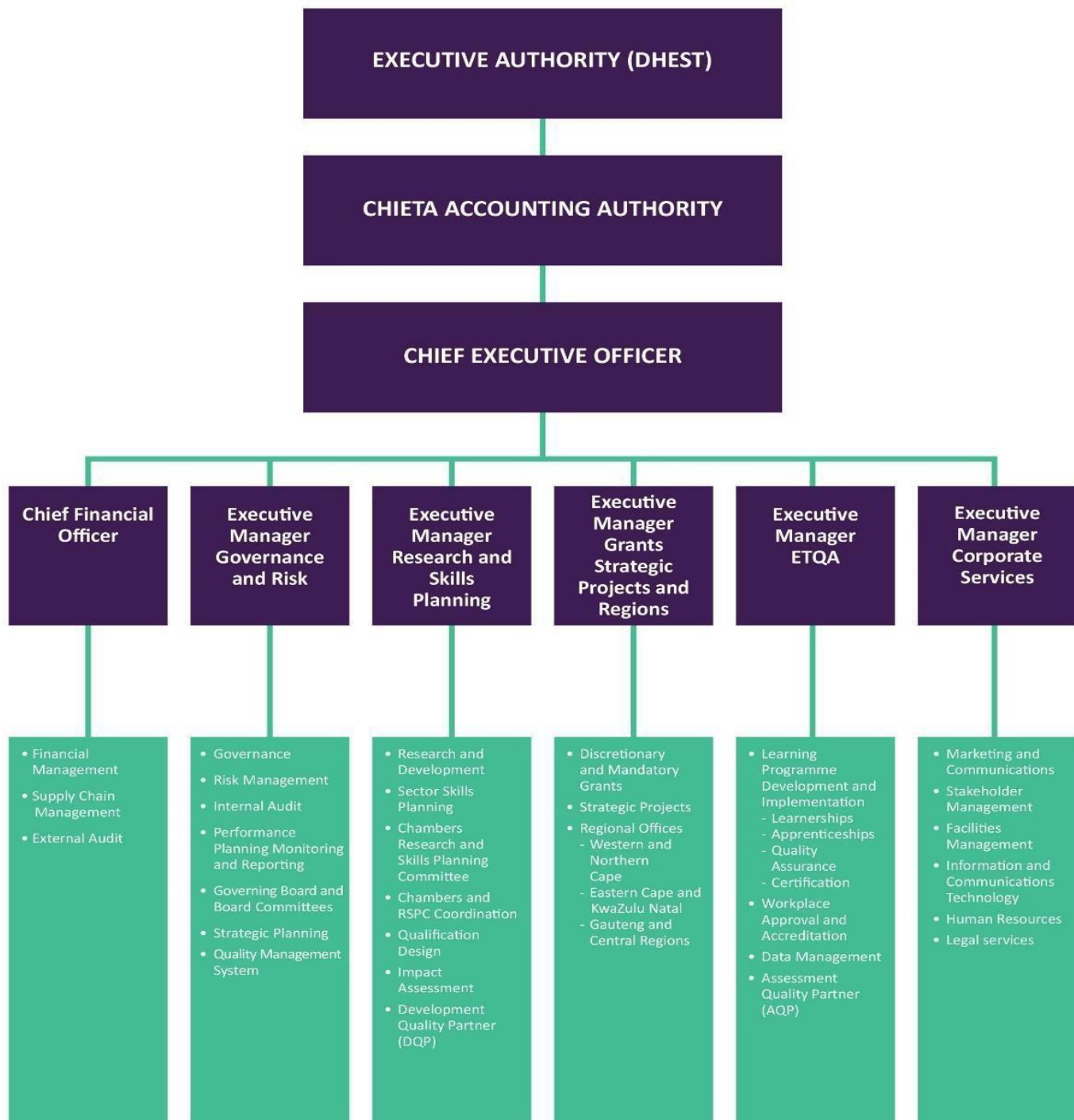
### 5.2.2 Organisational capacity

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 (6) fully cross-functional business units to meet the institution's mandate of service delivery requirements within the skills development arena nationally.

**Figure 6: 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.

### 5.2.3 Industry partnerships

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 achieving the desired social impact.

NAME OF INSTITUTION / PARTNER ORGANISATION	OBJECTIVES OF PARTNERSHIP	VALUE OF PARTNERSHIP
1. <b>TVET college sector partnerships</b>	The partnerships are in line with CHIETA's mandate of capacitating the TVET college sector. The Chemicals Industry has a heavy reliance on technical and artisan skills. The TVET sector, therefore, plays a critical role in the supply of skills to the sector.	The value of the partnership is seen to be improving the quality of learning and the delivery and supply from TVET colleges.
2. <b>Centres of specialisation</b>	The initiative is designed to meet two objectives simultaneously: The first objective is to address the demand for priority trades needed for the implementation of the government's National Development Plan (NDP) 2030 in general and its National Infrastructure Plan in particular. The second objective is to contribute to the building of the capacity of its public TVET college system to deliver trade qualifications with employer partners.	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.
3. <b>SMME Support</b>	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 suitability of the SMME.
4. <b>Community Education &amp; Training Colleges (CET) partnerships</b>	The partnerships are in line with CHIETA's mandate of capacitating the CET college sector.	The value of the partnership is seen to be improving the quality of learning and the delivery and supply from CET colleges.
5. <b>Coded Welding (Pilot Project) with TVET Colleges</b>	A pilot project on Blended Learning (e-learning) to explore e-learning using Coded welding Skills Programme in order to curb youth unemployment, improve livelihoods and support economic development. The lessons and best practices would be shared towards implementation of e-learning in the chemical sector	The value of the partnerships is primarily to improve the quality of learning, delivery, and supply from TVET colleges in line with latest developments and skills needed by stakeholders

NAME OF INSTITUTION / PARTNER ORGANISATION		OBJECTIVES OF PARTNERSHIP	VALUE OF PARTNERSHIP
6.	<b>Sefako Makgatho Health Sciences University</b>	Work-integrated learning for undergraduate students	CHIETA funded Sefako Makgatho Health Sciences University to partner with pharmaceutical companies to offer work-integrated learning for undergraduate students who are studying pharmaceutical-related qualifications. Project will provide students with workplace experience and thereby create a pool of graduates for possible absorption into the pharmaceutical sector.
7.	<b>Trade Unions in the Chemical Sector</b>	Reskilling of Chemicals Industry's retrenched workers	The programmes have brought a tremendous improvement in the beneficiary's job searching activities and their awareness of their entrepreneurship potential.
8.	<b>CHIETA/CHEMIN Innovation Hub</b>	Incubation of early-stage businesses and start-ups in the Chemicals Industry	The programme supports entrepreneurs with developing ideas into profitable businesses through incubation programmes.
9.	<b>CHIETA /UJ Multi-SETA Project</b>	Grow collaboration among SETAs (envisioned partnership with EWSETA, ETDPSSETA, Services SETA, AgriSETA & INSETA)	The collaboration with the other SETAs for cross sectoral SMME development will enable competitiveness and increased productivity of SMMEs participating in this programme in order for them to survive in the ever-changing business environment. These SMMEs will be the catalyst of job creation and economic growth.
10.	<b>CXI African Strategic Projects</b>	Digitisation and training	The digital skills gained from the project will provide the youth with an opportunity to enter occupations in high demand and contribute significantly to the digital revolution and economy in South Africa.
11	<b>Youth Media Movement</b>	Digital and 4IR community	The digital skills gained from the project will provide the youth with an opportunity to enter occupations in high demand and contribute significantly to the digital revolution and economy in South Africa.
<b>NEW PARTNERSHIPS</b>			
1.	<b>China Europe International Business School (CEIBS)</b>	Support for corporate Entrepreneurs within the Chemical sector to grow the economy. This project aligns with two of the four CHIETA strategic pillars namely: Innovation and Collaboration.	CHIETA is seeking to sustain and boost employers in its sector, and one of the recommendations is via Entrepreneurial Innovation.
2.	<b>Smart Skills Centre in Babanango, KZN (Mthashana TVET College)</b>	Close the digital divide and give access to digital services or technology to SMMEs in rural communities. This project aligns with three of the four CHIETA strategic pillars namely: Innovation, Digitisation and Collaboration.	SMMEs/ Entrepreneurial digital support Provide internet, Wi-Fi, and e-learning services.  Digitization of skills development
3.	<b>CHIETA/ MICT SETA/ INSETA</b>	Partnering on strategic projects that are aligned to the organisations mandates and will contribute to: <ul style="list-style-type: none"> <li>Economic empowerment</li> <li>Youth Employability</li> </ul>	The SETAs are partnering to identify the priority research areas, including conducting research to support the CHIETA, INSETA & MICT Sector Skills Plan. (SSP) priorities. To maximise funding and support for capacity development initiatives in collaboration with CHIETA, that have been identified as critical by the research, for the benefit of the



		<ul style="list-style-type: none"> <li>• Food Security. different sectors.</li> <li>• Entrepreneurs hip and Business Support.</li> <li>• Digitisation and 4IR</li> </ul>
--	--	--

#### 5.2.4 Governance

CHIETA is governed by a Governing Board and it s 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 pre-determined targets for each performance cycle and financial year. This clearly illustrates the contribution of CHIETA in 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 delivery on NSDP. Specific emphasis was placed on the importance of Research and Skills Planning, and multi-stakeholder Partnerships within best practice Governance and Financial Compliance Management Frameworks. 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.

#### 5.2.5 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; and
- Retention of critical staff

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

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.

CHIETA has partnered with Reality Wellness Group as our organisational wellbeing partner to assist in the physical and emotional well-being of our staff, knowing fully that content employees are productive and performing staff members.

CHIETA also realigned its internal environment given the COVID -19 lockdown to still be able to optimally support the stakeholder base to ensure business continuity and balance that with the safety and wellbeing of its staff and stakeholders. In this regard, CHIETA established a COVID-19 Task Team to assist with the monitoring of CHIETA activities under the COVID-19 protocols from the government. CHIETA conducted a detailed COVID-19 Risk Assessment and COVID-19 19 Work Ready Plan that is aligned to the five risk-based levels of Government to ensure delivery and business continuity on Skills Development Deliverables.

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.

#### 5.2.6 Equity

The gender ratio of the CHIETA is 58.65% female and 41.35% male, 7.7% comprises Indians, 1.9 % Whites, 5.8% Coloureds, 84.6% African people, and 0.96% of people living with disabilities. All races and genders are represented on the majority of the occupational levels in the organisation. CHIETA views diversity as a business imperative that will contribute significantly towards stakeholder value delivery.

#### 5.2.7 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 (Enterprise Resource Planning) 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

#### 5.2.8 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 transfer 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 four 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	643 263
Mandatory Grants	141 399	151 297	152 356
Discretionary Grants	352 710	397 783	408 656
Administrative Budget	94 838	81 628	82 251

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.

6. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1	ADMINISTRATION
PURPOSE	To provide business oversight and enablement services to the core business units and instil and maintain a culture of good governance within CHIETA
BUDGET	R 81 628 000

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
compliant, high-performance CHIETA that is well-capacitated to improve workforce productivity and enhance labour market prospects of employees for sustainable livelihoods	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	1
		Providing 4 Governance Charter Reports	4	4	4	4	4	4	4
Baseline			5	5	5	5	5	5	5

INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		Annual Target 2023/24	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

## Explanation of planned performance over the Medium-Term Period

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

**The total budget over the medium-term allocation to programme 1 is R 247 156 000, while for the 2023/24 financial year, it amounts to R 81 628 000**

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 the CHIETA and to ensure that it maintains its clean and unqualified audit outcomes over the medium-term period.

## Updated Risks

OUTCOME	KEY RISK	MITIGATION
A compliant, high-performance CHIETA that is well-capacitated to improve workforce productivity and enhance labourmarket prospects of employees for sustainable livelihoods	<b>Obtaining a qualified and/or unqualified audit with material findings</b>	<ul style="list-style-type: none"> <li>• Internal Audit Improvement Plan</li> <li>• Combined assurance Framework</li> <li>• Integrated Risk Management Framework</li> <li>• IA Coverage Plan and clean Internal Audit Reports</li> <li>• Board Transformational Audit Strategy Improvement Framework</li> </ul>
	<b>Ineffective and dis-functional CHIETA Governance structures</b>	<ul style="list-style-type: none"> <li>• Compliance to the CHIETA Constitution</li> <li>• Functional Governance Corporate Calendar</li> <li>• Terms of reference for Board Committees and checklist</li> <li>• Regular Board and Board Committee Assessment</li> </ul>
	<b>Ineffective Financial Management</b>	<ul style="list-style-type: none"> <li>• Quarterly Management Accounts with monthly income and expenditure monitoring</li> <li>• Accurate and timeous payments to internal and external stakeholders</li> <li>• Functional cost center management</li> </ul>
	<b>Ineffective Organisational Wide Risk Management Frameworks</b>	<ul style="list-style-type: none"> <li>• Functional CHIETA Risk Management Strategy and Policy Framework</li> <li>• Annual Risk Maturity assessments and improvement plans</li> <li>• Risk Management Plan</li> <li>• Regular Risk Status Reporting to CHIETA</li> <li>• Governance structures</li> <li>• Functional and adequate internal control environment</li> </ul>

<b>PROGRAMME 2</b>	<b>RESEARCH AND SKILLS PLANNING</b>
<b>PURPOSE</b>	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.
	<b>R18 000 000</b>

## OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
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	3	0	3	3	3	3	3
		Number of sector research agreements signed for TVET growth occupationally directed programmes	-	-	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
		Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	-	1	1	1	1	1	1
		Impact study to measure CHIETA's effectiveness	1	1	1	1	1	1	1
		<b>Baseline</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>



## INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		Annual Target 2023/24	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

### Explanation of planned performance over the Medium-Term Period

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

The total budget over the medium-term allocation to programme 2 is R 55 738 000, while for the 2022/23 financial year, it amounts to R18 000 000.

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 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 guide 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, to identify 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

#### Updated Risks

OUTCOMES	RISK DESCRIPTIONS	RISK MITIGATION
Improved workforce productivity and diversity through structured industry knowledge and capacity building.	<b>Lack of credible strategic research and skills planning</b>	<ul style="list-style-type: none"> <li>• Board-Approved Strategic Research Agenda</li> <li>• Accurate WSP analysis, trend analysis, and interpretation</li> <li>• Functional and approved sub-sector skills plans</li> <li>• Board-approved SSP</li> <li>• Chamber Capacity Building</li> <li>• Strategic engagements with sub-sector and Industry leadership</li> </ul>
	<b>Lack of an integrated monitoring, evaluation and Impact measurement and reporting</b>	<ul style="list-style-type: none"> <li>• Board approved CHIETA integrated Monitoring and Evaluation Framework</li> <li>• Targeted Impact assessments and reporting to management and governance structures</li> </ul>
	<b>Lack of credible business intelligence around SMME and Co-ops support</b>	<ul style="list-style-type: none"> <li>• Focused research and business intelligence around the structural needs of start-ups and existing SMMEs and Co-ops</li> </ul>

OUTCOMES	RISK DESCRIPTIONS	RISK MITIGATION
Improved workforce productivity and diversity through structured industry knowledge and capacity building.	Lack of collaboration on Institutional Partnerships with Industry and TVETs	<ul style="list-style-type: none"> <li>•Funding support towards Industry Institutional Partnerships</li> <li>•Sector research agreements on TVET growth and occupationally directed programmes</li> </ul>
	Lack of collaboration on Institutional Partnerships with Industry and TVETs	<ul style="list-style-type: none"> <li>•Focused and targeted development of EISA tools</li> <li>•Focused and targeted qualifications and skills programmes developed and reviewed</li> </ul>

<b>PROGRAMME 3</b>	<b>OCCUPATIONALLY DIRECTED PROGRAMME</b>
<b>PURPOSE</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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</li> </ul>
<b>BUDGET</b>	<ul style="list-style-type: none"> <li><b>335 797 000 (Discretionary Grants (DG))</b></li> <li><b>R33 986 000 Project Administration</b></li> <li><b>R151 297 000 and Mandatory Grants</b></li> </ul>

#### OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS, AND TARGETS

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
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%
		Percentage of Discretionary grant budget allocated at developing intermediate skills	-	37%	37%	44%	44%	44%	44%
		Percentage of Discretionary grant budget allocated at developing elementary level skills	-	1%	1%	1%	1%	1%	1%
		The number of WSPs & ATRs approved for large firms	114	120	120	120	120	120	120
		The number of WSPs & ATRs approved for medium firms	150	170	170	170	170	170	170
		The number of WSPs & ATRs approved for small firms	300	320	320	320	320	320	320
		Number of workers enrolled in Learnership programmes	1000	514	1500	550	600	560	560
		Number of workers completed Learnership programmes	500	385	750	275	300	325	325
		Number of workers granted bursaries (New Entries)	97	0	50	50	50	50	50

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
		Number of workers granted bursaries (Continuing)	-	219	51	51	51	51	51
		Number of workers granted bursaries completed their studies	45	0	45	25	30	35	35
		Number of workers enrolled in Skills Programmes	2000	100	1000	1050	1100	1200	1300
		Number of workers completed Skills Programmes	1000	50	500	525	550	525	525
		Number of artisan learners enrolled	1730	480	620	1000	1000	650	650
		Number of artisan learners completed	479	413	413	554	554	300	300
		Number of unemployed learners granted bursaries (Continuing)	-	585	486	200	210	220	220
		Number of Unemployed learners granted bursaries (new enrolments)			60	-	-	-	-
		Number of unemployed learners granted bursaries completed their studies	30	0	40	20	25	30	30
		Number of learners enrolled on RPL /ARPL	600	0	250	400	500	600	600
		Number of learners completed RPL /ARPL	-	0	125	200	200	200	200
		Number of SETA / Employer partnerships established	130	85	85	100	120	130	130
		Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	80	0	200	50	80	80	80
		Number of university students completed their Work Integrated Learning placements	40	0	100	25	40	40	40

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
		Number of unemployed learners enrolled in Internships	684	0	500	525	550	575	575
		Number of unemployed learners completed internships	342	0	250	263	263	263	263
		Number of unemployed learners enrolled in Skills Programmes	1000	100	1000	1200	1300	1350	1350
		Number of unemployed learners completed Skills Programmes	500	50	500	600	650	675	675
		Number of unemployed learners enrolled on learnerships programmes	3000	1845	2300	1700	1000	1200	1300
		Number of unemployed learners completed learnerships programmes	1500	923	1150	850	500	600	650
		Number of unemployed learners enrolled for Candidacy Programmes	30	30	30	30	30	30	30
		Number of unemployed learners completed Candidacy Programmes	15	15	15	15	15	15	15
Baseline			15366	6464	12570	10868	10328	10314	10564

**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.**

**OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS**

OUTPUT INDICATORS		Annual Target 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>3.1</b>	Percentage of Discretionary grant budget allocated at developing high level skills	<b>55%</b>	-	-	-	55%
<b>3.2</b>	Percentage of Discretionary grant budget allocated at developing intermediate skills	<b>44%</b>	-	-	-	44%
<b>3.3</b>	Percentage of Discretionary grant budget allocated at developing elementary level skills	<b>1%</b>	-	-	-	1%
<b>3.4</b>	The number of WSPs & ATRs approved for large firms	<b>120</b>	-	-	-	120
<b>3.5</b>	The number of WSPs & ATRs approved for medium firms	<b>170</b>	-	-	-	170
<b>3.6</b>	The number of WSPs & ATRs approved for small firms	<b>320</b>	-	-	-	320
<b>3.7</b>	Number of workers enrolled in Learnership programmes	<b>600</b>	100	150	150	200
<b>3.8</b>	Number of workers completed Learnership programmes	<b>300</b>	50	75	75	100
<b>3.9</b>	Number of workers granted bursaries (New Entries)	<b>50</b>	-	-	-	50
<b>3.10</b>	Number of workers granted bursaries (Continuing)	<b>51</b>	-	-	-	51
<b>3.11</b>	Number of workers granted bursaries completed their studies	<b>30</b>	-	-	-	30
<b>3.12</b>	Number of workers enrolled in Skills Programmes	<b>1100</b>	50	150	350	550
<b>3.13</b>	Number of workers completed Skills Programmes	<b>550</b>	50	100	175	225
<b>3.14</b>	Number of artisan learners enrolled	<b>1000</b>	100	200	300	400
<b>3.15</b>	Number of artisan learners completed	<b>554</b>	65	100	153	236



OUTPUT INDICATORS		Annual Target 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.16	Number of unemployed learners granted bursaries (Continuing)	210	-	50	100	60
3.17	Number of Unemployed learners granted bursaries (new enrolments)	0	-	-	-	-
3.18	Number of unemployed learners granted bursaries completed their studies	25	-	-	-	25
3.19	Number of learners enrolled on RPL /ARPL	500	-	100	200	200
3.20	Number of learners completed RPL /ARPL	200	-	-	-	200
3.21	Number of SETA / Employer partnerships established	120	-	-	-	120
3.22	Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	80	-	-	-	80
3.23	Number of university students completed their Work Integrated Learning placements	40	-	-	-	40
3.24	Number of unemployed learners enrolled in Internships	550	50	100	175	225
3.25	Number of unemployed learners completed internships	263	-	-	125	138
3.26	Number of unemployed learners enrolled in Skills Programmes	1300	150	250	400	500
3.27	Number of unemployed learners completed Skills Programmes	650	75	125	200	250
3.28	Number of unemployed learners enrolled on learnerships programmes	1000	100	200	350	350
3.29	Number of unemployed learners completed learnerships programmes	500	50	150	150	150
3.30	Number of unemployed learners enrolled for Candidacy Programmes	30	-	-	-	30
3.31	Number of unemployed learners completed Candidacy Programmes	15	-	-	-	15
Baseline		10328	840	1750	2903	4835

# OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
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	4	5	5	5	5
		Number of TVET lecturers exposed to the industry through skills programmes	-	60	100	105	105	105	105
		Number of TVET College Lecturers awarded bursaries (Continuing)	-	-	-	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
		Number of managers receiving training on curriculum-related studies (CETs)	-	-	-	-	-	-	-
		Number of CET learners accessing AET programmes	-	-	1000	50	75	100	100
		Number of TVET Partnerships established	18	12	15	12	14	16	16
		Number of CET partnerships established	-	-	-	3	4	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	1200	1200	1200
		Number of TVET students completed their Work Integrated Learning placements	-	-	250	400	600	275	275
		Number of people enrolled in CET Internships	-	-	-	-	0	0	0
		Number of people completed in CET Internships	-	-	-	-	0	0	0
Baseline			24	78	1921	1677	2130	1858	1858

## INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		Annual Target 2023/24	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 centres of specialization supported	5	-	-	-	5
3.34	Number of TVET lecturers exposed to the industry through skills programmes	105	-	-	50	55
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	75	-	-	-	75
3.39	Number of CET learners accessing AET programmes	75	-	25	25	25
3.40	Number of TVET Partnerships established	14	-	-	-	14
3.41	Number of CET partnerships established	4	-	-	-	4
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 complete their qualifications placed in workplaces	1200	0	200	400	600
3.45	Number of TVET students completed their Work Integrated Learning placements	600	0	100	200	300
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
<b>Baseline</b>		<b>2130</b>	<b>0</b>	<b>325</b>	<b>675</b>	<b>1130</b>

**NOTE:** Sector-funded targets are funded from industry through the ETQA Business Unit and apply to Learnerships entered & completed (Employed & Unemployed) and Artisan entered and completed and included in the APP targets. The DHET / CHIETA SLA provides the breakdown of the actual number of industry/sector funded. CHIETA has included the Sector funded learners and SETA-funded learners on the 2023/24 APP. This is funded from the ETQA Budget.

## OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
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	5	1	5	3	4	5	5
Baseline			5	1	5	3	4	5	5

## INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		Annual Target 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.48	Number of Federations/Trade Unions supported through relevant skills training Interventions	4	-	-	-	4
Baseline		4	0	0	0	4

# OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS, AND TARGETS

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	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	40	0	50	100	110	120	130
		Number of Small businesses funded for skills that enhance growth and development	115	10	75	500	550	600	650
		Number of CBOs/NGOs//NPOs funded for skills that enhance the development and sustainability of their organisations’ activities	50	0	50	80	85	90	95
		Number of people trained on entrepreneurship supported to start their business	-	20	100	50	55	60	65
Baseline			205	30	275	730	800	870	940

## INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		Annual Target 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.49	Number of Cooperatives funded for skills that enhance enterprise growth and development	110	-	-	40	70
3.50	Number of Small businesses funded for skills that enhance growth and development	550	-	50	50	450
3.51	Number of CBOs/NGO/ NPOs funded for skills that enhance the development and sustainability of their organisation's activities	85	-	-	40	45
3.52	Number of people trained on entrepreneurship supported to start their business	55	-	-	-	55
Baseline		800	0	50	130	620

## OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
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	5	1	2	3	3	3	3
		Number of Career development events completed in rural areas on occupations in high demand	5	1	2	3	3	3	3
		Number of Career Development Practitioners trained	-	-	-	-	-	-	-
		Number of capacity building workshops on Career Development Services initiated	-	-	-	-	-	-	-
Baseline			10	2	4	6	6	6	6

## INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		Annual Target 2023/24	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

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
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	10	0	10	10	10	10	10
		Number of workers enrolled on AET programmes	150	112	250	250	275	280	285
		Number of workers completed AET programmes	75	80	125	125	138	140	145
Baseline			235	192	385	385	423	430	440

## INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		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 on AET programmes	275	-	50	100	125
3.59	Number of workers completed AET programmes	138	-	-	50	88
Baseline		423	0	50	150	223
GRAND BASELINE		13691	840	2175	3858	6818

### FOOTNOTE ACTION RELATING TO PROGRAMME 3:

The DHET SLA and CHIETA APP reflect seven (7) 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 2021/22 (actual performance) and 2023/24 (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

### Explanation of planned performance over the Medium -Term Period

This programme has three (3) outcomes:

**The total budget over the medium-term allocation to programme is R 1 787 179 000, while for the 2023/24 financial year, it amounts to R 549 080 000.**



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. Or 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.

The 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 4<sup>th</sup> 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 in developing and launching 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 combatting 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 bursary's and a 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 enrolments 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 to complete their qualifications and workplace experience work new entrants require after completing their qualifications for a successful transition into the labour market. The CHIETA in partnerships 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 the Strategic Projects fast-track support for the up skilling of employees. The CHIETA plans to support the number of Federations / CHIETATrade 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 in informal economies. The CHIETA will provide innovative skills solutions for growth and development to approximately 2225 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 focussing on attracting young entrants to the Chemical Industries Sector and empowering incumbents and employed people. The 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.

## Updated Risks

OUTCOMES	RISK DESCRIPTIONS	RISK MITIGATION
Improved support for TVET and CET colleges through effective career and vocational guidance system	DG allocations not aligned to Strategic outcomes and APP priorities	<ul style="list-style-type: none"> <li>Approved DG Funding windows in support of APP deliverables</li> <li>DG funding windows in synchronization and support to quarterly distribution of APP targets</li> </ul>
	Lack of focused funding and support to TVET and CET Colleges	<ul style="list-style-type: none"> <li>Targeted DG funding windows for TVET/CET support</li> <li>Conceptualization and implementation of Strategic Projects in support of TVET /CET deliverables</li> </ul>
	Poor uptake from institutions, employers and industry on WIL	<ul style="list-style-type: none"> <li>Closer collaboration through regional offices to gather business intelligence to do root cause analysis with opportunity consideration and solutions driven mindset</li> <li>Incentivised DG funding framework</li> </ul>

OUTCOMES	RISK DESCRIPTIONS	RISK MITIGATION
Seamless work-integrated learning between training institutions, employees and industry  Skilled and competent Chemical Industry entrepreneurs and Cooperatives	Lack and inability to accurate evaluate and allocate DG funding to National, Governing Board and ERRP priorities	<ul style="list-style-type: none"> <li>Accurate regional DG evaluation processes</li> <li>Correct GEC appointment and competency mix</li> <li>Accurate GAC moderation and recommendation to Grants Committee</li> </ul>
	Lack of focused high impact career development events	<ul style="list-style-type: none"> <li>Targeted career developments events in rural and urban areas</li> <li>Functional career development Management Framework and model</li> <li>Management information on participants and transformational profile with feedback to Skills Planning process</li> </ul>
	Low rate of workplace approvals/accreditation	<ul style="list-style-type: none"> <li>ETQA collaboration plan with employers to understand root cause, corrective action and opportunity</li> <li>Targeted approach of workplace approvals</li> </ul>

<b>PROGRAMME 4</b>	<b>ETQA</b>
<b>PURPOSE</b>	To ensure the sustainability of the Chemical accreditation of service providers, the curriculum development of qualifications and the acceleration of certification
<b>BUDGET</b>	<b>R10 000 000</b>

#### OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output Indicators	ANNUAL TARGETS						
			Audited / Actual Performance			Estimated Performance 2022/23	MTEF Period		
			2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Increased enrolments and completions of occupations in high demand	Accreditation, registration of Assessors & Moderators quality assurance of learner achievements, workplace approvals and monitoring of skills development	Approved Workplaces including SETA endorsements.	75	75	85	30	40	50	50
		Quality Assurance of learner achievements are conducted per learning intervention.	310	250	200	210	201	201	201
		Assessors and moderators registered.	180	175	175	184	193	193	193
		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
Baseline			565	501	464	428	459	469	469

#### INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		ANNUAL TARGET 2023/24	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
4.1	Approved Workplaces including SETA endorsements.	40	-	-	20	20
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
<b>Baseline</b>		<b>459</b>	<b>-</b>	<b>-</b>	<b>213</b>	<b>246</b>

## Explanation of planned performance over the Medium-Term Period

### OUTCOME 2: Increased enrolments and completion of occupations in high demand

The total budget over the medium-term allocation to programme 1 is R 41 571 000, while for the 2022/23 financial year, it amounts to R 10 000 000. CHIETA has been delegated by the QCTO to perform education and training-related quality assurance roles in support of the Chemical Industries Sector. This will be a focus area over the medium-term period. The accreditation and re-accreditation of service providers and the quality assurance of learner achievements will be monitored carefully over this period to ensure the outcome of this indicator.

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 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. The 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.

### Updated Risks

OUTCOME	KEY RISK	RISK MITIGATION
Increased enrolments and completion of occupations in high demand	Ineffective certification process	Accurate verification and rejection of non-compliant submissions
	Ineffective accreditation process	Ensure applications are correct through the checklist and rejection of non-compliant submissions
	Ineffective workplace approvals	Ensure application forms are correct through use of checklist and rejection of non-compliant submissions
	Closure of CHIETA Training Providers	CHIETA to extend the timeframes for accreditation of Training Providers. Prioritise DG funding to Training Providers
	Reduced supply of skills development pipeline in relevant skills, future growth areas and occupations in demand	CHIETA to prioritise these skills and occupations in demand through the DG Funding Windows.

## 7.Resource considerations

### OVERVIEW OF 2023/24 BUDGET AND MTEF ESTIMATES

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

	Audited	Audited	Audited	Budget	Estimated expenditure	Forecast	Forecast	Forecast
R Thousand	' 2018/19	' 2019/20	'2020/21	'2021/22	'2022/23	'2023/24	'2024/25	'2025/26
<b>Revenue</b>								
<b>Tax revenue</b>								
<b>Non-tax revenue</b>	<b>27 037</b>	<b>24 521</b>	<b>17 393</b>	<b>18 457</b>	<b>20 656</b>	<b>22 636</b>	<b>24 749</b>	<b>25 758</b>
Other non-tax revenue	27 037	24 521	17 393	18 457	20 656	22 636	24 749	25 758
Fines penalties and forfeits								
Interest	6 763	7 215	6 917	12 895	7 756	8 144	8 469	7 469
Dividends			-	-	-	-	-	-
Rent on land			-	-				
Other non-tax revenue	20 274	17 306	10 476	5 562	12 900	14 492	16 280	18 289
<b>Transfers received</b>	<b>550 923</b>	<b>533 483</b>	<b>369 533</b>	<b>586 565</b>	<b>568 292</b>	<b>608 072</b>	<b>618 514</b>	<b>649 440</b>
Department of HET (SETAS only)	550 923	533 483	369 533	586 565	568 292	608 072	618 514	649 440
Skills Development Levies	550 923	533 483	369 533	586 565	568 292	608 072	618 514	649 440
Admin - 10% / 10.5%	72 331	70 019	48 505	76 860	76 288	81 628	80 745	84 782
Employer Grant Fund Levy- 20%	136 277	133 353	92 387	146 419	142 110	152 058	154 635	162 367
Discretionary Grants - 20% / 49.5%	342 315	330 111	228 641	363 286	349 894	374 387	383 134	402 291
Surplus motivation								
International donor organisations								
<b>Total revenue</b>	<b>577 960</b>	<b>558 004</b>	<b>386 926</b>	<b>605 022</b>	<b>588 948</b>	<b>630 708</b>	<b>643 263</b>	<b>675 198</b>
<b>Expenses</b>	<b>66 344</b>	<b>69 302</b>	<b>93 012</b>	<b>80 064</b>	<b>94 838</b>	<b>81 628</b>	<b>80 745</b>	<b>84 783</b>
<b>Current expense</b>	26 751	26 880	31 579	28 677	33 884	16 409	12 225	19 853
Compensation of employees	39 593	42 422	61 433	51 387	60 955	65 219	68 520	64 930
Salary & Wages	34 094	35 053	53 458	43 244	52 768	56 823	59 494	55 471

Basic salary	27 678	27 979	42 837	37 471	43 119	46 137	49 367	52 823
Performance rewards	4 612	5 767	8 054	4 383	8 213	8 851	7 898	-
Leave days	1 804	1 307	2 567	1 390	1 436	1 835	2 229	2 648
Compensative/ circumstantial								
Stay bonus								
Other non-pensionable allowances								
Social Contributions (employer contributions only)	5 499	7 369	7 975	8 143	8 187	8 396	9 026	9 459
Pension	2 111	4 768	5 180	5 280	5 313	5 579	5 858	6 151
Medical	3 062	2 265	2 465	2 523	2 532	2 658	2 791	2 931
UIF	326	336	330	340	342	359	377	377
Bargaining council								
Unions								
Insurance								
Post retirement benefits (Medical)								
Use of goods and services	26 751	26 880	31 579	28 677	33 884	16 409	12 225	19 853
Advertising	1 003	700	557	472	521	561	680	686
Advertising of posts								
Advertising (marketing)	1 003	700	557	472	521	581	680	686
Audit Fees	3 282	4 214	2 780	4 192	3 400	1 448	761	1 591
Internal	898	1 126	284	912	939	617	606	594
Forensic	-							
External	2 384	3 088	2 496	3 280	2 461	831	155	997
Other expenses	961	238	2 163	1 380	646	-	-	-
Board Costs	2 791	3 281	5 083	3 895	3 097	1 652	1 065	1 494
Board - Remuneration	1 805	2 150	3 490	2 657	2 324	840	362	690
Audit Committee remuneration	630	717	1 215	1 031	552	580	460	641
Board - Secretariat fees	356	414	378	207	221	232	244	163
Board - Committee fees			-		-	-	-	-
Bursaries (employees)								
QCTO Payment	3 392	3 597	3 874	2 502	3 659	750	377	788
Communication	1 063	895	694	718	989	1 038	90	1 144
Telephone	756	565	627	501	780	819	860	903



Cellphones	-	-	-	-	-	-	-	-
Postage & Courier	307	330	67	217	209	219	230	242
Satellite signals	-	-	-	-				
Other	-	-	-	4 590				
Computer services	<b>731</b>	<b>1 325</b>	<b>2 309</b>	<b>2 247</b>	<b>9 341</b>	<b>1 131</b>	<b>1 379</b>	<b>2 240</b>
SITA services	-	-	-	-	-	-	-	-
External service providers-Internet	731	1 325	2 309	2 247	9 341	1 131	1 379	2 240
Consultants, contractors and special services	<b>13 528</b>	<b>12 630</b>	<b>14 119</b>	<b>8 681</b>	<b>12 231</b>	<b>9 830</b>	<b>7 873</b>	<b>11 909</b>
Digitization	2 177	1 416	3 115		1 941	250	99	25
Other services	807	659	150	337	246	168	218	486
Insurance cost	176	122	108	160	196	168	206	195
Workshop and meeting costs	631	537	42	177	50		12	291
Item 1								
Item 2								
Item 3								
Entertainment								
Equipment less than R5000								
Inventory	626	580	507	741	1 015	560	62	23
Consumables								
Food and food supplies								
Fuel, oil and gas								
Parts and other maintenance material								
Stationery and printing	626	580	507	741	1 015	560	62	23
Restoration and fittings								
Other								
Legal fees	666	287	698	553	953	50	30	13
Loss or (Gains)								
Losses due to Fraud								
On Sale of Assets								
Forex								
Adjustments to Fair Value								
Other								
Maintenance and repairs	<b>808</b>	<b>860</b>	<b>2 012</b>	<b>81</b>	<b>181</b>	<b>918</b>	<b>967</b>	<b>216</b>
Buildings	124	120	1 087	-		121	130	137
IT Maintenance	684	740	925	81	181	797	837	79
Vehicles				-				

Equipment							
Operating leases	3 236	3 236	4 468	3 095	3 312	3 442	1 824 6 232
Rent-buildings	3 236	3 236	4 468	3 095	3 312	3 442	1 824 6 232
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 Subsistence	2 587	2 587	234	867	1 337	984	1 041 1 101
Air Travel - Air Tickets ( Domestic)							
Air Travel - Air Tickets ( International)							
Travel and Accommodation - Domestic	2 587	2 587	234	867	1 337	984	1 041 1 101
Accommodation - International							
Entertainment							
Other							
Training and staff development	698	1 152	1 214	507	770	809	849 892
Utilities	986	1 217	940	503	1 284	1 373	1 442 1 514
Water and electricity	986	1 217	940	503	1 284	1 373	1 442 1 514
Item 1							
Item 2							
Venues and facilities							
Project expenditure							
National Skills fund expenses							
Item 2							
Depreciation	937	636	781	1 997	1 192	1 276	1 341 1 409
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	589	363	325	722	351	390	409 430
Furniture and Office equipment	146	140	170	193	344	189	198 208
Other Machinery and equipment	89	84	164	176	394	82	86 90
Specialised military assets							

Transport Assets							
Computer Software	113	49	122	906	104	615	647
Valuables (e.g. works of art)							680
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							
<b>Transfers and subsidies</b>	<b>515 662</b>	<b>528 982</b>	<b>247 014</b>	<b>469 503</b>	<b>494 109</b>	<b>549 080</b>	<b>562 518</b>
Employer Grant	124 696	124 937	82 414	126 895	141 399	151 297	153 862
Provincial government							161 555
Municipalities							
Departmental agencies and accounts							
Universities and technikons							
Foreign governments and international organisations							
Public and private corporations	124 696	124 937	82 414	126 895	141 399	151 297	153 862
Non-profit institutions							161 555
Households							
Discretionary Grant	<b>390 966</b>	<b>404 045</b>	<b>164 600</b>	<b>342 608</b>	<b>352 710</b>	<b>397 783</b>	<b>408 656</b>
Provincial government							<b>428 860</b>
Municipalities							
Departmental agencies and accounts							
Universities and Technikons							
Foreign governments and international organisations							
Public and private corporations	361 716	377 912	153 116	315 994	326 257	363 797	378 007
7.5% Project Administration	29 250	26 133	11 484	26 614	26 453	33 986	396 695
Non-profit institutions							32 165
Households							
Transfers other than for skills development							
Provincial government							
Municipalities							
Rates and taxes							
RSC levies							
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								
<b>Total expenses</b>	<b>582 006</b>	<b>598 284</b>	<b>340 026</b>	<b>549 567</b>	<b>588 948</b>	<b>630 709</b>	<b>643 263</b>	<b>675 198</b>
<b>Surplus / (Deficit)</b>	<b>-4 046</b>	<b>-40 280</b>	<b>46 900</b>	<b>55 455</b>	<b>0</b>	<b>-0</b>	<b>0</b>	<b>0</b>
Tax payment								
Outside shareholders Interest								
<b>Cash flow summary</b>								
<b>Adjust surplus / (deficit) for accrual transactions</b>	<b>-4 046</b>	<b>-40 280</b>	<b>46 900</b>	<b>55 455</b>	<b>0</b>	<b>-0</b>	<b>0</b>	<b>0</b>
Adjustments for:								
Depreciation	824	587	691	1 898	1 088	661	694	728
Interest	-20 274	-17 306	-10 476	-13 119	-12 900	-14 492	16 280	-18 289
Amortisation	113	49	90	99	104	615	647	680
Net (profit) / loss on disposal of fixed assets	13	27	272	-	-	-	-	-
Other-Relating to grants	124		-	-	-	-	-	-
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>-19 200</b>	<b>-16 643</b>	<b>-9 423</b>	<b>-11 122</b>	<b>-11 708</b>	<b>-13 216</b>	<b>14 939</b>	<b>-16 880</b>
Changes in working capital	<b>65 330</b>	<b>-51 316</b>	<b>46 379</b>	<b>25 658</b>	<b>-8 600</b>	<b>533</b>	<b>533</b>	<b>533</b>
(Decrease) / increase in accounts payable	62 234	-50 480	47 968	28 224	-9 033	564	564	564
Decrease / (increase) in accounts receivable	-394	-939	-2 149	-2 824	-129	-136	-136	-136
Decrease / (increase) in inventory			518					
(Decrease) / increase in provisions	3 490	103	42	258	562	105	105	105
<b>Cash flow from operating activities</b>	<b>62 358</b>	<b>-90 933</b>	<b>94 332</b>	<b>83 110</b>	<b>-7 408</b>	<b>1 809</b>	<b>1 874</b>	<b>1 942</b>
Transfers from government	-	-	-	-				
Of which: Capital								
: Current								
<b>Cash flow from investing activities</b>	<b>-1 134</b>	<b>-351</b>	<b>-7 397</b>	<b>-3 001</b>	<b>-1 353</b>	<b>-1 421</b>	<b>1 492</b>	<b>-1 567</b>
Acquisition of Assets	<b>-1 134</b>	<b>-351</b>	<b>-7 397</b>	<b>-3 001</b>	<b>-1 353</b>	<b>-1 421</b>	<b>1 492</b>	<b>-1 567</b>
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	-429	-337	-1 375	-1 229	-651	-684	-718	-754
Furniture and Office equipment	-579	-22	-11	-1 147	-536	-563	-591	-620
Other Machinery and equipment	-34	-17	-144	-10	-87	-91	-96	-101
Specialised military assets								
Transport Assets								
Computer Software	-130	-	-5 879	-615	-79	-83	-87	-92
Proceed from disposal	38	25	12					
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								
<b>Cash flow from financing activities</b>	-	-						
Deferred Income								
Borrowing Activities								
Grants received	-	-						
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>61 224</b>	<b>-91 284</b>	<b>86 935</b>	<b>80 109</b>	<b>-8 761</b>	<b>388</b>	<b>382</b>	<b>375</b>
<b>Balance Sheet Data</b>								
<b>Carrying Value of Assets</b>	<b>2 842</b>	<b>2 533</b>	<b>8 878</b>	<b>6 086</b>	<b>5 177</b>	<b>4 435</b>	<b>4 657</b>	<b>4 890</b>
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	918	843	1 807	1 115	1 170	1 229	1 290	1 355
Furniture and Office equipment	1 201	1 084	914	280	294	308	324	340
Other Machinery and equipment	624	556	350	423	444	466	489	514
Specialised military assets								
Transport Assets								
Computer Software	99	50	5 807	4 269	3 269	2 432	2 554	2 681
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								
<b>Long Term Investments</b>	-	-	-	-	-	-	-	-
Floating								
Current								
1<5 Years								
5<10 Years								
>10 Years								
<b>Cash and Cash Equivalents</b>	<b>347 246</b>	<b>256 467</b>	<b>343 960</b>	<b>343 960</b>	<b>261 046</b>	<b>252 164</b>	<b>253 160</b>	<b>252 161</b>
Bank	347 241	256 457	343 950	343 956	261 042	252 160	253 159	252 160
Cash on Hand	5	10	10	4	4	4	1	1
Other								
Other								
<b>Receivables and Prepayments</b>	<b>2 388</b>	<b>3 144</b>	<b>5 293</b>	<b>2 589</b>	<b>2 718</b>	<b>2 854</b>	<b>1 997</b>	<b>3 146</b>
Trade Receivables	2 078	2 801	5 293	2 526	2 652	2 785	1 924	3 070
Interest Debtors	310		-	63	66	69	73	76
Deposit		143						
Skills Development Levy receivables		191						
Prepaid Expenses	-	-						
Other		9						
<b>Inventory</b>	<b>67</b>	<b>548</b>	<b>30</b>	<b>80</b>	<b>84</b>	<b>88</b>	<b>96</b>	<b>97</b>
Trade	67	548	30	80	84	88	96	97
Other								
Other								
<b>Capital &amp; Reserves</b>	<b>242 454</b>	<b>202 980</b>	<b>249 636</b>	<b>206 423</b>	<b>206 423</b>	<b>206 423</b>	<b>206 423</b>	<b>206 423</b>
Admin Reserve	6 094	6 094	6 094	6 094	6 094	6 094	6 094	6 094
Accumulated Reserves								
Surplus / (Deficit)								
Prior Year Adjustments								
Other								
Employer Grant	-	-						
Discretionary reserve	236 360	196 886	243 542	200 329	200 329	200 329	200 329	200 329
<b>Borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Floating								
Current								

1<5 Years								
5<10 Years								
>10 Years								
<b>Post-Retirement Benefits</b>	-	-	-	-	-	-	-	-
Present value of Funded obligations								
Unrecognised transitional liabilities								
Other								
<b>Trade and Other Payables</b>	<b>104 396</b>	<b>51 454</b>	<b>96 678</b>	<b>60 021</b>	<b>50 369</b>	<b>50 664</b>	<b>49 697</b>	<b>50 319</b>
Trade Payables	95 553	1 647	7 766	49 272	39 083	38 814	37 254	37 254
Accrued Interest								
Deferred income								
Skills Development Levy payables	8 843	49 807	88 912	10 749	11 286	11 850	12 443	13 065
Other payables								
<b>Provisions</b>	<b>5 693</b>	<b>8 258</b>	<b>11 847</b>	<b>2 604</b>	<b>2 581</b>	<b>2 749</b>	<b>2 822</b>	<b>2 899</b>
Leave pay provision	1 081	1 307	2 567	1 328	1 394	1 464	1 537	1 614
Bonus provision	4 612	5 767	8 054	-	-	-	-	-
Advance Billing								
Other 1		1 184	1 226	1 276	1 187	1 285	1 285	1 285
Other 2								
<b>Managed Funds (eg Poverty Alleviation Fund)</b>	-	-	-	-	-	-	-	-
Poverty Alleviation Fund								
Regional Development Fund								
Third Party Funds								
Other 4								
<b>Contingent Liabilities</b>	-	-	-	-	-	-	-	-
Retirement Fund								
Housing Guarantee								
Other 1								
Other 2								

## **Expenditure Estimates:**

The total projected expenditure budget of R630 708 (R'000) is made up of R363 797 (R'000) in direct Discretionary Grant and Strategic Project expenses, R33 987 (R'000) in project administration expenses, R151 297 (R'000) in approved Mandatory Grants and R81 628 (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 and oriented goals**

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 4-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 2023/24 financial year is 630 708 in SDL income. Investment return is projected at R14 492 (R'000) and revenue from interest and penalties is projected at R8 144 (R'000). The total expenditure projection of R630 708 (R'000) is made up as follows in the projected budget:

### **Expenditure:**

- R363 797 (R'000) – 58% of the total budget in direct discretionary grant and project expenses
- R33 986 (R'000) – 5% of the total budget in project administration expenses, representing 8% of projected discretionary grant and projects expenditure
- R151 297 (R'000) – 24% of the total budget in mandatory grant expenses
- R81 628 (R'000) - 13% of the total budget in administration expenses

### **Key assumption of the budget projection for 2023/24**

The above budget is based on the assumption that the industry will stabilize post the COVID-19 epidemic. The budget is therefore based on a resumption of normal SDL contributions from April 2021 by all organizations in the chemicals sector.

#### **ESTIMATED BUDGET FOR STRATEGIC PROGRAMMES FOR 2023/24**

<b>PROGRAM NUMBER</b>	<b>PROGRAMME NAME</b>	<b>BUDGET ALLOCATION 2023/24</b>
<b>1</b>	<b>Administration</b>	<b>R 81 628 000</b>
<b>2</b>	<b>Research and Skills Planning</b>	<b>R 18 000 000</b>
<b>3</b>	<b>Learning Programmes and Projects</b>	<b>R 335 797 000</b>
	<b>Mandatory Grants</b>	<b>R 151 297 000</b>
	<b>Project Administration</b>	<b>R 33 986 000</b>
<b>4</b>	<b>ETQA</b>	<b>R 10 000 000</b>
<b>TOTAL</b>		<b>R 630 708 000</b>

## **People 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 HR Policies, systems, and good practices. It further seeks to continually provide a continuous learning and development opportunity that leads to individual and organisational growth.

## **Staff Turnover**

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

## **Equity**

The gender ratio of the CHIETA is 56.61% female and 43.41% male, of whom 9% comprise of Indian, 2.1 % white, 8.1% coloured, 81.1% African people and 1% of people living with disabilities. All races and genders are represented on the majority of the occupational levels in the organisation. CHIETA view diversity as a business asset which will contribute significantly towards stakeholder delivery.

## **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.

## **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.

## **Employee Wellness**

CHIETA has partnered with Reality Wellness Group as our organisational wellbeing partner to assist in the physical and emotional wellbeing of our staff, knowing fully that employees who are content are productive and performing staff members.

## Financial Resources

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

- The budget is based on a mandate that must be performed.
- 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 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 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 have been within the legislative threshold of 10% and this trend has been projected going forward. The CHIETA has provided the personnel per project below:

### Age Variances of Staff Compliment

<b>(Interns and Cleaners)</b>			
<b>Age</b>	<b>Race</b>	<b>Gender</b>	<b>No. Of Employee</b>
23	A	M	1
23	A	F	2
24	A	M	2
25	A	M	1
25	A	F	2
26	A	M	1
26	A	F	1
27	A	F	4
28	A	M	3
29	A	F	2
30	A	F	1
32	A	M	2
33	A	M	1
38	A	F	1
45	A	F	1
64	A	F	2
<b>TOTAL</b>			<b>27</b>

(Assistant Administrators)			
Age	Race	Gender	No. Of Employee
29	A	M	1
29	C	F	1
31	A	F	1
32	A	M	3
33	A	M	1
34	A	F	1
34	A	M	1
35	A	F	1
37	A	F	1
41	A	M	1
45	A	F	1
46	A	F	1
49	A	F	1
<b>TOTAL</b>			<b>15</b>
(Administrators)			
Age	Race	Gender	No. Of Employee
28	A	F	1
29	A	F	1
32	A	F	2
33	A	M	2
36	A	F	1
37	A	F	1
39	A	F	1
44	A	F	1
45	A	F	1
50	A	M	1
55	A	F	1
<b>TOTAL</b>			<b>13</b>
( Practitioners)			
Age	Race	Gender	No. Of Employee
31	A	M	2
32	A	M	1
33	A	F	1
34	C	M	1
36	A	F	1
37	A	F	1
38	A	M	1
46	A	F	1
51	A	M	1
55	A	F	1

<b>TOTAL</b>			<b>11</b>
<b>(Specialists)</b>			
<b>Age</b>	<b>Race</b>	<b>Gender</b>	<b>No. Of Employee</b>
33	A	M	2
35	A	M	1
37	A	F	1
38	A	F	2
39	C	F	1
39	FN(Foreign National)	M	1
40	A	F	2
40	A	M	1
43	C	F	1
43	A	F	1
47	I	F	1
47	I	M	1
48	A	M	1
51	A	M	1
54	A	M	1
57	I	M	1
58	W	F	1
<b>TOTAL</b>			<b>22</b>
<b>(Managers)</b>			
<b>Age</b>	<b>Race</b>	<b>Gender</b>	<b>No. Of Employee</b>
34	A	F	1
36	A	F	1
37	A	F	1
47	A	F	1
50	A	M	1
53	FN (Foreign National)	M	1
55	C	M	1
56	A	M	2
57	F	F	1
58	I	M	1
61	I	M	1
<b>TOTAL</b>			<b>12</b>
<b>(Executives)</b>			
<b>Age</b>	<b>Race</b>	<b>Gender</b>	<b>No. of Employee</b>
36	I	M	1
39	I	M	1
40	A	F	1
55	I	F	1
58	W	M	1
<b>TOTAL</b>			<b>5</b>



## higher education & training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

### 8. SETA/DHET SERVICE LEVEL AGREEMENT FRAMEWORK 2023-2024

APPROVED/ NOT APPROVED/ AMENDED	
DIRECTOR-GENERAL	HIGHER EDUCATION AND TRAINING
SIGNATURE	
DATE	



# higher education & training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

## **SERVICE LEVEL AGREEMENT**

entered into by and between

### **DEPARTMENT OF HIGHER EDUCATION AND TRAINING**

(hereinafter referred to as the “DHET” represented by 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 2023 to 31 March 2024**.

## 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 (4<sup>th</sup> 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.
- 3.2 achieve all targets for the planning period as reflected in the table below:

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
		• 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.	50	55	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	1000	1200	None
		• Number of TVET students completed their work integrated learning placements.	400	600	None
		• 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	50	80	None
		• Number of university students completed their Work Integrated Learning placements	25	40	None
		• Number of unemployed learners enrolled Internships	525	550	None
		• Number of unemployed learners completed Internship	263	263	None
		• Number of unemployed learners enrolled Skills programmes	1200	1300	None
		• Number of unemployed learners completed Skills programmes	600	650	None
		• Number of unemployed learners enrolled Learnerships programmes	1700	1000	None
		• Number of unemployed learners completed Learnerships programmes	850	500	None
		• Number of unemployed learners enrolled for Candidacy programmes	30	30	None
		• Number of unemployed learners completed Candidacy programmes	15	15	None
3. Improving the level of skills in the	3.1: To increase workers participating in various learning programmes to a	• Number of workers enrolled in Learnerships programmes	550	600	None
		• Number of workers completed Learnerships programmes	275	300	None
		• Number of workers granted Bursaries (new entries)	50	50	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
South African workforce	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 granted Bursaries (continuing)	51	51	None
		• Number of workers granted Bursaries completed their studies	25	30	None
		• Number of workers enrolled Skills programmes	1050	1100	None
		• Number of workers completed Skills programmes	525	550	None
		• Number of workers enrolled AET programmes	250	275	None
		• Number of workers completed AET programmes	125	138	None
4. Increase access to occupationally directed programmes	4.2: Increase access for Intermediate and high level skills	• Number of artisan learners enrolled	1000	1000	None
		• Number of artisan learners completed	1000	554	None
		• Number of unemployed learners granted Bursaries (new enrollments)	554	0	None
		• Number of unemployed learners granted Bursaries (continuing )	200	210	None
		• Number of unemployed learners granted Bursaries completed their studies	20	25	None
		• Number of learners enrolled RPL/ARPL	400	500	None
		• Number of learners completed RPL/ARPL	200	200	None
		• Number of TVET partnerships established	12	14	None
		• Number of HEI partnerships established	3	3	None
		• Number of CET partnerships established	3	4	None
		• Number of SETA-Employer partnerships established	??	120	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	50	75	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	50	75	None
		• Number of cooperatives funded for skills that enhance enterprise growth and development	100	110	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
6. Skills development support for entrepreneurship and cooperative development	6.1: To increase skills development support for entrepreneurial activities and the establishment of new enterprises and cooperatives	• Number of small businesses funded for skills that enhance growth and development	500	550	None
		• Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities.	80	85	None
7. Encourage and support worker initiated training		• Number of Federations /Trade Unions supported through the relevant skills training interventions	3	4	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 Projects initiated	10	10	None

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 2023/24 APP and will report these learners accordingly.

## 5. OBLIGATIONS OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

### 4.1 The Department undertakes to:

- 4.1.1 consult the SETA on policy and strategic matters that may affect the functioning of the SETA;
- 4.1.2 specify timelines for the submission of adhoc reports;
- 4.1.3 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;
- 4.1.4 provide the SETA with guidance on strategic planning documents and any matter that may be requested by the SETA in relation to its functions;
- 4.1.5 provide support to SETA where applicable in performing its functions and responsibilities;
- 4.1.6 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 29 DAY OF November 2022



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

**AGSA-** Auditor-General South Africa

**APP** - Annual Performance Plans

**ARPL** - 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-** 4<sup>th</sup> 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)

**WBLPAR-** Workplace Based Learning Programme Agreement Regulation

**WIL** - Work Integrated Learning

**WSPs-** Workplace Skills Plans

# **CHIETA**

## 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 enquiries & disciplinary processes defined by the Human Resources policies & 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 is 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 disclosable 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.

### **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

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)	(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 authority or that legislature.	Quantitative – 1% of total revenue Qualitative – events as contained in the Materiality & Significance Framework Policy
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)	(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

<p>Section 54 (2)</p>	<p>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 –</p> <p>establishment or participation in the establishment of a company;</p> <p>participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;</p> <p>acquisition or disposal of a significant shareholding in a company;</p> <p>acquisition or disposal of a significant asset;</p> <p>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.</p>	<p>All events / transactions will require disclosure – 100% compliance</p>
---------------------------	--	--



**10.**

**MONITORING AND EVALUATION POLICY**

Version Control	Summary of changes	Document status	Date published
1	Nil	Draft	September 2021
2	GSC Comments (02/11/21)	Second Draft	November 2021

	Name	Department
Owner		Research & Skills Planning
Lead Author	Kedibone Moroane	Research and Planning

Reason for the selection of this topic (please ✓) all that apply:		
<input type="checkbox"/> to manage CHIETA performance, measure ROI (effectiveness) and VFM (efficiency) of CHIETA programmes and measure the impact	<input type="checkbox"/> to entrench a culture of performance measure and accountability	<input type="checkbox"/> Other (Please specify)

**Evidence of Best Practice (include National Guidelines where appropriate)**

References
Government-Wide Monitoring and Evaluation (GWM&E) Framework National Evaluation Policy Framework (2019) National Development Plan (NDP, 2030) National Skills Development Plan (NSDP, 2025) United Nations Sustainable Development Goals (UNSDG, 2030)

## TABLE OF CONTENTS

ACRONYMS	99
1. INTRODUCTION	100
2. PURPOSE	100
3. OBJECTIVE	100
4. RATIONALE AND IMPORTANCE OF THE MONITORING AND EVALUATION	101
5. SCOPE	102
6. DEFINITIONS AND TERMS	102
7. TYPES OF EVALUATION	103
8. POLICY PRINCIPLES	105
9. LEGISLATIVE AND STRATEGIC MANDATE	107
10. CONCEPT OF MONITORING AND EVALUATION	107
11. MONITORING AND EVALUATION POLICY OWNERSHIP	110
12. DATA MANAGEMENT AND INFORMATION DISSEMINATION	110
13. MONITORING AND EVALUATION POLICY IMPLEMENTATION PROCESS	110
14. M&E REPORTING	112
15. RELATED DOCUMENTS	113
16. APPROVAL AND VERSION CONTROL	114



## ACRONYMS

CHIETA	Chemical Industry Education and Training Authority
<b>G</b>	
GWM&E	Government-Wide Monitoring and Evaluation
<b>M</b>	
M & E	Monitoring and Evaluation
MTSF	Medium Term Strategic Framework
<b>N</b>	
NDP	National Development Plan
NSDP	National Skills Development Plan
<b>R</b>	
ROI	Return on Investment
<b>S</b>	
SDA	Skills Development Act
<b>V</b>	
VFM	Value for Money

## **1. INTRODUCTION**

This policy document is a product of two other documents, (i) reviewed literature and (ii) policy procedure. This document is guided by both the National Evaluation Policy Framework (NEPF-2019) and Government-Wide Monitoring and Evaluation Framework (GWM&E-2008). All documents can be read together for completeness. However, for the application of the CHIETA M&E process, the policy document is read together with the policy procedure.

## **2. PURPOSE**

Monitoring and Evaluation (M&E) have always been done sporadically within the CHETA and has not been adequately informing planning, policymaking and budgeting, leading to a lost opportunity to improve the relevance, effectiveness, efficiency, impact and sustainability of CHIETA's interventions.

The purpose of this policy is to monitor and evaluate key outcomes from CHIETA programmes to ascertain the impact resulting from CHIETA fulfilling its mandate, with the view to ensure that the organization retain its Return on Investment (ROI) or effectiveness and Value for Money (VFM) or efficiency in its programme implementation. It is intended to provide a coherent, integrated, and seamless evaluation of all projects and programmes.

This policy shall be known as the CHIETA M&E Policy and the custodian shall be the Research, Planning, Development, Monitoring and Evaluation unit. The policy owner is committed to ensuring a fair, transparent, and accountable process, in presenting the objectives of the policy.

## **3. OBJECTIVE**

The objective of this policy is to ensure an integrated approach to M&E by:

- i. Developing and implementing results-based M&E framework and systems.
- ii. Outlining the processes, procedures, and systems in line with reporting procedures.
- iii. Managing data (i.e., data systems, collection, storage, and usage).
- iv. Providing a coherent, integrated, track and tracing mechanism for monitoring of projects/programme and beneficiaries through the assessment of outcomes and the extent of their economic sustainability.
- v. Communicating the results with stakeholders through normal communication channels.

While evaluation is often seen as only occurring at the end of an intervention, different forms of evaluation should be undertaken at different phases (based on a type of valuation below), from before an intervention is implemented (ex-ante evaluation), during an intervention (process evaluation to check whether the activities are leading to outputs, and outputs to outcomes), and after the intervention has been completed (ex-post evaluation).

#### 4. RATIONALE AND IMPORTANCE OF THE MONITORING AND EVALUATION

Sector Education and Training Authorities (SETAs) are established in terms of the Skills Development Act (SDA) of 1998 as amended and are tasked with facilitating skills development across their respective sectors for socio-economic development. The NSDP notes that central to the role of SETAs is their effective contribution towards the realisation of the outcomes as laid out in the NSDP, through focused relationship building with workplaces and education and training institutions.

The key to the realisation of the NSDP outcomes is the effective facilitation of the levy-grant system to implement skills development projects and interventions. The GWM&E policy framework notes that the government's major challenge is to become more effective. M&E processes can assist the public sector in evaluating its performance and identifying the factors which contribute to its service delivery outcomes. The CHIETA as a public sector institution is also faced with the challenge of being more effective and sustainable, given increasing funding challenges and is instituting this policy to increase its effectiveness.

The GWM&E is an important part of accountability, good governance and is good business practice. It positions CHIETA as a key strategic component in the Skills Development and Innovation landscape in South Africa. The CHIETA Accounting Authority has adopted M&E as a key component of impact assessment.

The M&E Policy Framework is designed to simplify and guide monitoring and evaluation processes across the CHIETA to effectively measure the impact CHIETA is making in the fulfilment of its mandate and disbursing its expenditure. Through the framework, CHIETA affirms its commitment to ethical corporate values and principles. CHIETA supports the achievement of the NDP (2030) agenda, MTSF (2024) and the NSDP (2030).

The M&E Policy framework measures the achievement of the below CHIETA strategic outcomes (2021-25):

- Strategic 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
- Strategic Outcome 2: Increased enrolments and completion of occupations in high demand
- Strategic Outcome 3: Seamless work-integrated learning between training institutions, employees, and industry
- Improved support for TVET and CET colleges through effective career and vocational guidance system
- Strategic Outcome 4: Improved workforce productivity and diversity through structured industry knowledge and capacity building.
- Strategic Outcome 5: Improved support for TVET and CET Colleges through effective career and vocational guidance
- Strategic Outcome 6: Skilled and competent Chemical Industry entrepreneurs and Cooperatives

The policy aims to streamline, monitor,, and evaluate performance outcomes in an integrated manner within the delivery partners (programmes implementing units), taking a cue from the legislative imperative. The policy integrates the CHIETA balanced scorecard (BSC) performance management framework and uses performance data to monitor, evaluate and improve the effectiveness (ROI) and efficiency (VFM) of programmes and projects. The BSC also serves as a predictor of outcomes achievement.

## 5. SCOPE

The M&E policy document is intended to provide direction on how CHIETA monitors and evaluates itself against the set outcome in the context of the projects and programmes that could be delivered at the program and unit level. While the different functional areas or programs form part of the scope of this policy, CHIETA employee performance is excluded from this policy and is covered by the CHIETA Performance Management policy. The policy is aimed at tracking Programme 2 indicators of impact assessment.

In the main, the scope of this policy framework is:

1. To monitor and evaluate the impact by tracking the outcomes.
2. To provide a track and trace mechanism for all beneficiaries and projects/programmes funded by CHIETA throughout the funding period.
3. To manage risk by having an 'early warning' system to alert the process.

## 6. DEFINITIONS AND TERMS

Terms	Definitions
Delivery Agreement	Describes roles and responsibilities against timelines and budgets.
Delivery Forum	A group of departments and other institutions and agencies that impact implementation and delivery.
Delivery Unit	CHIETA unit responsible for programme or project implementation
Evaluation	Evaluation is a time-bound and periodic exercise that seeks to provide credible and useful information to answer specific questions to guide decision-making by staff, managers, and policymakers.
Monitoring	Monitoring involves collecting, analysing, and reporting data on inputs, activities, outputs, outcomes, and impacts as well as external factors, in a way that supports effective management.
Impact	A positive and negative primary and secondary long-term effect on the higher-level strategic goal.  The difference or change that occurs because of a programme or intervention. It answers the question, "How much (if any) of the change observed in the target population occurred because of the programme or intervention?"
Outcome	Benefits that a project or intervention is designed to deliver.
Output	A tangible and intangible product or service that results from project activities.

## TYPES OF EVALUATION

Type of evaluation	Description	Timing
<b>Diagnostic Evaluation</b>	This is preparatory research (often called ex-ante evaluation) to ascertain the current situation before intervention and to inform intervention design. It identifies what is already known about the issues at hand, the problems and opportunities to be addressed, causes and consequences, including those that the intervention is unlikely to deliver, and the likely effectiveness of different policy options. This enables the drawing up of the theory of change before the intervention is designed.	At key stages before design or planning
<b>Design Evaluation</b>	Used to analyse the theory of change, internal logic and consistency of the programme, either before a programme starts or during implementation to see whether the theory of change appears to be relevant and working. This is quick to do and uses only secondary information and should be used for all new programmes. It also assesses the quality of the indicators and the assumptions underpinning the theory of change.	After an intervention has been designed, in the first year, and possibly later
<b>Implementation Evaluation</b>	Aims to evaluate whether an intervention's operational mechanisms support the achievement of the objectives or not and understand why. Look at activities, outputs, and outcomes, use of resources and the causal links. It builds on existing monitoring systems and is applied during programme operation to improve the efficiency and efficacy of operational processes. It also assesses the quality of the indicators and assumptions. This can be rapid, primarily using secondary data, or in-depth with extensive fieldwork.	Once or several times during the intervention.
<b>Outcome Evaluation</b>	Should measure the degree to which the program is having an effect on the target population's wellbeing and/or behaviours. Outcome evaluations help determine whether or not the intended benefits of a programme are achieved (i.e. whether or not the programme can meet its intended purpose).	After the program has made contact with at least one person or group in the target population.

<b>Economic Evaluation</b>	<p>It considers whether the costs of a policy or programme are commensurate with the benefits (value add). Types of economic evaluation include:</p> <p>Cost-effectiveness analysis, which values the costs of implementing and delivering the policy, relates this amount to the total quantity of outcome generated, to produce a “cost per unit of outcome” estimate (e.g. cost per additional individual placed in employment); and Cost-benefit analysis (CBA), which goes further in placing a monetary value on the changes in outcomes as well (e.g. the value of placing an additional individual in employment). Additionally, if the organisation efficiency measures address the CHIETA balanced scorecard.</p>	At any stage
<b>Impact evaluation</b>	<p>Seeks to measure changes in outcomes (and the wellbeing of the target population) that are attributable to a specific intervention. Its purpose is to inform stakeholders regarding the extent to which an intervention should be continued or not, and if there are any potential modifications needed. This kind of evaluation is implemented at the end of or after programme closure.</p>	Designed early on, baseline implemented early, impact checked at key stages, e.g. after 3/5 years
<b>Evaluation Synthesis</b>	<p>Synthesising the results of a range of evaluations to generalise findings across government or within a particular sector, e.g. a function such as supply chain management, a sector, or a cross-cutting issue such as capacity. The DPME will undertake evaluation synthesis based on evaluations already undertaken in the previous national evaluation plan.</p>	After some evaluations are completed in a given sector

**Adapted:** NEPF (2011)

## 7. POLICY PRINCIPLES

<b>1. M&amp;E should contribute to improved governance</b>	
<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Accountability</li> <li>• Participation</li> <li>• Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• All findings are publicly available unless there are compelling reasons otherwise.</li> <li>• Use of resources is open to public scrutiny.</li> <li>• Voice is provided to historically marginalized people.</li> <li>• Traditionally excluded interests are represented throughout M&amp;E processes.</li> </ul>
<b>2. M&amp;E should be rights-based</b>	
<ul style="list-style-type: none"> <li>• Bill of Rights</li> </ul>	<ul style="list-style-type: none"> <li>• A rights-based culture is promoted and entrenched by its inclusion in the value base for all M&amp;E processes.</li> </ul>
<b>3. M&amp;E should be development-oriented – nationally, institutionally, and locally</b>	
<ul style="list-style-type: none"> <li>• Pro-poor orientation</li> <li>• Service delivery</li> <li>• Learning</li> <li>• Human resource</li> <li>• Impact awareness</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty's causes, effects and dynamics are highlighted, and the interests of the poor people are prioritized above those of more advantaged groups.</li> <li>• Variables reflecting institutional performance and service delivery are analysed and reviewed, links are identified, and responsive strategies are formulated.</li> <li>• Knowledge and an appetite for learning are nurtured in institutions and individuals.</li> <li>• The skills required for deliberative M&amp;E are available, fostered and retained while the knowledge needed for strategic HR utilization is available and used.</li> <li>• The possible impacts of M&amp;E interventions are considered and reflected upon in plans and their actual outcomes are tracked and analysed systematically and consistently.</li> </ul>
<b>4. M&amp;E should be undertaken ethically and with integrity</b>	
<ul style="list-style-type: none"> <li>• Confidentiality</li> <li>• Respect</li> <li>• Representation of competence</li> </ul>	<ul style="list-style-type: none"> <li>• Processes ensure the responsible use of personal and sensitive information.</li> <li>• Promises of anonymity and non-identifiability are honoured and relied upon.</li> <li>• Dignity and self-esteem are built amongst stakeholders and affected people.</li> <li>• There is a skilful and sensitive implementation of M&amp;E processes.</li> </ul>

<ul style="list-style-type: none"> <li>Fair reporting</li> </ul>	<ul style="list-style-type: none"> <li>Those engaged in monitoring and evaluation fairly represent their competence and the limitations of their reports.</li> <li>Reporting provides a fair and balanced account of the findings.</li> </ul>
<b>5. M&amp;E should be utilisation oriented</b>	
<ul style="list-style-type: none"> <li>Defining and meeting expectations</li> <li>Supporting utilisation</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;E products meet the knowledge and strategic needs.</li> <li>A record of recommendations is maintained, and their implementation is followed up.</li> <li>An accessible central repository of evaluation reports and indicators is maintained.</li> </ul>
<b>6. M&amp;E should be methodologically sound</b>	
<ul style="list-style-type: none"> <li>Consistent indicators</li> <li>Data/evidence-based</li> <li>Appropriateness</li> <li>Triangulated</li> </ul>	<ul style="list-style-type: none"> <li>Common indicators and data collection methods are used where possible to improve data quality and allow trend analysis.</li> <li>Findings are based on systematic evidence and analysis.</li> <li>Methodology matches the questions being asked.</li> <li>Multiple sources are used to build more credible findings.</li> </ul>
<b>7. M&amp;E should be operationally effective</b>	
<ul style="list-style-type: none"> <li>Planned</li> <li>Scope</li> <li>Managed</li> <li>Cost-effective</li> <li>Systematic</li> </ul>	<ul style="list-style-type: none"> <li>As an integrated component of public management, M&amp;E is routine and regularized.</li> <li>The scale of M&amp;E reflects its purpose, level of risk and available resources.</li> <li>Conscientious management of the function leads to sustained on-time delivery of excellence.</li> <li>The benefits of M&amp;E are clear, and its scale is appropriate given resource availability.</li> <li>Robust systems are built up that are resilient and do not depend on individuals or chance.</li> </ul>



8. M&E data should be trustworthy and be of high quality	
Monitoring and Evaluation data must meet the standard of the South African Statistical Quality Assurance Framework	<p>The 8 data quality checks are:</p> <p>(1). relevance, (2) accuracy, (3) timeliness, (4) accessibility, (5) interpretability, (6) coherence, (7) methodological soundness and (8) integrity.</p>
9. <b>Increase cost-effectiveness</b> by instilling a culture of adhering to VFM and improved ROI in every project/programme Chieta undertakes.	

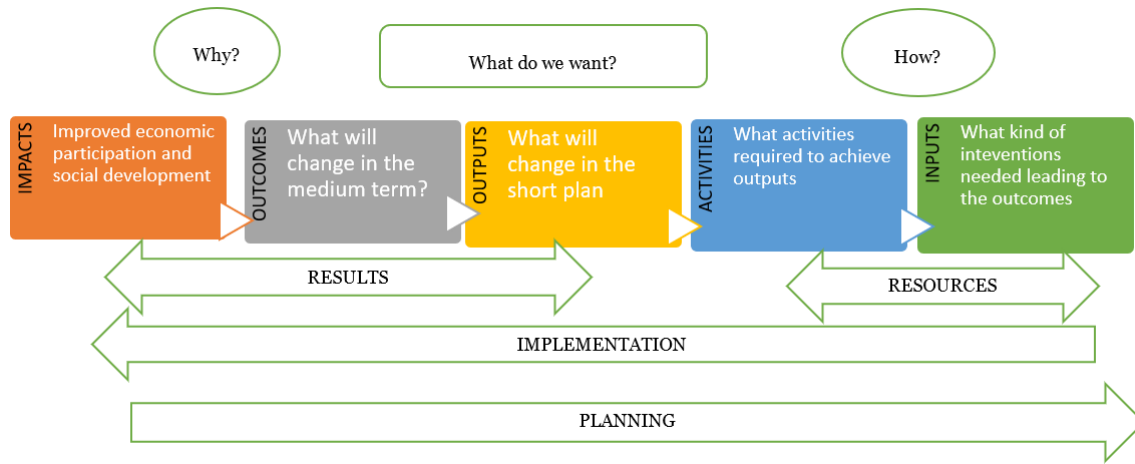
**Adapted:** The Presidency (2007): Policy Framework for the Government-wide Monitoring and Evaluation System

## 8. LEGISLATIVE AND STRATEGIC MANDATE

Administrative of Justice Act 3 of 2000
Basic Condition of Employment Act 1997, as amended
Constitution of South Africa, No 108 of 1996
Government-Wide Monitoring and Evaluation Framework
Public Finance Management Act (No.1 of 1999 as amended by Act 29 of 1999)
Promotion of Access to Information Act 2 of 2000
Skills Development Act 97 of 1998
Skills Development Levies Act 9 of 1999
Medium Term Strategy Framework (2019-2024)
National Skills Development Plan (2030)
National Development Plan (2030)

## 9. CONCEPT OF MONITORING AND EVALUATION

The GWM&E as a system is intended to facilitate a clear sequence of events based on critical reflection and managerial action in response to analysis of the relationships between the deployment of inputs, the generation of outputs and their associated outcomes and impacts. The CHIETA M&E Framework (in the Policy Procedure) provides a 'roadmap' for M&E execution. The planning of the M&E is done from left to right (backwards), while the implementation is from right to left side (see framework below).



**Adapted:** Endvawnow.org (2010)

The M&E process involves measuring the effectiveness (doing the right things) and efficiency (doing things the right way) of the CHIETA interventions. The achievement of the outcomes refers to effectiveness (ROI), while efficiency (VFM) is a sum of output vs input by functional /areas or programmes.

The CHIETA M&E should be thought of as a single process, utilizing data collected on an ongoing basis and at different time points. M&E data will support learning and accountability for all stakeholders, including beneficiaries, project implementers, and the accounting authority.

Regular monitoring of progress and achievement combined with lessons learned to improve the program will be done at a regional and delivery unit level. This forms the basis for a flexible and adaptive management system.

The CHIETA Strategic Plan and the Balanced scorecard details change drivers and factors that influence desired development outcomes. The M&E policy seeks to evaluate whether CHIETA is working as expected at its different levels. This is done by seeking to test both the effectiveness and efficiency of indicators described in the CHIETA strategic plan.

Functions like evaluation include appraisal (an assessment of the potential value of an undertaking during the conception phase), audit (an assessment of management controls and compliance with administrative rules, regulations, and policies), investigation (an examination or enquiry into irregularities or wrongdoing) and review (a rapid assessment of the performance of a topic or undertaking in absence of evaluation criteria e.g., usually operational issues).

## Complementary and Interdependent Roles

While monitoring and evaluation are distinct functions, the CHIETA recognizes their complementary and interdependent roles. Findings from the prospective evaluation (or similar processes such as appraisal or baseline studies), for example, are useful in defining indicators for monitoring purposes. Moreover, results from monitoring progress towards results can help identify important evaluation questions. It is primarily for these reasons that the two functions are integrated into the present policy framework.

### Monitoring criteria

For effective results-based monitoring and to ensure evaluability (the extent to which projects or undertakings can be evaluated both reliably and credibly), indicators should be formulated using SMART criteria (specific, measurable, attainable, relevant, and time-bound):

- a. Specific: The indicator is sufficiently clear as to what is being measured and specific enough to measure progress towards a result.
- b. Measurable: The indicator is a reliable measure and is objectively verifiable. Qualitative measures should ideally be translated into some numeric form.
- c. Attainable: The indicator can be realistically met.
- d. Relevant: The indicator captures what is being measured (i.e., it is relevant to the activity/result).
- e. Time-bound: The indicator is expected to be achieved within a defined period.

M&E as envisioned by this policy will be conducted at intervals determined by the relevant authority (and guided by the type of evaluation, see below). The consideration (factors) on what outcome and frequency of measure will be determined by (i) the identified special and/or strategic programmes in a financial year, (ii) a representative sample across subsectors or programmes, (iii) company size and (iv) number of beneficiaries.

The monitoring of programmes is looked at in conjunction with CHIETA BSC dimensions as they could be proxy measures for outcomes that could be difficult to measure in one financial year.

## **10. MONITORING AND EVALUATION POLICY OWNERSHIP**

This M&E policy remains the property of CHIETA and governs how CHIETA conducts monitoring and evaluation. The ownership and data collected in the process are for CHIETA use and can be shared with the interested and/or affected parties at the discretion of CHIETA and in line with the CHIETA data management and information sharing protocols.

## **11. DATA MANAGEMENT AND INFORMATION DISSEMINATION**

### **Data use**

The usefulness of data is through the achievement of the outcomes which are about effectiveness (qualitative), as well as the efficiencies (quantitative) that are through the CHIETA balanced scorecard metrics and the evaluation type used. The effectiveness indicators could lag due to the long-cyclic nature of the outcomes, while the efficiency indicators could lead and be measured frequently due to its short-cycle nature and may be paired with the risk management monitoring system (early-warning system). The details are in the Policy procedure.

### **Data analytics and management**

Data is at the 'heart' of the monitoring and evaluation process. Data analytics and management are crucial in the data reporting value chain. The M&E is about interpreting existing data, *albeit* its quality. The approach is a 7-step process:

- i. Establish the source of data and its use – what do you need the data for?
- ii. Collect data
- iii. Cleanse data
- iv. Explore and analyse data
- v. Model data
- vi. Validate data
- vii. Deploy and optimise

### **Data management capabilities and competencies**

CHIETA data management system or MIS supports the capability and competence to automate the manipulation of data for M&E purposes.

## **12. MONITORING AND EVALUATION POLICY IMPLEMENTATION PROCESS**

Following final approval by the Governing Board, and within the financial year period, CHIETA would procure the services of an implementation partner as guided by the CHIETA funding policy to roll out and implement the framework and report to the Governing Board every quarter (or depending on the type of evaluation/s undertaken). More than one type of evaluation at a time is recommended to ensure that evaluation results have utility and relevance.

The type of evaluation/s used should meet the six criteria to provide greater evaluation precision:

Criterion	Key question	Definition
Relevance	Is the intervention doing the right thing?	The extent to which the intervention objectives and design respond to the needs of beneficiaries, global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.
Coherence	How well does the intervention fit?	The compatibility of the intervention with other interventions in a country, sector or institution. The extent to which other interventions (particularly policies) support or undermine the intervention, and vice versa.
Effectiveness	Is the intervention achieving its objectives?	The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups. Analysis of effectiveness involves taking account of the relative importance of the objectives or results.
Efficiency	How well are resources being used?	The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way. "Economic" is understood as the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context.
Impact	What difference does the intervention make?	The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Impact addresses the ultimate significance and potentially transformative effects of the intervention. It seeks to identify social, environmental and economic effects of the intervention that are longer-term or broader in scope than those already captured under the effectiveness criterion.
Sustainability	Will the benefits last?	The extent to which the net benefits of the intervention continue or are likely to continue. This includes an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analyses of resilience, risks and potential trade-offs. Depending on the timing of the evaluation, this may involve analysing the actual flow of net benefits or estimating the likelihood of net benefits continuing over the medium and long term.

Source: NEPF (2011)

The evaluation type and the terms of reference (TOR) will be guided by the Governance and Strategy committee as delegated by the Accounting authority and in turn, inform the objective of the evaluation.

Overall, the CHIETA M&E implementation is a four-phase process:

- i. **Diagnostic phase:** Identify outcomes/problems; Do formative research
- ii. **Design phase:** Develop log frame & indicators; Generate M&E plan; Collect baseline data
- iii. **Output/Implementation phase:** Monitor & conduct evaluations
- iv. **Outcome and Impact phase:** Compile final evaluation; Capture, disseminate, use lessons learned

The M&E process is executed sequentially, but sometimes the process may be reiterative.

### 13. M&E REPORTING

At least no lesser than three evaluation types (triangulation<sup>1</sup>) should be used or reported on at a given time. Economic evaluation is crucial in any selected combination to provide quantitative data.

The results from the CHIETA's M&E exercises are to be reported based on the M&E phases and the type of evaluation conducted:

- a. **Diagnostic phase:** Diagnostic evaluations report should reflect what are the root causes and potential options for addressing a particular programme problem. Evaluation/research synthesis assesses the current situation (what is known about the problem) and analyses emerging trends from a series of studies. The diagnostic evaluation should also include a gender analysis to determine if and where specific inequities exist that require a policy and/or programmatic intervention.
- b. **Design phase:** Design evaluations to report on the strength of the theory of change, the logical framework, the indicators, and the implementation plan – and how they provide relevance and coherence. It is important to ensure that the developed indicators are gender-sensitive and can measure the difference in outcomes/impact for women and men.
- c. **Output / Implementation phase:** Implementation evaluations to report on the implementation of plans, programmes, and policies to review and improve them. These evaluations should determine whether any specific beneficiary group is being under-served or receiving services that are fundamentally inequitable.
- d. **Outcome and Impact phase:** Outcomes and impact evaluations are conducted to assess whether desired changes have been achieved. Economic evaluations are undertaken to understand whether costs equal benefits and whether value for money is being obtained. Economic evaluations should assess the extent to which the initial investment (budget) was gender-responsive and how these translated into gender-equitable outcomes.

---

<sup>1</sup> Triangulation facilitates validation of data through cross verification from more than two sources. It tests the consistency of findings obtained through different instruments and increases the chance to control, or at least assess, some of the threats of multiple causes influencing our results.

## 14. RELATED DOCUMENTS

**NDP (2030)** - The National Development Plan (NDP) is a long-term South African development plan, developed by the National Planning Commission in collaboration and consultation with all South Africans.

**NSDP (2030)** - The National Skills Development Plan (NSDP) seeks to improve both the integration of the post-school education and training system ("PSET") and the interface between PSET institutions and the world of work.

**MTSF (2024)** - The Medium-Term Strategic Framework (MTSF) is a government's strategic plan for the 2019-2024 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the National Development Plan (NDP). The MTSF sets out the actions Government will take and targets to be achieved.

**SSP (2025)** - A Sector Skills Plan (SSP) serves as a comprehensive document that outlines the skills demand and supply resulting in the skills gaps that exist in a sector. This skills gap (scarce or critical skills) informs the development of PIVOTAL Interventions aimed at addressing skills needs in the sector.

**APP (2021)** - Annual Performance Plan (APP) identifies the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. These performance indicators and targets must be aligned across an institution's annual plans, budgets, in-year, and annual reports.

**GWM&E Framework** - Government-Wide Monitoring and Evaluation (GWM&E) is a document that is an overarching policy framework for monitoring and evaluation in the South African Government.

**NEPF (2011)** - National Evaluation Policy Framework (NEPF) provides a minimum standard for evaluations across the government. It promotes credible and quality evaluations, which can be used for learning to improve the effectiveness, efficiency, relevance, and impact of government interventions.

Amendment sheet

Issue No.	Page No.	Date	Title	Authorized by

15. APPROVAL AND VERSION CONTROL

This policy is effective from November 2021 until November 2023.

APPROVED BY CHIETA GOVERNING BOARD ON: \_\_\_\_\_

CONFIRMED BY CHIETA CEO: \_\_\_\_\_

Next Review Date:        November 2023



**11. PUBLIC ENTITIES**

None

**12. INFRASTRUCTURE PROJECTS**

None

**13. PUBLIC / PRIVATE PARTNERSHIPS**

None

**14. CONDITIONAL GRANTS**

None

## **PART D - ANNEXURE 1**

### **TECHNICAL INDICATOR DESCRIPTORS**

**2023/24**

## **Part D - Annexure 2**

### **Hard to Fill Vacancies**

**Annexure 2: Hard-to-fill vacancies in the Chemicals Industry: 2022**

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	Total Positions (Vacancies + Employed)	Vacancy Reason
Managers	121908	Quality Systems Manager	4	9	282	291	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject specialization)
	122301	Manufacturing Operations Manager	16	49	1 014	1 063	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject specialization)
	132106	Manufacturing Quality Manager	12	42	448	490	Unsuitable job location
	133103	Data Management Manager	3	30	79	109	New or emerging job not defined before
Professionals	213111	Pharmaceutical Physician	6	9	94	103	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject specialisation)
	213302	Environmental Scientist	6	6	77	83	Lack of relevant qualifications
	214101	Industrial Engineer	6	37	292	329	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject specialisation)
	214102	Industrial Engineering Technologist	3	7	29	36	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject specialisation)
	214103	Production Engineer	4	13	194	207	Equity considerations
	214401	Mechanical Engineer	10	32	264	296	Lack of relevant experience
	214501	Chemical Engineer	5	16	181	197	Equity considerations
	215101	Electrical Engineer	7	17	124	141	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject specialization)
	215103	Energy Engineer	3	12	1	13	Lack of relevant qualifications (desired level of study not attained or inappropriate field of study or inappropriate subject specialization)
	215201	Electronics Engineer	5	26	41	67	Lack of relevant experience
	226202	Industrial Pharmacist	8	25	620	645	Lack of relevant experience
	226302	Safety, Health, Environment and Quality (SHE&Q) Practitioner	8	27	651	678	Lack of relevant experience
	241103	Tax Professional	4	7	64	71	Poor remuneration

## **Part D - Annexure 3**

### **CHIETAs Top 10 Sectoral Occupations List**

SECTORAL PRIORITY OCCUPATIONS LIST

**CHIETA TOP 10 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	2023/24	2021-651302	Boiler Maker	Apprenticeships, Learnerships, RPL, Work Integrated Learning, TVET College Lecturer Development	4	Y	1125	375
CHIETA	2023/24	2021-651202	Welder	Apprenticeships, Learnerships, RPL, TVET College Lecturer Development	4	Y	620	140
CHIETA	2023/24	2021-313301	Chemical Plant Controller	Apprenticeships, RPL - Artisan Related	6	Y	25	11
CHIETA	2023/24	2021-653303	Mechanical Fitter	Apprenticeships, RPL - Artisan Related	4	Y	356	164
CHIETA	2023/24	2021-215101	Electrical Engineer	Bursaries, Learnerships, Skills Programmes, Work Integrated Learning	6	Y	1980	690
CHIETA	2023/24	2021-713101	Chemical Production Machine Operator	Apprenticeships, Learnerships, RPL, Work Integrated Learning, TVET College Lecturer Development	4	Y	1808	904
CHIETA	2023/24	2021-671101	Electrician	Apprenticeships, RPL - Artisan Related	6	Y	854	467
CHIETA	2023/24	2021-214501	Chemical Engineer	Bursaries, Learnerships, Skills Programmes, Work Integrated Learning	6	Y	698	536
CHIETA	2023/24	2021-671202	Millwright	Apprenticeships, Learnerships, RPL, Work Integrated Learning, TVET College Lecturer Development	4	Y	268	167
CHIETA	2023/24	2021-214401	Mechanical Engineer	Apprenticeships, Learnerships, RPL, Skills Programmes, WIL	6	Y	157	8

Source: WSP submissions, June 2022, CHIETA system discretionary grant funding, SIPs list, DHET's occupations in high demand