CHIETA
CHEMICAL INDUSTRIES EDUCATION & TRAINING AUTHORITY

ANNUAL PERFORMANCE PLAN

2022/23 – 2024/25

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09 MARCH 2022

(Third Draft)

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

The catalyst for enhanced skills, economic growth and employability

FOREWORD BY THE ACCOUNTING AUTHORITY

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 the real employment growth will come from SMME's 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 it by itself. There needs to be a collaboration between 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 growing 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, 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 GrantFunding 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 was identified by our stakeholders and articulated in our Sector Skills Plan.

MS WEZI KHOZA
BOARD CHAIRPERSON

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

With the current realities of global competitiveness, 4IR and the drive towards a digitised environment, South Africa inclusive of the Chemical Industry and CHIETA, needs to embrace these opportunities with an innovative and new mindset informed through collaboration and transformation. Resources are becoming more under pressure and the ability to think innovatively in terms of specific financial resource application 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 particular CHIETA are more important than ever in producing the skills the economy lacks and supporting our employers who have been hardest hit through 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.

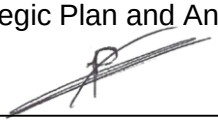
In support of the above-mentioned as defined within our Strategic and Annual Performance Plan Framework, we will also focus on key aspects such as addressing gender equality in the chemical industry, improving digital skills within the Industry inclusive of increased digital service delivery platforms 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 becomes 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 supports 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 and a multiplicity of possible futures, which makes the 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 2022/23 for the current planning cycle.



MR YERSHEN PILLAY
CHIEF EXECUTIVE OFFICER

OFFICIAL SIGN OFF

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 25–26 May and 24–25 June strategy workshops of management and the Board, respectively, which the CHIETA will endeavour to achieve over the period 2022/23–2024/25.

MS. KEDIBONE MOROANE
RESEARCH & SKILLS PLANNING EXECUTIVE **SIGNATURE**

MR. TREVOR CHANNING
GOVERNANCE & RISK EXECUTIVE **SIGNATURE**

MS. PHETSILE MAGAGULA
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**

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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

PART A: OUR MANDATE

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 through 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 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 2021-22 to the following by the policy framework of Government:

The following Policy Mandates is 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 31of 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 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 to 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.

2. Information and Communication Technology (ICT) Strategy

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

3. **Risk Management Strategy**

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

4. **Monitoring and Evaluation (M&E) Strategy**

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

5. **Digital Transformation Strategy**

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

4. RELEVANT COURT RULINGS

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

5. 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 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 chemicals 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.

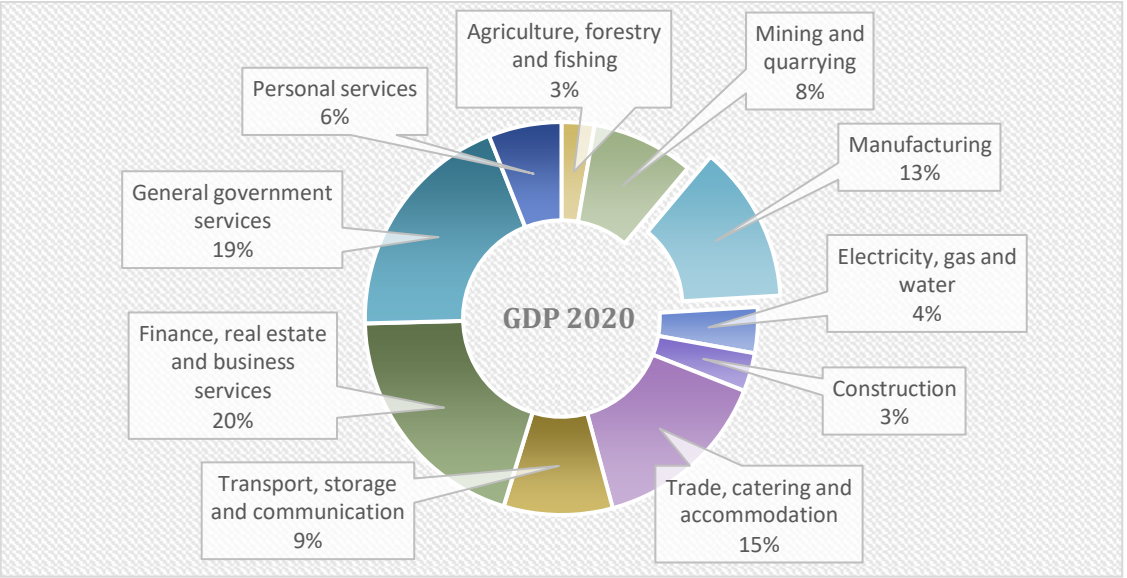
5.1.2 Economic factors

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 2020



Source: Statistics South Africa, 2021

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 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:

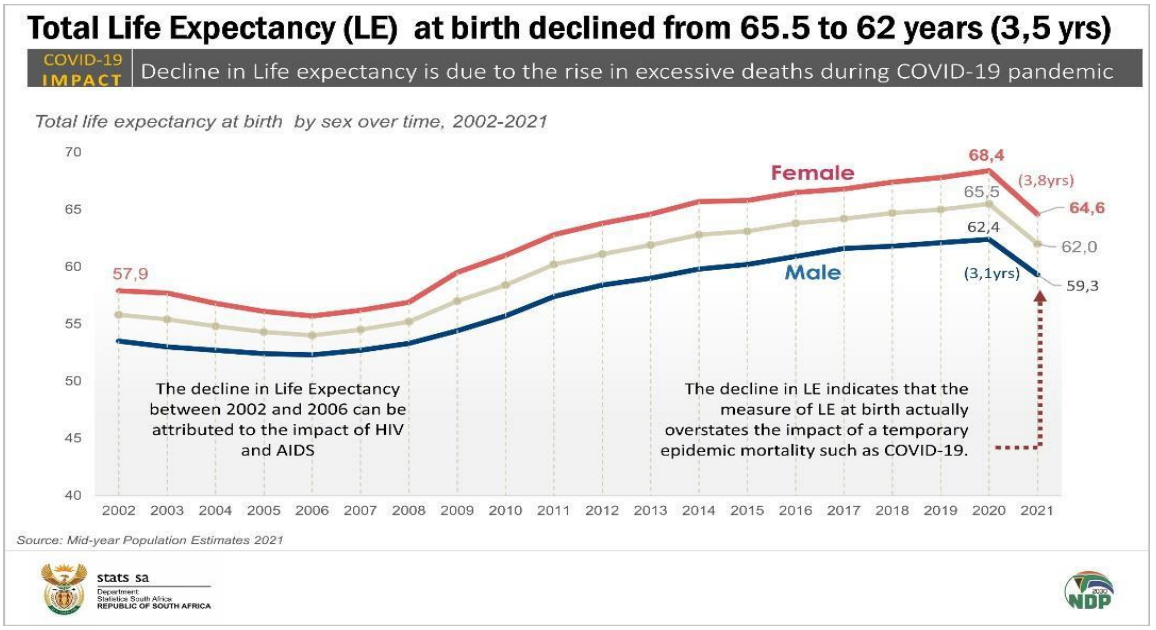
- Supporting final year unemployed bursary students with study fees and the alleviation of study debt.
- Supporting learners through work-integrated learning and work placement; and
- Supporting centres of specialisation.

5.1.3 Social factors

The Mid-Year Population Estimates put the country's population at 60.14 million[1] 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 fromthis risk using wellness and related human resources policies.

[1] Statistics South Africa, Mid- Year Population Estimates, July 2021

Figure 2: Comparative life expectancy between 2002 and 2021



5.1.4 Techhnological 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 unchartered 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), 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 requiring 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 chemicalsindustry 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, CO2 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. Can provide just 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 andinto 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	• Support 1 000 SMMEs through a multi-SETA project expanding a CHIETA/ University of Johannesburg business development model to grow fast-moving consumer goods (FMCGs).
2.	Supporting young entrepreneurs and SMMEs to boost and intensify employment creation	• Advancement of the post learnership absorption strategy in its focus on the empowerment of particularly young, women and Black-owned businesses
3.	Innovation	• Currently exploring opportunities and planning to open CHIETA hub by 2025 with an approved budget of R3 000 000 for the 2021/2022 financial year. The Innovation Hub would be dedicated to supporting the growth of very early-stage technology-based businesses in the South African chemicals industry. • Learning and digitis4ation of skills development through the virtual/simulated coded welding programme • SMART Skills Centres
4.	Skills development	• Reskilling and retraining of retrenched workers. • Contribution to the 20000 artisan development and related targets to curb the impact of COVID -19
5.	Integration into the African continent	• 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

5.1.6.1 Diversity and inclusive participation

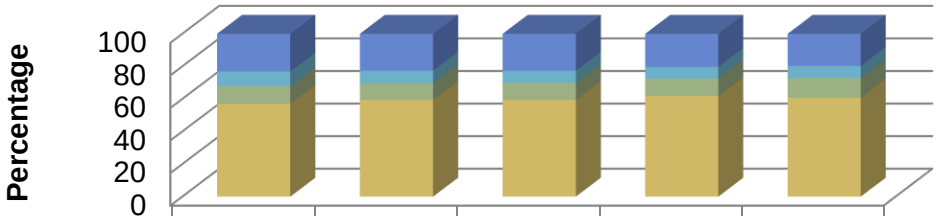
Participation of women and other marginalised groups in the sector remains a challenge, with numbers gleaned from the Sector Skills Plan 2021. The report indicates that the Chemicals Industry lags in the employment of African people in technical, professional and managerial positions, as well as gender equity and employing disabled workers (CHIETA, 2020).

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: Chemical industry labour market racial profile



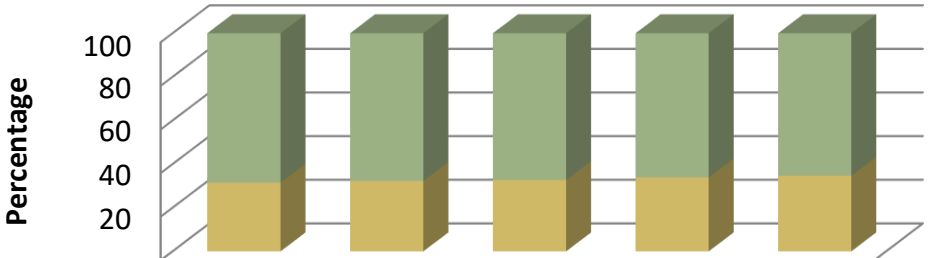
	2016	2017	2018	2019	2020
White	23	23	23	20	20
Indian	9	8	7	7	7
Coloured	11	10	10	11	12
African	57	59	59	62	61

Source: Sector Skills Plan 2021/22

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: 2016 – 2020



	2016	2017	2018	2019	2020
Male	68	68	67	66	65
Female	32	32	33	34	35

Source: Sector Skills Plan 2021/22

5.1.6.1.3 Youth eempowerment

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 2017 to 2021 period has been around 1%. In 2021, there was a 0.1% decrease in workers with disabilities employed in the sector. Females only form approximately a third (34%) of the total workforce, but they constitute close to half (46%) of the workers with disabilities.

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

DISABLED WORKERS		2017		2018		2019		2020		2021	
		No	%	No	%	No	%	No	%	No	%
Population Group	African	751	52	875	56	853	56	1 032	58	1 103	63
	Coloured	250	17	203	13	223	14	231	13	218	12
	Indian	99	7	113	7	113	7	126	7	103	6
	White	338	24	365	23	343	22	406	23	318	18
	Total	1 437	100	1 557	100	1 541	100	1 795	100	1 742	100
Gender		N	%	N	%	N	%	N	%	N	%
	Female	613	43	664	43	668	43	785	44	809	46
	Male	824	57	893	57	873	57	1 011	56	933	54
	Total	1 437	100	1 557	100	1 541	100	1 795	100	1 742	100
Age Group		N	%	N	%	N	%	N	%	N	%
	16–34	476	33	552	35	510	33	571	32	739	42
	35–54	638	44	711	46	721	47	855	48	688	40
	55–59	167	12	174	11	193	13	192	11	176	10
	60-64	139	10	101	7	94	6	152	8	108	6
	60+	18	1	19	1	23	1	25	1	31	2
	Total	1 437	100	1 557	100	1 541	100	1 795	100	1 742	100
PERCENTAGE OF TOTAL EMPLOYMENT			0.8		1.0		0.9		1.1		1.0

Source: CHIETA 2021 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 complicates 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 four 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:**

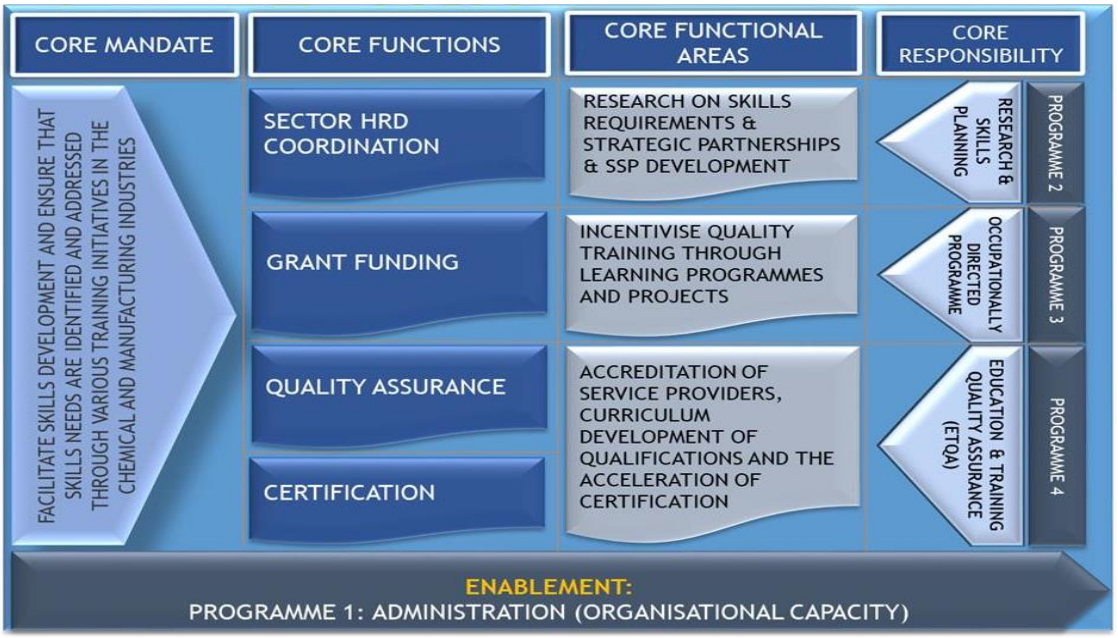
   To ensure continuous training of the chemical industry workforce through low-level / mid-level skills need and high-level apprenticeship training and addressing of high level national scarce skills through work-ready graduates from higher education institutions (HEIs) as is defined in the NSDP.

4. **EDUCATION & TRAINING QUALITY ASSURANCE:**

   To ensure the sustainability of Chemical accreditation of service providers, the curriculum development of qualifications and the acceleration of certification

In executing its core mandate, the operational framework of the Authority is configured as depicted in figure 5 below.

Figure 5: CHIETA operational framework



Source: Adapted from the CHIETA mandate by Moonraises Strategic Solutions

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.

STRENGTHS	1. A dedicated chemical industry education and training authority. 2. Effective and sustainable mechanisms in place to maintain good relations with key sector partners 3. Systems to manage industry data 4. Effective and functional organisational performance, planning, monitoring and reporting frameworks as per independent assurance reports over several financial years 5. Sound leadership capabilities
OPPORTUNITIES	1. Improve existing sector stakeholder relations and foster new strategic alliances and partnerships with players outside the chemical industries. 2. Repurposing of disused power facilities in Mpumalanga 3. Need to adopt innovative solutions to counter the impact of: • Increased downtime in the sector due to power supply uncertainty and the pandemic • The slow pace in adopting remote learning and other technologies to support the transition of learners into the chemical world of work and entrepreneurs into market opportunities – digital innovation (4IR) • New economy skill demands on the organisation 4. CHIETA could fill gaps to facilitate inclusive participation to drive diversity in the sector 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. 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. 7. Implement more robust systems to manage the industry data collected through WSPs and ATRs to optimise its strategic value. 8. Showcase industry opportunities to improve the awareness that may induce greater industry interest
ASPIRATIONS	1. Become a repository of sector intelligence regarding specific innovations including the green economy. 2. Entrench standard practice of augmented/virtual reality to expand or broaden the reach of artisan training beneficiaries. 3. End-to-end digitisation to create a paperless operational environment 4. Equitable national presence across provinces
RESULTS	1. Efficient systems to track, trace, monitor developments relating to beneficiary programmes 2. Increased the number of new SMMEs and cooperative market entrants facilitated through CHIETA interventions 3. Partnerships and systems that are aligned to outcomes 4. Employment of learners and thriving entrepreneurs 5. Diversified revenue streams

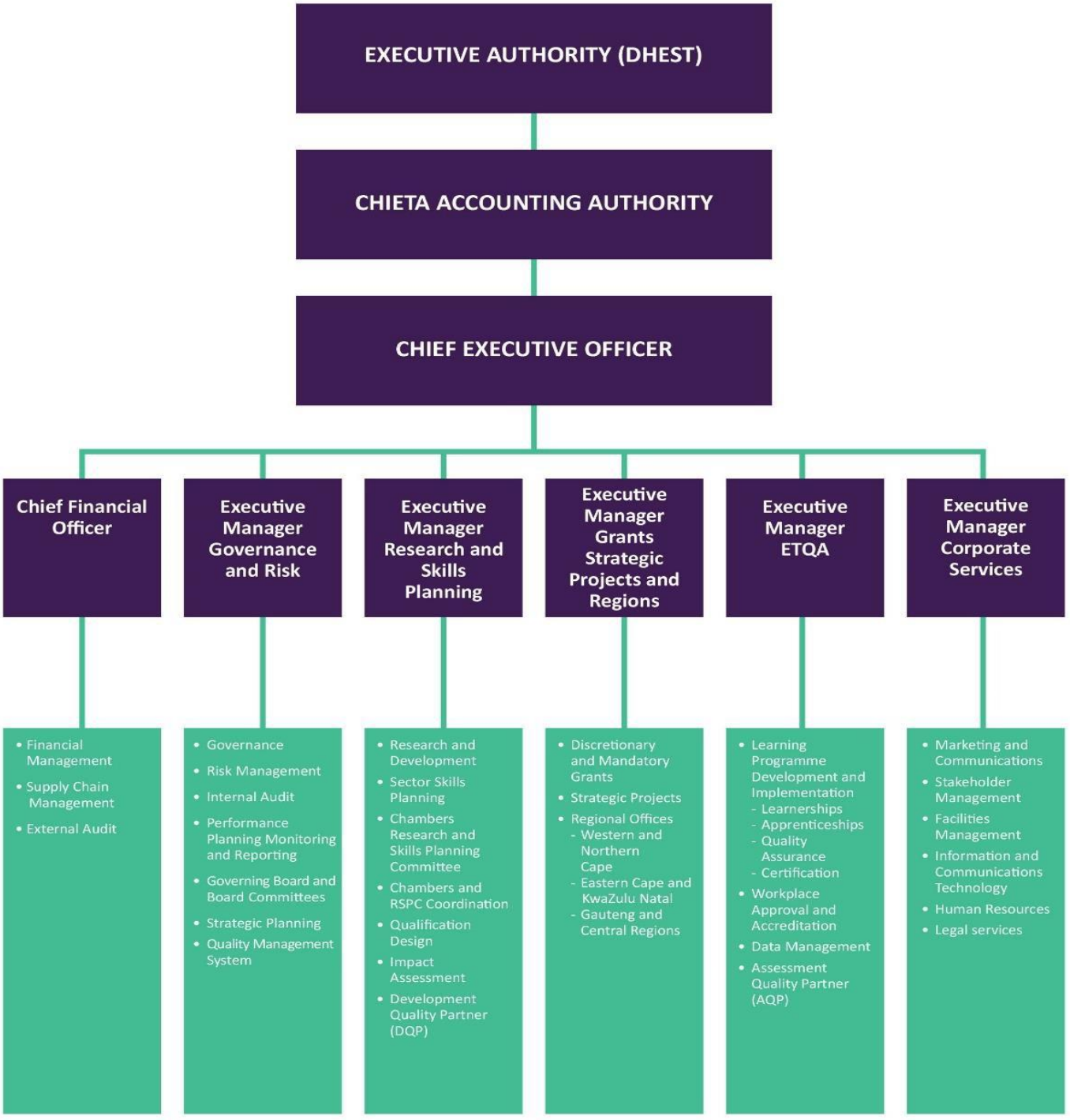
5.2.2 Organisational capacity

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 86 employees and 12 interns to deliver on its mandate; configured as per the organisational structure in figure XX 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 twelve 12 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.	**TVET college sector partnerships**	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.	**Centres of specialisation**	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 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 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.	**Gandhi Mandela Centre of Specialisation for Artisan Skills in South Africa**	The collaborative partnership aims to expand and strengthen bilateral cooperation in the area of skills development and promote quality vocational education and training.	The value of the partnership is in meeting the training requirements of young people and the artisan skill requirements of the country by linking institutions with industry. The programme is in its third term.
4.	**University of Johannesburg**	SMME survival – the need for collaborative partnerships is of a national priority against the increasing unemployment rate.	The partnership offers a high-quality programme that ensures the suitability of the SMME. The Programme with the University of Johannesburg is designed for existing business owners and is offered at NQF Level 5 and implemented over four months. Entrepreneurs are required to present their turnaround strategies based on the lessons learnt on the programme.
5.	**Vaal University of Technology**	Postgraduate education	CHIETA funded the Vaal University of Technology for the production of Nanosilica

NAME OF INSTITUTION / PARTNER ORGANISATION		OBJECTIVES OF PARTNERSHIP	VALUE OF PARTNERSHIP
		Innovation and Research	from Waste Glass. Unemployed youth in the Vaal Region townships will be collecting and recycling the glass bottles which will be used to produce nanoscilica products for tyre manufacturers, pharmaceutical and plastics industries, which will benefit exporting than importing. The project will also contribute to addressing environmental issues such as reducing pollution through recycling.
			As part of Research capacity building for students from previously disadvantaged institutions, the CHIETA funded the Vaal University of Technology to develop Masters students, through the development of a chitosan membrane for electricity production project, which will be utilised to develop fossil batteries for electric cars and capacitate the students with fourth industrial revolution skills. The University will be working with Pet Industrial, using their facilities for membrane Development
6.	**Sefako Makgatho Health Sciences University**	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.
NEW PARTNERSHIPS			
1.	**CHIETA /UJ Multi - SETA Project**	Grow collaboration among SETAs (envisioned partnership with EWSETA, ETDPSETA, Services SETA, Agri SETA & INSETA) Co-funding to increase budget for SMME development across sectors Industry-institution partnership	Inter SETA collaboration and cross-sectoral SMME development
2.	**CHIETA/CHEMIN Innovation Hub**	Incubation of early-stage businesses and start-ups in the Chemicals Industry.	Under the Small Enterprise Development Agency (SEDA) incubation project, development of early-stage technology-based businesses and start-ups.
3.	**5 Trade Unions in the Chemical Sector**	Reskilling of Chemicals Industry's retrenched workers	Reskilling of the Chemicals Industry's retrenched workers focusing on: • Support & work readiness • Career development • Entrepreneurial skills
4.	**SMART Skills Centres**	SMMEs/ Entrepreneurial digital support Provide internet, WiFi and e-learning services. Digitization of skills development	Close the digital divide and give access to digital services or technology to SMMEs in rural communities
5.	**Coded-Welding E-learning with TVET colleges**	Digitisation of technical skills at TVET colleges	A pilot e-learning project to develop coded welders in order to curb youth unemployment, improve livelihoods and support economic development.

5.2.4 Governance

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

The CHIETA Governing Board mandated an organisational architecture arrangement to optimally support delivery on NSDP. Specific emphasis was placed on the importance of Research and Skills Planning, multi-stakeholder Partnerships within best practice Governance and Financial Compliance Management Frameworks. 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 pro-actively 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 practice. 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 wellbeing 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 monitor of CHIETA activities under the COVID-19 protocols from the government. CHIETA conducted a detailed COVID-19 Risk Assessment and a COVID 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 56.61% female and 43.41% male, 9% comprises Indians, 2.1 % Whites, 8.1% Coloureds, 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 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), who then transfer 80% of the levies received to the relevant SETA and the balance of 20% to the National Skills Fund.

Based on revenue received, the budget is allocated to the four programmes informed by priority and affordability. The priorities, upon which the budget allocations are effected, are aligned to 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	612734	643 418
Mandatory Grants	142 110	147 525	154 635
Discretionary Grants	373 218	388 309	407 883
Administrative Budget	73 620	76 900	80 900

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 the 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.

PART C: OUR STRATEGIC FOCUS

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 73 620 000

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
A 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 Report at the end of the financial year 2022/23	1	1	1	1	1	1	1
		Ensuring the Effective functioning of the CHIETA five (5) Governance and Constitutional structures	24	24	24	24	24	24	24
		Ensuring the planned CHIETA annual admin budget not to exceed 10.5%	1	1	1	1	1	1	1
		Ensuring the effective functioning of CHIETA Risk Management Framework: One Framework	1	1	1	1	1	1	1
		Providing 4 Governance Charter Reports	4	4	4	4	4	4	4
Baseline			**31**	**31**	**31**	**31**	**31**	**31**	**31**

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTPUT INDICATORS		ANNUAL TARGET 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
1.1	Maintaining an Unqualified Audit Report at the end of the financial year 2022/23	1	Financial reports	Financial reports	Financial reports	1
1.2	Ensuring the Effective functioning of the CHIETA five (5) Governance and Constitutional structures	24	6	6	6	6
1.3	Ensuring the planned CHIETA annual admin budget not to exceed 10.5%	1	-	-	-	1
1.4	Ensuring the effective functioning of CHIETA Risk Management Framework: One Framework	1	-	-	-	1
1.5	Providing 4 Governance Charter Reports	4	1	1	1	1
Baseline		**31**	**7**	**7**	**7**	**10**

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 222 504 000, while for the 2022/23 financial year, it amounts to R 73 620 000.

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 labour market prospects of employees for sustainable livelihoods	Inability to sustain the current control and Governance environment	Adhering to the scheduled meetings in the CHIETA approved Corporate Calendar
		Timeous and quality Board committee packs
		Assistance with quality and timeous Board Committee Chairpersons reports
		Functional Board committee checklist\dashboard to be reported quarterly to Governing Board
		Functional control environment to ensure unqualified audits

PROGRAMME 2	RESEARCH AND SKILLS PLANNING
PURPOSE	A professional and credible skills development planning tool for the Chemical Industry articulating sector realities and needs and agreed sector strategies to address skills need.
BUDGET	R11 738 000

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Better equipped workforce understanding the sector operations	A credible institutional mechanism for research and skills planning	Providing annual WSP and ATR data analysis	1	1	1	1	1	1	1
		Research Reports inclusive of Research Partnerships formed	5	5	3	3	2	2	2
		Updating and maintaining of the nine (9) Sub-Sector Chamber skills	9	9	9	9	9	9	9
		Maintaining the track and trace system for learners in the sector	1	1	1	1	1	1	1
		The SSP is well researched to provide credible institutional mechanisms for skills Planning	1	1	1	1	1	1	1
		Funding Support to Industry-Institution Partnerships	3	3	0	3	3	3	3
		Number of sector research agreements signed for TVET growth occupationally directed programmes	-	-	-	1	1	1	1
		SETAs identify in their skills planningresearch, established and emergentcooperative and their skills needs	-	-	-	1	1	1	1
		SETAs through their skills planningresearch, identify skills needs of small and emerging enterprises	-	-	1	1	1	1	1
		EISA tools developed	-	-	4	4	4	4	4
		Qualifications / skills programmesdeveloped / reviewed	-	-	1	1	4	5	5
		Impact study to measure CHIETA's effectiveness	1	1	1	1	1	1	1
Baseline			**21**	**21**	**22**	**27**	**29**	**30**	**30**

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTPUT INDICATORS		ANNUAL TARGET 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
2.1	Providing annual WSP and ATR data analysis and reporting	**1**	-	1	-	-
2.2	Research Reports inclusive of Research Partnerships formed	**2**	-	-	-	2
2.3	Updating and maintaining of the nine Sub Sector Chamber Skills plans	**9**	-	-	9	-
2.4	Maintaining the track and trace system for learners in the sector	**1**	-	-	-	1
2.5	The SSP is well researched to provide credible institutional mechanisms for skills Planning	**1**	-	1	-	-
2.6	Funding Support to Industry-Institution Partnerships	**3**	-	-	-	3
2.7	Number of sector research agreements signed for TVET growth occupationally directed programmes	**1**	-	-	-	1
2.8	SETAs identify in their skills planning research, established and emergent cooperative and their skills needs	**1**	-	-	-	1
2.9	SETAs through their skills planning research, identify skills needs of small and emerging enterprises	**1**	-	-	-	1
2.10	EISA tools developed	**4**	-	-	-	4
2.11	Qualifications / skills programmes developed / reviewed	**4**	-	-	-	4
2.12	Impact study to measure CHIETA's effectiveness	**1**	-	-	-	1
Baseline		**29**	**0**	**2**	**9**	**18**

Explanation of planned performance over the Medium-Term Period

OUTCOME: Better equipped workforce understanding the sector operations

The total budget over the medium-term allocation to programme 1 is R 35 214 000, while for the 2022/23 financial year, it amounts to R11 738 000.

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 that 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 towards 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 under taken 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

OUTCOME	KEY RISK	RISK MITIGATION
Better equipped workforce understanding the sector operations	Lack of a credible and strategic research and skills planning	Board approved research agenda and SSP
		Capacitation and induction of chamber members in their role of skills planning
	Lack of timely business intelligence / research on 4IR growth areas for the chemical industry	On-going research in growth areas foreseen for the chemical industry as per the board approved research Agenda
		Industry engagement on partnerships and innovation (Chambers, Member Companies, Critical Interest Groups, Trade Unions and Government Departments)
	Shrinking membership and revenue base	Strategic communication strategy aimed at increasing brand awareness and equity
		Effective and efficient inter-SETA transfer process to grow membership and revenue base
		Strategic discussion with DHET on quality versus quantity
		Develop Quality assured occupational qualifications and skills programmes that respond to training needs and chemical sector priorities

PROGRAMME 3	OCCUPATIONALLY DIRECTED PROGRAMME
PURPOSE	• To ensure continuous training of the Chemical Industry workforce through mid-level skills need and apprenticeship training and addressing of high level national scarce skills through work-ready graduates from Higher Education Institutions. • To address the low-level language and numeracy, supporting co-operatives, NGOs, and small enterprises, increasing public capacity for improved service delivery, building career and vocational guidance and addressing the medium-term strategic priorities of government
BUDGET	• **R350 346 000 (Discretionary Grants (DG)** • **R30 187 000 Project Administration** • **R109 494 000 and Mandatory Grants**

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Improve workplace productivity and diversity	Increased access and delivery on occupationally directed programmes	Percentage of discretionary grant budget allocated at developing high-level skills	-	-	62%	62%	55%	55%	55%
		Percentage of discretionary grant budget allocated at developing intermediate skills	-	-	37%	37%	44%	44%	44%
		Percentage of discretionary grant budget allocated at developing elementary level skills	-	-	1%	1%	1%	1%	1%
		The number of WSPs from large firms	114	114	120	120	120	120	120
		The number of WSPs from medium firms	150	150	170	170	170	170	170
		The number of WSPs from small firms	300	300	320	320	320	320	320
		Learners to be trained on entrepreneurial skills	-	-	40	200	500	750	900
		Enrolling Employed learners to enter Learnership programmes (non-artisan)	1500	1000	514	1500	550	600	650
		Employed learners are certificated on Learnership programmes (non-artisan)	750	500	385	750	275	300	325
		Enrolling Employed bursary holders	88	97	0	50	50	50	50
		Continuing Employed bursaries	-	-	219	51	51	51	51
		Employed bursaries complete their academic year studies	60	45	0	45	25	30	35
		Enrolling Employed learners on Skills Programmes	3000	2000	100	1000	1050	1100	1200
		Employed learners are certificated on Skills Programmes	1500	1000	50	500	525	525	525
		Enrolling learners on Artisan programmes (Includes COS Apprenticeships)	1730	1730	480	620	**1000**	1050	1100
			120	120	120	120	0	0	0
		learners are certificated on completion of their Artisan qualifications	500	479	413	413	**554**	300	300
		Enrolling Unemployed bursary holders	55	60	0	100	0	0	0

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
		Continuing Unemployed bursaries	-	-	585	486	200	210	220
		Unemployed bursary holders complete their academic year studies	28	30	0	40	20	25	30
		Enrolling learners on RPL	900	600	0	250	100	200	300
		Learners are certificated on RPL	-	-	0	125	50	100	150
		Number of SETA/Employer partnerships established	130	130	85	85	100	120	130
		Enrolling HET learners on Work Integrated Learning (WIL) programmes	140	80	0	200	50	60	70
		HET learners are certificated on completion of their Work Integrated Learning (WIL) programmes	70	40	0	100	25	30	35
		Enrolling Unemployed learners to enter internships/workplace experience programmes	550	684	0	500	525	550	575
		Unemployed learners are certificated on completion of internships/workplace experience programmes	275	342	0	250	263	263	263
		Enrolling Unemployed learners on skills programme	1450	1000	100	1000	1200	1300	1350
		Unemployed learners are certificated on skills programmes	700	500	50	500	600	650	675
		Enrolling Unemployed learners to enter Learnership programmes (non-artisan)	2500	3000	1845	2300	1500	1500	1500
		Unemployed learners are certificated (Non-Artisan) on Learnership Programmes	1250	1500	923	1150	850	750	750
		Enrolling learners on Candidacy programmes	30	30	30	30	30	30	30
		Learners completed every year on Candidacy Programmes to be certificated afterthree (3) years	-	15	15	15	15	15	15
Baseline			**17890**	**15546**	**6564**	**13110**	**10918**	**11169**	**11649**

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 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.1	Percentage of discretionary grant budget allocated at developing high-level skills	**55%**	-	-	-	55%
3.2	Percentage of discretionary grant budget allocated at developing intermediate skills	**44%**	-	-	-	44%
3.3	Percentage of discretionary grant budget allocated at developing elementary level skills	**1%**	-	-	-	1%
3.4	The number of WSPs from large firms	**120**	-	-	-	120
3.5	The number of WSPs from medium firms	**170**	-	-	-	170
3.6	The number of WSPs from small firms	**320**	-	-	-	320
3.7	learners to be trained on entrepreneurial skills	**500**	-	100	150	250
3.8	Enrolling Employed learners to enter Learnership programmes (non-artisan)	**550**	100	150	150	150
3.9	Employed learners are certificated on Learnership programmes (non-artisan)	**275**	50	75	75	75
3.10	Enrolling Employed bursary holders	**50**	-	-	-	50
	Continuing Employed bursaries	**51**				51
3.11	Employed bursaries complete their academic year studies	**25**	-	-	-	25
3.12	Enrolling Employed learners on Skills Programmes	**1050**	50	150	300	550
3.13	Employed learners are certificated on skills programmes	**525**	50	100	150	225
3.14	Enrolling learners on Artisan programmes (Includes COS Apprenticeships)	**1000**	100	200	300	400
3.15	learners are certificated on completion of their Artisan qualifications	**554**	65	100	153	236
3.16	Enrolling Unemployed bursary holders	**0**	-	-	-	-
	Continuing Unemployed bursaries	**200**	-	50	100	50
3.17	Unemployed Bursary holders complete their academic year studies	**20**	-	-	-	20
3.18	Enrolling learners on RPL	**100**	-	-	50	50
3.19	Learners are certificated on RPL	**50**	-	-	25	25

	OUTPUT INDICATORS	ANNUAL TARGET 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.20	Number of SETA/Employer partnerships established	**100**	-	-	-	100
3.21	Enrolling HET learners on Work Integrated Learning (WIL) programmes	**50**	-	-	-	50
3.22	HET learners are certificated on completion of their Work Integrated Learning (WIL) programmes	**25**	-	-	-	25
3.23	Enrolling Unemployed learners to enter internships/workplace experience programmes	**525**	50	100	150	225
3.24	Unemployed learners are certificated on completion of internships/workplace experience programmes	**263**	-	-	125	138
3.25	Enrolling Unemployed learners on skills programme	**1200**	150	250	400	400
3.26	Unemployed learners are certificated on skills programmes	**600**	75	125	200	200
3.27	Enrolling Unemployed learners to enter Learnership programmes (non-artisan)	**1500**	100	200	500	700
3.28	Unemployed learners are certificated (Non-Artisan) on Learnership Programmes	**850**	50	200	250	350
3.29	Enrolling learners on Candidacy programmes	**30**	-	-	-	30
3.30	Learners completed every year on Candidacy programmes to be certificated after three (3) years	**15**	-	-	-	15
Baseline		**10918**	**840**	**1800**	**3303**	**5425**

NOTE: Sector funded targets are funded from industry through the ETQA Business Unit and apply to Learnerships entered & ccompleted (Employed & Unemployed) and Artisan entered and completed and included in the APP targets. The DHET / CHIETA SLA provide the breakdown of the actual number of industry / sector funded learners. CHIETA has included the Sector funded learners and SETA funded learners on the 2022/23 APP.

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Improved support to TVET and CET Colleges	TVETs/CETs to be utilized as the training provider of choice	SETA offices established and maintained in TVET colleges	2	2	2	2	2	2	2
		Centres of specialisations supported	4	4	4	4	5	5	5
		TVET lecturers enrolled on skills programmes	-	-	60	100	105	105	105
		TVET //CET managers receiving training on curriculum related studies	-	-	-	-	0	0	0
		Enrolling TVET College lecturers for bursaries	-	-	-	50	-	-	-
		Continuing Support to TVET Bursaries					50	50	50
		TVET College infrastructure development support (Equipment /workshops)	-	-	-	-	0	0	0
		CET College lecturers enrolled on skills programmes	-	-	-	50	50	75	100
		CET College infrastructure development support (Smart Skills Centres)	-	-	-	-	5	6	7
		CET learners enrolled on AET programmes	-	-	-	1000	50	75	100
		TVET College partnerships established	18	18	12	15	12	14	16
		HEI partnerships established (Included in Prog.2 – Research & Skills Planning)	-	-	-	-	0	0	0
		CET partnerships established	-	-	-	-	3	4	5
		TVET students requiring work integrated learning	-	-	-	500	**1000**	1050	1100
		TVET students complete their work integrated learning	-	-	-	250	**400**	500	550

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Baseline			**24**	**24**	**78**	**1971**	**1682**	**1086**	**1215**

INDICATORS, ANNUAL AND QUARTERLY TARGETS

	OUTPUT INDICATORS	ANNUAL TARGET 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.31	SETA offices established and maintained in TVET colleges	2	-	2	-	-
3.32	Centres of specialisations supported	5	-	-	-	5
3.33	TVET lecturers enrolled on skills programmes	105	-	-	50	55
3.34	TVET /CET managers receiving training on curriculum related studies	0	-	-	-	-
3.35	Enrolling TVET College lecturers for bursaries	0	-	-	-	-
3.36	Continuing Support to TVET Bursaries	50				50
3.37	TVET College infrastructure development support (Equipment / workshops)	0	-	-	-	-
3.38	CET College lecturers enrolled on skills programmes	50	-	-	-	50
3.39	CET College infrastructure development support (Smart Skills Centres)	5	-	-	-	5
3.40	CET learners enrolled on AET programmes	50	-	25		25
3.41	TVET College partnerships established	12	-	-	-	12
3.42	HEI partnerships established (Included in Prog.2 Research & Skills Planning)	0	-	-	-	-
3.43	CET partnerships established	3	-	-	-	3

	OUTPUT INDICATORS	ANNUAL TARGET 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.44	TVET students requiring work integrated learning	1000	0	100	350	550
3.45	TVET students complete their work integrated learning	400	-	50	100	250
Baseline		**1682**	**0**	**177**	**500**	**1005**

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Seamless work integrated learning between training institutions, employees and industry	**Number of federation/trade unions supported**	Worker initiated training interventions are entered	5	5	1	5	3	4	5
Baseline			**5**	**5**	**1**	**5**	**3**	**4**	**5**

INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTPUT INDICATORS		ANNUAL TARGET 2021/22	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.46	Worker initiated training interventions are entered	3	-	-	-	3
Baseline		**3**	**0**	**0**	**0**	**3**

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Skilled and competent Chemical Industry entrepreneurs and cooperatives	Work based learning opportunities for Micro, SMMEs and cooperatives in support of growth and sustainability	Coops participating in learning programmes	35	40	0	50	100	110	120
		Small business enterprises participating in learning programmes	110	115	10	75	**500**	550	600
		NGOs/CBOs/CBCs enrolled in learning programmes	50	50	0	50	80	85	90
		Learners trained on entrepreneurship supported to start their own business	-	-	20	100	50	50	50
Baseline			**195**	**205**	**30**	**275**	**730**	**800**	**870**

INDICATORS, ANNUAL AND QUARTERLY TARGETS

	Output Indicators	Annual target 2022/23	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3.47	Co-ops participating in learning programmes	100	-	-	30	70
3.48	small business enterprises participating in learning programmes	500	-	50		450
3.49	NGOs /CBOs / CBCs enrolled in learning programmes	80	-	-	40	40
3.50	Learners trained on entrepreneurship supported to start their own business	50	-	-	-	50
Baseline		**730**	**0**	**50**	**70**	**610**

INDICATORS, ANNUAL AND QUARTERLY TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Effective Career and Vocational Guidance	Prioritised career development services are accessible to learners on occupations of high demand	Career development events in urban areas (4IR)	3	5	1	2	3	3	3
		Career development events in rural areas (4IR)	3	5	1	2	3	3	3
		Career Development Practitioners trained	-	-	-	-	-	-	-
		Capacity building workshops on Career Development services	-	-	-	-	-	-	-
Baseline			**6**	**10**	**2**	**4**	**6**	**6**	**6**

INDICATORS, ANNUAL AND QUARTERLY TARGETS

	OUTPUT INDICATORS	ANNUAL TARGET 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.51	Career development events in urban areas (4IR)	**3**	-	-	-	3
3.52	Career development events in rural areas (4IR)	**3**	-	-	-	3
3.53	Career Development Practitioners trained	**-**	-	-	-	-
4.54	Capacity building workshops on Career Development services	**-**	-	-	-	-
Baseline		**6**	**0**	**0**	**0**	**6**

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Increased participation of workers in various learning programmes to address critical skills in the industry and related sectors to transform workplaces, improve productivity and economic growth	**Diversity on all collective levels in support of the transformational profile of the Chemical Industry**	Rural Development Projects planned and implemented	11	10	0	10	10	10	10
		Learners in AET programmes	250	150	11	250	250	275	280
		Learners are certificated in AET programmes	125	75	80	125	125	138	140
		STEM Learner Support	-	-	-	250	1000	1000	1000
Baseline			**386**	**235**	**192**	**635**	**1385**	**1423**	**1430**

INDICATORS, ANNUAL AND QUARTERLY TARGETS

	OUTPUT INDICATORS	ANNUAL TARGET 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
3.55	Rural Development Projects planned and implemented	**10**	-	-	-	10
3.56	Learners in AET programmes	**250**	-	50	100	100
3.57	Learners are certificated in AET programmes	**125**	-	-	40	85
3.58	STEM Learner Support	**1000**		200	300	500
Baseline		**1385**	**0**	**250**	**440**	**695**

Explanation of planned performance over the Medium-Term Period

This programme has five (5) outcomes:

Outcome 2: Improve workplace productivity and diversity

The total budget over the medium-term allocation to programme 1 is R 1 461 195 000, while for the 2022/23 financial year, it amounts to R 490 027 000.

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 min focus is increasing the number of Black employees receiving qualifications at higher levels and supporting them bursaries to obtain professional designations and position to access occupations at senior levels. Our current baseline is 39% and CHIETA plans to increase this to 78% over the medium-term period by the end of March 2025.

The CHIETA will promote the developmental and transformational imperatives such as race, age, 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 for 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 in 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 4th Industrial Revolution was in progress and on-going 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 tolls through our digital portals and automation of back-end processes.

OUTCOME 3: Improve support to TVET and CET Colleges

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 approximately 300 Apprenticeships in the designated thirteen (13) priority Artisan Trades approved by DHET over the medium-term period. CHIETA will continue supporting 50 TVET Lectures on bursary's and a further 315 Lectures on Skills Programmes over this period. The CHIETA has also prioritised 1075 TVET students requiring work-integrated learning opportunities within this period. CHIETA will enter into 42 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 275

CET Lecturers and 1225 CET Adult Basic Education and Training programmes over this period. The CHIETA will develop a minimum of 20 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 approximately 1650 WIL opportunities over the medium-term period. The CHIETA has prioritised support to Work Integrated Learning within industry to assist learners to complete their qualifications and workplace experience those 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 to 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 / CHIETA Trade Unions for re-skilling and preventing further job losses. The CHIETA is also in partnership with related Industry Associations to determine which skills are required for the recovery and re-orientation of identified CHIETA companies.

OUTCOME 5: Skilled and competent Chemical Industry entrepreneurs and Cooperatives

This outcome focuses on the start-up of businesses for black and women entrepreneurs. In the medium term these SMMEs to become CHIETA levy-paying companies and contribute to employment creation. The CHIETA will facilitate the creation of an inclusive and transformed society for these SMMEs especially in townships and in the informal economies. The CHIETA will provide innovative skills solutions for growth and development to approximately 2225 SMMEs over the medium-term period.

A further 585 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.

OUTCOME 6: Effective Career and Vocational Guidance

CHIETA will be focussing on attracting young entrants to the Chemical Industries Sector and empower 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 learner's 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

OUTCOME	KEY RISK	RISK MITIGATION
Improve workplace productivity and diversity	DG allocations not aligned to strategic objectives	Approved DG funding matrix mapped to organizational targets, national and industry priorities
Improve support to TVET and CET Colleges	Insufficient funding towards governing board approved programmes	A targeted DG / Strategic Project funding window addressing funding for TVET and CET colleges
		Increase allocation of DG / Strategic Projects support to TVET and CET colleges
Seamless work-integrated learning between training institutions, employees and industry	Poor uptake from institutions, employers and industry on work-integrated learning (WIL)	Using the regional skills forum sessions with the employers and stakeholders to encourage uptake of work-integrated learning and workplace experience opportunities
		Schedule capacity building interventions for CHIETA trade unions
		Support to re-skilling and prevention of job losses of employees
	Poor intake of learners due to the impact of covid-19 lockdown	Accommodate changing schedule of training implementation by employers to ensure increase to several learners hosted

OUTCOME	KEY RISK	RISK MITIGATION
	CHIETA Budgetary constraints	CHIETA to manage its cost-containment measures as per National Treasury
	CHIETA companies not being able to adhere to MoA conditions	CHIETA to provide addendums to MoAs to extend timeframes of contractual obligations
Skilled and competent Chemical Industry entrepreneurs and Cooperatives	Poor uptake of SMMEs and Cooperatives due to the impact of Covid-19 lockdown	SMMEs and Cooperatives to implement a Covid-19 skills development rotational implementation plan to ensure successful enrolment and certification
	The lack of CHIETA Technical expertise personnel to evaluate DG and Strategic Projects based on the Governing Board, National transformational and ERRP priorities	The second level evaluation committee to recommend to the Grant Approval Committee (GAC) its recommendations based on the Strategic and Annual Performance Plan priorities
Effective Career and Vocational Guidance	Lack of stakeholder driven marketing programmes	Develop marketing communication directed at Chemical Industry careers

PROGRAMME 4	ETQA
PURPOSE	To ensure the sustainability of the Chemical accreditation of service providers, the curriculum development of qualifications and the acceleration of certification
BUDGET	R**13 563 000**

OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOMES	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2021/22	MTEF PERIOD		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
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	75	85	30	40	50
		Skills Development Providers are Accredited, re-accredited and monitored and Quality Assurance of learner achievements conducted per learning intervention	310	310	250	200	210	221	221
		Assessors and moderators registered	180	180	175	175	184	193	193
		Assessment sites /centres approved for learnership and skills programmes	-	-	1	4	4	5	5
Baseline			**565**	**565**	**501**	**464**	**428**	**459**	**469**

INDICATORS, ANNUAL AND QUARTERLY TARGETS

	OUTPUT INDICATORS	ANNUAL TARGET 2022/23	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
4.1	Approved Workplaces including SETA endorsements	**30**	-	-	15	15
4.2	Skills Development Providers are accredited, re-accredited and monitored and Quality Assurance of learner achievements conducted per learning intervention	**210**	-		100	110
4.3	Assessors and moderators registered	**184**			84	100
4.4	Assessment sites /centres approved for learnership and skills programmes	**4**	-	-	-	4
	Baseline	**428**	**0**	**0**	**199**	**229**

NB: The Outcomes and Outputs for the ETQA Business Unit can change due to the QCTO adjustments

Explanation of planned performance over the Medium-Term Period

OUTCOME 7: 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 13 563 000.

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, 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 direct into the web-based app. Electronic workplace

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 2022/23 BUDGET AND MTEF ESTIMATES

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

		Outcome			Current year	Medium Term Estimate		
	Audited	Audited	Audited	Audited	Estimated expenditure	Forecast	Forecast	Forecast
R Thousand	2017/18	2018/19	2019/20	'2020/21	'2021/22	'2022/23	'2023/24	'2024/25
Revenue								
Tax revenue					22 525			
Non-tax revenue	**29 324**	**27 037**	**24 521**	**17 121**		**20 656**	**22 636**	**24 749**
Other non-tax revenue	29 324	27 037	24 521	17 121	22 525	20 656	22 636	24 749
Fines penalties and forfeits								
Interest	8 110	6 763	7 215	6 917	8 025	7 756	8 144	8 469
Dividends				-	-	-	-	-
Rent on land				-	-			
Other non-tax revenue	21 214	20 274	17 306	10 204	14 500	12 900	14 492	16 280
Transfers received	**501 736**	**550 923**	**533 483**	**369 534**	**495 875**	**568 292**	**590 098**	**618 669**
Department of HET (SETAS only)	501 736	**550 923**	**533 483**	**369 534**	**495 875**	**568 292**	**590 098**	**618 669**
Skills Development Levies	501 736	550 923	533 483	369 534	495 875	568 292	590 098	618 669
Admin - 10% / 10.5%	65 857	72 331	70 019	48 505	68 040	73 620	76 900	80 900
Employer Grant Fund Levy- 20%	125 153	136 277	133 353	92 387	129 600	142 110	147 525	154 635
Discretionary Grants - 20% / 49.5%	310 726	342 315	330 111	228 642	298 235	352 562	365 673	383 134
International donor organisations								
Total revenue	**531 060**	**577 960**	**558 004**	**386 655**		**588 948**	**612 734**	**643 418**
Expenses	**61 022**	**66 344**	**69 302**	**92 451**	**106 178**	**73 620**	**76 900**	**80 901**
Current expense	**25 767**	26 751	26 880	31 018	41 698	28 862	29 979	21 682
Compensation of employees	35 255	**39 593**	**42 422**	**61 433**	**64 480**	**44 758**	**46 921**	**49 219**
Salary & Wages	30 185	34 094	35 053	53 458	56 337	36 571	38 525	40 193
Basic salary	24 974	27 678	27 979	42 837	54 947	35 140	36 695	37 964
Performance rewards	3 406	4 612	5 767	8 054	-	-	-	-
Leave days	1 805	1 804	1 307	2 567	1 390	1 431	1 830	2 229
Compensative/ circumstantial	-							
Stay bonus	-							
Other non-pensionable allowances	-							
Social Contributions (employer contributions only)	5 070	5 499	7 369	7 975	8 143	8 187	8 396	9 026
Pension	2 107	2 111	4 768	5 180	5 280	5 313	5 579	5 858
Medical	2 630	3 062	2 265	2 465	2 523	2 532	2 658	2 791
UIF	333	326	336	330	340	342	359	377
Bargaining council								
Unions								
Insurance								
Post retirement benefits (Medical)								
Use of goods and services	25 767	**26 751**	**26 880**	**31 018**	**41 698**	**28 862**	**29 979**	**31 682**
Advertising	797	1 003	700	557	350	521	561	686
Advertising of posts								
Advertising (marketing)	797	1 003	700	557	3250	521	581	686
Audit Fees	3 728	**3 282**	**4 214**	**2 780**	**4 772**	**3 050**	**3 382**	**3 712**
Internal	1 397	898	1 126	284	1161	589	617	606
Forensic		-						
External	2 331	2 384	3 088	2 496	3 611	2 461	2 765	3 106
Other expenses	2 076	961	238	2 527	4 334	-	-	-
Board Costs	2 092	**2 791**	**3 281**	**5 083**	**5 301**	**3 097**	**3 252**	**3 415**
Board - Remuneration	1 520	1 805	2 150	3 490	3 694	2 324	2 440	2 562
Audit Committee remuneration	572	630	717	1 215	1 400	552	580	610
Board - Secretariat fees		356	414	378	207	221	231,9	243,5
Board - Committee fees				-		-	-	-
Bursaries (employees)								

QCTO Payment	2 653	3 392	3 597	3 874	2 502	2 627	2 680	2 733
Communication	575	**1 187**	**1 015**	**694**	**1 105**	**989**	**1 038**	**1 090**
Telephone	575	756	565	627	935	780	819	860
Cellphones		-	-	-	-	-	-	-
Postage & Courier	-	431	450	67	170	209	219	230
Satellite signals		-	-	-	-			
Other		-	-	-	-			
Computer services	739	**731**	**1 325**	**2 309**	**3 008**	**2 158**	**2 266**	**2 379**
SITA services		-	-	-	-	-	-	-
External service providers	739	731	1 325	2 309	3 008	2 158	2 266	2 379
Consultants, contractors and special services	13 107	**13 404**	**12 510**	**13 194**	**20 326**	**16 420**	**16 801**	**17 666**
Consultants	1 645	2 177	1 416	3 115	4 393	2 073	1 999	20 99
Other services	609	807	659	150	680	556	489	584
Insurance cost	144	176	122	108	113	196	119	206
Workshop and meeting costs	465	631	537	42	353	360	371	378
Item 1								
Item 2								
Item 3								
Entertainment								
Equipment less than R5000								
Inventory	696	626	580	507	967	1 015	1 066	956
Consumables								
Food and food supplies								
Fuel, oil and gas								
Parts and other maintenance material								
Stationery and printing	696	626	580	507	967	1 015	1 066	956
Restoration and fittings								
Other								
Legal fees	686	666	287	698	1200	1260	1 323	1 389
Loss or (Gains)								
Losses due to Fraud								
On Sale of Assets								
Forex								
Adjustments to Fair Value								
Other								
Maintenance and repairs	842	**684**	**740**	**1 087**	**1 760**	**1 848**	**1 646**	**1 729**
Buildings								
IT Maitenance and internet services	842	684	740	1 087	1 760	1 848	1 646	1 729
Vehicles								
Equipment								
Operating leases	3 224	3 236	3 236	4 468	4 754	5 087	5 443	5 824
Rent-buildings	3 224	3 236	3 236	4 468	4 754	5 087	5 443	5 824
Rent-equipment								
Other								
Owned/ leasehold and property exp. (Establisment Costs)	-							
Transport - Motor Fleet								
Transport - Private Vehicles								
Other								
Printing and publication								
Professional bodies and membership fees								
Travel and Substinance	2 899	2 587	2 587	234	1 500	937	984	1 041
Air Travel - Air Tickets (Domestic)								
Air Travel - Air Tickets (International)								
Travel and Accommodation - Domestic	2 899	2 587	2 587	234	1 500	937	984	1041
Accommodation - International								
Entertainment								
Other								
Training and staff development	901	698	1 152	1 214	1 300	1145	1202	1262
Utilities	929	986	1 217	940	1 200	1 284	1 373	1 442
Water and electricity	929	986	1 217	940	1 200	1 284	1 373	1 442
Item 1								
Item 2								

Venues and facilities								
Project expenditure								
Nationa;s Skills fund expenses								
Item 2								
Depreciation	676	937	636	781	2572	1215	1276	1341
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	413	589	363	325	434	371	390	409
Furniture and Office equipment	95	146	140	170	227	180	189	198
Other Machinery and equipment	76	89	84	164	75	78	82	86
Specialised military assets								
Transport Assets								
Computer Software	92	113	49	122	1 836	586	615	647
Valuables (e.g. works of art)								
Mastheads and Publishing titles								
Patents, Licences, Copyrights, Brand names & Trademarks								
Recipes, Formulae, Prototypes, Designs & Models								
Service and Operating Rights								
Other Intangibles								
Interest, dividends and rent on land	-	-	-	-	-	-	-	-
Interest								
Dividends								
Rent on land								
Transfers and subsidies	**474 864**	**515 662**	**528 982**	**246 745**	**412 222**	**515 328**	**535 834**	**562 518**
Employer Grant	111 523	124 696	124 937	82 414	104 000	109 200	114 660	120 393
Provincial government								
Municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public and private corporations	111 523	124 696	124 937	82 414	104 000	109 200	114 660	120 993
Nonprofit institutions								
Households								
Descretionary Grant	363 341	**390 966**	**404 045**	**164 331**	**308 222**	**406 128**	**421 174**	**442 125**
Provincial government								
Municipalities								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public and private corporations	336 091	361 716	377 912	152 866	294 722	375 669	389 586	408 966
7.5% Project Adnministration	27 250	29 250	26 133	11 465	13 500	30 460	31 588	33 159
Nonprofit institutions								
Households								
Transfers other than for skills development								
Provincial government								
Municipalities								
Rates and taxes								
RSC levie								
Other								
Departmental agencies and accounts								
Universities and technikons								
Foreign governments and international organisations								
Public and private corporations								
Non life insurance								
Other (Artisans)								
Non-profit institutions								
Households								
Total expenses	**535 886**	**582 006**	**598 284**	**339 196**	**518 400**	**588 948**	**612 734**	**643 419**
Surplus / (Deficit)	**-4 826**	**-4 046**	**-40 280**	**47 459**	**-0**	**-0**	**-0**	**-0**
Tax payment								

Outside shareholders Interest								
Cash flow summary								
Adjust surplus / (deficit) for accrual transactions	**-4 826**	**-4 046**	**-40 280**	**47 459**	**-0**	**-0**	**-0**	**-0**
Adjustments for:								
Depreciation	584	824	587	691	2473	1 111	661	694
Interest	-21 214	-20 274	-17 306	-10 204	-14 500	-12 900	-14 492	-16 280
Amortisation	92	113	49	90	99	104	615	647
Net (profit) / loss on disposal of fixed assets	51	13	27	272	-	-	-	-
Other-Relating to grants	70	124		-	-	-	-	-
Operating surplus / (deficit) before changes in working capital	**-20 417**	**-19 200**	**-16 643**	**-9 151**	**-11 928**	**-11 685**	**-13 216**	**-14 939**
Changes in working capital	-11 847	**65 330**	**-51 316**	**46 379**	**38 409**	**-8 600**	**533**	**533**
(Decrease) / increase in accounts payable	-8 346	62 234	-50 480	47 968	38 392	-9 033	564	564
Decrease / (increase) in accounts receivable	-265	-394	-939	-2 149	-241	-129	-136	-136
Decrease / (increase) in inventory				518				
(Decrease) / increase in provisions	-3 236	3 490	103	42	258	562	105	105
Cash flow from operating activities	**-15 876**	**62 358**	**-90 933**	**94 891**	**40 981**	**- 7385**	**1809**	**1873**
Transfers from government	-	-	-	-	-			
Of which: Capital								
: Current								
Cash flow from investing activities	**-1 559**	**-1 134**	**-351**	**-7 397**	**-7 782**	**-1 353**	**-1 421**	**-1 492**
Acquisition of Assets	-1 559	**-1 134**	**-351**	**-7 397**	**--7 782**	**-1 353**	**-1 421**	**-1 492**
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	-656	-429	-337	-1 375	- 6010	-651	-684	-718
Furniture and Office equipment	-484	-579	-22	-11	-1 147	-536	-563	-591
Other Machinery and equipment	-293	-34	-17	-144	-10	-87	-91	-96
Specialised military assets	-							
Transport Assets	-							
Computer Software	-126	-130	-	-5 879	- 615	-79	-83	-87
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								
Incease in lterm receivables								
Cash flow from financing activities	**-**	**-**	**-**					
Deferred Income								
Borrowing Activities								
Grants received	-	-	-					
Net increase / (decrease) in cash and cash equivalents	**-17 435**	**61 224**	**-91 284**	**87 494**	**33 199**	**-8738**	**388**	**381**
Balance Sheet Data								
Carrying Value of Assets	**2 659**	**2 842**	**2 533**	**8 878**	**6 086**	**5 177**	**4 435**	**4 657**
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	1 120	918	843	1 807	1 115	1 170	1 229	1 290
Furniture and Office equipment	776	1 201	1 084	914	280	294	308	324
Other Machinery and equipment	679	624	556	350	423	444	466	489
Specialised military assets								
Transport Assets								
Computer Software	84	99	50	5 807	4 269	3 269	2 432	2 554
Valuables (e.g. works of art)								
Mastheads and Publishing titles								
Patents, Licences, Copyrights, Brand names & Trademarks								
Recipes, Formulae, Prototypes, Designs & Models								
Service and Operating Rights								
Other Intangibles								
Long Term Investments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Floating								
Current								
1<5 Years								
5<10 Years								
>10 Years								
Cash and Cash Equivalents	**286 024**	**347 246**	**256 467**	**343 960**	**340 164**	**261 046**	**252 164**	**252 165**
Bank	286 019	347 241	256 457	343 950	340 160	261 042	252 160	252 160
Cash on Hand	5	5	10	10	4	4	4	5
Other								
Other								
Receivables and Prepayments	**5 467**	**2 388**	**3 144**	**5 293**	**2 589**	**2 718**	**2 854**	**2 997**
Trade Receivables	883	2 078	2 801	5 293	2 526	2 652	2 785	2 924
Inteseta Debtors	1 094	310		-	63	66	69	73
Deposit			143					
Skills Development Levy receivables			191					
Prepaid Expenses	3 490	-	-					
Other			9					
Inventory	**84**	**67**	**548**	**30**	**80**	**84**	**88**	**92**
Trade	84	67	548	30	80	84	88	92
Other								
Other								
Capital & Reserves	**246 503**	**242 454**	**202 980**	**249 636**	**206 423**	**206 423**	**206 423**	**206 423**
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	240 409	236 360	196 886	243 542	200 329	200 329	200 329	200 329
Borrowings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Floating								
Current								
1<5 Years								
5<10 Years								
>10 Years								
Post Retirement Benefits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Present value of Funded obligations								
Unrecognised transitional liabiliities								
Other								
Trade and Other Payables	**43 368**	**104 396**	**51 454**	**96 678**	**60 021**	**50 369**	**50 664**	**49 697**
Trade Payables	37 527	95 553	1 647	7 766	49 272	39 083	38 814	37 254
Accrued Interest								
Deferred income								
Skills Development Levy payables	5 841	8 843	49 807	88 912	10 749	11 286	11 850	12 443
Other payables								
Provisions	**4 363**	**5 693**	**8 258**	**11 847**	**2 604**	**2 581**	**2 749**	**2 822**
Leave pay provision	957	1 081	1 307	2 567	1 328	1 394	1 464	1 537
Bonus provision	3 406	4 612	5 767	8 054	-	-	-	-
Advance Billing								
Other 1			1 184	1 226	1 276	1 187	1 285	1 285
Other 2								
Managed Funds (eg Poverty Alleviation Fund)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Poverty Alleviation Fund								
Regional Development Fund								
Third Party Funds								
Other 4								
Contingent Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Retirement Fund								

Housing Guarantee							
Other 1							
Other 2							

Expenditure Estimates:

The total projected expenditure budget of R588 948 (R'000) is made up of R490 027 (R'000) in direct Discretionary Grant and Strategic Project expenses, R30 187(R'000) in project administration expenses, R109 494 (R'000) in approved Mandatory Grants and R73 326 (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 is 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 (2022/23) 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 is 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 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), who 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 2022/23 financial year is R588 948 in SDL income. Investment return is projected at R7 756 (R'000) and revenue from interest and penalties is projected at R12 900 (R'000). The total expenditure projection of R588 948 (R'000) is made up as follows in the projected budget:

Expenditure:

- R 490 027 (R'000) – 64% of total budget in direct discretionary grant and project expenses
- R30 187 (R'000) – 5% of total budget in project administration expenses, representing 8% of projected discretionary grant and projects expenditure
- R109 494 (R'000) – 18% of total budget in mandatory grant expenses
- R73 620 (R'000) - 13% of total budget in administration expenses

Key assumption of the budget projection for 2022/23

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 2022/23

PROGRAM NUMBER	PROGRAMME NAME	BUDGET ALLOCATION 2022/23
1	Administration	R 73 620 000
2	Research and Skills Planning	R 11 738 000
3	Learning Programmes and Projects Mandatory Grants Project Administration TOTAL	R 350 346 000 R 109 494 000 R 30 187 000 R 490 027 000
4	ETQA	R 13 563 000
TOTAL		R 588 948 000

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 practice. 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 delivery on 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 whom are contempt are productive and performing staff members.

Financial Resources

The following are assumptions upon which the 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 FHIETA has provided the personnel per project below:

Age Variances of Staff Compliment

(Interns and Cleaners)			
Age	**Race**	**Gender**	**No. Of Employee**
24	A	M	1
25	A	F	1
26	A	F	2
27	A	M	2
28	A	F	1
29	A	F	1
29	A	M	1
38	A	F	1
44	A	F	1
63	A	F	2
TOTAL			**13**

(Assistant Administrators)			
Age	**Race**	**Gender**	**No. Of Employee**
28	A	M	1
28	C	F	1
30	A	F	1
31	A	M	3
32	A	M	1
33	A	M	1
33	A	F	1
35	A	F	1
37	A	F	1
40	A	M	1
44	A	M	1
46	A	F	1
48	A	F	1
TOTAL			**15**

(Administrators)			
Age	**Race**	**Gender**	**No. Of Employee**
27	A	F	1
28	A	F	1
31	A	F	2
32	A	M	1
33	A	M	1
35	A	F	1
36	A	F	1
38	A	F	1
42	A	F	1
43	A	F	1
44	A	F	1
49	A	M	1
55	A	F	1
TOTAL			**14**
(Practitioners)			
Age	**Race**	**Gender**	**No. Of Employee**
30	A	M	2
31	A	M	1
32	A	F	1
32	C	M	1
34	A	F	1
35	A	F	1
37	A	F	1
39	A	M	1

44	A	F	1
49	A	M	1
53	A	F	1
TOTAL			**12**

(Specialists)			
Age	**Race**	**Gender**	**No. Of Employee**
31	A	M	2
33	A	M	1
34	A	M	1
35	A	F	1
36	A	F	1
37	A	F	1
37	FN(Foreign National)	M	1
38	A	F	1
38	A	M	1
38	C	F	1
39	A	F	1
39	A	M	1
40	A	F	1
41	C	F	1
41	A	F	1
45	I	F	1
46	I	M	1
46	A	M	1
49	A	M	1
53	A	M	1
55	I	M	1
56	W	F	1
TOTAL			**23**

(Managers)			
Age	**Race**	**Gender**	**No. Of Employee**
33	A	F	1
36	A	F	1
45	FN (Foreign National)	F	1
49	A	M	1
52	A	M	1
53	C	M	1
55	A	M	1
55	FN (Foreign National)	M	1
55	F	F	1
56	I	M	1

60	I	M	1
TOTAL			**11**
(Executives)			
Age	**Race**	**Gender**	**No. of Employee**
34	I	M	1
38	I	M	1
38	A	F	1
46	A	M	1
54	I	F	1
57	W	M	1
TOTAL			**6**

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

8. SERVICE LEVEL AGREEMENT

entered into by and between

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

(hereinafter referred to as the “DHET” represented by Dr Nkosinathi 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 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 2022** to **31 March 2023.**

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 adhoc reports that may from time to time be required by the Minister, Cabinet and Parliament within specified timelines;

3.1.4 address all findings raised by the Auditor-General South Africa (AGSA) in the previous financial year;

3.1.5 achieve all NSDP SLA targets, as failure to do so may result in the Department of Higher Education and Training (DHET) recommending to the Minister, implementation section 14 of the SDA, subsequently section 15;

3.1.6 advance economic growth, job creation and labour market development drivers through skills in current and future skills needed for development in technological advancement and digitalisation (4th Industrial Revolution);

3.1.7 submit Quarterly Skills Education and Training Management Information System (SETMIS) Reports and Annual Reports (AR) in accordance with National Treasury (NT), Department of Planning, Monitoring and Evaluation (DPME) and DHET requirements, including reporting on Sector funded interventions;

3.1.8 establish policies, processes and systems for credible research, monitoring, reporting and evaluation to support evidence based planning decisions (including the development of Sector Skills Plan (SSP), SP, APP) and operational decisions;

3.1.9 conduct tracer and impact evaluation studies inclusive of but not limited to determining employment (including self-employment) absorption rates of unemployed learners completing the SETA's priority occupations;

3.1.10 integrate in its interventions targets for women, differently-abled persons, youth, rural and other economically excluded beneficiaries;

3.1.11 establish a functional operational structure and staff establishment appropriate to the size of the sector, levy income and the administration budget limit thereof;

3.1.12 establish collaborations to implement the approved SP and APP including but not limited to partnerships with departments and public entities at all three spheres of government, inter

SETA partnerships, public – private partnerships, and other organisations as permitted by the SDL Acts, RRs and the SETA Grants Policy;

3.1.13 support the imperatives contained within Job Summit Agreements and the temporary employee and employer relief scheme through delivery of flexible programmes that ensure that young people are suitably prepared and skilled to fill every entry level roles, particularly where companies need to scale their operations, these may include inter alia work readiness programme, short courses (accredited or no-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;

3.2 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 inhigh 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	62%	55%	None
		• Percentage of discretionary grant budget allocated at developing intermediate skills	37%	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	300	320	None
		• Number of WSPs and ATRs approved for Medium firms	150	170	None
		• Number of WSPs and ATRs approved for Large firms	114	120	None
		• Number of sector research agreements signed for TVET growth occupationally directed programmes	Zero	1	None
		• Number of learners who completed workplace based learning programmes absorbed into employment or self-employment (Track & Trace System)	1	1	None
		• Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	Zero	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.	20	50	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	820	1000	None
		• Number of TVET students completed their work integrated learning placements.	410	400	None
		• Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	80	50	None
		• Number of university students completed their Work Integrated Learning placements	40	25	None
		• Number of unemployed learners enrolled Internships	684	525	None
		• Number of unemployed learners completed Internship	342	263	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
		• Number of unemployed learners enrolled Skills programmes	1000	1200	None
		• Number of unemployed learners completed Skills programmes	500	600	None
		• Number of unemployed learners enrolled Learnerships programmes	3000	1500	200
		• Number of unemployed learners completed Learnerships programmes	1500	750	100
		• 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 South African workforce	3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.	• Number of workers enrolled in Learnerships programmes	1000	500	50
		• Number of workers completed Learnerships programmes	500	250	25
		• Number of workers granted Bursaries (new entries)	97	50	None
		• Number of workers granted Bursaries (continuing)	219	51	None
		• Number of workers granted Bursaries completed their studies	45	25	None
		• Number of workers enrolled Skills programmes	2000	1050	None
		• Number of workers completed Skills programmes	1000	525	None
		• Number of workers enrolled AET programmes	150	250	None
		• Number of workers completed AET programmes	75	125	None
4. Increase access to occupationally	4.2: Increase access for Intermediate and high level skills	• Number of artisan learners enrolled	1730	1000	50
		• Number of artisan learners completed	479	554	None
		• Number of unemployed learners granted Bursaries (new enrollments)	60	0	None

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
directed programmes		• Number of unemployed learners granted Bursaries (continuing)	585	200	None
		• Number of unemployed learners granted Bursaries completed their studies	30	20	None
		• Number of learners enrolled RPL/ARPL	Zero	100	None
		• Number of learners completed RPL/ARPL	Zero	50	None
		• Number of TVET partnerships established	18	12	None
		• Number of HEI partnerships established	2	2	None
		• Number of CET partnerships established	Zero	3	None
		• Number of SETA-Employer partnerships established	130	100	None
5. Support thegrowth 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 Centers of Specialisation supported	4	5	None
		• Number of TVET Lecturers exposed to the industry through Skills Programmes	60	105	None
		• Number of Managers receiving training on curriculum related studies	Zero	0	None
		• Number of TVET colleges Lecturers awarded Bursaries (Continuing)	Zero	50	None
		• TVET colleges infrastructure development (equipment/workshops)	Zero	0	None
	5.2 Support the CET Colleges	• Number of CET colleges lecturers awarded skills development programmes	Zero	50	None
		• CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT) Smart Skills Centers)	Zero	5	None
		• Number of Managers receiving training on curriculum related studies	Zero	0	None
		• Number of CET learners accessing AET programmes	Zero	50	None
		• Number of cooperatives funded for skills that enhance enterprise growth and development	40	100	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	115	500	None
		• Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities.	50	80	None
7. Encourage and support worker initiated training		• Number of Federations /Trade Unions supported through the relevant skills training interventions	5	3	None
8. Support career development services		• Number of Career Development Events in urban areas on occupations in high demand	5	3	None
		• Number of Career Development Events in rural areas on occupations in high demand	5	3	None
		• Number of Career Development Practitioners trained	Zero	0	None
		• Number of capacity building workshops on Career Development Services initiated	Zero	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. 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.

5. GENERAL

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

SIGNED AT __ MIDRAND___ ON THIS_____09__DAY OF__MARCH__2022_____

CHAIRPERSON (Represented by_____who warrants that he/she is duly authorised to this agreement)

SIGNED AT_____ON THIS____DAY OF_____20_____

DIRECTOR-GENERAL (Represented by Dr Nkosinathi 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
IR- 4th Industrial Revolution
M & R - Sub-directorate: Monitoring and Reporting of the (SETA Performance Management)
Minister - Minister of the Department of Higher Education and Training
NC (V) - National Certificate (Vocational)
NGO – Non-Government Organisation
NPO – Non-Profit Organisation
NSDP- National Skills Development Plan
NT- National Treasury
PFMA- Public Finance Management Act No. 1 of 1999
RPL - Recognition of Prior Learning
RR- Related Regulations
SDA- Skills Development Act No, 97 of 1998 and Skills Development Levy Act No.9 of 1999
SDLA- Skills Development Levy Act No.9 of 1999
SETA - Sector Education and Training Authority
SLA - Service Level Agreement
SP - Strategic Plans
SPM - SETA Performance Management of the DHET
SSP - Sector Skills Plans
TR- Treasury Regulations
TVET - Technical and Vocational Education and Training (formerly FET)
VUCA – Volatility, Uncertainty, Complexity and Ambiguity
WBLPAR- Workplace Based Learning Programme Agreement Regulation
WIL - Work Integrated Learning
WSPs- Workplace Skills Plans

9. Materiality and Significance Framework

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 curriculate, 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 intendedto 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

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 of disposal of a significant shareholding in a company; 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.	All events / transactions will require disclosure – 100% compliance

CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY (CHIETA)

2022/23

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1. **PURPOSE**

The CHIETA is committed to reporting accurate, valid, and complete performance information to its Governance structures and stakeholders. Accurate, timely and relevant information is an essential component of effective and professional management. The availability of high quality, authoritative information to decision makers supports the delivery of the CHIETA's mandate and enables management to be responsive and accountable to stakeholders.

2. **OBJECTIVE**

2.1 To plan, co-ordinate, monitor, evaluate and report on the implementation of the CHIETA's strategic objectives;

2.2 To clarify standards for performance information in support of regular audits of such information where appropriate;

2.3 To improve integrated structures, systems and processes required to manage performance information;

2.4 To match organizational goals with the CHIETA's mandate, policies, strategies and plans;

2.5 To facilitate evidence-based decision making and promote accountability and transparency by providing executive\senior management and stakeholders with timely, accessible and accurate performance information.

2.6 To act as an early warning indicator to executive\ senior management by identifying challenges, implementing necessary intervention strategies in a timely manner, bench-marking performance and reducing operational risks.

2.7 National Treasury has implemented a set of detailed guidelines to assist in the management of performance information. These guidelines named "Framework for Managing Programme Performance Information Framework for Strategic Planning and Annual Performance Report" should be read in conjunction with this policy.

3. **SCOPE**

This policy applies to the CHIETA Chief Executive Officer, the Chief Financial Officer, all Executive Managers in various Business Units, and all employees of the CHIETA.

4. **DEFINITION AND TERMS**

Executive Manager refers to management that reports directly to the Chief Financial Officer.

Management of Information is an element of every job function in the CHIETA that involves treating information used or produced while performing duties as a strategic business resource and protecting and disclosing such information in line with legislative and policy requirements.

Managers refer to management that reports directly to relevant Executive Managers.

Performance Audit offers management valuable insights into the organization's operations by assessing how successful objectives are being met. These observations in turn enable management to refine systems and further improve performance. A performance audit is an independent evaluation of the measures implemented by management to ensure the efficient, effective, and economic use of resources.

A performance audit differs from the other audit functions that must be performed each year, such as Internal audits which are control and risk focused; External (statutory audit by Auditor General) performed in accordance with auditing and accounting standards; and Audit of performance information, which is a statutory obligation of the Auditor General, and involves examination of performance against predetermined objectives.

Performance Information means quantitative information collected systematically and used as substantiating information for making decisions and as evidence for judgments on the entity's achievement in relation to its objectives, plans or intentions.

Strategic Plan is the comprehensive plan for accomplishment in relation to stated goals and objectives. The plan covers a multi-year period, includes targets (levels of performance) for expected accomplishment, and proposes specific performance measures which may be used to evaluate progress towards those targets.

5. POLICY STATEMENT

5.1 Performance information indicates how well an organisation is meeting its strategic goals and objectives, and which policies and processes are functioning effectively.

5.2 Making the best use of available information and knowledge is crucial for improving the execution of the CHIETA's mandate.

5.3 Performance information is the key to effective management, including the elements of planning, budgeting, implementation, monitoring, and reporting. It also facilitates effective accountability, enables the CHIETA governance structures, Executive Authority, and members of the public and other stakeholders to track progress, identify scope for improvement and better understand issues involved that are unique to the CHIETA.

5.4 The CHIETA, being a public entity, must deliver services essential to the public and to the development of the country and the Chemical Sector in particular. To ensure that public service delivery is as efficient and economical as possible, the CHIETA must formulate strategic plans, allocate resources to the implementation of these plans, and monitor and report on the results.

This is the essence of performance information, which focuses the attention of the stakeholder, public and oversight bodies on whether the organisation is delivering value for money, by comparing performance against budgets and strategic plan, and pro- actively alerts management to areas where corrective action is required.

6. STRATEGIC PLAN

6.1 The CHIETA Board (Accounting Authority) must prepare a five-year strategic plan, which is revised annually with an annual performance plan for approval by the Minister of Higher Education and Training.

6.2 Such a plan must be submitted at least 6 months prior to the start of the financial year.

6.3 The strategic plan must:

6.3.1 Include objectives and outcomes as identified by the Executive Authority;

6.3.2 Include multi-year projections of revenue and expenditure;

6.3.3 Include key performance indicators and multi-year performance targets for assessing the CHIETA's performance in delivering the desired outcomes and objectives;

6.3.4 Include the materiality and significance framework developed by the Board

6.3.5 Be updated annually on a rolling basis; and

6.3.6 Form the basis for the annual report

7. OUTCOME BASED APPROACH TO PERFORMANCE MANAGEMENT

7.1 The focus on managing for outcomes requires attention to the full delivery of the organisational performance value chain, it begins with the planning process (Sector Skills Plan, Strategic Plan and Annual Performance Plan) which are converted into strategic outcomes, programmes, and objectives to indicate what CHIETA want to achieve and express the CHIETA's mandate and support to NSDS III. Objectives are then defined into performance indicators with pre-determined targets and baseline figures to monitor and evaluate if CHIETA is on track to deliver as planned.

7.2 The outcome-based performance system is not limited to measuring outcomes, programme, and objectives, but also serves as a mechanism to guide the strategic planning and direction of the CHIETA to ensure that it prioritizes high impact strategic deliverables.

7.3 This system serves as an effective performance management framework to internalise it into Business Unit Performance Plan and employee performance frameworks.

7.4 Key performance indicators must be selected and specified to measure performance in relation to inputs, activities, outputs, outcomes, and impact. The set of indicators selected for accountability reporting, should provide a holistic view of the CHIETA's performance.

7.5 There is no need to measure every aspect of outcome and outputs. Fewer measures may deliver a stronger message. Units must select indicators that measure critical aspects of the service or outcome being delivered. When selecting indicators, it is important to bear in mind the following:

7.5.1 Clear communication: the indicators should communicate whether the CHIETA is achieving the strategic goals and objective set. The indicators should also be understandable to all who need to use them;

7.5.2 Available data: the data for chosen indicators need to be readily available; and

7.5.3 Manageability: the number of indicators needs to be manageable.

7.6 A good performance indicator should be:

7.6.1 Reliable: the indicator should be accurate enough for its intended use and respond to changes in the level of performance;

7.6.2 Well-defined: the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use;

7.6.3 Verifiable: it must be possible to validate the processes and systems that produce the indicator;

7.6.4 Cost-effective: the usefulness of the indicator must justify the cost of collecting the data;

7.6.5 Appropriate: the indicator must avoid unintended consequences and encourage service delivery improvements, and not give managers incentives to carry out activities simply to meet a particular target; and

7.6.6 Relevant: the indicator must relate logically and directly to an aspect of the CHIETA's mandate, and the realization of its strategic goals and objectives.

7.7 Performance targets must express a specific level of performance that the CHIETA will strive to achieve within a given period. They should enable performance to be compared at regular intervals – monthly, quarterly, and annual.

7.8 Performance targets should be realistic and achievable targets that challenge the institution and its staff. They should be set with reference to previous and existing levels of achievement (baselines).

8. ROLES AND RESPONSIBILITIES

8.1 Executive Authority

The Minister of Higher Education and Training is accountable to Parliament and must report on the performance of the CHIETA in relation to each quarter and financial year under review.

8.2 Accounting Authority (Board)

8.2.1 Performance Reporting can be viewed as an enabling mechanism that allows the Board to track progress in relation to the delivery areas that have been planned, and what has been achieved by the CHIETA for a specified period.

8.2.2 The Board is accountable for the annual strategic planning process, approval of the strategic plan and annual performance plan submitted to the Minister of Higher Education 6 months prior to the start of the financial year, and approval of the quarterly and annual performance information report before submission to the AGSA for their organisational performance audit.

8.3 Chief Executive Officer

8.3.1 The Chief Executive Officer is required to submit quarterly performance reports to the Board and to the Minister of Higher Education and Training and present the performance of the CHIETA to Parliament (in conjunction with the Board) and its Portfolio Committee(s); when required to do so.

8.3.2 The Chief Executive Officer is ultimately accountable for establishing and maintaining systems to manage performance information including the following:

- Integration of performance information structure and systems within existing management processes in the CHIETA;
- Definitions and technical standards of all information collected by the CHIETA;
- Appropriate capacity to manage performance information;
- Appropriate systems to collect, collate, verify and store performance information where such systems are lacking, it is the responsibility of the Chief Executive Officer to support the responsible executive\ senior manager to put these into place.
- Processes to set performance standards and targets for strategic objectives emanating from the strategic planning workshop of the Board;
- Processes to review performance and take management action to ensure that delivery of outputs are on track;
- Processes to evaluate performance at the end of a delivery period.

8.4 Overall Monitoring of Strategic Outputs and Outcomes

The overall custodian of the management of performance information and monitoring of strategic outputs in the CHIETA is executed by a CHIETA executive delegated by the CEO to oversee this process. This responsibility is aligned to the planning, budgeting and financial management performance areas which are the accountability of the Chief Financial Officer. The responsibility focuses on the overall design and management of indicators, data collection, collation, and verification processes within the CHIETA.

8.5 Executive Managers

8.5.1 The CHIETA's Executives/Managers are responsible for co-ordinating performance reports from their respective Business Units and staff members within their units. The Executive Managers/Managers responsible will serve as a point of entry for the gathering of monthly and/ or quarterly performance information.

8.5.2 The CHIETA Executives/Managers are accountable for management of performance information within his/her Unit. It is the responsibility of the Executives/Managersto ensure that their functional managers and staff adhere to the submission deadlines communicated by CHIETA. The Executives/Managers will be responsible for information validation, by ensuring that the information submitted reflects thetrue events that occurred during the reporting period, and is accurate, complete and verifiable. All performance reports submitted must be signed off by the relevant Executive Managers/Managers.

8.6 Roles and Responsibilities in Terms of Reporting Performance Information

First Level Evaluation:

8.6.1 The Regional Administrator captures performance information provided byemployers and training providers on the DHET SETMIS . This information is checkedand qualified to be reported at the first level evaluation. The Regional Manager signs

off at first level ensuring that all performance information is correctly captured and reported.

8.6.2 The Data Management Unit receives Learnership and Artisan Agreements from Training Providers directly. This performance information is checked and captured by the DMU on the CHIETA MIS Electronic Platform.

Second Level Evaluation:

8.6.3 Performance information is couriered to the CHIETA Head Office from the Regions for consolidation by the Grants Management Representative and the Data Management Representatives. The SETMIS is consolidated and this team carries out 100% sample verification that all performance information is validated to be reported.

Third Level Evaluation:

8.6.4 The Performance Monitoring Unit located in the Governance and Risk business unit carries out a 20% sample evaluation of all performance information reported. This process is to provide comfort that all performance information is valid, accurate, reliable and auditable.

8.6.5 The Performance Scorecard is then prepared (from the performance information on SETMIS) highlighting quarterly targets versus quarterly achievement for the Governance & Risk Executive perusal and comments.

8.6.6 The SETMIS Declaration is submitted to the CEO for sign-off to the Department of Higher Education and Training.

8.6.7 Given the fact that a substantial majority of the pre- determined targets in the strategic plan is also informed by the SETMIS deliverables and targets to which theCHIETA Governing Board enter into a service level agreement with the Department of Higher Education and Training a SETMIS Project team appointed by the CEO is also established to assist with timeous and quality performance reporting on SETMIS deliverables.

8.6.8 It is the responsibility of this project team to coordinate, and quality assure performance information relevant to the SETMIS performance areas into quarterly performance reports to the accountable executive(s) for approval and sign off by the CEO for submission to DHET as per the service level agreement.

8.6.9 It is further the responsibility of all managers\staff members as the relevant performance owners in their business units to support the SETMIS project team members to ensure auditable evidence is available and accurate for the various performance audits conducted on CHIETA on an ongoing basis and accurate reporting to governance structures.

8.6.10 The validated SETMIS information are also then utilised for inclusion on the organisational performance report to the Governing Board.

8.7 National Treasury

8.7.1 Under sections 215 and 216 of the Constitution, National Treasury is responsible for prescribing the format of budgets, and for measures to ensure transparency and expenditure control in each sphere of government. National Treasury's role in relation to performance information management is:

8.7.2 Developing standards that may be required to facilitate the implementation of the Framework for Managing Performance Information; and

8.7.3 Developing formats of accountability reporting, including strategic plans, corporate plans, annual performance plans, budgets, in-year reports and annual reports.

9. ANNUAL REPORT

The requirements for monitoring and evaluating the CHIETA's performance each year are completed with the publication of the annual report and as per the performance audit conducted by the AGSA. The quarterly performance information reports prepared during the year will form the basis of the Annual Performance Information Report, published as part of the Annual Report.

10. ASSOCIATED POLICIES

This policy will be read in conjunction with the following Policies:

10.1 CHIETA Disciplinary Policy and Procedure; and

10.2 CHIETA Ethics Policy.

10.3 CHIETA DG Funding Policy

10.4 Amalgamated ETQA Policy

10.5 CHIETA Research Policy

11. Public entities

None

12. Infrastructure Projects

None

13. Public / Private Partnerships

None

14. Conditional Grants

None

PART D - ANNEXURE 1

TECHNICAL INDICATOR DESCRIPTIONS

2022/23

Part D - Annexure 2

Hard to Fill Vacancies

Part D - Annexure 3

CHIETAs Top 10 Sectoral Occupations List