AgriSETA

Agriculture Sector Education and Training Sector (AgriSETA)

ANNUAL REPORT 2024|25

ABOUT OUR COVER

This year's annual report embraces a bold, forward-thinking visual concept that illustrates the evolution of agriculture through technology.

By showcasing futuristic farming practices, robotic automation, and digitally-enhanced crops, the report communicates the entity's commitment to innovation, sustainability, and long-term growth in the agri-tech sector.

The Robotic Arm: Symbolises automation, precision, and efficiency. It highlights the entity's investment in advanced technologies that supports human manpower to improve productivity.

Digital lines over the crops represent data-driven agriculture — from real-time crop monitoring and AI-based yield prediction to smart irrigation and soil analytics.

The visual language suggests clean, optimised, and technologically integrated farming ecosystems — whether vertical farms, smart greenhouses, or autonomous field systems. This aligns with global sustainability goals and the future of food security.

The concept reflects the entity's readiness to lead in a rapidly evolving industry – it is not just responding to the future — it is shaping it.

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PART A
GENERAL INFORMATION

1. GENERAL INFORMATION

REGISTERED NAME	Agriculture Sector Education and Training Authority
REGISTRATION NUMBER	N/A
PHYSICAL ADDRESS	529 Belvedere Street Arcadia Pretoria
POSTAL ADDRESS	P.O. Box 23378 Gezina 0031
TELEPHONE NUMBER/S	+27 12 301 5600
EMAIL ADDRESS	info@agriseta.co.za
WEBSITE ADDRESS	www.agriseta.co.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKERS	Standard Bank of South Africa South African Reserve Bank
COMPANY/ BOARD SECRETARY	Ms Suzan Maroleng

2. LIST OF ABBREVIATIONS/ACRONYMS

18.1	Permanent Employees
18.2	Unemployed people and under resourced farmers
AA	AgriSETA Accounting Authority
AET	Adult Education and Training
AFS	Annual Financial Statements
AgriSETA	Agriculture Sector Education Training Authority
AGSA	Auditor-General of South Africa
APP(s)	Annual Performance Plan(s)
ATR	Annual Training Report
ATVET	Agricultural Technical Vocational Education and Training
CBO(s)	Community-Based Organisation(s)
CET	Community Education and Training
DHET	Department of Higher Education and Training
EA	Executive Authority
ETQA	Education Training and Quality Assurance
EXCO	Executive Committee
FINREMCO	Finance and Remuneration Committee
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
IAF	Internal Audit Function
ICT	Information and Communication Technology
LPP	Learning Programmes and Projects
NGOs	Non-Governmental Organisation(s)
NPO	Non-Profit Organisation(s)
NSDP	National Skills Development Plan
PFMA	Public Finance Management Act, Act 1 of 1999
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SCM	Supply Chain Management

SDFs	Skills Development Facilitator(s)
SETA	Sector Education Training Authority
SETMIS	Sector Education and Training Management Information System
SSCs	Sub-Sector Committee(s)
SSP	Sector Skills Plan
StatsSA	Statistics South Africa
TVET	Technical Vocational Education and Training
WSP	Workplace Skills Plan

3. FOREWORD BY THE INTERIM BOARD

During his acceptance speech at the G20 Closing and Handover Ceremony of the G20 Leaders' Summit jon 19 November 2024, just over a year ago, President Cyril Ramaphosa stated that South Africa's Presidency will be the first time an African country will preside over the G20. He said, "We will use this moment to bring the development priorities of the African continent and the Global South more firmly onto the agenda of the G20".

President Ramaphosa made a commitment, stating that "South Africa's G20 Presidency will advance three high-level priorities, which will find expression in the work of the Sherpa and Finance Tracks. These priorities are outlined as follows:

I. The first of these priorities is Inclusive Economic Growth, Industrialisation, Employment, and Inequality.
II. The second priority is Food Security.
III. The third priority is Artificial Intelligence and Innovation for Sustainable Development.[1]

As a government entity, we must to make every effort to ensure that we work diligently and efficiently in achieving these priorities, and continue to do so, despite the water shortages and power outages.

South Africa's real Gross Domestic Product (GDP) reverted from a revised contraction of 1.1% in Q4 2022 to a 0.4% expansion in Q1 2023, despite intensified electricity loadshedding[2]. Additionally, South Africa is increasingly vulnerable to water shortages as global average temperatures rise. This threatens the agricultural sector, where the most productive land is rain-fed, and only a mere 1% has the appropriate climate and soil combination for rain-fed crops[3].

The real gross value added by the secondary and tertiary sectors expanded, while the primary sector contracted further due to a sharp decrease in agricultural output, caused by lower production of field crops and animal products. In contrast, the production of horticultural products increased. Intensified electricity loadshedding interrupted production activity, especially in the poultry industry[4].

As a training entity, our role is to drive training and upskill workers, ensuring that, ultimately, they either obtain work or remain employed. This part of the value chain of our offering is where it feels like a catch-22 situation for a Sector Education Training Authority (SETA).

As reported in the previous financial year's annual report, in 2023, the unemployment rate stood at an elevated 32.4%, specifically impacting women and youth. South Africa's inequality level remains among the world's highest, with poverty estimated at 62.7%. This was based on the upper-middle-income country poverty line, only slightly below its pandemic peak. These trends have prompted growing social demands for government support that could put the sustainability of public finances at risk.

1 https://dirco.gov.za/remarks-by-president-cyril-ramaphosa-at-the-g20-closing-and-handover-ceremony-of-the-g20-leaders-summit-rio-de-janeiro-brazil-19-november-2024/

2 SARB Quarterly Bulletin, 2023

3 Western Cape Government, 2023

4 Ibid., 2023

"We have ensured strategic partnerships with various registered entities to help us with workplace training known as Work Integrated Learning (WIL), which aims to bridge the gap between theoretical knowledge and real-world function, enhancing students' skills and employability."

According to Statistics South Africa (StatsSA), the official unemployment rate in the third quarter of 2024 decreased by 1.4 percentage points from 33.5% in the second quarter of 2024 to 32.1% in the third quarter of 2024, resulting from changes in employment and unemployment.[5]

While this may seem as good news, the figures continue to fluctuate. The numbers increased by 0.8% during the period of preparing the Annual Report for the current reporting period.

The same report from StatsSA, states that the official unemployment rate in the third quarter of 2024 for 'discouraged work seekers' rose by 5.0%, and the number of persons who were not economically active for reasons other than discouragement increased by 0.4% between the second and third quarter of 2024. This paints a bleak picture of a country with a bright future.

On pinning our hopes on a bright future, our agriculture industry-specific Connect ME matchmaking app is now host to over 7000 registered work-seekers. We call on our 700 registered employers to use our extensive database, which is based on specific criteria, making it effortless to find the right skills, qualifications and demographics.

AgriSETA deals with the anomaly of trained and or qualified work-seekers vs those who lack jobs. We have ensured strategic partnerships with various registered entities to help us with workplace training known as Work Integrated Learning (WIL), which aims to bridge the gap between theoretical knowledge and real-world function, enhancing students' skills and employability. WIL can involve various activities such as internships, placements, practicals, and fieldwork, all designed to provide students with beneficial hands-on experience.

AgriSETA will continue to lean on civil society, public and private partners to help bridge the gap between skills training and actual jobs, to help implement our sector skills plans and to fast-track learning programmes that allow for the integration of man and machine, i.e. AI working in tandem with people, rather than being a threat to humans.

ACKNOWLEDGEMENTS

We mourn the passing of Mr Ernest Mmako, a valued Board Member who represented Labour. His contribution and dedication will be remembered with deep appreciation.

I also wish to extend my sincere gratitude to the Board Members for their dedicated service, to AgriSETA's CEO and Management Team for their exceptional leadership, and to all employees for their resilience and commitment under challenging conditions.

As we look ahead, let us embrace the opportunities before us with confidence and determination. The challenges we face—whether economic, technological, or social—are not barriers, but catalysts for innovation and growth. By working together, we can build an agricultural sector that is inclusive, resilient, and future-ready. Our commitment is not only to develop skills but to create pathways to sustainable livelihoods for every South African.

Together, we have the power to transform lives, strengthen communities, and shape a future where skills and innovation drive prosperity for all.

It has been an honour to serve as your chairperson.

Dr Innocent Sirovha
Interim Board
Date: 31 July 2025

5 (https://www.gov.za/news/media-statements/statistics-south-africa-official-unemployment-rate-third-quarter-2024-12ov#:~:text=The%20official%20unemployment%20rate%20was,000%20over%20the%20same%20period.

4. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

AgriSETA received a 9.8% increase in total revenue in the year under review. The additional funds allowed AgriSETA to do marginally more than usual, particularly as it is one of the smallest SETAs and is responsible for supporting a diverse and ever-changing agricultural sector.

SPENDING TRENDS

REVENUE

The entity received R675 million in total skills development levies income, compared to R603 million in the previous financial year. This included R7.9 million from the Department of Public Works towards a donor-funded project for AgriSETA to implement on its behalf.

EXPENDITURE

Actual employer grants and projects expenditure was R300 million below the budget spend due to unexpectedly slower implementation of discretionary contracts allocated to service providers.

An amount of R112.6 million was paid in mandatory grants in the current year, compared to R92.7 million in the previous financial year. The 21.5% increase reflects the full approval of the Work Skills Programme for 2024/25.

Administration employee costs rose from R47.1 million in 2023/24 to R52.2 million, equating to a 9,8% increase.

An increase in project monitoring by the SETA nationally led to an inflationary decrease in travel and accommodation costs from R8.7 million to R7.8 million for organisational travel and accommodation.

Capital investment in AgriSETA mainly consists of assets used daily, including building infrastructure, furniture and fittings, and computer equipment. AgriSETA purchased new assets worth R1.2 million in the current year to upgrade office equipment and computer hardware, enabling field workers to continue working remotely.

AgriSETA does not currently hold any infrastructure assets and has no plans to close down or downgrade any current facilities. However, there are plans to lease an office building for at least two years while the SETA refurbishes the current office building to adequately comply with the health and safety standards.

DISCONTINUED KEY ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

The SETA has no discontinued key activities of significance nor any intention to discontinue any activities.

"In the past five years, we have incurred no irregular expenditure."

REQUESTS FOR ROLLOVER OF FUNDS

In terms of Section 53(3) of the Public Finance Management Act (PFMA), public entities listed in Schedule 3A and 3C in the PFMA Act may not retain cash surpluses realised in the previous financial year without the National Treasury's prior written approval.

At the end of the 2024/25 financial year, AgriSETA had a R347 million cash surplus. The entity requested to retain this surplus and roll it into the 2025/26 financial year for discretionary projects to which AgriSETA has already committed, and is thus legally obligated to fulfil these commitments.

CONTRACTUAL COMMITMENTS

The entity has overcommitted (surplus of R347 million less commitments of R605 million at the end of the year) on its discretionary grants' commitments by a manageable R257 million. This overcommitment is manageable and monitored to ensure it is not excessive when compared to our reserves.

SUPPLY CHAIN MANAGEMENT

The supply chain management (SCM) system consists of six core processes.

- demand;
- acquisition;
- logistics;
- disposal;
- risk management; and
- effective contract performance evaluation and monitoring.

AgriSETA SCM systems and processes are in place, and the recently implemented enterprise resource planning (ERP) system is enhancing the SETA's systems and controls. The control environment within which the procurement process operates has ensured adequate, effective, and compliant standards, thereby preventing the entity from incurring irregular, fruitless, and wasteful expenditure.

CONCLUDED UNSOLICITED BID PROPOSALS

There were no concluded unsolicited bid proposals of which we are aware.

IRREGULAR EXPENDITURE

By the year ended 31 March 2025, the SETA had a nil balance on irregular expenditure. There have been no new incidents resulting in irregular expenditure due to non-compliance with laws and regulations in procuring goods and services during the current financial year.

AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW THEY WERE ADDRESSED

Our audit outcome of an unqualified opinion with material adjustments to the disclosure notes resulted in the Accounting Authority (AA) putting terms to the management of the entity. We proactively analyse the root causes of the internal control breakdowns and, based on our analysis and investigations, we continue monitoring the internal control environment to improve it. We ensure our staff are accountable and actively working towards a good internal control environment.

OUTLOOK/PLANS TO ADDRESS FINANCIAL CHALLENGES

Our strong financial standing is upheld by our staff, partners, and stakeholders' commitment and expertise, even in these uncertain times. Our AA and professional staff work diligently to maintain sound financial controls.

The audit committee oversees our financial reporting and risk management, while the finance and remuneration committee monitors our investment policies, asset allocation, financial performance, and the strength of the balance sheet.

Our Information Communication Technology Steering Committee oversees the implementation and security of our recording and reporting systems. Lastly, our executive management ensures we maintain efficient operations and keep watch over our financial health.

EVENTS AFTER THE REPORTING DATE

There were no post-balance sheet events of which the entity is aware.

ECONOMIC VIABILITY

Management has assessed the entity's ability to continue as a going concern and has not identified any events or conditions, individually or collectively, that may cast significant doubt on this position. Legally, the SETA has access to continuous revenue (R707.4 million for the period under review) exceeding expenditure of R761.4 million, resulting in a R54.0 million accounting deficit. The entity does not foresee the Skills Development Levies Act being repealed in the foreseeable future and has neither the intention nor the need to liquidate or materially curtail the entity's scale. Furthermore, the Minister of Higher Education and Training has re-established the SETAs to operate until 31 March 2030, as published in Government Gazette 42290 issued on 7 March 2019.

For the period under review, current assets exceeded liabilities by R347.5 million; total assets exceeded liabilities by R359.3 million; and AgriSETA had a positive bank balance of R873.4 million.

While AgriSETA remains economically viable, there is room for improvement in terms of broadening the levy income base within agriculture. There are currently no policy reforms required by AgriSETA, as financial viability is not at risk.

ACKNOWLEDGEMENTS AND APPRECIATION

Great appreciation is expressed to the portfolio committee on Higher Education, Science and Technology, The Auditor-General of South Africa (AGSA),, the AgriSETA Accounting Authority (AA), and the Audit and Risk Committee (ARC) for their ongoing guidance in steering the entity towards the NDP 2030's objectives. To this end, various AA sub-committees have played a vital role in processing AgriSETA's Board resolutions and priorities while ensuring precise target execution.

Further gratitude goes to the broader stakeholders as the centre of our business. We thank the Office of the Ministry for its invaluable contribution and guidance to ensure we deliver our services better, smarter, and to a greater extent, and in a continued effort to ensure we reach all South Africans.

Thank you to our levy payers, partners, and trusted accredited training providers for collaborating with us to fulfil our mandate of skills development in the agricultural sector.

Dr Innocent Sirovha
Chief Executive Officer
Date: 31 July 2025

5. STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements (AFS) audited by the AGSA. The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury. The AFS (Part F) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA GRAP) and the requirements of the PFMA standards applicable to the public entity.

The AA is responsible for the preparation of the AFS statements and for the judgements made in this information.

The AA is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the AFS.

The external auditors are engaged to express an independent opinion on the AFS.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025

Dr Innocent Sirovha
Interim Board
Date: 31 July 2025

Dr Innocent Sirovha
Chief Executive Officer
Date: 31 July 2025

6. STRATEGIC OVERVIEW

VISION

Enabling a skilled and prosperous agricultural sector.

MISSION

To increase access to relevant skills that are impact-driven through strategic partnerships and credible research leading to inclusive economic growth.

VALUES

Each letter in our values represents **'TRUST'**

T – Transparent
See through us

R – Responsible
I own it

U – Unity
Diversity

S – Service delivery
We are there to serve

T – Team work
Together we do more

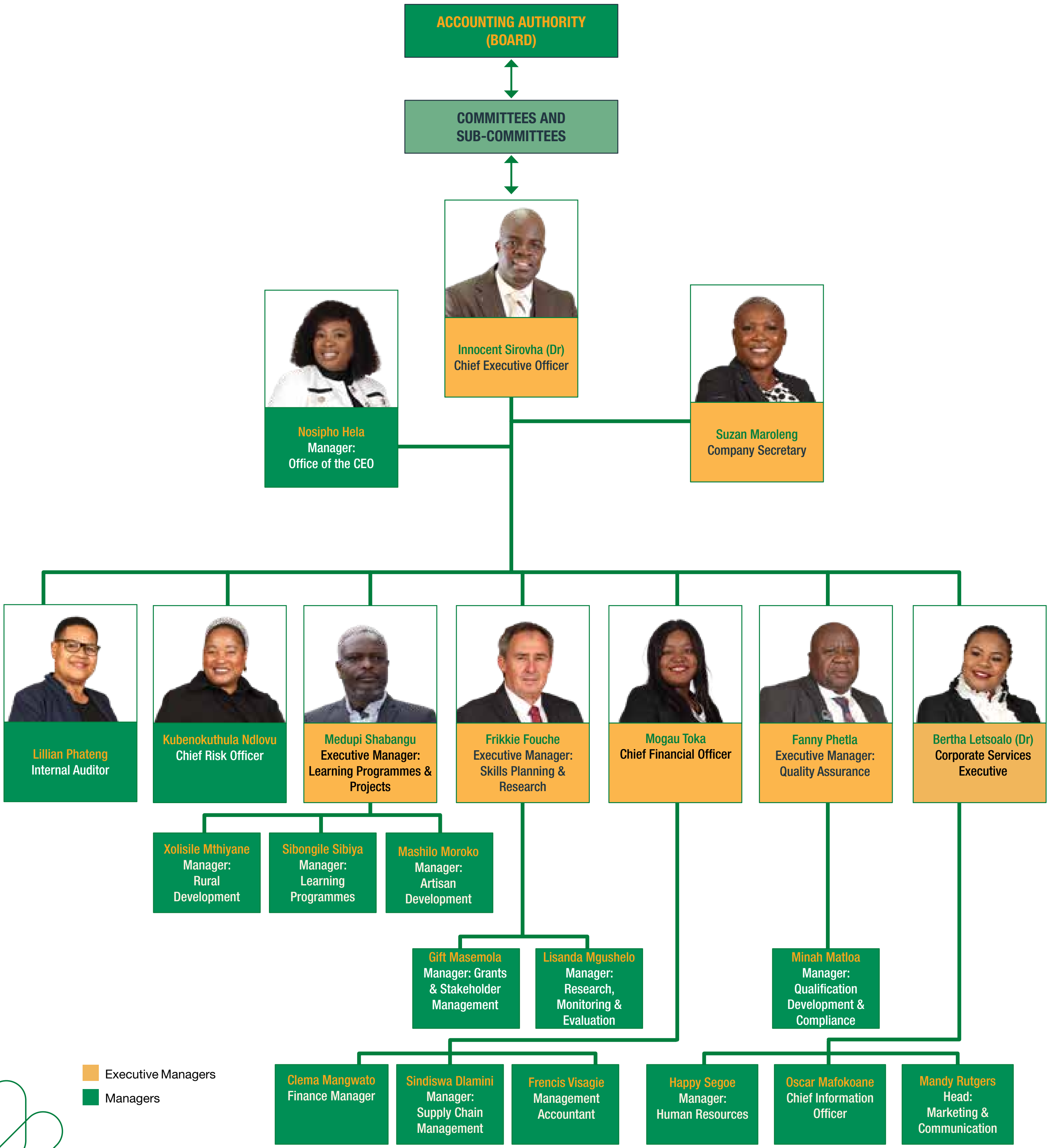
7. LEGISLATIVE AND OTHER MANDATES

The Agriculture Sector Education and Training Authority (AgriSETA) is established in terms of the Skills Development Act (Act 97 of 1998 as amended) and listed in terms of the Public Finance Management Act (PFMA, Act 1 of 1999, as amended) as a Schedule 3A public entity.

The following are the legislative, policies and other frameworks that govern the work of AgriSETA:

- Skills Development Act (Act 97 of 1998, as amended)
- Skills Development Levies Act (Act 9 of 1999)
- National Qualifications Framework Act (Act 67 of 2008)
- Public Finance Management Act (Act 1 of 1999, as amended)
- National Treasury Regulations (2005 as amended)
- National Skills Development Plan (NSDP)
- SETA Grant Regulations regarding monies received by SETAs and related matters (2012 as amended)
- National Development Plan 2030
- Medium-Term Strategic Framework (MTSF, 2014-2019)
- White Paper on Post School Education and Training (2014)
- National Human Resource Development Strategy for South Africa 2030
- National Skills Accord (2011)
- National Integrated Human Resource Development Plan (2014-2018)

8. ORGANISATIONAL STRUCTURE



PART B
PERFOMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 83 of the Report of the Auditors Report, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. SITUATIONAL ANALYSIS

2.1.1. EXTERNAL ENVIRONMENTAL ANALYSIS

South Africa has a dual agricultural economy, spanning emerging, subsistence and commercial interests. Notwithstanding this, it derives the bulk of its income from a relatively small group of top levy payers. AgriSETA is legally and ethically obliged to serve both constituencies fairly. While the contributions of the top levy payers justify catering to their skills needs, there is an equally democratic imperative to support subsistence farmers and rural development to improve livelihoods and food security.

Differing skills requirements are prevalent throughout the agricultural sector. Commercial farmers require high-level technical skills for managerial roles, along with improved Agricultural Education Training (AET) and Recognition of Prior Learning (RPL) opportunities for their unskilled workforce. Emerging farmers and co-operatives, meanwhile, need partnerships — with big business, government departments, other SETAs and industry bodies — aimed at helping them evolve into fully functioning businesses. This includes gaining access to finance, markets, corporate governance and business management skills. These support mechanisms should be provided through mentorships that fall outside traditional SETA learnerships.

2.1.2. ECONOMIC SETTING

Historically, the agriculture, forestry and fishing industry has been one of the lowest contributors to South Africa's GDP and its yearly growth rate has progressively dropped for several years (NDA, 2010). During the COVID-19 pandemic, the sector emerged as one of the positive contributors to economic growth, but it could not maintain this position in Q4 2022. It reported a 3.3% decrease and shed 0.1 of a percentage point from GDP growth; the largest decline among the various economic sectors (StatsSA, 2023).

The agriculture, forestry and fishing sector experienced a significant contraction of 12.3% in Q1 2023, which reduced overall GDP growth by 0.4 of a percentage point (StatsSA, 2023). This decline was primarily driven by lower levels of economic activity in the production of crops and animal products.

Bureau for Food and Agricultural Policy (2023) states that agriculture grew only by 0.3%, substantially slower than the two preceding years. The persistent loadshedding, volatile commodity prices leading to high production costs, spreading livestock diseases and a challenging external environment collectively contributed to the sector's weak growth (StatsSA, 2023).

The ongoing war between Russia and Ukraine has adversely affected the sector's performance, with increases in fuel and fertiliser costs and global trade disturbances (FAO, 2023).

South Africa's GDP grew by 1.9% in Q1 2022, representing a second consecutive quarter of growth. This was after a 1.7% decrease in Q3 and a 1.4% growth in Q4 2021 (StatsSA, 2022a). However, the same could not be said for Q2 2022, where real GDP (measured by production) decreased by 0.7% (Ibid, 2022).

Seven industries, including agriculture (which experienced a 7.7% contraction), recorded negative growth between Q1 and Q2 2022. The other industries were manufacturing, mining and quarrying, trade, and catering and accommodation.

StatsSA (2022) reported that eight industries recorded positive growth between Q2 and Q3 2022, leading to a 1.6% GDP increase in Q3. However, the same could not be said for Q4, when the sector's contribution to GDP declined by 3.3%.

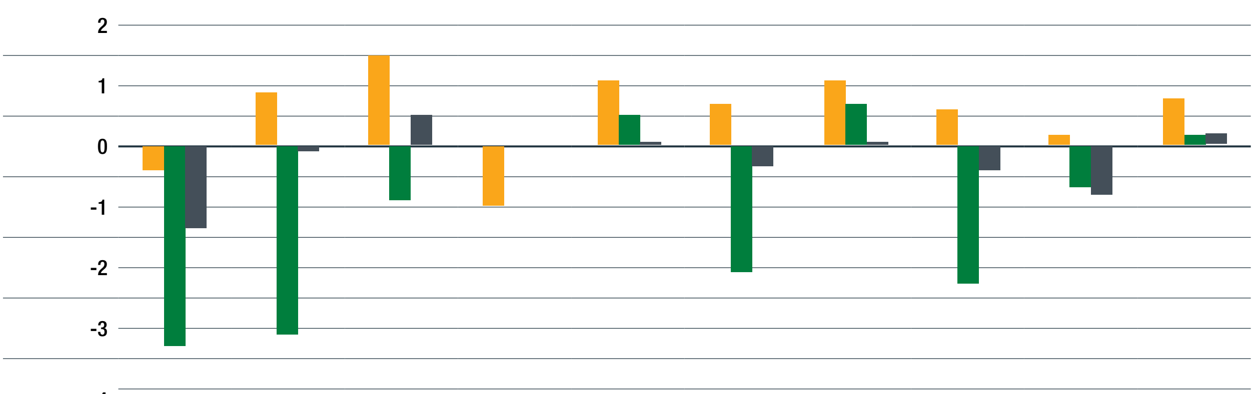
Moreover, StatsSA (2023) stated that South Africa's seasonally adjusted quarter-on-quarter GDP increased by 0.4% in Q1 2023. Between Q4 2022 and Q1 2023 (see Figure 1 below), eight industries recorded growth, while two industries — including agriculture — recorded declines. The agriculture, forestry and fishing industry shaved off 0.4 of a percentage point from GDP growth (StatsSA, 2023).

South Africa's real GDP reverted from a revised contraction of 1.1% in Q4 2022 to a 0.4% expansion in Q1 2023, despite intensified electricity loadshedding (SARB Quarterly Bulletin, 2023). Additionally, South Africa is increasingly vulnerable to water shortages as global average temperatures increase. This threatens the agricultural sector, where the most productive land is rain-fed, and a mere 1% has the right climate and soil combination for rain-fed crops (Western Cape Government, 2023).

The real gross value added by the secondary and tertiary sectors expanded, while the primary sector contracted further due to a sharp decrease in agricultural output, caused by lower production of field crops and animal products. In contrast, the production of horticultural products increased. Intensified electricity loadshedding interrupted production activity, especially in the poultry industry (Ibid., 2023).

Further, the Crop Estimates Committee (2023) reported that the size of the expected commercial maize crop has been set at 16.354 million tons, 1.02% or 165,725 tons more than the previous forecast of 16.188 million tons. The grains and oilseeds production conditions for the 2022/23 season also looked positive. South Africa's 2022/23 summer grains and oilseeds production was expected at 19.3 million tons, up 3% from the previous season, according to recent data from the Crop Estimates Committee.

CONTRIBUTION TO GDP BY SECTORS; Q4 2022 TO Q1 2023



	Agriculture	Mining & Quarrying	Manufacturing	Electricity, gas & water	Constructon	Trade & accommodation	Transport, storage & communication	Finance,	General governent services	Personal Services
Q1: 2023	-0,4	0,9	1,5	-1,0	1,1	0,7	1,1	0,6	0,2	0,8
Q4: 2022	-3,3	-3,2	-0,9	0	0,5	-2,1	0,7	-2,3	-0,7	0,2
% Change	-1,4	-0,1	0,5	0	0,1	-0,3	0,1	-0,4	-0,8	-0,2

Source: Agbiz, 2021, 2022; Agbiz,2023

Figure 1: Contribution to GDP by Sectors; Q4 2022 to Q1 2023

If we consider the large crops like maize, soybeans and sunflower seed, production is forecast at 15.6 million tons (up 1% year-on-year), 2.7 million tons (up 19% year-on-year) and 775,260 tons (down 8% year-on-year) respectively. The Crop Estimates Committee (2023) placed the maize crop at 5.71%, or 884,100 tons, larger than the 2022 crop. As such, the three main maize producing areas—Free State, Mpumalanga and North West provinces—are expected to produce 83% of the 2023 crop.

Despite the persisting domestic and international challenges, including those due to the ongoing conflict in Ukraine, the South African agricultural industry still exported and imported products. Figure 2 shows that South Africa's agricultural exports fell by 2% year-on-year in Q1 2023 to R52.214.620 billion (Sihlobo, 2023). However, when viewed quarterly, exports rose by 5% from Q4 2022 (Ibid., 2023).

The top exportable products were grapes, maize, apples and pears, wine, wool, apricots and peaches, sugar, fruit juices and soybeans. Agricultural imports amounted to R30.608.570 billion, down by 9% year-on-year (but up by 4% quarter-on-quarter) (Ibid., 2023). Imported products are primarily wheat, rice, palm oil, sunflower and poultry.

The data presented above shows a deteriorating economic performance by the South African agricultural sector and can be attributed to several factors mentioned in section 1.4.2.

2.1.3. SECTOR ENVIRONMENT

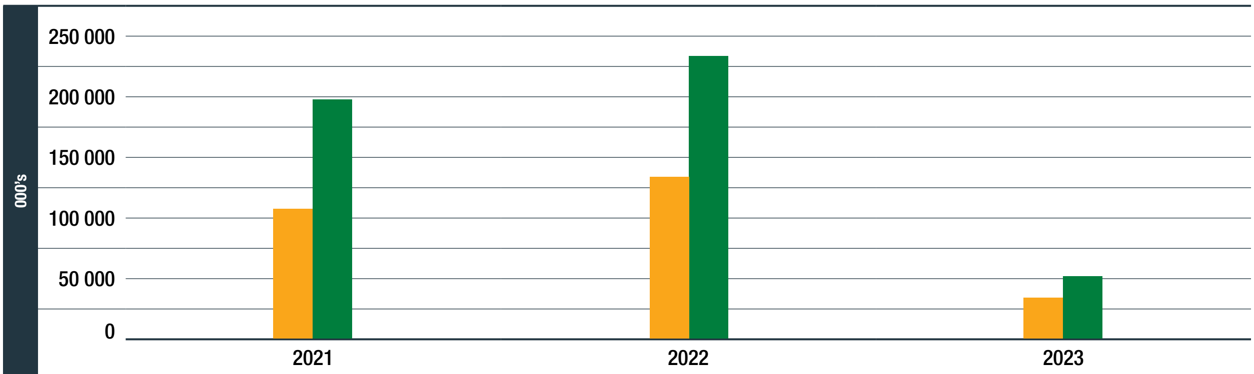
LABOUR

The agricultural sector plays an important role in South Africa's employment creation and poverty alleviation (World Bank, 2022). Unfortunately, mechanisation has led to declining employment in the commercial farming sector. Furthermore, employment has shifted from permanent to temporary, leaving farm workers and their households vulnerable and insecure (WWF, 2022).

StatsSA released its first results of the QLFS for Q1 2023 that indicated employment increased by 258,000 following a 169,000 increase in Q4 2022 (StatsSA, 2023). Employment gains were observed in the agricultural sector, rising by 27,000 in Q1 2023 (Stats SA, 2023).

In Q1 2023, about 888,000 people were employed in South Africa's primary agriculture sector, up 3% quarter-on-quarter and 5% year-on-year (Sihlobo, 2023). Compared to a year ago, total employment across all sectors increased by 1.3 million persons (or 8.6%). The number of unemployed persons increased by 71,000 (or 0.9%), while the number of persons not economically active decreased by 778,000 (or 4.5%) (StatsSA, 2023).

VALUE OF AGRICULTURAL PRODUCTS IMPORTED AND EXPORTED BETWEEN 2021 AND 2023



	2021	2022	2023
Imported	110 668 479	131 626 397	30 608 570
Exported	198 882 484	230 796 970	52 214 620

Source: Agbiz, 2021, 2022; Agbiz,2023

Figure 2: Value of Agricultural Products Imported and Exported Between 2021 and 2023 (Rand)

Moreover, South African employment has fluctuated annually in Q1 since 2017, with decreases observed in 2019, 2020 and 2021 and the increases in the remaining years. The results further confirm this was the sixth consecutive increase in employment since Q4 2021 (Stats SA, 2023).

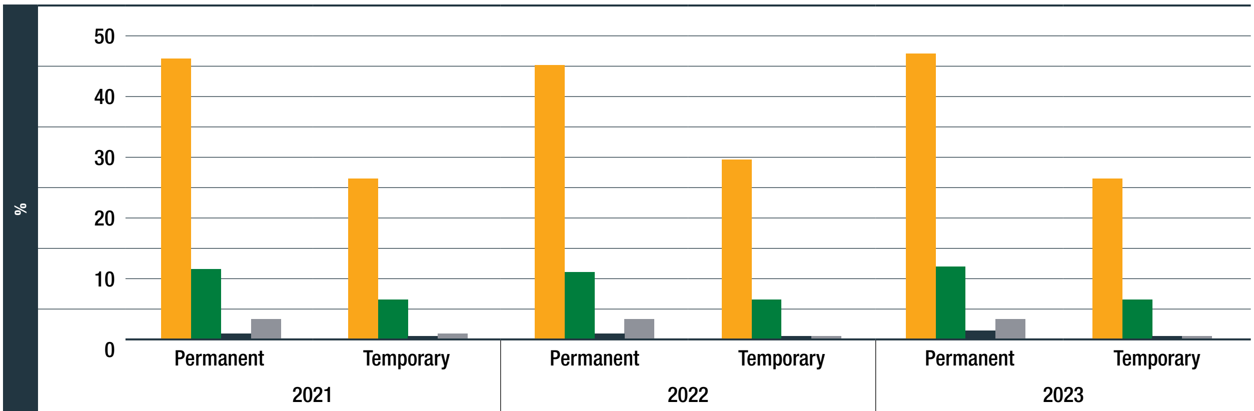
EMPLOYMENT BY INDUSTRY

The 2023 Workplace Skills Plan (WSP) submission show that there are 352,610 employees, of which 234,566 (66%) are permanently employed and 118,044 (34%) are temporarily employed. The distribution of employees across the sub-sectors does not follow the same pattern as that of entities (employers). The horticulture sub-sector employs the most people, both permanently (48.3%) and temporarily (84.13%), while the pest control and tobacco sub-sectors have the least number of employees under both permanent and temporary employment.

RACE

Figure 3 shows that most employees are black Africans, in both permanent (47%) and temporary (27%) employment. Coloured employees are the second-most employed in the sector, while Indian/Asian and white employees are less represented, according to the WSP submissions 2023. The poor representation of Indian/Asian and white employees has been consistently evident throughout the period studied.

EMPLOYEES BY RACE

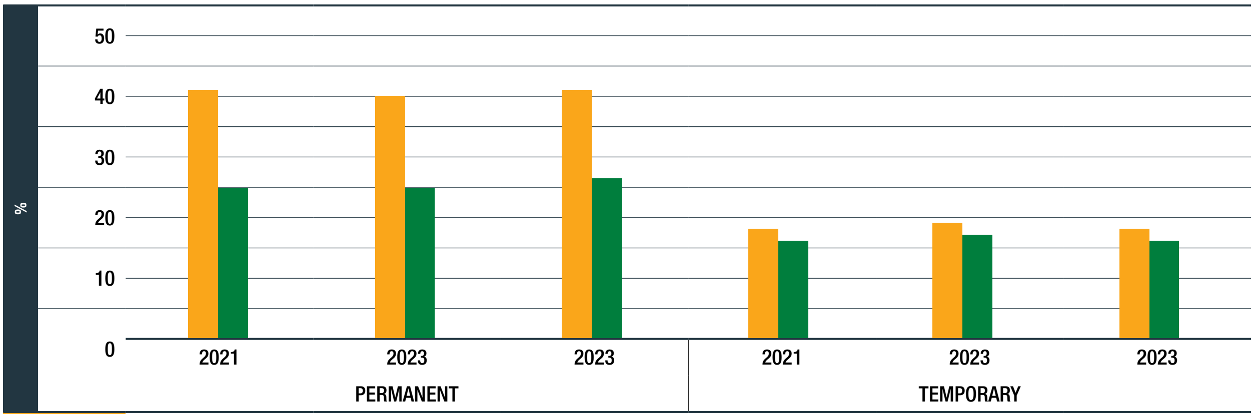


	2021 Permanent	2021 Temporary	2022 Permanent	2022 Temporary	2023 Permanent	2023 Temporary
African	46,90%	27,07%	45,51%	29,26%	47,00%	27,00%
Coloured	11,39%	6,71%	11,18%	6,15%	12,00%	6,00%
Indian/Asian	0,65%	0,04%	0,62%	0,03%	1,00%	0,04%
White	6,97%	0,25%	6,94%	0,29%	7,00%	0,02%

Source: AgriSETA WSP submissions, 2021, 2022 and 2023

Figure 3: Employees by Race

GENDER OF EMPLOYEES



	2021	2023	2023	2021	2023	2023
Male	41%	40%	41%	18%	19%	18%
Female	25%	25%	26%	16%	17%	16%

Source: AgriSETA WSP submissions, 2021, 2022 and 2023

Figure 4: Gender of Employees

GENDER

Figure 4 shows how the sector has performed in terms of gender representation. The existing body of knowledge shows that the composition of employees by gender has not changed significantly since 2021.

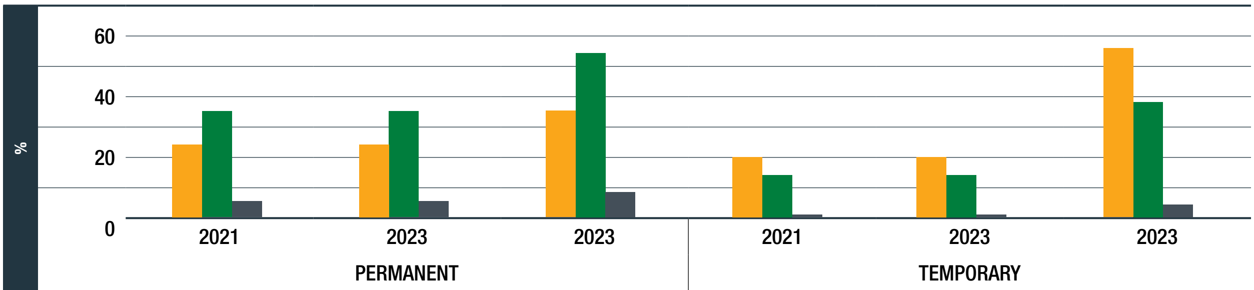
Figure 4 clearly illustrates male dominance in both temporary and permanent employment, with the male percentage in permanent employment fluctuating between 40% and 41% between 2021 and 2023. Females accounted for 25% in both 2021 and 2022, increasing to 26% in 2023.

Similar results were reported for temporary employment. In 2021, males accounted for 18%, while females accounted for 16%. A 1% increase for both genders was reported in 2022, bringing the figures to 19% and 17%, respectively. In 2023, a 1% decline for both genders was reported.

AGE

The WSP submissions (2023) show that the greater proportion of permanent employees are aged between 35 and 55 years, followed by those under the age of 35, as illustrated in Figure 5. Furthermore, the figure shows that the sector plays a pivotal role in youth employment and reports a significant increase in employees under 35 years of age, who accounted for 57% of those employed in the sector in 2023. This is a positive result, given that youth unemployment contributes to poverty and food insecurity.

AGE OF EMPLOYEES IN THE AGRICULTURE SECTOR



	2021	2023	2023	2021	2023	2023
Less than 35	24%	24%	36%	20%	20%	57%
35 to 55	35%	35%	54%	14%	14%	39%
Greater than 55	6%	6%	9%	1%	1%	4%

Source: AgriSETA WSP submissions, 2021, 2022 and 2023

Figure 5: Age of Employees in the Agriculture Sector

AGRICULTURE EMPLOYEES LIVING WITH DISABILITIES

The WSP submissions for 2023 show that, of the sector's 352,610 employees, only 1,110 (0.3%) live with disabilities, a decrease from the previous year. The majority (75%) of these employees are permanently employed, but the percentage falls short of the 4% target set by the government.

Consistent with this, the SETA must target and fund projects aimed at increasing the number of people with disabilities in the sector. AgriSETA should focus on special schools, where training can be provided to ensure people with disabilities have fair access to the required skills. This can be achieved through funding mechanisms targeted at learners in special schools.

2.2. PERFORMANCE ENVIRONMENT

The following change drivers were identified through a thematic synthesis of internal stakeholders' views, policy documents, existing research, stakeholder engagement and pertinent current affairs issues reported in the media over time, and will have a medium-term impact.

INTERNATIONAL CONFLICT

The protracted Russian invasion of Ukraine, effective from 24 February 2022, continues to negatively affect global value chains. Sector experts predict Russia's war in Ukraine will exacerbate supply chain bottlenecks, and that inflationary pressures will lead to rising interest rates. The compounding effects have negatively impacted food prices, consumer spending, economic growth, employment and food security (IMF, 2022).

Accordingly, Sub-Sector Committee (SSC) members reaffirmed the inputs of the previous year's submissions, noting that the conflict has destabilised the sector. Members also noted that production input costs, particularly fuel and diesel prices, continue to increase (SSCs, 2023). Increases in wheat, maize, and sunflower oil prices—due to Russia and Ukraine being major exporters—have heightened vulnerability to food insecurity and reduced consumer disposable income.

Additionally, despite some recovery in late 2022, fertiliser prices remain high (Nwkarena, 2023). Previously, agricultural producers had cited a fertiliser price increase from R7,000 per ton in 2021 to R15,000 in 2022 (IOL, 2022a). Currently, international fertiliser prices per ton have decreased: urea, diammonium phosphate (DAP), muriate of potash (MOP) and ammonia decreased by 35.5%, 27.8%, 14.4% and

5.6% respectively.

Furthermore, disruptions to trade and the effects of sanctions have negatively impacted exports and imports of produce and machinery parts, creating delivery and payment complications, and forcing employers to explore alternative market opportunities (NAMC 2023).

TECHNOLOGICAL ADVANCEMENT

The Fourth Industrial Revolution (4IR) developments, challenges and opportunities, along with related technological advancements, are imposing new demands on the sector. 4IR can be defined as the process in which technological advancements lead to increased efficiency, productivity, profits and competition through the expansion in scope and number of innovative technologies within the industry (Noble, Mendle, Grewal & Parasuraman, 2022). The basic premise is that humans should collaborate closely with technology to create optimal conditions for conscientious growth.

SSC members share these sentiments, recognising the opportunities technologies offer the sector in terms of productivity and efficiency. However, they are equally wary of:

- the seemingly exponential investment and capital required to obtain and maintain the hardware (machine parts) and software (applications, updates and cybersecurity);
- the lack of human interaction that is fostered and its implications for employee wellness; and
- the difficulties in accommodating and integrating technology and people in the workplace, given financial constraints in the market (SSC, 2023).

Nonetheless, technologies such as advanced weather stations to predict and forecast weather conditions; genome editing technologies to enable self-fertilising crops and microbial bio-stimulants that enhance resistance to diseases, pests, and climate change, infrared and imaging systems for precision farming; and bio-informatics facilitated through cloud computing and big data analytics (Bayer, 2023; SSC Meeting, 2023) will have a significant impact on the types of skills the sector will require in the future. These advancements will undoubtedly introduce unemployment challenges, as they may reduce the demand for manual labour.

ENERGY CRISIS

The agricultural sector significantly depends on the national electricity grid to support both international exports and local market processing. Farmers also rely on electricity to pump water for irrigation. Prolonged disruptions in energy generation and increases in electricity tariffs (18% increase as of April 2023) are serious concerns, as they have compounding effects on the agricultural supply chain.

The energy crisis – colloquially called loadshedding – refers to when the Eskom-controlled national grid is unable to meet the current electricity demand and switches off power to parts of the grid to protect power-generating assets. Unfortunately, loadshedding has escalated in both frequency and severity, and the resulting stress and instability are characterised by:

- widespread reports of crop and storage failures;
- bottlenecks between suppliers, employers and consumers due to communication disruptions;
- negative impacts on productivity and profits;
- livestock distress and death due to the lack of electricity-dependent ventilation, lighting and temperature control;
- nullified security systems, rendering properties vulnerable to theft;
- increased costs for alternative energy sources like diesel and solar panels, leading to increased farmers' debt and reduced profit margins; and
- threats to employment in the sector.

The outcome is elevated food prices, stalled agricultural growth and jeopardised food security (SSC Meeting, 2023). At present, this constitutes the sector's most immediate threat, as stakeholders grapple with stability, certainty and reform.

ENVIRONMENTAL SUSTAINABILITY AND ENVIRONMENTAL CHANGE

Since the United Nations (UN) launched the Green Economy Initiative (GEI) in 2008, the concept has emerged as a strategic priority for governments and intergovernmental organisations in 65 countries, including South Africa. Moreover, this initiative is informed by climate change, which poses extensive risks to the environment and livelihoods due to long-term alterations in temperature and typical weather patterns.

The impact on farming is particularly challenging, as farmers can no longer rely on predictable temperature and rainfall levels (National Geographic, 2023). On one hand, the agricultural sector is especially vulnerable to unanticipated and extensive episodes of droughts, floods, decreased soil fertility, invasive crops, pests and diseases. On the other hand, it plays a significant role in greenhouse gas emissions, contributing 19-29% of the total (World Bank, 2022).

The green economy mandate aims to operate safely within planetary environmental boundaries—notably, a stable climate and healthy ecosystem biodiversity. According to the Climate Change Performance Index, South Africa ranks 44th out of 63 countries, scoring low on renewable energy and climate policy and high in energy consumption. It is among the nine countries responsible for 90% of global coal production (CCPI, 2023). Therefore, it has become critical to facilitate sustainability in the sector's productive processes.

Skendžic et al. (2021) reported that environmental changes, such as temperature fluctuations, are among the most significant factors contributing to pests, diseases, drought and floods. The inconsistent global climate and increased overwintering have contributed to the recent outbreaks of pests, diseases and flood-related damage in South Africa.

FLOODING

A National State of Disaster was declared on 13 February 2023 to enable an intensive, coordinated response to the floods affecting Mpumalanga, Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, Northern Cape and the North West Province (The Presidency, 2023). This year's deluge has led to:

- infrastructure damage;
- livestock losses, with some cows drowning in feedlots;
- submerged crops;
- gullies forming, leading to the loss of productive land; and
- pest control being difficult to manage due to the wet conditions.

PESTS AND DISEASES

In the past three years, the agricultural sector has experienced varied pest control and disease management challenges, including brown locust infestation, brucellosis (Bang's disease), and Foot and Mouth disease outbreaks (AgriSETA SSC, 2022). Presently, SSC members have raised concerns over threats of Bluetongue disease, algal blooms (red tide), increased African Swine Fever (AFS) and Avian Influenza (AI) cases (SSC Meetings, 2023).

Avian Influenza is currently placing pressure on the poultry industry, as 1.6 million birds are already infected. The consequences of this have necessitated the culling of 420,000 birds, with more expected as farmers accumulate massive revenue losses in the first quarter of 2023. Due to the lack of a vaccine, the only response currently available to this endemic disease is the elimination of infected birds.

Accordingly, this will lead to an increase in chicken prices in an already embattled local industry that is unable to meet demand and is dependent on imports to fill the supply gap (EWN, 2023)

LAND REFORM

South Africa's land reform programme includes land restitution, tenure reform, and redistribution to transform the sector and correct past injustices. The major factors affecting the sustainability of land reform projects are:

- lack of farming skills;
- lack of government support;
- participants resorting to farming on a temporary basis; and
- participants' inability to independently resolve farming challenges (Manenzhe et. al., 2016).

The stakeholders in the secondary agricultural sub-sectors have reported the challenges they experienced in small-scale land reform, mainly due to the lack of necessary skills among beneficiaries. These include inconsistencies in the supply of produce, poor-quality products, and insufficient quantities produced by new entrants. Failure to commit to market agreements damages other producers' chances of securing an offtake agreement with the markets.

3. ORGANISATIONAL ENVIRONMENT

The organogram below illustrates AgriSETA's management structure.

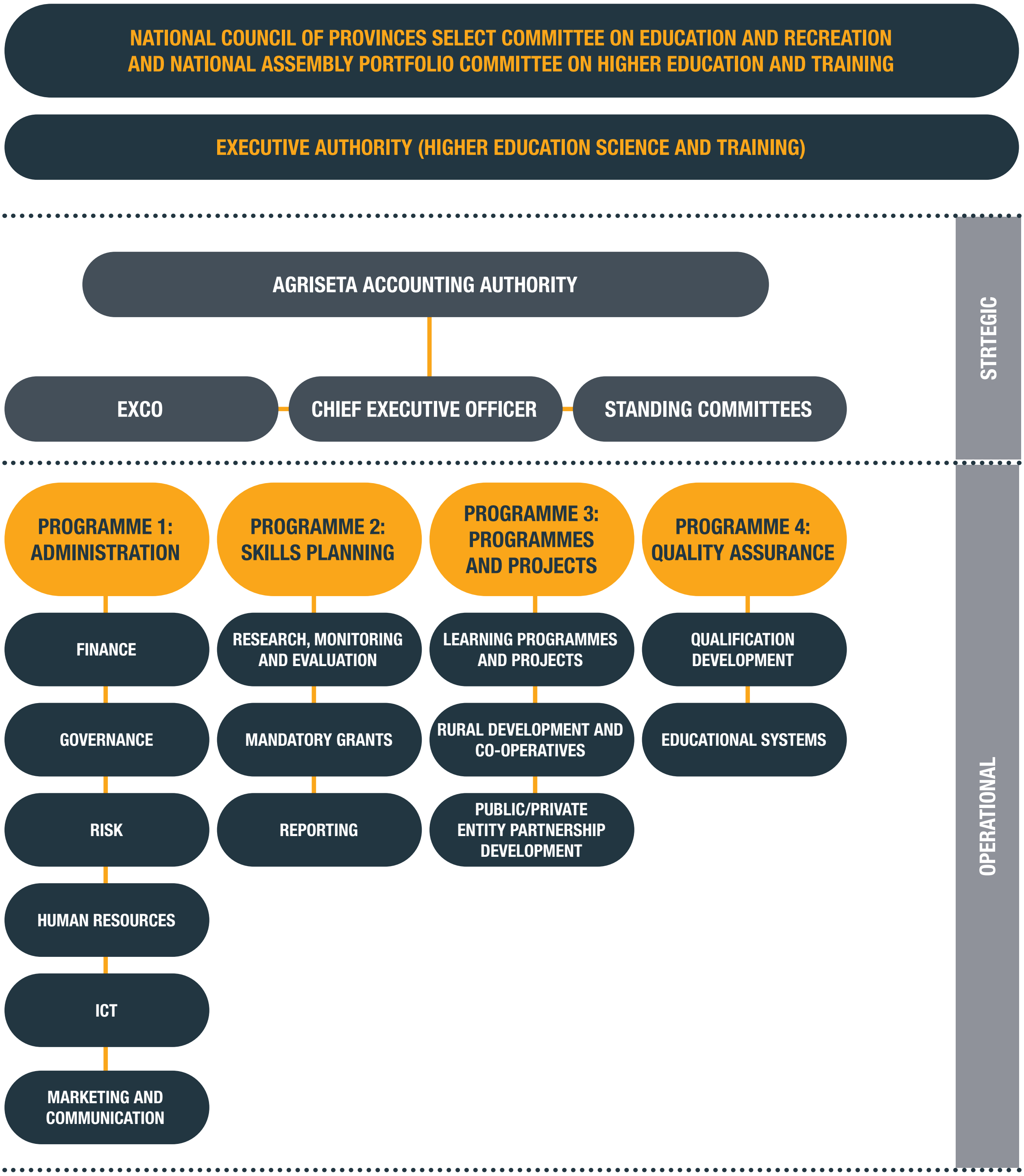


Figure 7: AgriSETA Management Structure

4. SERVICE DELIVERY ENVIRONMENT

The need for discretionary grant-funded support to deliver on the sector's required learning programmes outstrips AgriSETA's available resources. The strategic Plan has been updated in line with the National Treasury framework, with the following significant changes:

- AgriSETA identified four programmes that will be implemented to achieve the organisational goals, aligned with the proposed Higher Education Science and Technology framework for Strategic Plans.
- The organisation devised strategic, outcome-oriented goals.

Figure 8

4.1. ORGANISATIONAL SYSTEMS

AgriSETA has a well-established human resources and financial system in place, which enhances its capacity to deliver on its mandate. Therefore, there are no identified factors that may impact the achievement of the set institutional outcomes.

Corporate Communication ensures organisational procedures and protocols.

4.2. ORGANISATIONAL STRATEGY

AgriSETA is fully aligned to achieve the strategic goals set out in the Strategic Planning documentation. The Strategic Plan and Annual Performance Plans (APPs) are shared with all employees, so the short- and medium-term goals are internalised and pursued collectively.

4.3. LEADERSHIP STYLE

All management levels within the SETA adopt a democratic and participatory management style. The oversight function of the AgriSETA Accounting Authority (AA) is effectively executed through functional sub-committees, which ensure it is well informed of AgriSETA's progress in implementing its mandate.

4.4. SHARED VALUES

AgriSETA management and staff consistently strive to serve the interests of the entire sector. All actions are geared towards supporting learner progression. Furthermore, AgriSETA has prioritised its mandate in relation to discretionary and mandatory grants, with a strong focus on rural development.

4.5. SETA LANDSCAPE

AgriSETA's licence was extended to 2030, providing further stability to the organisational structure. The National Skills Development Plan (NSDP) was officially launched in February 2019 for implementation on 1 April 2020. AgriSETA will implement strategies to expand the organisation's national footprint and further strengthen its mandate to link workplaces with learners. A new AgriSETA Board was appointed on 1 April 2020.

4.6. COMPLIANCE TO THE B-BBEE ACT.

AgriSETA is in full compliance with Broad-Based Black Economic Empowerment (B-BBEE) legislation.

4.7. DESIGNATED GROUPS

AgriSETA is prioritising marginalised individuals and members of designated groups in its recruitment and development activities.

5. STRATEGIC OUTCOMES

STRATEGIC OUTCOME 1	Identified and increased production of occupations in high demand.
Outcome Indicator	To establish and enhance a credible institutional mechanism for skills planning.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path.
Baseline	This is a new indicator.
5-year target	1 credible mechanism.

STRATEGIC OUTCOME 2	Improved linkage between education and the workplace.
Outcome Indicator	Increased exposure of beneficiaries to workplaces through Professional Vocational Technical and Academic Learning initiatives.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path.
Baseline	This is a new indicator.
5-year target	10% annually up to 2024.

STRATEGIC OUTCOME 3	Improved level of skills in the South African workforce.
Outcome Indicator	Increased workplace training of workers already in employment.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path.
Baseline	This is a new indicator.
5-year target	10% annually up to 2024.

STRATEGIC OUTCOME 4	Increased access to occupationally-directed programmes.
Outcome Indicator	Access to occupationally-directed programmes increased.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path.
Baseline	This is a new indicator.
5-year target	5% annually up to 2024.

STRATEGIC OUTCOME 5	Increased growth of public colleges as a key provider of skills required for socio-economic development.
Outcome Indicator	Increased enrolment of learners into the post-school system through the agricultural, TVET and CET colleges by 20%.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path.
Baseline	This is a new indicator.
5-year target	20% by 2024.

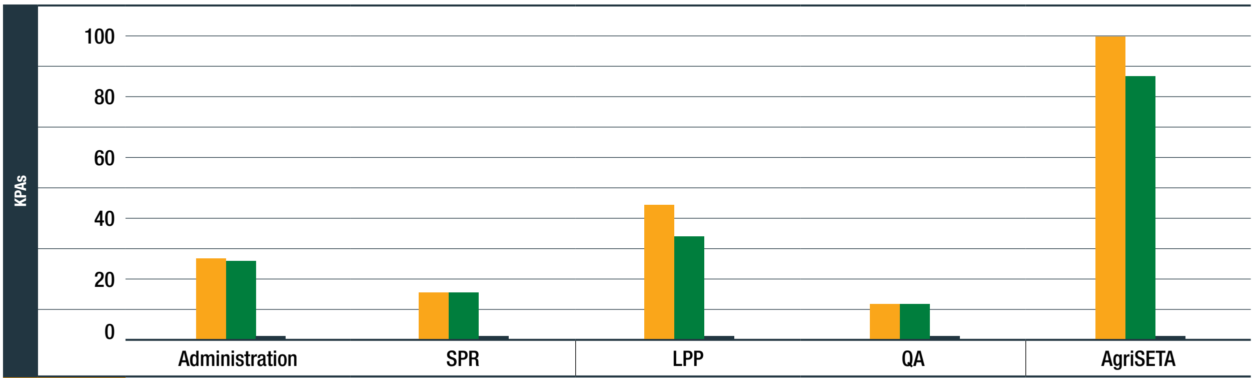
STRATEGIC OUTCOME 6	Increased skills development support for entrepreneurship and co-operative expansion.
Outcome Indicator	Increased access of unemployed, youth, women and people with disabilities to entrepreneurial and co-operative development by 20%.
MTSF Priority	Outcome 7: Comprehensive rural development and land reform.
Baseline	This is a new indicator.
5-year target	20% by 2024.

STRATEGIC OUTCOME 7	Increased support for worker initiated training.
Outcome Indicator	Increased worker training initiatives through trade unions and federations with 15%.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path.
Baseline	This is a new indicator.
5-year target	15% by 2024.

STRATEGIC OUTCOME 8	Improved career development services.
Outcome Indicator	Increased participation of youth in agriculture.
MTSF Priority	Outcome 5: A skilled and capable workforce to support an inclusive growth path. Outcome 7: Comprehensive rural development and land reform.
Baseline	This is a new indicator.
5-year target	45% of AgriSETA beneficiaries are youth.

6. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS



	Administration	SPR	LPP	QA	AgriSETA
Total KPAs	28	16	44	12	100
YTD	26	16	33	12	87
Actual	92,86%	100,00%	75,00%	100,00%	87,00%

Source: AgriSETA WSP submissions, 2021, 2022 and 2023

Figure 8: Key Performance Indicators, Planned Targets and Actual Achievements

6.1. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME 1: ADMINISTRATION

SUB-PROGRAMME 1.1: FINANCE

OUTPUT		OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Unqualified audit opinion.								
Achieve an unqualified audit report each year for the period covered by the Strategic Plan.	**1.1.1.**	Budgeted revenue collected.	100%	103%	100%	105	5%	The target exceeded due to a higher than projected SDL collection.
	1.1.2.	Number of financial reports prepared and submitted to the Board and Executive.	4 Quarterly financial reports	4	4 Quarterly financial reports	4	0	Target achieved, no variance.
	1.1.3.	Percentage of external audit queries resolved, based on audit findings reported in the prior financial year.	95% resolved	100%	95% resolved	105%	10,5%	Target exceeded, prior year findings could be cleared through the implementation of the Audit action plan.
	1.1.4.	Approved annual procurement plan.	1	1	1	1	0	Target achieved, no variance.
	1.1.5.	Increase mandatory grant payments.	78% of grants paid	82%	78% of grants paid	104%	33.3%	Target exceeded, due to higher than projected payout to employers.

SUB PROGRAMME 1.2: GOVERNANCE

OUTPUT		OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Strategic direction and oversight are provided to AgriSETA to enable effective and targeted facilitation of interventions aimed at achieving the organisational goals.								
Functional governance structures.	**1.2.1.**	Number of Board and standing committees capacitated through training programmes.	2	2	2	2	0	Target achieved, no variance.
	1.2.2.	Quarterly submitted SETA good governance reports.	4	4	4	4	0	Target achieved, no variance.

OUTPUT		OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Strategic direction and oversight are provided to AgriSETA to enable effective and targeted facilitation of interventions aimed at achieving the organisational goals.								
Functional governance structures. (continued)	**1.2.3.**	Quarterly legislative compliance reports submitted.	4	4	4	4	0	Target achieved, no variance.
	1.2.4.	Approved annual report submitted to DHET.	1	1	1	1	0	Target achieved , no variance.

SUB-PROGRAMME 1.3: INFORMATION COMMUNICATION TECHNOLOGY (ICT)

OUTPUT		OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Provide technological guidance, digital leadership and ICT support services.								
90% of approved and funded ICT plan implemented.	**1.3.1**	Percentage of reported ICT faults and incidents logged and resolved within service level standards.	90% resolved within SLA	95%	90% resolved within SLA	96.8%	7,5%	Target exceeded, reported faults could be cleared faster than projected.
	1.3.2.	Percentage of approved ICT interventions implemented.	80% implemented	20%	90% implemented	50%	(44,4%)	Target not achieved, due to extended project delays.
	1.3.3.	Percentage of ICT infrastructure (LAN and servers) availability maintained.	95% Availability of LAN & Servers achieved	98%	98% Availability of LAN & Servers achieved	101%	3,9%	Target exceeded due to improved maintenance of ICT infrastructure.
	1.3.4	Percentage of the digitisation of AgriSETA functions completed.	75%	93%	100%	50%	(50%)	Target not achieved, due to extended project delays.
	1.3.5	Percentage of cybersecurity compliance maintained based on security penetration test results.	80%	81%	90%	103%	14,4%	Target exceeded due to improved cyber security measures in place.
	1.3.6	Number of disaster recovery tests conducted annually.	1 Test	1	1 Test	1 Test	0	Target achieved. no variance.
	1.3.7	Percentage of application availability maintained across systems.	New target	New target	80%	156%	95%	Target exceeded due to improved maintenance of systems.
	1.3.8	Percentage of system vulnerabilities resolved.	New target	New target	80%	87%	8,7%	Target exceeded due to vulnerabilities being resolved earlier than planned.
	1.3.9	Cybersecurity awareness sessions conducted.	New target	New target	2	2	0	Target achieved. no variation.

SUB-PROGRAMME 1.4: HUMAN RESOURCES

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Provision of Human Capital Support to AgriSETA.								
Reduced employee turnover rate.	**1.4.1.**	Percentage of employees participating in career development programmes.	50%	50%	50%	79.1%	58,2%	Target exceeded due to a higher than projected number of applications for bursaries and internal training initiatives.
	1.4.2.	Percentage of employees signing performance contracts annually.	100%	100%	100%	100.0%	0	Target achieved, no variance.
	1.4.3.	Number of Workplace Skills Plans submitted to the Services SETA annually.	1	1	1	1	0	Target achieved, no variance.

SUB-PROGRAMME 1.5: RISK

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Provided strategic and operational risk management support.								
Annually approved risk management implementation plan.	1.5.1.	Strategic risk register updated quarterly.	4	4	4	4	0	Target achieved, no variance.
Annually approved risk management implementation plan.	1.5.2.	Fraud and operational risk register updated quarterly.	4	4	4	4	0	Target achieved, no variance.
	1.5.3.	Quarterly submitted fraud and corruption hotline reports.	4	4	4	4	0	Target achieved, no variance.

PROGRAMME 2: SKILLS PLANNING & RESEARCH

SUB-PROGRAMME 2.1: RESEARCH

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: An established and maintained credible mechanism for skills planning and delivery in agricultural sector.								
Established and maintained mechanism for skill planning annually.	**2.1.1.**	SSP updated annually.	SSP	1 SSP	1 SSP	1 SSP	0	Target achieved, no variance.
	2.1.2.	APP updated.	1 APP	1 APP	1 APP	1 APP	0	Target achieved, no variance.
	2.1.3.	SP updated annually.	1 SP	1 SP	1 SP	1 SP	0	Target achieved, no variance.
	2.1.4.	Number of SSC Committee meetings facilitated.	11 SSCs	22	22	22	0	Target achieved, no variance.
	2.1.5.	Number of subsector plans updated.	11	11	11	11	0	Target achieved, no variance.
	2.1.6.	Number of research projects established.	3	3	3	3	0	Target achieved, no variance.

SUB-PROGRAMME 2.2: MONITORING & EVALUATION

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Established, strengthened and implemented AgriSETA monitoring and evaluation framework								
Established and strengthened organisation-wide monitoring and evaluation framework.	**2.2.1.**	Verification report of predetermined objectives issued	4	4	4	4	0	Target achieved, no variance
	2.2.2	Percentage of monitoring and evaluation visits on PIVOTAL projects conducted	35% of projects verifiedc	35.0%	35% of Projects Verified	35.7%	2%	Target exceeded, additional projects could be monitored within the reporting period.
	2.2.3	Percentage of monitoring and evaluation visits on Non-PIVOTAL projects conducted	25% of projects verified	27.1%	25% of projects verified	25.2%	0,8%	Target exceeded, additional projects could be monitored within the timeframe and budget
	2.2.4.	Organizational performance uploaded to the eQPRS	4	4	4	4	0	Target achieved, no variance

SUB-PROGRAMME 2.3: MANDATORY GRANTS

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Improved Mandatory Grant Administration.								
Increased employer access to grant information.	**2.3.1**	Number of WSPs and ATRs approved for Large Firms.	350 large firms	386	350 large firms	369	19	Target exceeded, due to improved evaluation and approval procedures of WSP/ATR's.
	2.3.2	Number of WSPs and ATRs approved for Medium Firms.	480 medium firms	509	480 Medium firms	514	34	Target exceeded, due to improved evaluation and approval procedures of WSP/ATR's.
	2.3.3	Number of WSPs and ATRs approved for Small Firms.	700 small firms	805	700 small firms	825	125	Target exceeded, due to improved evaluation and approval procedures of WSP/ATR's.
	2.3.4	Number of SDF's trained annually as part of support to employers.	90 SDFs trained	419	90 SDFs trained	258	168	Target exceeded due to adjusted training processes.

SUB-PROGRAMME 2.4: REPORTING

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Improved management of information and knowledge that is generated within and outside AgriSETA to enhance performance and inform the overall strategic planning processes.								
Increased accessibility of Information and knowledge	**2.4.1**	Quarterly submitted performance information on SETMIS timeously.	4 Reports	4	4 Reports	4	0	Target achieved, no deviation.
	2.4.2.	Percentage of non- financial audit (external) queries resolved, based on audit findings reported in the prior financial year.	90% resolved	100%	90% resolved	100%	11,1%	Target exceeded due to improved performance evaluation procedures.

SUB-PROGRAMME 2.5: MARKETING AND COMMUNICATION

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Developed integrated career development programme								
Established strategic partnerships to strengthen career guidance in the sector.	**2.5.1.**	Number of agricultural career summits launched nationally	4	4	4	4	0	Target achieved, no variance.
	2.5.2.	Number of career exhibitions attended.	15 Exhibition	61	15 Exhibition	47	32	Target exceeded due to a higher than projected invitations to career events in collaboration with other sector partners.
	2.5.3.	Media monitoring reports submitted	12	12	12	12	0	Target achieved, no variance
	2.5.4.	AgriSETA newsletter distributed monthly	12	12	12	12	0	Target achieved no variance.

PROGRAMME 3:
LEARNING PROGRAMMES AND PROJECTS

SUB-PROGRAMME 3.1: WORKPLACE LEARNING

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Increased workplace based vocational learning opportunities in the agricultural sector.								
Increased access to learning opportunities annually.	**3.1.1.**	Percentage of discretionary grant budget allocated at developing high level skills.	19%	26%	19%	9%	(52%)	Target not achieved due to lower than projected achievement of bursaries and internships.
	3.1.2.	Percentage of discretionary grant budget allocated at developing intermediate skills.	21%	30%	21%	49%	133%	Target exceeded due to a higher than projected uptake of artisan programmes as well as learnership programmes at an intermediate level.
	3.1.3.	Percentage of discretionary grant budget allocated at developing elementary skills.	8%	15%	4%	14%	250%	Target exceeded due to a higher than projected uptake of the elementary level qualifications.
	3.1.4.	Number of employed learners entering learnerships programmes.	LS-1300	747	LS-500	500	0	Target achieved, no variance.
	3.1.5	Number of employed learners completing learnerships programmes.	LS-1000	1230	LS-250	760	510	Target exceeded due to an increased number of projects completed in the reporting period.
	3.1.6.	Number of employed learners entering skills programmes.	SP-2000	1343	SP-600	1341	741	Target exceeded due to a higher than projected number of learners that could be trained within budget.
	3.1.7.	Number of seasonal workers entering skills programmes.	SP-100	104	SP-50	57	7	Target exceeded due to effective targeted funding processes.
	3.1.8.	Number of employed learners completing skills programmes.	SP-1445	1219	SP-450	1241	791	Target exceeded due to a higher than projected learners completing skills programmes within the reporting period.

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Ancreased Workplace-Based vocational learning opportunities in the agricultural sector.								
Increased access to learning opportunities annually. (continued)	**3.1.9.**	Number of employed learners entering AET programmes.	AET-400	304	AET-300	306	6	Target exceeded due to an increased number of projects implemented in the reporting period.
	3.1.10.	Number of employed learners completing AET programmes.	AET-200	201	AET-200	57	(143)	Target not achieved due a lower than projected achievement rate of learners.
	3.1.11.	Number of learners entering internship programmes.	INT-600	644	INT-700	206	(494)	Target not achieved due to delays in contracting and uploading of learners by the implementing partners.
	3.1.12.	Number of learners completing internship programmes.	INT-250	284	INT-400	408	8	Target exceeded due to an increased number of projects completed in the reporting period.
	3.1.13.	Number of TVET students entering graduate placement programmes.	505	263	650	211	(439)	Target not achieved due to delays in contracting and uploading of learners by the implementing partners.
	3.1.14.	Number of TVET students completing graduate placement programmes.	100	140	400	301	(99)	Target not achieved due a lower than projected achievement rate of learners.
	3.1.15.	Number of universities students entering graduate placement programmes.	125	206	250	35	(215)	Target not achieved due to delays in contracting and uploading of learners by the implementing partners.
	3.1.16.	Number of university students completing graduate placement programmes.	100	102	125	127	2	Target exceeded due to an increased number of projects completed in the reporting period.

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Ancreased Workplace-Based vocational learning opportunities in the agricultural sector.								
Increased access to learning opportunities annually. (continued)	**3.1.17.**	Number of bursaries to employed learners.	90	85	96	21	(75)	Target not achieved due to delays in contracting and uploading of learners by the implementing partners.
	3.1.18.	Number of bursaries to employed learners continuing their studies.	80	86	85	6	(79)	Target not achieved due to delays in contracting and uploading of learners by the implementing partners.
	3.1.19.	Number of employed learners completing bursary programmes.	70	10	90	13	(77)	Target not achieved due to a lower than projected achievement rate of learners.
	3.1.20.	Number of bursaries to unemployed learners.	260	238	150	156	6	Target exceeded due to accelerated contracting with employers and learning institutions.
	3.1.21.	Number of bursaries to unemployed learners continuing their studies.	180	114	100	103	3	Target exceeded due to accelerated contracting with learning institutions.
	3.1.22.	Number of unemployed learners completing bursary programmes.	112	635	150	71	(79)	Target not achieved due to a lower than projected achievement rate of learners.
	3.1.23.	Number of learners entering artisan development programmes.	400	506	600	742	142	Target exceeded due to accelerated partnership funding .
	3.1.24.	Number of learners completing artisan development programmes.	130	5	370	563	193	Target exceeded due to accelerated partnership funding.
	3.1.25.	Number of centres of Specialisation supported.	25	471	3	3	0	Target achieved, no variance.

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Ancreased Workplace-Based vocational learning opportunities in the agricultural sector.								
Increased access to learning opportunities annually. (continued)	**3.1.26.**	Number of learners who completed workplace based learning interventions absorbed into employment or self employment.	1 550	1 550	1300	134	(1166)	Target not achieved due to a lower that projected number of learners indicated that they found employment post training implementation.

SUB-PROGRAMME 3.2. WORKER INITIATED TRAINING

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Increased worker skills levels in the agricultural sector.								
Increased skills levels in the workplace through projects implemented.	**3.2.1.**	Number of federations /trade unions supported through the relevant skills training interventions.	5	5	2	2	0	Target achieved, no variance.
	3.2.2.	Number of commodity organisations supported.	5	5	2	8	6	Target exceeded due to an increased number of projects implemented in the reporting period.

SUB PROGRAMME 3.3. RURAL AND YOUTH DEVELOPMENT

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Increased governance and skills levels of NLPE to create stability and an environment for economic growth.								
Increased access to learning opportunities of unemployed learners annually.	**3.3.1.**	Number of unemployed learners entering learnership programmes.	LS – 3 000	2918	LS –2500	3683	1183	Target exceeded due to efficient implementation of target funding.
	3.3.2.	Number of unemployed learners completing learnership programmes.	LS – 950	3614	LS – 1600	3837	2237	Target exceeded due to efficient implementation of target funding.

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Increased governance and skills levels of NLPE to create stability and an environment for economic growth.								
Increased access to learning opportunities of unemployed learners annually. (continued)	**3.3.3.**	Number of unemployed learners entering skills programmes.	SP – 3 000	1915	SP – 2000	3491	1491	Target exceeded due to efficient implementation of target funding.
	3.3.4.	Number of persons living with disability entering skills programmes.	SP-100	101	SP-100	125	25	Target exceeded due to efficient implementation of target funding.
	3.3.5.	Number of land beneficiaries entering skills programmes.	SP-200	203	SP-180	195	15	Target exceeded due to efficient implementation of target funding.
	3.3.6.	Number of unemployed learners completing skills programmes.	SP – 2500	1832	SP – 1900	3043	1143	Target exceeded due to efficient implementation of target funding.
	3.3.7.	Number of rural structures supported with training interventions.	SRS – 100	100	SRS– 100	100	0	Target achieved no variance.
	3.3.8.	Number of co-operatives supported with training interventions.	80	103	100	146	46	Target exceeded due to efficient implementation of target funding.
	3.3.9.	Number of small businesses supported with training interventions.	50	104	100	103	3	Target exceeded due to efficient implementation of targeted funding.
	3.3.10.	Number of people trained on entrepreneurships supported to start businesses.	40	42	40	50	10	Target exceeded due to efficient implementation of targeted funding.
	3.3.11.	Number of CBOs/ NGOs/ NPOs supported with training interventions.	40	25	40	129	89	Target exceeded due to efficient implementation of targeted funding.

SUB PROGRAMME 3.4. PUBLIC AND PRIVATE ENTITY PARTNERSHIP DEVELOPMENT (STRATEGIC PARTNERSHIPS)

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Increased public/private sector capacity for improved service delivery and to provide appropriate support for agricultural and rural development								
Increased skills levels of beneficiaries of public and private sector through the implementation of projects.	**3.4.1.**	Number of SETA/employer partnerships established.	10	10	2	3	1	Annual target exceeded, due to higher than anticipated number of interested partners.
	3.4.2.	Number of partnerships with public sector in support of ministerial projects.	5	5	2	2	0	Target achieved no variance.
	3.4.3.	Number of TVET/ ATVET partnerships established.	4	4	2	2	0	Target achieved no variance.
	3.4.4.	Number of (HEI) partnerships established.	6	3	2	2	0	Target achieved no variance.
	3.4.5.	Number of CET partnerships established.	2	2	2	3	1	Annual target exceeded due to higher than higher-than-anticipated number of interested partners.

PROGRAMME 4: QUALITY ASSURANCE

SUB PROGRAMME 4.1 OCCUPATIONAL QUALIFICATIONS IN HIGH DEMAND

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Occupational qualifications in high demand developed and implemented.								
Increased capacity building interventions of the post-school education and training system, in the development and implementation of occupations in high demand.	**4.1.1.**	Number of occupationally-directed qualifications developed/ re-aligned.	6	6	8	8	0	Target achieved, no variance.
	4.1.2.	Number of learners entered into RPL programmes.	1141	909	970	973	3	Target exceeded due to higher than anticipated interest shown for training.
	4.1.3.	Number of learners completing RPL programmes.	300	935	400	509	109	Target exceeded due to a higher than projected completion rate of learners.

SUB PROGRAMME 4.2. AGRICULTURAL EDUCATION AND TRAINING SYSTEMS

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Improved agricultural education and training systems.								
Increased capacity building programmes aimed at the public college sector.	**4.2.1.**	Number of assessment centres established.	NA	NA	20	20	0	Target achieved, no variance.
	4.2.2.	Number of workplaces approved in all provinces.	NA	NA	10	26	16	Target exceeded due to National workshops conducted, which impacted the high demand for new workplaces requests.
	4.2.3.	Learning material developed for occupational qualifications.	NA	NA	10	11	1	Target exceeded due to improved development procedures.
	4.2.4.	Number of accredited training providers for agricultural programmes.	338	50	50	135	85	Target exceeded due to the number of applications exceeding projections.
	4.2.5.	Number of training providers monitored.	312	300	300	307	7	Target exceeded due to the accreditation and external moderation of training providers.

OUTPUT	OUTPUT INDICATORS		ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION	REASON FOR DEVIATION
OUTCOME: Improved agricultural education and training systems.								
Increased capacity building programmes aimed at the public college sector. (continued).	**4.2.6.**	Number of learners certified.	4197	4000	4000	6337	2337	Target exceeded due to higher than projected completion of programmes.
	4.2.7.	Number of ETDP practitioners registered.	177	100	100	166	66	Target exceeded due to extention of legacy qualifications by QCTO allowed for new registration of practitioners.
	4.2.8.	Number of TVET lecturers exposed to the industry through skills programmes.	55	37	37	59	22	Target exceeded due to a higher than projected number of lecturers trained.
	4.2.8.	Number of SETA offices established and maintained in TVET colleges.	7	5	5	5	0	Target achieved, no variance.

7. STRATEGIES TO OVERCOME AREAS OF UNDERPERFORMANCE

1. PROGRAMME 1: ADMINISTRATION

SUB PROGRAMME	OUTCOME INDICATOR	MEASURES TO IMPROVE UNDERPERFORMANCE
Sub-programme 3: Information and Communication Technology (ICT)	Percentage of approved ICT interventions implemented	Target not achieved due to budgetary constraints and delays in project implementation. The project scope will be adjusted to ensure that implementation can be concluded
	Percentage of the digitisation of AgriSETA functions completed	Target not achieved due to delays in project implementation. The project implementation process will be strengthened to ensure that projects can be concluded within the planned timeframe.

2. PROGRAMME 3: LEARNING PROGRAMMES AND PROJECTS

SUB PROGRAMME	OUTCOME INDICATOR	MEASURES TO IMPROVE UNDERPERFORMANCE
Sub-programme 3.1: Workplace learning	Percentage of discretionary grant budget allocated for developing high-level skills	The target was not achieved due to the low registration levels in Bursaries, Internships and Graduate placements. The department will reconsider the finding window to allow for earlier allocation.
	Number of employed learners completing AET programmes	The target was not achieved due to various accreditation challenges and resulting project cancellations. The relevance of AET programme will be re-evaluated for the 2026/27 financial year.
	Number of learners entering internship programmes	The target was not achieved due to delays in grant allocations and project administration. The grant application window will be adjusted in the 2025 financial year to ensure that sufficient time is allocated for administration and contracting.
	Number of TVET students entering graduate placement programmes	The target was not achieved due to delays in grant allocations and project administration. The grant application window will be adjusted in the 2025 financial year to ensure that sufficient time is allocated for administration and contracting.
	Number of TVET students who completed graduate placement programmes	The target was not achieved due to delays in grant allocations and project administration. The grant application window will be adjusted in the 2025 financial year to ensure that sufficient time is allocated for administration and contracting.
	Number of university students entering graduate placement programmes	The target was not achieved due to delays in grant allocations and project administration. The grant application window will be adjusted in the 2025 financial year to ensure that sufficient time is allocated for administration and contracting.
	Number of bursaries to employed learners	The target was not achieved due to delays in contracting and administration relating to projects allocated to Top 50 employers.
	Number of bursaries to employed learners continuing their studies	The target was not achieved due to delays in contracting and administration relating to projects allocated to Top 50 employers.
	Number of employed learners completing bursary programmes	The target was not achieved due to delays in contracting and administration relating to projects allocated to Top 50 employers.
	Number of unemployed learners completing bursary programmes	The target was not achieved due to delays in contracting and administration relating to projects allocated to Top 50 employers.

SERVICE DELIVERY ENVIRONMENT

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

The Information Communication Technology (ICT) unit plays a critical role in supporting AgriSETA's operations and strategic goals. As a key enabler of innovation, efficiency, and security, the ICT unit ensures that the organisation's technology infrastructure, systems, and data management processes are effectively maintained to support service delivery and compliance with regulatory requirements. It is the backbone of the metaphorical organisational body.

AGRISETA'S ICT STRATEGY

AgriSETA's performance against its interim ICT strategy has primarily focused on advancing digital transformation to support its core mandate of skills development in the agricultural sector. The strategy is structured around several key focus areas that drive the organisation's technological advancement, operational efficiency and regulatory compliance.

The ICT strategy drivers noted below have shaped AgriSETA's digital transformation initiatives over the past five years and remain relevant in the current fiscal year. These drivers are essential to ensuring the ICT's interim strategy aligns with both business objectives and the rapidly evolving technological landscape.

2025 ICT STRATEGY DRIVERS

1. Business Continuity and Disaster Recovery
2. Automation and Digitalisation of AgriSETA's administrative business functions
3. Capacitation and augmentation of ICT Support Services
4. Needs-based and empirically informed ICT infrastructure investment models (e.g. XaaS)
5. Improved Learner Management Information Systems
6. Improved customer experience (CX) for internal and external stakeholders
7. Improved organisational planning informed by data analytics

MARKETING AND COMMUNICATION

AgriSETA's Marketing and Communication unit has played a vital role in strengthening the organisation's brand presence, stakeholder engagement and reputation management. The unit remains focused on enhancing visibility, positioning AgriSETA as a thought leader in the sector and ensuring effective communication strategies to support its mandate.

The Marketing and Communication strategy is structured around three key pillars:

- **Profile** – Enhancing and maintaining AgriSETA's visibility and brand equity among internal and external stakeholders through effective brand-building mechanisms.
- **Position** – Establishing AgriSETA as a leading authority in the agricultural skills development sector, ensuring it is recognised as an industry thought leader.
- **Protect** – Safeguarding and strengthening AgriSETA's reputation, ensuring consistent messaging, stakeholder trust and proactive reputation management.

MATCHING WORK-SEEKERS WITH EMPLOYERS IN THE AGRICULTURE SECTOR

Among its successes, the unit continues to promote its work–seeker–employer matchmaking app by connecting learners and graduates with employers in the agricultural sector. The database currently contains over 13 000 graduates, categorised by demographics, and it has more than 700 registered employers who have access to these job seekers.

Through effective brand positioning, stakeholder engagement, and proactive communication strategies, AgriSETA has strengthened its presence, credibility, and impact in the agricultural sector, reinforcing its commitment to skills development and the transformation of the industry.

ENSURING INCLUSIVE CAREER GUIDANCE OUTREACH

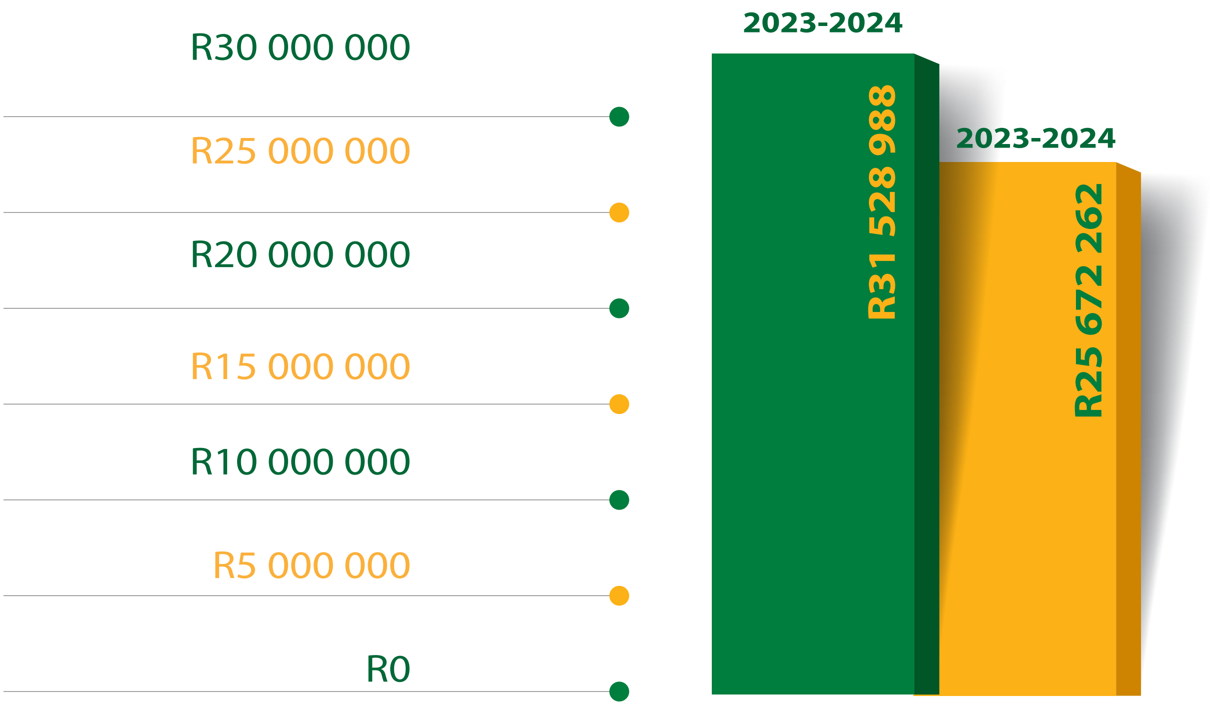
AgriSETA is committed to ensuring that career guidance resources are accessible to all, including individuals with hearing and visual impairments. To achieve this, the organisation has introduced:

- **WhatsApp Booklets** – designed for accessibility, allowing users to receive career guidance information via instant messaging.
- **Podcasts** – hosted online to provide audio-based career guidance, ensuring that individuals with visual impairments have access to crucial information. However, more importantly, the outreach has been so extensive that requests for support to AgriSETA far outweigh our available resources. The good news is that we are becoming widely recognised for our excellent work.

YEAR-ON-YEAR EXPONENTIAL GROWTH IN MEDIA OUTREACH

Year-on-year exponential increase in average value equivalent (AVE), which translates to Rand value.

MEDIA MONITORING FOR FINANCIAL YEARS 2024-2025 & 2023-2024



EDUCATION TRAINING AND QUALITY ASSURANCE (ETQA)

OVERVIEW

Regulated functions of quality assurance as prescribed by the South African Qualifications Authority Act (SAQA Act, Act 58 of 1995). The quality assurance delegated function under this Act:

- Accreditation of skills development Providers.
- Monitoring of training provisions.
- Registration of practitioners.
- Certification of learners.
- Reporting of learner achievement to NLRD.
- Maintaining Management Information System (MIS) for quality assurance activities.

Quality Assurance (QA) deliverables as per NSDP vision:

- Facilitate easy access and create different entry points (articulation and RPL).
- Collaborate with Quality Council for Trades and Occupations (QCTO) to identify and increase production of occupations in high demand.
- Increase access to occupationally directed programmes by supporting TVETs, CETS, and agricultural colleges.
- Partnership development with TVETs, CET's, universities, and industries.

CHALLENGES

Collaborate with QCTO to identify and increase production of occupations in high demand. This deliverable has been highlighted as critical and challenging across the board. Key challenging aspects:

System readiness, such as assessment processes for new occupational qualifications, compliance with requirements, and cost implications for training learners, require adjustments to the current system and additional resources.

Standardisation and integration of quality assurance modalities across SETAs are too slow and inadequate. Momentum is required to fast-track accreditation processes, development of tools, and the approval of assessment centres and workplaces for the implementation of the new regime.

STREAMLINING THE QUALITY ASSURANCE FUNCTION

The White Paper on Post-School Education and Training highlighted the complexity with respect to the manner in which quality assurance is implemented within the Post-School Education and Training space and argues that the system needs to be streamlined and simplified.

1. ETQA PERFORMANCE FOR 2024/2025

The following report should be read alongside the table below.

PROGRAMME	INDICATOR	ANNUAL TARGET	YTD ACTUAL
QUALITY ASSURANCE			
4.1.	**Increased capacity-building interventions within the Post School Education and Training system, focused on the development and implementation of occupations in high demand.**		
4.1.1.	Number of occupationally directed qualifications developed/re-aligned.	08	08
4.1.2.	Number of learners entered into RPL programmes.	970	973
4.1.3.	Number of learners completing RPL programmes.	400	509
AGRICULTURAL EDUCATION AND TRAINING SYSTEMS			
4.2.	**Increased capacity building programmes aimed at the public college sector.**		
4.2.1.	Number of assessment centres established.	20	20
4.2.2 .	Number of assessment centres established.	10	26
4.2.3.	Learning material developed for occupational qualifications.	10	11
4.2.4.	Number of accredited training providers for agricultural programmes.	50	135
4.2.5.	Number of training providers monitored.	300	307
4.2.6.	Number of learners certified.	4000	6337
4.2.7.	Number of ETDP practitioners registered.	100	166
4.2.8.	Number of TVET lecturers exposed to the industry through skills programmes.	37	59
4.2.9.	Number of SETA offices established and maintained in TVET colleges.	5	5

LEARNING PROGRAMMES AND PROJECTS (LPP)

Purpose of LPP division, is to implement all the learning programs of AgriSETA, focusing on the following sub-programs:

- Workplace learning

  Purpose: To Increase access to learning opportunities in agricultural workplaces
- Worker initiated training

  Purpose: To increase skills levels in the workplace through projects
- Rural and youth Development: To increase access to learning opportunities of un-employed learners
- Public and private entity Partnership development (Strategic partnerships)

  Purpose: To Increased skills levels of beneficiaries of public and private sector

COLLABORATION: AGRISETA AND DEPARTMENT OF HIGHER EDUCATION AND TRAINING (DHET)

The LPP unit is the custodian of all AgriSETA's learning programmes.

AgriSETA and DHET have developed a collaborative trajectory through a National Skills Fund (NSF) project to support the government's Economic Reconstruction and Recovery Plan (ERRP) through agricultural skills development. This initiative aims to train 12,700 unemployed youth, rural-based individuals, and land reform beneficiaries through learnerships and artisans programmes across South Africa.

The initiative stems from an endeavour to respond to the triple challenges of unemployment, poverty, and inequality, as identified by the Government of South Africa. AgriSETA finds itself occupying a central role in facilitating the acquisition of economic skills and competencies within the agriculture sector.

The importance of training and development is further highlighted by the country's high youth unemployment rate, which currently stands at a staggering 66.5%. Statistics SA reports that approximately 3.4 million (33.5%) of the 10.2 million youth aged between 15 and 24 years are not in any form of employment, education, or training (NEET).

In the same vein, AgriSETA notes these shocking levels of unemployment affecting communities across the country with deep concern.

STRENGTHENING RELATIONSHIP WITH AGRICULTURAL INDUSTRIES

Based on the central role that employers play within the landscape of skills development, the main objective of strengthening relations with the top 50 levy-paying employers is to ensure continuity in implementing learning programmes, absorbing learners for employment, and providing experiential learning opportunities for graduates and interns. AgriSETA receives substantial support and assistance from the agricultural industry, which is viewed as a vehicle for enhancing government initiatives related to economic growth, the creation of decent jobs, and the promotion of economic transformation.

SUPPORTING THE GROWTH OF PUBLIC INSTITUTIONS AS KEY PROVIDERS IN SKILLS DEVELOPMENT.

It is noteworthy that the government provides institutional support to various public learning institutions through financial allocations, regulatory frameworks, and capacity-building initiatives. These support mechanisms aim to ensure efficient and effective service delivery, promote good governance, and contribute to socio-economic development.

AgriSETA, like other SETAs, is a beneficiary of the services provided by public institutions, which help advance implementation of national priorities, such as training of artisans by TVET colleges and the placement of university graduates.

AgriSETA has entered into collaborations with these institutions to support objectives identified through research and development, such as addressing hard-to-fill skills.

DISTRICT DEVELOPMENT MODEL

AgriSETA is actively participating in the implementation of the District Development Model (DDM), which focuses, among other things, on strengthening local government's role in service delivery and promoting integrated planning and implementation.

The AgriSETA is particularly aligned with supporting local economic drivers, especially in rural areas, where agricultural activities are identified as key contributors to economic development. The collaboration between AgriSETA and the South African Local Government (SALGA) strengthens efforts to develop economic skills that address existing knowledge and skills gaps.

To strengthen its presence and footprint across the country, AgriSETA currently maintains offices in four provinces: Limpopo, Mpumalanga, Eastern Cape, and KwaZulu-Natal. The SETA intends to expand this presence to include additional provinces.

SKILLS DELIVERY: LEARNING PROGRAMMES

The Skills Delivery unit, within the LPP division, is responsible for the implementation of the following learning programmes:

- Adult Education and Training (AET) for both employed and unemployed learners
- Skills Programmes (18.1 & 18.2)
- Learnerships (18.1 & 18.2)
- Artisan Development (18.1 & 18.2) & FLP
- Bursaries (18.1 & 18.2)
- Graduate Placement
- Internships
- New Venture Creation (NVC)
- Support to Rural Structure (e.g. mentorship)
- Support to Commodity Organisations

8. REVENUE COLLECTION

SOURCES OF REVENUE	2024/2025 ESTIMATE R'000	2024/2025 ACTUAL AMOUNT COLLECTED R'000	2024/2025 (OVER)/UNDER COLLECTION R'000	2023/24 ESTIMATE R'000	2023/24 ACTUAL AMOUNT COLLECTED R'000	2023/24 (OVER)/UNDER COLLECTION R'000
Levy Income	636 982	662 049	25 067	586 977	591 401	4 424
Penalties and Interest	4 961	4 961	0	5 107	5 107	0
Investment Income	33 002	31 453	(1 549)	42 099	38 568	(3 531)
Other Income	247	990	743	1 980	1 923	(57)
Income from Public Works	7 886	7 886	0	0	6 914	6 914
Total	683 078	707 339	24 261	631 056	643 913	12 857

9. CAPITAL INVESTMENT

INFRASTRUCTURE PROJECTS	2024/2025 BUDGET R'000	2024/2025 ACTUAL EXPENDITURE R'000	2024/2025 (OVER)/UNDER EXPENDITURE R'000	2023/24 BUDGET R'000	2023/24 ACTUAL EXPENDITURE R'000	2023/24 (OVER)/UNDER EXPENDITURE R'000
Computer hardware		85		1000	811	189
Computer Software		110		500	521	(21)
Office Equipment		18		250	127	123
Building		0		250	225	25
Total		213		2 00	1 684	316

PART C
GOVERNANCE

MINISTERIAL APPOINTEES: ACCOUNTING AUTHORITY MEMBERS

Ms Sharon Sepeng

Ms Bagcinile Wendy Cele

Mr Andre Kriel

Ms Linda Gqokoma

Mr Christo van der Rheede

Adv Eliot Mhlongo

Ms Pinki Luwaca

Mr Mayoyo Mngomezulu

Ms Stella Mthembu

Ms Kgadi Senyatsi

Mr Anton Rabe

Ms Marike Burger

Mr Mlulami Mahanjana

Mr Kabelo Tsimatsima

1. INTRODUCTION

Corporate governance embodies the processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the skills development act, corporate governance of public entities is guided by the provisions of the PFMA and aligns with the principles set out in the King Report on Corporate Governance.

Parliament, the Executive Authority, and the AA of the public entity are jointly responsible for ensuring sound corporate governance.

2. PORTFOLIO COMMITTEES

The Portfolio Committee on Higher Education and Training and the Select Committee on Education of the National Council of Provinces (NCOP) exercises oversight over the 21 SETAs, Higher Educational Institutions (HEI) and Department of Higher Education Science and Innovation and may invite any SETA to account on its Strategic Plan and Annual Performance Plans from time to time. The SP and APPs were approved by the Executive Authority and tabled in Parliament. AgriSETA did not appear before either Portfolio Committee or Select Committee in the financial year under review. The Chairperson of the Accounting and Authority and the Chief Executive Officer however were invited and attended a workshop hosted by the Parliament Portfolio Committee on Education where legacy report for the past five years was presented, the workshop was held on the 20 March 2024.

3. EXECUTIVE AUTHORITY

The Executive Authority (EA) of AgriSETA is the Minister of the Department of Higher Education and Training, who is responsible for appointing members of the AA, and determining their remuneration in accordance with the tariffs set by the Minister of Finance.

The entity is required by DHET to submit, on an annual basis, a Sector Skills Plan (SSP), a SP) and an APP.

It is also required, in terms of the Skills Development Act, to enter into a Service Level Agreement (SLA) with DHET, agreeing on the expected deliverables that contribute towards the fulfilment of the ministerial outcomes.

Quarterly reports detailing the performance against set targets are submitted to the Department, in line with the Treasury Instruction Note 33, which amended Parts 5 and 30 of the Treasury Regulations, 2005.

The EA convenes meetings with SETA Chairpersons and CEOs from time to time to discuss strategic policy imperatives affecting the sector and the country. These engagements also provide an opportunity for SETA leadership to share the challenges they encounter.

AgriSETA's Quarterly Monitoring and Governance Implementation Charter Reports are submitted to the DHET on a quarterly basis.

All AgriSETA reports have been submitted on time.

4. THE ACCOUNTING AUTHORITY (AA) / BOARD

INTRODUCTION

AgriSETA is guided by the AA as its highest decision-making body. The AA is appointed by the Minister of DHET for five years and consists of the Chairperson and 14 Board members. The board initially had 15 members; however, one board member sadly passed on in December 2023.

The Accounting Authority is responsible and accountable for the public entity's performance and strategic direction.

THE ROLE OF THE BOARD (AA)

The roles and responsibilities of the Board (AA) are to:

- Govern and manage the SETA in accordance with the PFMA and any other applicable legislation.
- Ensure that the SETA achieves the objectives outlined in item 5 and performs the functions outlined in item 6 of its Constitution.
- Provide effective leadership and ensure that the SETA implements the goals of the NSDP 2030 and the performance agreement with the Minister.
- Provide strategic direction for the SETA.
- Liaise with stakeholders.
- Ensure that the SETA complies with the relevant statutory requirements and its Constitution.
- Manage institutional risk.
- Monitor the performance of the SETA.
- Ensure that its members, including those of committees established by the Board, comply with the code of conduct.

BOARD CHARTER

AgriSETA has adopted a Board Charter and operates in terms of its Constitution, which covers:

- Composition
- Roles and functions
- Powers
- Delegation of authority
- Terms of office
- Establishment of committees
- Meetings

The Board (AA) complies fully with all aspects and provisions of the AgriSETA Constitution.

THE BOARD (AA) COMPOSITION

The Board (AA) consist of 15 members nominated as follows:

CONSTITUENCY	ORGANISATION
Ministerial Appointee	• Accounting Authority Chairperson (1)
Organised Labour	• FAWU – Food and Allied Workers Union (3) • SACTWU-South African Clothing and Textile Workers Union (1) • SOLIDARITY (1)
Government Departments and Public Entities	• PPECB – Perishable Products Export Control Board (1)
Organiser Employers	• AgriSA (1) • Fruit SA/Hortgro (1) • NERPO (1) • RCL Foods (1) • SA Pork (1)
Other Stakeholders	• Community Organisations (2)

THE BOARD (AA) CONSIST OF 14 MEMBERS NOMINATED.

NAME	DESIGNATION	QUALIFICATION	AREA OF EXPERTISE	ACCOUNTING AUTHORITY DIRECTORSHIPS	OTHER COMMITTEES
Ms GS Sepeng	Ministerial Appointment Chairperson	• MBA	• Employment Relations	• n/a	• EXCO • Board
Mr C Van der Rheede	Member	• MBA	• Agricultural • Economics	• BUSA • ATKTV • Potchefstroom • Business	• Governance and Strategy • EXCO
Mr M Mngomezulu	Member	• Post Graduate Diploma in Labour Law	• Labour Relations	• Basebenzi	• Grants and Quality Assurance • EXCO
Mr A M Mahanjana	Member	• Master's Degree in Agriculture	• Agricultural Economics	• NERPO	• Grants and Quality Assurance
Ms K Senyatsi	Member	• Master's Degree Agriculture	• Strategic Management • Financial Management • Agricultural Management	• n/a	• Governance Strategy • Grants and Quality Assurance
Ms P Luwaca	Member	• Honours Human Resource Management	• Strategic Management • Human Resources	• PPECB	• EXCO • FinRemCo
Mr A Rabe	Member	• MBA	• Agricultural • Economics	• Hortgro Pty Ltd • Fruitgro Science • Fruit mzanzi Afrika • TPS Property Holdings • SA Tug of War	• Grants and Quality Assurance • FinRemCo
Ms B Cele	Member	• Matric	• Labour Relations	• Wine Industry Transformation Levy • Dal Josaphat Workers Empowerment Pty Ltd	• Governance and Strategy • FinRemCo
Ms L Gqokoma	Member	• Matric	• Labour Relations	• n/a	• EXCO • Grants and Quality Assurance
Advocate T Mhlongo	Member	• LLB Degree	• Legal	• n/a	• FinRemCo • Grants and Quality Assurance
Mr K Tsimatsima	Member	• Bachelor of Arts	• Agriculture, Land Reform	• n/a	• Governance and Strategy
Mr A Kriel	Member	• BA Social Science	• Labour Relations	• n/a	• Grants and Quality Assurance
Ms S Mthembu	Member	• Master of Science in Agriculture Development	• Land Reform • Stakeholder Management and CSI	• n/a	• Grants and Quality Assurance
Ms M Burger	Member	• Master of in Labour Relations Management	• Training and development and Labour relations	• n/a	• FinRemCo Governance and Strategy

MEETING ATTENDANCE

NAME	CONSTITUENCY	DATE APPOINTED	DATE OF TERMINATION	NO OF MEETINGS ATTENDED
Ms GS Sepeng	Chairperson Ministerial appointee	01 April 2018	31 March 2025	11
Mr C van der Rheede	Organised Employers	01 January 2017	31 March 2025	11
Mr K Tsimatsima	Community Organisation	01 April 2020	31 March 2025	11
Ms P Luwaca	Organised Employers	01 April 2018	31 March 2025	11
Mr M Mngomezulu	Organised Labour	01 April 2018	31 March 2025	9
Mr A M Mahanjana	Organised Employers	01 April 2020	31 March 2025	11
Mr A Kriel	Organised Labour	01 April 2020	31 March 2025	11
Mr A Rabe	Organised Employers	01 April 2018	31 March 2025	11
Ms B Cele	Organised Labour	01 April 2020	31 March 2025	11
Ms L Gqokoma	Organised Labour	01 April 2018	31 March 2025	11
Ms Kgadi Senyatsi	SA Pork	01 April 2020	31 March 2025	10
Adv T Mhlongo	Communities	01 April 2020	31 March 2025	11
Ms S Mthembu	Organised Employers	01 April 2020	31 March 2025	9
Ms M Burger	Organised Labour	20 June 2021	31 March 2025	11

BOARD (AA) COMMITTEES

1. Executive Committee
2. Audit and Risk Committee
3. Risk Management Committee
4. Information and Communication Technology Committee
5. Governance and Strategy Committee
6. Finance and Remuneration Committee
7. Grants and Quality Assurance Committee

EXECUTIVE COMMITTEE

MEMBER	MEETINGS HELD	MEETINGS ATTENDED
Ms GS Sepeng	12	12
Ms P Luwaca	12	12
Ms L Gqokoma	12	12
Mr M Mngomezulu	12	12
Mr C van der Rheede	12	12

AUDIT AND RISK COMMITTEE

MEMBER	MEETINGS HELD	MEETINGS ATTENDED
Ms M Phiri	9	9
Ms M Matlala	9	8
Mr K Maja	9	9
Mr V Chonco	9	8
Dr G Buys	9	9

RISK MANAGEMENT COMMITTEE

MEMBER	MEETINGS HELD	MEETINGS ATTENDED
Mr K Maja	7	7

INFORMATION, COMMUNICATION TECHNOLOGY

MEMBER	MEETINGS HELD	MEETINGS ATTENDED
Dr P Dala	7	7

GOVERNANCE AND STRATEGY COMMITTEE

MEMBER	MEETINGS HELD	MEETINGS ATTENDED
Mr C van der Rheede	5	5
Ms K Senyatsi	5	4
Ms B Cele	5	5
Mr K Tsimatsima	5	5
Ms M Burger	5	5

FINANCE AND REMUNERATION COMMITTEE

MEMBER	MEETINGS HELD	MEETINGS ATTENDED
Ms P Luwaca	7	7
Adv T Mhlongo	7	7
Ms B Cele	7	7
Mr A Rabe	7	7
Ms M Burger	7	7

GRANTS AND QUALITY ASSURANCE COMMITTEE

MEMBER	MEETINGS HELD	MEETINGS ATTENDED
Mr M Mngomezulu	4	4
Mr A M Mahanjana	4	4
Ms K Senyatsi	4	4
Ms S Mthembu	4	4
Ms L Gqokoma	4	4
Adv T Mhlongo	4	4
Mr A Kriel	4	3
Mr A Rabe	4	4

REMUNERATION OF BOARD MEMBERS

The remuneration of Board members is determined in accordance with the National Treasury Regulations, with annual amendments to the applicable rates for each financial year.

- All AgriSETA Board members are remunerated in line with the provisions of the National Treasury Regulations.

Refer to the table below for the remuneration of Board members.

MEMBERS OF THE ACCOUNTING AUTHORITY (BOARD MEMBERS)	MEETING ATTENDANCE ALLOWANCE	EXPENSES	TOTAL
Ms E L Mhlongo	303	8	310
Ms B Cele	320	1	321
Ms M Burger (Pitzer)	267	4	271
Ms K L Senyatsi	178	1	179
Mr K Tsimatsima	187	1	188
Mr M Mahanjana	196	5	202
Ms S Mthembu	152	1	153
Mr M Mngomezulu	390	4	394
Ms L Gqokoma	347	0	348
Mr C Van Der Rheede	288	1	289
Mr A Kriel	151	-	151
Ms G Sepeng	359	22	381
Ms P Luwaca	29	1	30
	3 167	**50**	**3 217**

REMUNERATION OF AUDIT AND RISK COMMITTEE MEMBERS

1.1 The remuneration of Board members is determined in accordance with the National Treasury Regulations, with the rate being amended annually for each financial year.

AUDIT AND RISK COMMITTEE (AR&C) AND ICTSC

MEMBERS OF THE ACCOUNTING AUTHORITY (BOARD MEMBERS)	MEETING ATTENDANCE ALLOWANCE	EXPENSES	TOTAL
Mr K Maja	108	-	108
Ms M Phiri (Chairperson)	224	-	224
Ms D Matlala	27	-	27
Mr V Chonco	80	-	80
Dr GF Buys	80	-	80
Dr P Dala	149	-	149
	668	**-**	**668**

5. RISK MANAGEMENT

AgriSETA upholds its commitment to sound governance through the implementation of a structured and effective risk management process, guided by its approved Enterprise Risk Management Strategy Framework. This framework enables the systematic identification, assessment, and response to risks that may impact the achievement of strategic outcomes. The risk management process is closely integrated with the APP, with risks identified at strategic, operational, and fraud levels across all business units. The identified risks were evaluated in relation to the strategic outcomes and APP targets to ensure alignment with organisational priorities and to promote sustained performance and institutional resilience.

A proactive risk governance environment was sustained throughout the reporting period, with key risks continuously monitored and most mitigation strategies implemented. Comprehensive risk response plans were developed and progress against these plans was reported quarterly to the oversight committees, in line with principles of sound governance and effective oversight.

Emerging risks, particularly those related to ICT, cybersecurity, and the implementation of digital transformation initiatives, were closely monitored and actively managed. These efforts significantly enhanced AgriSETA's readiness and strengthened its capacity to respond to an evolving and increasingly complex landscape of risks.

6. INTERNAL CONTROLS

Internal controls were reviewed and monitored by the management team.

The internal controls consist of processes, systems, records and activities designed and implemented by AgriSETA's management, aimed at securing AgriSETA's business information and assets, mitigating risks, and ensuring compliance as AgriSETA pursues its objectives. They are a critical component of assuring the AA and other AgriSETA stakeholders that: (1) reporting information is reliable and credible; (2) compliance with laws, regulations, policies, procedures, contracts and other accepted best practices is maintained; (3) assets are safeguarded from fraud and breaches; (4) adequate utilisation of resources; and (5) systems and processes function as intended.

Management is therefore responsible for ensuring that internal controls are established, implemented, and regularly monitored.

The AgriSETA management is responsible for the design, implementation and effective operation of the internal control systems, including the management and control of risks to the achievement of its objectives. The responsibility of the Internal Audit Function (IAF) is to audit the internal controls, to provide assurance on the effectiveness and efficiency of control designs, implementation and whether the controls are working as per the intended purpose. The ARC is responsible for the oversight function to ensure the effectiveness of the controls in place.

The Internal Control Assessment conducted by the IAF for the FY2024/25 revealed that the existing control environment ***"Needs Improvement"*** to provide reasonable assurance that the organisation's goals and objectives are being achieved. AgriSETA's management has committed to addressing the identified control deficiencies, which will be monitored and reported quarterly for the subsequent financial year.

INTERNAL AUDIT

The role of the Internal Audit Function (IAF) is to independently assess the efficiency and effectiveness

of the controls in place to mitigate and reduce the key risks, which will result in the eventual improvement in the control framework maturity of AgriSETA. It contributes to the strengthening of AgriSETA's accountability by evaluating and improving the adequacy and effectiveness of governance, risk management and control processes. It provides robust and practical strategic advice and recommendations founded on aligning the business with best practice.

The IAF is governed by the Internal Audit Charter as approved by the ARC and adheres to the Global Internal Auditing Standards to execute its deliverables. The following key activities are performed in this regard: Assess and make appropriate recommendations for improving the governance processes in achieving the AgriSETA's objectives; Evaluate the adequacy and effectiveness of operations, and systems; and Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

The IAF successfully completed 100% of the planned audit engagements, as per the Internal Audit Plan for the 2024/25 financial year (FY), as tabled by the Chief Audit Officer and approved by the Audit and Risk Committee. The table below depicts the mandatory audit engagements, assurance audit engagements and the advisory audit engagements completed and approved by the ARC:

MANDATORY AUDIT ENGAGEMENTS AND SUPPORT	ASSURANCE AUDIT ENGAGEMENTS	ADVISORY AUDIT ENGAGEMENTS
• General Management of IAF: FY2024/25 Planning, Drafting of IAF Plan, Review of IAF and ARC Charters and Risk Assessment • General Management of IAF: FY2025/26 Planning, Drafting of IAF Plan, Review of IAF and ARC Charters and Risk Assessment • Pro-Active Review of Strategic Plan and Draft APP • ARC Reporting and Management Meetings • Monitoring and Evaluation: Enterprise Risk Management (incorporated in individual audit engagements) • Combined Assurance • GAP Assessment with the new Global Internal Audit Standards	• Annual Performance Report • Annual Financial Statements • Follow-Up Review: Internal Audit Reports and AG Findings • Monitoring And Evaluation: Performance Information Reporting • Financial Internal Controls (FIC) Review • Fraud and Corruption Review, Fraud Awareness • Learning Programmes and Projects DG Implementation • Educational Training Quality Assurance (ETQA) • Supply Chain Management: Procurement and Contract Management Review • Governance Process - Protection of Personal Information Act (POPIA) • Human Resources • Cyber Security Review • Information Communication Technology: General Controls and Applications Review Quarterly Audit Engagements	• The Appointment of a Service Provider to Provide Office Rental Space and Parking Bays • Special Project Visit: M Mokgethi Farming Primary Cooperative. • Conducted refresher training in collaboration with the Monitoring and Evaluations unit, on validation of performance information and audit outcome review • Appointment for a Service Provider for The Supply and Delivery of Thirty-Five Laptops and Laptop Bags.

COMPLIANCE WITH LAWS AND REGULATIONS

AgriSETA is a public entity entrusted with the management of certain public funds. As such, the entity is required to operate in full compliance with relevant public prescripts. During the period under review, the following pieces of legislation were assessed for compliance, and it is our assessment that AgriSETA has complied with them:

1 The National Treasury Regulations;
2 The National Skills Development Plan (NSDP);
3 The New SETA Grants Regulations;
4 National Development Plan (NDP) 2030;
5 Medium Term Strategic Framework 2014-2019;
6 Human Resources Development Strategy for South Africa, 2030;
7 The Public Finance Management Act, 1999 (Act No.1
8 1999) as amended by Act No.29 1999;
9 Public Finance Management Act, 1999 (Act 1 of 1999) as amended by the Public Finance Management Amendment Act, 1999 (Act 29 of 1999);
10 Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended by the Basic Conditions of Employment Amendment Act of 2002;
11 Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993);
12 Labour Relations Act, 1995 (Act 66 of 1995);
13 Employment Equity Act, 1998 (Act 55 of 1998);
14 Unemployment Insurance Act, 2002 (Act 4 of 2002);
15 Occupational Health and Safety Act, 1993 (Act 85 of 1993);
16 Skills Development Act, 1998 (Act 97 of 1998);
17 National Qualifications Framework Act, 2008 (Act 67 of 2008);
18 Skills Development Levies Act, 1999 (Act 9 of 1999);
19 Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000);
20 Promotion of Access to Information Act, 2000 (Act 2 of 2000);
21 Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
22 Protected Disclosures Act, 2000 (Act 26 of 2000);
23 Use of Official Languages Act, 2012 (Act 12 of 2012);
24 National Qualifications Framework 67 of 2008
25 Income Tax Act 58 of 1962;
26 Protection of Personal Information Act, 2013 (Act 4 of 2013) (POPI Act);
27 Corporate Governance and AgriSETA Constitution;
28 Government Wide Enterprise Architecture (GWEA); and
29 SETA Governance Charter.

FRAUD AND CORRUPTION

AgriSETA has an approved Anti-Fraud and Corruption Policy and Fraud Prevention Plan (FPP). The FPP includes controls designed to prevent instances of fraud and corruption, detect them when they occur, and respond appropriately by taking corrective action when necessary.

All alleged cases of fraud and corruption are thoroughly investigated and followed up through the application of all available remedies, to the full extent of the law, alongside the implementation of appropriate prevention and detection measures. These cases are reported at subsequent Audit and Risk Committee meetings.

Whistle-blowers are encouraged to report suspected fraud and corruption through the following channels.

a. Toll-free fraud hotline
b. Email
c. Fax
d. Post

7. MINIMISING CONFLICT OF INTEREST

AgriSETA has established a fraud hotline system to manage complaints and allegations of abuse.

Within the SCM system. The system allows for the reporting of complaints in written, verbal, or anonymous form.

The Chief Executive Officer is responsible for investigating all complaints or allegations. The CEO ensures that all investigation reports are securely stored and informs the Accounting Authority, through the Audit and Risk Committee, of the outcomes of the investigations, along with any proposed remedial actions.

Where applicable, the Accounting Authority is responsible for managing the financial misconduct process.

8. CODE OF CONDUCT

AgriSETA's Code of Conduct, as set out in the organisation's Constitution, is applicable to the Accounting Authority and its Board sub-committees. A separate Code of Conduct for staff members is also in place. Both the Constitution and Code of Conduct policies were reviewed during the reporting year.

During the period under review, there were no cases of misconduct or dereliction of duty by members of the Accounting Authority that warranted removal from office or termination of membership.

9. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Health and Safety Officers were appointed in accordance with AgriSETA's internal governance policies.

10. COMPANY/BOARD SECRETARY

The Company Secretary provides the Board (AA) members with guidance and advice on matters of good governance and ethics, as well as the nature and extent of their duties and responsibilities, and how those duties should be discharged.

The Company Secretary also plays an active role in the coordination and submission of the Annual Report in line with the PFMA.

- The Company Secretary is empowered with the necessary skills and authority to carry out all duties, including the following:
- Ensuring Board induction, training, and development of Board members;
- Ensuring that Board members receive adequate and timely information to make informed decisions;
- Maintaining all statutory records;
- Reviewing the Board Charter and Committee Charters annually; and
- Assisting the Board in discharging its responsibilities efficiently and effectively.

11. SOCIAL RESPONSIBILITY

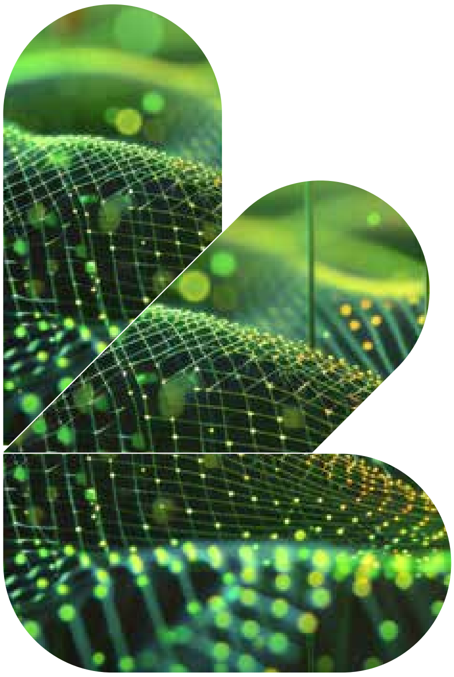
Corporate social responsibility is not a formal requirement for public entities, as they inherently serve the public through the nature of their work. However, AgriSETA's CEO, in his personal capacity, together with the management team, makes quarterly donations of food and essential items to charities, particularly those supporting the elderly and persons with disabilities.

Non-Profit Organisations (NPOs) are identified in the communities where AgriSETA operates, ensuring that the assistance reaches those most in need.

12. BROAD-BASED BLACK ECONOMIC EMPOWERMENT COMPLIANCE PERFORMANCE INFORMATION

The following tables have been completed in accordance with the compliance requirements of the Broad-Based Black Economic Empowerment Act of 2013, as determined by the Department of Trade, Industry and Competition.

HAS THE DEPARTMENT / PUBLIC ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1 – 8) WITH REGARDS TO THE FOLLOWING:		
CRITERIA	RESPONSE YES / NO	DISCUSSION
Determining the qualification criteria for the issuing of licences, concessions, or other authorisations relating to economic activity in terms of applicable legislation?		Not applicable to AgriSETA
Developing and implementing a preferential procurement policy?	**Yes**	The preferential procurement policy is embedded within the Supply Chain Management Policy. The 80/20 (80= Price and 20=B-BBEE Status Level of Contributor) and 90/10 (90 = Price and 10 =B-BBEE Status Level of Contributor) preference points system is utilised, and the preference points system is applied to all procurement equal to or above R30 000.
Determining qualification criteria for the sale of state-owned enterprises?		Not applicable to AgriSETA
Developing criteria for entering into partnerships with the private sector?		AgriSETA has established criteria supported by the Discretionary Grants Policy, for matters concerning projects and programmes, including partnerships related to its core business scope.
Determining the criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment?		AgriSETA has established criteria and guidelines, supported by the Discretionary Grants (DG) Policy, for matters related to the awarding of DG Projects and Programmes, including strategic partnerships.



14. REPORT OF THE AUDIT & RISK COMMITTEE

We are pleased to present the Audit and Risk Committee Report for the financial year ended 31 March 2025.

1. LEGISLATIVE REQUIREMENTS

The audit and risk committee is pleased to report that it is properly constituted as required by the PFMA and has complied with its responsibilities arising from the PFMA and Treasury Regulations. The audit and risk committee also reports that it has adopted appropriate formal terms of reference as its charter and has managed and regulated its affairs in compliance with this charter.

The ARC held meetings with the executive and senior management, internal audit function and the Auditor-General, collectively and individually, on matters related to governance, internal control and risk in the AgriSETA throughout the period. The audit and risk committee reported quarterly to the Board..

2. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROLS

The ARC obtains assurances from management, Internal Audit Function and the Auditor-General on the effectiveness of governance, risk management and internal controls in the areas of financial management, performance management, compliance management and ICT. Material areas of control deficiencies were reported by both the Auditor General and the Internal Audit Function. The Internal Audit Function highlighted weaknesses in the design of controls, inconsistent application of controls, areas of noncompliance, putting the achievement of the organisation's objectives at risk in some of the areas reviewed.

The Auditor General issued a qualified audit opinion due to internal control deficiencies which have resulted in material misstatements in financial statements.

3. RISK MANAGEMENT

The audit and risk committee is responsible for the oversight of the risk management function. The Board has adopted a risk management framework, strategy and relevant policies for the AgriSETA, in line with the PFMA. The AgriSETA has established a risk management committee, chaired by an independent audit and risk committee member, which reports quarterly to the Audit and Risk Committee. The risk management processes are coordinated with the Internal Audit Function. The ARC is satisfied with the overall Risk Management function.

4. INTERNAL AUDIT

The PFMA requires that the entity has a system of internal audit under the control and direction of the ARC. The Internal Audit Function of AgriSETA, through the leadership of the Chief Audit Officer, is responsible for reviewing the design and operating effectiveness of the organisation's governance, risk and internal control processes. The internal audit plans and reports issued for the period under review were reviewed and approved by the audit and risk committee. All planned audit engagements for the year were completed and reported on. The ARC is satisfied that the Internal Audit Function effectively discharged its responsibility for the period under review.

"The Audit and Risk Committee is responsible for the oversight of the risk management function. The Board has adopted a risk management framework, strategy, and relevant policies for the AgriSETA, in line with the PFMA."

The Internal Audit Function reviews concluded that whilst there has been an improvement in the internal control environment, there are some internal controls in financial and performance management that require attention from management.

For the year under review, the following audits were undertaken by Internal Audit Function:

- Annual Performance Report
- Annual Financial Statements
- Follow-Up Review on Internal Audit and Auditor-General of South Africa Findings
- Monitoring And Evaluation: Performance Information Reporting
- Financial Internal Controls (FIC) Review
- Fraud and Corruption Review and Fraud Awareness
- Learning Programmes and Projects – Discretionary Grants Implementation
- Educational Training Quality Assurance (ETQA)
- Supply Chain Management: Procurement and Contract Management Review
- Governance Process - Protection of Personal Information Act (POPIA)
- Human Resources
- Cyber Security Review
- Information Communication Technology: General Controls and Applications Review

5. IN-YEAR MANAGEMENT QUARTERLY REPORT IN TERMS OF THE PFMA

Management presented quarterly financial, performance and compliance reports to the ARC during the year. The reports were reviewed and interrogated by the committee for accuracy and reliability. The Committee is satisfied with the quality of the quarterly reports.

6. EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The audit and risk committee has reviewed the annual financial statements, with focus on the following:

- Significant financial reporting judgements and estimates contained in the annual financial statements.
- Completeness of disclosures.
- Quality and acceptability of, and any changes in, accounting policies and practices.
- Compliance with accounting standards and legal requirements.
- Significant adjustments resulting from the audit.
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
- Reasons for major year-on-year fluctuations, including variances of actual versus budget.
- The basis for the going concern assumption, including any financial sustainability risks and issues.

7. EXTERNAL AUDITORS REPORT

The ARC has reviewed the entity's implementation plan for addressing audit findings raised in the prior year and notes the progress made by management. However, as per the results of the 2024/25 audit, majority of these findings have recurred and therefore require strengthening of internal controls and oversight by management. The ARC has requested management to prioritise correction of material misstatement reported during the year under review. The Committee will continue to monitor this process on a quarterly basis.

The ARC notes the AGSA's audit outcome which has regressed as compared to the previous year, resulting in a qualified audit opinion due to material misstatements in financial statements, and supported by the assessment conducted by the Internal Audit Function, which revealed areas of significant control deficiencies that needs to be adequately monitored and addressed by management going forward.

The Committee concurs with and accepts the conclusion and audit opinion of the external auditors on the AFS and reported performance information. The Committee is of the view that the audited financial statements should be accepted and read together with the report of the external auditors.

8. APPRECIATION

The Audit and Risk Committee wishes to express its appreciation to management, the Auditor-General and the Internal Audit function for the support provided in enabling the ARC to discharge its responsibilities.

Ms MM Phiri
Chairperson of Audit and Risk Committee
31 July 2025

PART D
HUMAN RESOURCES MANAGEMENT

1. INTRODUCTION

CORPORATE SERVICE

The Corporate Services division provides strategic support to the entity through Human Resources (HR) Management and Development, Facilities Management, ICT, and Marketing and Communication Services. It is regarded as the backbone of the entity, strategically positioning and enabling it to achieve its mandate and strategic objectives.

- Ensuring a motivated, skilled, and engaged workforce.
- Implementing innovative ICT solutions to improve operational efficiency.
- Enhancing AgriSETA's visibility and the work of the SETA through effective marketing and communication strategies.

The Key Performance Areas (KPAs) of Corporate Services are directly aligned with AgriSETA's strategic priorities, SP, APP, and the National framework.

ORGANISATIONAL STRUCTURE REVIEW AND RECRUITMENT DRIVE

The Corporate Services Executive consulted widely and will implement the organisational structure review over the next three years to ensure that workforce planning and strategy are aligned with the HR strategy and AgriSETA's long-term goals.

EMPLOYEE WELLNESS PROGRAMME

Employee Health, Safety, and Wellness initiatives focus on ensuring a safe, healthy, and supportive working environment. This includes promoting a healthy work-life balance and supporting employee well-being by fostering a high-performance culture through a positive work environment, addressing grievances, improving employee morale, and measuring employee satisfaction and retention rates. AgriSETA evaluates employee satisfaction through equitable performance management, training and development, and market-related compensation packages and benefits, in compliance with relevant legislation.

HR POLICY DEVELOPMENT AND MANAGEMENT

The Policy Review Committee, led by the Executive Manager: Corporate Services, contributed to the review, development, and approval of a total of twenty HR policies. These were approved by the Finance and Remuneration Committee and the Accounting Authority on 31 March 2025. The policies include the following:

- Acting Policy
- Bereavement Policy
- Bursary Policy
- Career Management and Retention Policy
- Code of Conduct Policy
- Disciplinary Policy
- Grievance Policy
- Leave Management Policy
- Incapacity Policy
- Induction Policy
- Internship and Experiential Learning Policy
- Hybrid Policy
- Occupational Health and Safety Policy
- Overtime Management Policy
- Performance Management Development Policy
- Parking Policy
- Recruitment and Placement Policy
- Succession Planning Policy
- Sexual Harassment Policy
- Termination of Employment Policy

The above-mentioned policies will be supplemented by the approved Human Resources Policy Manual, which is in place and will remain so until all remaining policies are finalised in the current financial year.

As has been customary throughout the policy review process, numerous sessions have been held with employees to ensure compliance and to promote a thorough understanding of the policies at all levels within AgriSETA.

FUTURE HR PLANS 2025/2026

- Review and obtain approval for the following:
    - 2025-2030 HR Strategy.
    - 2025-2030 Retention Strategy .
    - Five-Year HR Plan (2025-2030).
- Implement the revised and approved AgriSETA Organogram in phases over the next three years.
- Conduct an Employee Culture Survey to inform talent management and measure employee engagement levels.
- Procure and automate the Recruitment System and Performance Management System.
- Continue implementing the Hybrid Model on a rotational basis.
- Implement the revised Refurbishment Plan (renovation of AgriSETA House) over the 2025-2027 financial years.
- Revise the terms of reference and advertise the tender for the Bill of Quantities for refurbishment during the first quarter of the 2025/2026 financial year.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

PERSONNEL-RELATED EXPENDITURE

PERSONNEL COST BY PROGRAMME/ ACTIVITY/ OBJECTIVE

PROGRAMME/ACTIVITY/OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP. (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration	98 260	52 251	53	62	792
Learning Projects & Programmes	488 149	23 284	5	31	708
Quality Assurance	177 509	7 511	5	10	824

In 2024/25, the entity strategically allocated personnel costs across key programmes to support operational effectiveness and strategic priorities. The Administration Programme accounted for the largest share, with R52.25 million (63% of its total expenditure) allocated to a workforce of 66 employees. The Learning Projects and Programmes and Quality Assurance divisions invested R23,28 million and R7.51 million respectively, supporting specialised teams focused on growth and quality enhancement.

Average personnel costs ranged from R708,000 to R824,000 per employee across programmes, reflecting the complexity of roles and the level of expertise required. This targeted investment ensures that critical functions are adequately resourced to deliver on AgriSETA's mandate.

PERSONNEL COST BY SALARY BAND

PROGRAMME/ACTIVITY/OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	2 346	3	1	1
Senior Management	10 063	12	5	2 013
Professional qualified	20 155	26	16	1 260
Skilled	18 420	24	23	801
Semi-skilled	27 324	33	35	828
Unskilled	4 738	6	27	175
TOTAL	**83 046**			

In the 2024/25 financial year, total personnel expenditure amounted to R76.48 million, distributed across six salary bands to support a diverse and skilled workforce. The largest proportion of personnel costs was allocated to semi-skilled emloyees (27%) and professionally qualified employees (26%), reflecting the organisation's focus on maintaining a strong core of operational and specialist talent.

PERFORMANCE REWARDS

PROGRAMME/ACTIVITY/OBJECTIVE	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	296	2 346	0.39
Senior Management	882	10 063	1.15
Professional qualified	1 482	20 155	1.94
Skilled	1 069	18 420	1.40
Semi-skilled	1 318	27 324	1.72
Unskilled	110	4 738	0.14
TOTAL		**83 046**	

During the 2024/25 financial year, AgriSETA allocated a total of R5.157 million towards performance rewards, reflecting its commitment to recognising and incentivising employee excellence. This investment, distributed across all employee levels, supports a high-performance culture aligned with the organisation's strategic objectives and foster employee motivation and retention.

TRAINING COSTS

PROGRAMME/ACTIVITY/OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVG TRAINING COST PER EMPLOYEE
Administration	52 251	945	1,81	27	35
Learning Programme and Projects (LPP)	23 284	490	2,10	14	35
Quality Assurance	7 511	245	3,26	7	35
TOTAL	**83 046**	**1 680**		**48**	

During the 2024/2025 financial year, AgriSETA invested R1,68 million in employee training, representing an average of 2,02% of total personnel expenditure. This exceeds the 1% minimum requirement set by the Skills Development Levies Act, confirming the entity's compliance and ongoing commitment to employee training and development. The investment supports AgriSETA's strategic objectives by enhancing workforce skills and improving overall performance.

EMPLOYMENT AND VACANCIES

PROGRAMME/ACTIVITY/OBJECTIVE	2023/2024 NO. OF EMPLOYEES	2023/2024 APPROVED POSTS	2024/2025 NO. OF EMPLOYEES	2024/2025 VACANCIES	% OF VACANCIES
Top Management	1	1	1	0	0%
Senior Management	8	8	8	0	0%
Professional qualified	14	14	14	0	0%
Skilled	23	24	22	2	8,3%
Semi-skilled	31	34	32	4	11,1%
Unskilled	9	9	9	0	0
TOTAL	**84**	**89**	**86**	**6**	**6,5%**

In 2023/2024, AgriSETA maintained a stable and strategically aligned workforce, with 84 employees. This number increased to 86 employees against 92 approved posts for 2024/2025. During the reporting period, 86 positions were filled, resulting in a manageable vacancy rate of 6.5%. Key leadership and professional roles were fully staffed, ensuring strategic continuity and organisational capacity.

Vacancies were primarily concentrated in the skilled (8.3%) and semi-skilled (11.1%) categories, which are being addressed through standard recruitment processes. The Human Resources (HR) division remains focused on building a high-performing, future-ready workforce aligned with AgriSETA's long-term goals.

EMPLOYMENT CHANGES

PROGRAMME/ACTIVITY/OBJECTIVE	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top Management	1	0	0	1
Senior Management	8	1	1	8
Professional qualified	13	2	1	14
Skilled	23	2	3	22
Semi-skilled	31	4	3	32
Unskilled	9	0	0	9
TOTAL	**85**	**9**	**8**	**86**

During the 2024/2025 financial year, AgriSETA recorded nine appointments and eight terminations, resulting in a net increase in the workforce from 85 to 86 employees. Of the nine appointments, three were internal promotions, existing employees elevated to higher positions through the formal recruitment process. This reflects AgriSETA's commitment to recognising and developing internal talent while supporting career growth and succession planning.

The turnover rate stood at 9.4%, with most staff movements occurring in the skilled and semi-skilled categories. Leadership and professional roles remained largely stable, contributing to organisational continuity. The current employment profile demonstrates a balanced and strategically aligned workforce, with internal mobility serving as a key driver of talent sustainability.

REASONS FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	0
Resignation	5	5,8%
Dismissal	0	0
Retirement	0	0
Ill-health	0	0
Expiry of Contract	0	0
Other	0	0
Total	**5**	**5.8%**

During the 2024/2025 period, AgriSETA recorded a turnover rate of 5.8%, with five employees resigning. There were no retirements, dismissals, ill-health cases, or contract expirations, indicating a stable workforce profile. AgriSETA maintained its focus on strengthening internal talent development, as demonstrated by internal promotions, while also accelerating targeted recruitment efforts to fill critical vacancies. These strategic initiatives support workforce sustainability and ensure alignment with the organisation's long-term objectives.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written Warning	0
Dismissal	0

During the 2024/2025 period, AgriSETA maintained a positive disciplinary environment, with no recorded instances of verbal warnings, written warnings, final written warnings, or dismissals. This reflects a strong culture of compliance, effective management practices, and proactive employee engagement aimed at preventing misconduct and fostering a respectful workplace.

The absence of disciplinary actions underscores the organisation's commitment to promoting a harmonious labour relations and supporting employee well-being.

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
LEVEL	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	1	0
Professional qualified	4	0	0	0	0	0	0	1
Skilled	7	0	0	0	1	0	0	0
Semi-skilled	11	0	0	1	0	0	0	0
Unskilled	4	0	0	0	0	0	0	0
TOTAL	**30**	**0**	**0**	**1**	**1**	**0**	**1**	**1**

	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
LEVEL	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0	0	0	0	0
Senior Management	4	0	0	0	0	0	0	0
Professional qualified	9	0	1	0	0	0	0	0
Skilled	12	0	2	0	0	1	0	0
Semi-skilled	19	0	1	0	0	0	1	0
Unskilled	5	1	0	0	0	1	0	0
TOTAL	49	1	4	0	0	2	1	0

LEVEL	STAFF WITH DISABILITIES			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	1	0	0
TOTAL	0	1	0	0

AgriSETA has made notable progress in promoting employment equity, although variances remain between current representation and set targets in certain categories, particularly at skilled, semi-skilled, and disability inclusion levels. In areas where no specific targets have been set, the entity continues to comply with general employment equity requirements. To address existing gaps, AgriSETA has implemented a range of measures, including targeted recruitment, talent development, disability inclusion initiatives, and ongoing monitoring. These efforts aim to ensure continued progress towards building a diverse and inclusive workforce.

PART E

PFMA COMPLIANCE REPORT

INFORMATION OF SUPPLY CHAIN MANAGEMENT

PROCUREMENT BY OTHER MEANS: FORMAT DISCLOSURE

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT OF OTHER MEANS	VALUE OF CONTRACT
Case Ware Licence Renewal	Adapt IT	Sole Provider	R110 331.62
UPS relocation from old server room at AgriSETA house (Decommissioning, Removal, and recommissioning of a 40 KVA UPS)	Sizane Technologies	Single Source	R29 487.31
Repair Water Pump	Ndoko projects (Pty) Ltd	Emergency	R9 163.20
DG Targeted funded Strategies projects advert	Arena Holdings	Single sourcing	R53 072.50
Company Secretary Advert	Media 24	Single sourcing	R44 712.00
National Skills Fund Project Advert	Arena Holdings	Single sourcing	R53 072.50
AGM Advert	Arena Holdings	Single sourcing	R53 072.50
Board Nomination Advert	Arena Holdings	Single sourcing	R15 870.00
Board Nomination Advert	Arena Holdings	Single sourcing	R13 610.25
Board Nomination Advert: Erratum	Arena Holdings	Single sourcing	R5 554.50
Board Nomination extension advert	Arena Holdings	Single sourcing	R16 591.00
Board Training & ARC	Institute of Directors in South Africa	Sole Provider	R120 100.25
Provision of Mandatory Grants changes creating Numbers	SoluGrowth (Pty) Ltd	Single sourcing	R49 680.00

PROCUREMENT BY OTHER MEANS: FORMAT DISCLOSURE

PROJECT DESCRIPTION	NAME OF THE SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL VALUE OF THE CONTRACT	VALUE OF THE PREVIOUS CONTRACT (EXPANSION OR VARIATION)	VALUE OF THE CURRENT CONTRACT (EXPANSION OR VARIATION)
Enterprise Resource Planning	Phuthumani IT Solutions	Contract Extension	AGRISETA/01/2020	R14 432 220.24	R1 715 060.00	R19 753 220.24
Supply and implement a tamper proof digital certificate and electronic signature solution	Doxit (Pty) Ltd	Expansion	AGRISETA/2022/07	R1 122 504.13	N/a	R1 268 065.13
To provide Enterprise Architecture	Intellehub (Pty) Ltd	Expansion	AGRISETA/2020/02	R4 235 220.00	N/a	R4 720 134.20

PART F
FINANCIAL INFORMATION

BOARD OF MEMBERS' RESPONSIBILITIES AND APPROVAL

The Board is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the AFS and related financial information included in this report. It is the responsibility of the Board to ensure that the AFS fairly present the state of affairs of the AgriSETA as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the AFS and was given unrestricted access to all financial records and related data.

The AFS have been prepared in accordance with Standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The AFS are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the AgriSETA and places considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the AgriSETA and all employees are required to maintain the highest ethical standards in ensuring the AgriSETA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the AgriSETA is on identifying, assessing, managing and monitoring all known forms of risk across the AgriSETA. While operating risk cannot be fully eliminated, the AgriSETA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the AFS. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Board has reviewed the AgriSETA's cash flow forecast for the year to 31 March 2025 and, in light of this review and the current financial position, is satisfied that the AgriSETA has access to adequate resources to continue in operational existence for the foreseeable future.

The AgriSETA is wholly dependent on itself for continued funding of operations. The AFS are prepared on the basis that the AgriSETA is a going concern and that the AgriSETA has neither the intention nor the need to liquidate or curtail materially the scale of the AgriSETA.

Although the Board is primarily responsible for the financial affairs of the AgriSETA, it is supported by the AgriSETA's external auditors.

The external auditors are responsible for independently reviewing and reporting on the AgriSETA's AFS. The annual financial statements have been examined by the AgriSETA's external auditors, and their report is presented on page 79.

The AFS set out on page 80, which have been prepared on the going concern basis, were approved by the Board on 31 July 2025 and were signed on its behalf by:

Dr Innocent Sirovha
Chief Executive Officer
Date: 31 July 2025

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE PARLIAMENT OF AGRICULTURE SECTOR EDUCATION AND TRAINING AUTHORITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the financial statements of the Agriculture Sector Education and Training Authority set out on pages 88 to 131, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget and actual for the year then ended, as well as notes to the financial statements, including significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Agriculture Sector Education and Training Authority as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act (PFMA) and the Skills Development Levy Act of 1998 (SDA).

CONTEXT FOR QUALIFIED OPINION

DISCRETIONARY GRANTS

3. The discretionary grants were not correctly accounted for as required by GRAP 1, Presentation of financial statements. The public entity incorrectly accounted for transactions pertaining to prior year in the current year. Consequently, discretionary grants were overstated by R67 035 000, and the accruals were understated by the same amount. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

CONTEXT FOR OPINION

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
5. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

7. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

9. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 84 to 87, forms part of my auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

12. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

PROGRAMME	PAGE NUMBERS	PURPOSE
Programme 2: skills planning	33-35	To provide credible information and an analysis of the supply and demand for skills, thus informing the skills planning and delivery processes. It also looks at the gap in terms of the capacity to conduct and coordinate professional research and the dissemination of information.
Programme 3: learning programmes and projects	36-41	To impact vibrant entrepreneurship and self-reliance, especially for rural economies, through skills development, on the productivity and profitability of the agricultural sector and to contribute to food security.
Programme 4: quality assurance	42-43	To ensure that there are sufficient, high-quality skills development institutions serving the agricultural sector.

13. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

14. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

15. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
16. The material findings on the reported performance information for the selected programmes are as follows:

VARIOUS INDICATORS

17. Adequate processes had not been established to consistently measure and reliably report on all indicators. Consequently, the public entity would have found it difficult to determine the correct achievements to be reported against the planned targets.

OTHER MATTERS

18. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.
20. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 46.

PROGRAMME 3 LEARNING PROGRAMMES & PROJECTS

Targets achieved: 73.8%

Budget spent: 67.8%

KEY SERVICE DELIVERY INDICATOR NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
3.1.1 Percentage of discretionary grant budget allocated at developing high level skills	19%	9%
3.1.10 Number of employed learners completing AET programmes	200	57
3.1.11 Number of learners entering internship programmes	700	206
3.1.13 Number of TVET students entering graduate placement programmes	650	211
3.1.14 Number of TVET students completing graduate placement programmes	400	301
3.1.15 Number of universities students entering graduate placement programmes	250	35
3.1.17 Number of bursaries to employed learners	96	21
3.1.18 Number of bursaries to employed learners continuing their studies	85	6
3.1.19 Number of employed learners completing bursary programmes	90	13
3.1.22 Number of unemployed learners completing bursary programmes	150	71
3.1.26 Number of learners who completed workplace-based learning interventions absorbed into employment or self-employment	1 300	134

MATERIAL MISSTATEMENTS

21. There were no material findings.

REPORT ON COMPLIANCE WITH LEGISLATION

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

25. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

ANNUAL FINANCIAL STATEMENTS

26. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA.

27. Material misstatements identified by the auditors in the submitted financial statements were not corrected, which resulted in the financial statements receiving a qualified opinion.

OTHER INFORMATION IN THE ANNUAL REPORT

28. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

29. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

30. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

32. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

33. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

34. Management did not prepare accurate and complete financial statements that were supported by reliable evidence as the financial statements contained material misstatements.

35. Management did not Implement controls over daily and monthly processing and reconciling of transactions as the controls in place to ensure that expenditure is recorded in the correct accounting period were not always effective.

36. The review processes implemented by management over the preparation of financial statements and annual performance report were not always effective. Material misstatements were identified in the submitted annual financial statements and the annual performance report.

Auditor-General

Pretoria

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 57(b)
Treasury regulations	Treasury reg 16A6.1 Treasury reg 16A3.2 (fairness) Treasury reg 16A3.2(a) and (b) Treasury reg R16A6.3 (a), (b) (c) & (e) Treasury reg 16A6.4 Treasury reg 16A6.5 Treasury reg16A6.6 Treasury reg. 16A.7.1 Treasury reg. 16A.7.3 Treasury reg. 16A.7.6 Treasury reg. 16A.7.7 Treasury reg 16A8.3 Treasury reg.16A8.4 Treasury reg 16A9.1(b)(ii), (d), (e) Treasury reg 16A9.1(d), (e) & (f) Treasury reg 16A9.2(a)(ii) Treasury reg. 8.2.1 Treasury reg. 8.2.2 Treasury reg. 29.1.1(a) & (c) Treasury reg. 29.3.1 Treasury reg. 30.1.1 Treasury reg. 30.1.3(a), (b) & (d) Treasury reg. 30.1.3(b) Treasury reg. 30.1.3(d) Treasury reg. 30.2.1 Treasury reg. 31.1.2(c) Treasury reg. 31.2.1 Treasury reg. 31.3.3 Treasury reg. 33.1.1 Treasury reg. 33.1.3
PFMA instruction note no.3 of 2021/22	Par.4.1 Par.4.2(b) Par. 4.3 Par. 4.4 and Par. 4.4(c), (d)

LEGISLATION	SECTIONS OR REGULATIONS
National Treasury SCM instruction note 03 of 2021/2	Definition par 4.1. par. 4.2 (b) par. 4.3 and 4.4 par. 4.4 (c) par. 4.4.(d) par. 7.2
SCM Instruction Note 02 of 2021/22	Par.3.2.1 Par.3.2.4 Par. 3.3.1 par 4.1.
SCM Instruction Note 3 of 2016	Note 3
SCM Instruction 3 of 2016	Note 6
National Treasury Instruction 01 of 2021/2022	Par. 4.1
Treasury Instruction note 11 of 2020/21	Par. 3.1 Par 3.4 (b) Par. 3.9
National Treasury Instruction No. 5 of 2020/21	Par. 1 Par. 2 Par. 4.8 Par. 4.9 Par. 5.3
National Treasury Instruction 07 of 2017/18	Par. 4.3
National Treasury Instruction 4A of 2016/17	par 6
National Treasury Instruction note 4 of 2015/16	Par. 3.4
Practice Note 7 of 2009/10	Par 4.1.2
Practice Note 5 of 2009/10	Par.3.3
PFMA	PFMA 35(4) PFMA 38(1)(b) PFMA 44 PFMA 45(b) PFMA 51(1)(b)(ii) PFMA 51(1)(e)(iii) PFMA 52(b) PFMA 54(2)(c), (d) PFMA 57(b) PFMA 55(1)(a), (b) PFMA 55(1)(c)(i)
PPPFA	definition “”acceptable tender”” section 2(1)(a) and (b) Par. 2(1)(f)
Preferential Procurement Regulations 2011	Reg. 9(1), 9(5)

LEGISLATION	SECTIONS OR REGULATIONS
Preferential Procurement Regulations 2017	Under functionality Reg. 4(1), 4(2) Reg. 5(1), 5(3), 5(6), 5(7) Reg. 6(8), Reg. 7(8) Reg. 8(2), 8(5) Reg. 9(1) Reg. 10(1) Reg. 11(1)
Preferential Procurement reg 2022	Reg. 4(4)
CIBD Act	Section 18(1)
CIBD regulations	Reg. 17 Reg. 25(7A)
SBD	SBD 6.2 issued in 2015/16
SITA Act	Section 7(3)
Public Service regulation	Reg. 18(1), (2)
PRECCA	Section 34(1)
Grants regulations	GNR.990 2(1) GNR.990 3(3) & (4) GNR.990 4(3), (8) GNR.990 6(9)(iii)
Skills Development Levies Act 09 of 1999	All
Skills Development Act 97 of 1998	All

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note(s)	2025 R'000	2024 Restated* R'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	873 403	478 738
Inventories	5	160	383
Receivables from exchange transactions	6	1 269	333
Receivables from non-exchange transactions	7	12 927	7 711
		887 759	**487 165**
NON-CURRENT ASSETS			
Property, plant and equipment	3	8 229	9 103
Intangible assets	4	3 609	4 400
		11 838	**13 503**
Total Assets		**899 597**	**500 668**
LIABILITIES			
CURRENT LIABILITIES			
Payables from exchange transactions	12	4 356	5 985
Payables from non-exchange transactions	13	102 760	49 280
Conditional grant received in advance	20	398 785	-
Provisions	11	34 432	32 079
		540 333	**87 344**
Total Liabilities		**540 333**	**87 344**
Net Assets		**359 264**	**413 324**
RESERVES			
Capitalisation reserves		3 107	3 107
Discretionary reserves		344 319	396 714
Administration reserves		11 838	13 503
Total Net Assets		**359 264**	**413 324**

* See Note 2

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

	Note(s)	2025 R'000	2024 Restated* R'000
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Proceeds from Insurance	14	71	23
Other Income	14	-	1 900
Income from Public Works : Administration	14	990	-
Interest received - investment	17	31 453	38 568
Total revenue from exchange transactions		**32 514**	**40 491**
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Transfer revenue			
Government grants and Donor Funded Income	16	7 886	6 914
Skills Development Levy : Income	15	662 049	591 401
Skills Development Levy : Penalties and Interest	14	4 961	5 107
Total revenue from non-exchange transactions		**674 896**	**603 422**
Total revenue	14	**707 410**	**643 913**
EXPENDITURE			
Employee related costs	21	(52 251)	(47 578)
Depreciation and amortisation	3&4	(1 861)	(1 817)
Impairment losses on receivables	6	-	(109)
Operating lease expense	10	(289)	(129)
Employer grants and projects expenditure	18	(655 245)	(573 275)
Government grants and donor funded expenditure	19	(7 966)	(7 263)
Loss on disposal of assets and theft of assets	3	(15)	(164)
General expenses	22	(43 844)	(38 562)
Total expenditure		**(761 470)**	**(668 897)**
Deficit for the year		**(54 060)**	**(24 984)**

* See Note 2

STATEMENT OF
CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

	Capitalisation reserve R'000	Discretionary Grant reserves R'000	Employer Grant (mandatory reserve) R'000	Administration reserves R'000	Total reserves R'000	Accumulated surplus / deficit R'000	Total net assets R'000
Opening balance as previously reported	3 107	418 834	-	13 798	435 739	-	435 739
Adjustments							
Increase in Discretionary reserves (Note 26) 27	-	2 569	-	-	2 569	-	2 569
Balance at 01 April 2023 as restated*	**3 107**	**421 403**	**-**	**13 798**	**438 308**	**-**	**438 308**
Changes in net assets Deficit for the year	-	-	-	-	-	(24 984)	(24 984)
Transfer between reserves	-	(71 041)	52 850	(6 793)	(24 984)	24 984	-
Excess Reserves transferred to discretionary reserves	-	46 353	(52 850)	6 497	-	-	-
Changes in net assets	**-**	**(24 688)**	**-**	**(296)**	**(24 984)**	**-**	**(24 984)**
Restated* Balance at 01 April 2024	**3 107**	**396 714**	**-**	**13 502**	**413 324**	**-**	**413 324**
Changes in net assets Deficit for the year	-	-	-	-	-	(54 060)	(54 060)
Transfer between reserves	-	(95 575)	49 227	(7 712)	(54 060)	54 060	-
Excess Reserves transferred to discretionary reserves	-	43 179	(49 227)	6 048	-	-	-
Changes in net assets	**-**	**(52 396)**	**-**	**(1 664)**	**(54 060)**	**-**	**(54 060)**
Balance at 31 March 2025	**3 107**	**344 318**	**-**	**11 838**	**359 264**	**-**	**359 264**
Note(s)	9	9	9	9			

* See Note 27

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	Note(s)	2025 R'000	2024 Restated* R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Cash receipt from stakeholders and customers		671 218	613 843
Interest income		31 453	38 410
		702 671	**652 253**
PAYMENTS			
Employee costs (Administration and projects)		(83 046)	(76 183)
Cash paid to stakeholders, suppliers and employees		(224 818)	(627 900)
		(307 864)	**(704 083)**
Net cash flows from operating activities	23	**394 807**	**(51 830)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(103)	(1 163)
Purchase of intangible assets	4	(110)	(521)
Proceeds from insurance		71	23
Net cash flows from investing activities		**(142)**	**(1 661)**
		394 665	**(53 491)**
Net increase/(decrease) in cash and cash equivalents		**394 665**	**(53 491)**
Cash and cash equivalents at the beginning of the year		478 738	532 229
Cash and cash equivalents at the end of the year	8	**873 403**	**478 738**

The accounting policies on pages 93 to 110 and the notes on pages 111 to 131 form an integral part of the annual financial statements.

* See Note 2

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

	Approved budget R'000	Adjustments R'000	Final Budget R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000	Ref.
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Proceeds from Insurance	-	-	-	71	71	
Other Income - Public works Administration	1 980	(1 733)	247	990	743	
Interest received - investment	34 340	(1 338)	33 002	31 453	(1 549)	32.3
Total revenue from exchange transactions	**36 320**	**(3 071)**	**33 249**	**32 514**	**(735)**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
TRANSFER REVENUE						
Government grants and Donor	-	-	-	7 886	7 886	32.7
Funded Income						
Skills Development Levy: Income	599 174	37 808	636 982	662 049	25 067	32.1
Skills Development Levy: Penalties and Interest	-	-	-	4 961	4 961	32.2
Total revenue from non-exchange transactions	**599 174**	**37 808**	**636 982**	**674 896**	**37 914**	
Total revenue	**635 494**	**34 737**	**670 231**	**707 410**	**37 179**	
EXPENDITURE						
Employee related costs	(50 309)	-	(50 309)	(52 251)	(1 942)	32.5
Depreciation and amortisation	(1 922)	(50)	(1 972)	(1 861)	111	
Lease rentals on operating lease	-	-	-	(289)	(289)	
Operating lease expense	(2 555)	(780)	(3 335)	-	3 335	
Employer grants and projects expenditure	(544 448)	(410 933)	(955 381)	(655 245)	300 136	32.4
Government grants and donor funded expenditure	-	-	-	(7 966)	(7 966)	32.7
General expenses	(36 260)	(20 650)	(56 910)	(43 844)	13 066	32.6
Total expenditure	**(635 494)**	**(432 413)**	**(1 067 907)**	**(761 456)**	**306 451**	
Operating deficit	**-**	**(397 676)**	**(397 676)**	**(54 046)**	**343 630**	
Loss on disposal of assets and theft of assets	-	-	-	(15)	(15)	
(Deficit) for the year	**-**	**(397 676)**	**(397 676)**	**(54 060)**	**343 616**	

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

The annual financial statements present fairly, in all material respects, the state of affairs of AgriSETA as at end of the financial year and the results of its operations and cash flows for the reported period.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 PRESENTATION CURRENCY

These Annual financial statements are presented in South African Rand, which is the functional currency of the AgriSETA. All amounts in the Annual financial statements are rounding to the nearest thousands.

1.3 GOING CONCERN ASSUMPTION

The SETA is currently established until 31 March 2030. There are no known instances which cast doubt on the SETA's ability to continue as a going concern for the next 12 months.

The Audited Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

1.4 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1.4.1 PROPERTY, PLANT AND EQUIPMENT.

The SETA reviews the estimated useful lives of property, plant and equipment and intangible assets at each reporting date. Property, plant and equipment is initially measured at its cost, subsequently either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life. Refer to note 3 and 4.

1.4.2 SEGMENT REPORTING

AgriSETA does not have an activity or unit that meets the definition of a 'Segment as defined, as AgriSETA administrative units and functional department do not undertake activities that generate economic benefits or services potential separately from the AgriSETA as a whole. Management have assessed that AgriSETA operates as one segment both from services and geographical point of view. Management have not divided the financial information into different segments as required by GRAP 18.

1.4.3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

The AgriSETA assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the AgriSETA makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.4.4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

A receivable relating to overpayments made in earlier periods is recognised at the amount of the grant over payment, net of bad debts and allowance for irrecoverable amounts.

1.4.5 PAYABLES FROM EXCHANGE TRANSACTIONS

Payables from exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

1.4.6 PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Payables from non-exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

1.4.7 PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

1.4.8 LEAVE AND BONUS PROVISION

The liability for accumulated leave and bonus provision is recognised and measured at the estimated future cash flows to be made in respect of all employees at the reporting date.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged to write off the cost of assets over their estimated useful lives, using the straightline method. Land is not depreciated as it is deemed to have indefinite useful life.The estimated useful life for the building is twenty years, however the AgriSETA building has a depreciation charge of zero because the residual value is above carrying amount.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight-line	20
Plant and machinery	Straight-line	15
Furniture and fixtures	Straight-line	20
Motor vehicles	Straight-line	5
Office equipment	Straight-line	15
IT equipment	Straight-line	3

The residual value, the useful life and depreciation method of each asset is reviewed at least at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss on disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount, and are considered in determining operating surplus. Where the carrying amount of an item of property, plant and equipment is greater than its estimated recoverable service amount, it is written down immediately to recoverable amount (i.e. impairment losses are recognised).

The AgriSETA assesses at each reporting date whether there is any indication that the AgriSETA expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the AgriSETA revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the AgriSETA holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The AgriSETA separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

The AgriSETA discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

1.6 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the AgriSETA or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the AgriSETA; and
- the cost or fair value of the asset can be measured reliably.

The AgriSETA assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

The AgriSETA discloses relevant information relating to assets under construction or development, in the notes to the financial statements(see note 4).

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Licenses	Straight-line	12 months
Computer software, other	Straight-line	1 - 8 years
Intangible assets under development	Straight-line	1 - 8 years

1.7 FINANCIAL INSTRUMENTS

1.7.1 INITIAL RECOGNITION

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

AgriSETA recognises the financial instruments using trade date accounting when the SETA becomes a party to the contractual provision of the instrument.

1.7.2 INITIAL MEASUREMENT

Financial assets and financial liabilities are measured at fair value plus, in case of a financial asset or financial liability not subsequently measured at fair value, transaction costs directly attributable to the acquisition or issue of financial instruments.

1.7.3 SUBSEQUENT MEASUREMENT

AgriSETA measures all financial assets and financial liabilities after initial recognition using the following categories:

a) Financial instruments at fair value,

b) Financial instruments at amortised cost, and

c) Financial instruments at cost.

All financial assets measured at amortised cost or cost are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an AgriSETA's statement of financial position.

1.7.4 FINANCIAL ASSETS

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

The AgriSETA's principal financial assets are trade receivables and other receivables, and cash and cash equivalents.

1.7.4.1 TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured at amortised costs using the effective interest method less provision of impairment. A provision for impairment of receivables is recognised when there is objective evidence that AgriSETA will not be able to collect all amounts due according to the original terms. The amount of the provision is a difference between the receivable carrying amount and the present value of future cash flows discounted at the effective interest rate. Movement in the provision is recognised in the statement of financial performance.

1.7.4.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, investments and deposits held by AgriSETA at South African Reserve Bank, Corporation for Public Deposits (CPD) and domestic banks. Cash and cash equivalents are measured at amortised costs. Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments held with registered banking institutions with a period maturity of three months or less and subject to insignificant risk of change.

1.7.5 DERECOGNITION OF FINANCIAL ASSETS

The SETA derecognises financial assets using trade date accounting, only when:

a) the contractual rights to the cash flows from the financial asset expire, are settled, or waived;

b) the SETA transfers to another party substantially all the risks and rewards of ownership of the financial asset; or

c) the SETA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party. It can exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the SETA derecognises the asset, and separately recognises any rights and obligations created or retained in the transfer.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds received shall be recognised in surplus or deficit.

1.7.6 FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

The AgriSETA's principal financial liabilities are trade and other payables. All financial liabilities are subsequently measured at amortised cost, using the effective rate method comprising original debts less principal payments and amortisations.

1.7.6.1 DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognition, the difference between the carrying amount of the financial liability and the amount paid is included in the surplus or deficit.

Liquidity risk is the risk encountered by an AgriSETA in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the SETA designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
    - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term;
    - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
    - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
    - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.7.7 FAIR VALUE CONSIDERATIONS

The fair values at which financial instruments are carried at the reporting date have been determined using available market values. Where market values are unavailable fair value will be calculated by discounting expected future cash flows at prevailing interest rates.

The fair values will be estimated using available market information and appropriate valuation methodologies but are not necessarily indicative of the amounts that the AgriSETA could realise in the ordinary course of business. The carrying amounts of financial assets and liabilities with a maturity of less than one year are based on cost as fair value due to the short-term trading cycle of these items.

1.7.8 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset if there is any intention to either settle on a net basis or realise the asset and settle the liability simultaneously. A legally enforceable right to offset exists.

1.8 STATUTORY RECEIVABLES IDENTIFICATION

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

RECOGNITION

The AgriSETA recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

INITIAL MEASUREMENT

The AgriSETA initially measures statutory receivables at their transaction amount.

SUBSEQUENT MEASUREMENT

The AgriSETA measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

ACCRUED INTEREST

The AgriSETA does not charge interest on mandatory receivables because the collecting agent (SARS) charges interest on late payments of levies.

CLASSIFICATION

AgriSETA has the following class of statutory receivables as reflected on the face of the statement of financial position and in the notes thereto :

- Departmental levy receivables
- Mandatory grants overpaymets
- Employer receivables (SARS adjustments)

IMPAIRMENT LOSSES

The AgriSETA assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the AgriSETA considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescuSETAe or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the SETA measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, SETA considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

DERECOGNITION

The AgriSETA derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the AgriSETA transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

- the AgriSETA, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

FINANCE LEASES - LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Finance leases consistent with the definition set out in terms of GRAP refer to a contract that transfers the risks, rewards, rights and obligations incident to ownership to the lessee.

OPERATING LEASES - LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 INVENTORIES

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Inventory consists of consumables on hand at there porting date. Inventories are initially measured at cost and subsequently measured at the lower cost and net replacement value.

lThe cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.11 EMPLOYEE BENEFITS IDENTIFICATION EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

The cost of employee benefits is recognised during the year in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees.

A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave (based on the current salary rates) and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an AgriSETA's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

DEFINED BENEFIT COST

Service cost comprises: (a) current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period; (b) past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan); and (c) any gain or loss on settlement.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Remeasurements of the net defined benefit liability (asset) comprise: (a) actuarial gains and losses; (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

LEAVE

AgriSETA recognises a liability and an expense for accumulating leave as and when employees render services that entitle them to leave days. The amount of the liability and expense is determined as the additional amount payable because of unused leave days owed to employees at the end of the period.

PENSION FUND

The AgriSETA provides a Pension fund for all its employees through a defined contribution plan. Payments to the fund are charged as part of salary expenses as they fall due.

PERFORMANCE BONUS

The performance bonus is recognised when the entity has a constructive obligation to pay bonuses and when a reliable estimate can be made. AgriSETA provides for the upcoming year's bonus payments, which is amortised in the following year for usage and write-off residual balance.

1.12 PROVISIONS AND CONTINGENCIES

1.12.1 PROVISION

RECOGNITION

Provisions are recognised when:

- the SETA has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

MEASUREMENT

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus .

1.12.2 CONTIGENCIES

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26. A contingent liability is:

- a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Amounts disclosed in respect of contingent liabilities are measured on the basis of the best estimate of the outcome of the possible obligation that may arise, using experience of similar transactions or reports from independent experts.

A contingent assets is:

- a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Amounts disclosed in respect of contingent assets are measured on the basis of the best estimate of the outcome of the possible asset that may arise, using experience of similar transactions or reports from independent experts

1.13 COMMITMENTS

Items are classified as commitments when a SETA has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.14 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

INVESTMENT INCOME

Interest income from investments including Corporation for Public Deposits and cash held in current accounts, is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

OTHER INCOME

Other income from rendering of services is recognised as revenue when the outcome of a transaction can be estimated reliably, and this occurs when:

MEASUREMENT

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Other income from rendering of services is recognised as revenue when the outcome of a transaction can be estimated reliably, and this occurs when:

- The amount of revenue can be measured reliably,
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- The stage of completion of the transaction at the reporting date can be measured reliably, and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably. Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

INTEREST, ROYALTIES AND DIVIDENDS

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the AgriSETA, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the SETA's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.15 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the SETA, which represents an increase in net assets, other than increases relating to contributions from owners.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transactions, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

SKILLS DEVELOPMENT LEVY (SDL) INCOME

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999) registered member companies of AgriSETA pay 1% of the total payroll cost as Skills Development Levy (SDL). The levies paid to the South African Revenue Services (SARS) that collects the levies on behalf of the Department of Higher Education and Training (DHET).

Eighty percent (80%) of SDL contributions by companies in the mining and minerals sector are transferred to AgriSETA and 20% to the National Skills Fund (NSF) by the Department of Higher Education and Training. SDL income received by AgriSETA is set aside in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended and the Skills Development Levy Grant Regulations (Grant Regulations), issued in terms of this Act, for the purposes of:

- Administration costs (includes 0.5% to QCTO) 10,5%
- Mandatory Grants 20,0%
- Discretionary Grants 49,5%

In addition to these amounts, employers that fail to file their returns and pay skills development levies within the prescribed time limits as set by SARS, are charged interest and penalties at rates prescribed by SARS from time to time. The said regulation regulating the 20% mandatory grant was set aside, however the court did not indicate what mandatory grant percentage should be paid. AgriSETA continued measuring mandatory grants at 20% since it's the best available information. The interest and penalties charged are remitted to the DHET, which in turn transfers them to AgriSETA. The interest and penalties are disclosed separately as Skills Development Levy penalties and interest. With effect from 01 August 2005 companies with an annual payroll cost by DHET of less than R500 000, are exempted in accordance with section 4(b) of the Skills Development Levies Act, 1999, as amended.

Also included in the Skills Development Levy income is Departmental levy received/receivable from the Provincial departments of Agriculture. Their contributions are accounted for as follows:

- Administration Grants 1/3 (33,3%)
- Discretionary Grants 2/3 (66,6%)

INTER-SETA TRANSFERS

Revenue is adjusted for transfers of employers between SETAs that arise due to incorrect allocation to a SETA on registration for Skills Development Levy or changes to their business that result in a need to change SETAs. Such adjustments are disclosed separately as Inter-SETA transfers. The amount of Inter-SETA adjustments is calculated according to the most recent Standard Operating Procedure as issued by the DHEST.

When transfers from other SETAs to AgriSETA occur, the levies transferred are recognised as revenue and allocated between the respective categories as reflected above to maintain their original identity. For transfers from AgriSETA to other SETAs, the levies in the respective categories are reduced by the amounts transferred or transferable to other SETAs.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

RECOGNITION

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Skills Development Levy income is recognised when it is probable that future economic benefits will flow to AgriSETA and these benefits can be measured reliably. This occurs when the DHET either makes an allocation or payment to AgriSETA, whichever occurs first, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No.9 of 1999).

Levy contributions from employers with an annual payroll of less than R500,000, are not recognised as revenue but as a provision, as they represent an obligation as they are due to be refunded to such employers because the employers are exempted from paying skills development levies. Previously, this provision was accumulated indefinitely, but with effect from the 25 August 2013, the DHET advised SETAs that this provision may be utilised for discretionary grants purposes after the expiry of 5 years in terms of section 109(4) of the Tax Administration Act, as the employers may not claim the moneys back after five years.

MEASUREMENT

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the AgriSETA.

When, as a result of a non-exchange transaction, the SETA recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

SDL income is measured at the fair value of the consideration received or receivable and that is the amount of the increase in net assets recognised by AgriSETA. Unconditional grants received are recognised as revenue when the amounts are received or become receivable. Funds for special projects transferred from government grants and other donors are recognised as a liability until the related eligible special project expenses are incurred, when the liability is extinguished, and revenue is recognised. Adjustments to revenue already recognised, arise from the completion of internal review process, and/or the outcome of an external appeal or objection process undertaken by employers.

Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly returns and are reflected as a net reversal per scheme year on the revenue details provided by DHET. The SETA recognises revenue monthly on net basis per scheme as after taking into account monthly net reversals per scheme year. The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process are therefore accounted for as a change in an accounting estimate.

GOVERNMENT GRANTS AND DONOR FUNDING INCOME

Funds transferred by the government and other donor funding are accounted for in the financial statements of the AgriSETA as a liability until the related eligible expenses are incurred and the relevant conditions of the grant are met when the liability is utilised, the revenue is recognised as other income in the statement of financial performance.

Conditional government grants and other conditional donor funds received are recorded as deferred income when they are receivable and then recognised as income when the conditions attached to the grant are met. Unconditional grants are recognised as other income when the amounts have been received.

1.16 INVESTMENT INCOME

Investment income is recognised on a time-proportion basis using the effective interest method.

1.17 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 BUDGET INFORMATION

The approved budget covers the fiscal period from 01 April 2024 to 31 March 2025.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.19 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing, and controlling the activities of the AgriSETA, including those charged with the governance of the SETA in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the SETA.

The AgriSETA is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the SETA to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the SETA is exempt from the disclosures in accordance with the above, the SETA discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.20 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The SETA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The SETA will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Non-adjusting events which take place after the reporting date are not recognised in the financial statements.

1.21 GRANTS AND PROJECT EXPENDITURE

A registered employer may recover a maximum of 20% of its total levy payment as a mandatory grant (excluding interest and penalties) by complying with the criteria in accordance with the skills Development Act, 1993 SETA Grant regulations regarding monies received and related matters (the SETA Grant Regulations).

MANDATORY GRANTS

Grants equivalent to 20% of the total levies received by AgriSETA during the corresponding financial year are paid to employers who meet the criteria in the SETA Grant Regulations.

DISCRETIONARY GRANTS AND PROJECT EXPENDITURE

The funding for discretionary grants and projects comprise 49.5% of the total levies paid by the employers, levy grants that are not claimed by employers, the surplus of administration levies not utilised, investment income, and other income generated by the SETA.

AgriSETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred, in which the conditions are met.

Project expenditure comprises:

- costs and/or credit adjustment that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the SETA under the terms of the contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

RETROSPECTIVE ADJUSTMENTS BY SOUTH AFRICAN REVENUE SERVICES

There are instances where South African Revenue Services retrospectively amends the information on levies collected on behalf of AgriSETA. This amendment may result in grants that have been under/over paid to or from certain employers. This adjustment is accounted for retrospective by AgriSETA in the statement of financial performance. A receivable/payable relating to the over/underpayment to or from the employer in earlier years is raised at the amount of such grant over/underpayment, net of bad debts and provision for irrecoverable amounts.

ADMINISTRATION EXPENDITURE

Administration expenditure is recognised on an accrual basis of accounting.Unless permitted by another standard of GRAP, Administration expenditure has not been offset against revenue.

GOVERNMENT GRANTS AND DONOR FUNDED EXPENDITURE

Government grants and donor project expenditure are recognised as expenses in the Statement of Financial Perfomance

in the period in which they are incurred. The expenditure for the project is recognised when the appointed service providers are eligible for payment, which is at the point when the deliverables are achieved according to predetermined project milestones and funds are received from Department of Public Works and Infrastructure.

1.22 GRANTS AND PROVISIONS

Collateral held includes financial assets, non-financial assets and other forms of collateral such as guarantees or encumbrances over assets.

The entity recognises assets relating to collateral held if it meets the recognition criteria in other accounting policies. The entity disclose the nature and amounts of collateral recognised or held, in the notes to the financial statements. Mandatory grant provision.

A liability is recognised for mandatory grant payments once the specific criteria set out in the SETA Grant Regulation has been complied with by member of companies, and it is probable that AgriSETA will approve the grant application for payment. The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act. This measurement involves an estimate, based on the amount of levies received.

DISCRETIONARY PROVISION

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where the project has been approved, but has been accrued for or provided for, it is disclosed as commitments in the notes to the annual financial statements.

1.23 RESERVES

Equity is classified based on the restrictions placed on the distribution of monies received in accordance with the Regulation issued in terms of the Skills Development Act, 1998 (Act 97 of 1998) statement of changes in equity as follows:

(a) Administration Reserves

(b) Employer Grant Reserves

(c) Discretionary Grant Reserves

(d) Unappropriated surplus

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of :

	2023/24 %	2022/23 %
Administration & QCTO costs of AgriSETA	10.5	10.5
Employer Grant Fund Levy	20	20
Discretionary Grants and Projects	49.5	49.5
Received by AgriSETA	80	80
Contribution to the National Skills Fund	20	20
	100	**100**

In addition, contributions received from public services employers in the national or provincial spheres of government may be used to fund AgriSETA's administration costs. One third of the amounts received from national and provincial spheres is allocated to administration costs.

Interest and penalties received from SARS as well as interest received on investments is utilised for discretionary grant projects.

DISCRETIONARY GRANT RESERVE

- Surplus funds in the administration and unallocated funds in the employer grant reserves are moved to the discretionary fund reserve.

MANDATORY GRANT RESERVE

- Provision is made in the mandatory grant reserve for newly registered companies, participating after the legislative cut-off date.

CAPITALISATION RESERVES

- The capitalisation reserves included in the net assets is related to building and is transferred directly to accumulated surplus or deficit when the building derecognised.

ADMINISTRATION RESERVES

- Administration reserve represents the net book value of property, plant and equipment and intangible assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The AgriSETA has not applied the following standards and interpretations, which have been published and are mandatory for the AgriSETA's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 (as revised) Mergers	01 April 2025	Unlikely there will be a material impact
GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	01 April 2025	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	01 April 2025	Unlikely there will be a material impact
(Amendments) Improvements to the Standards of GRAP	01 April 2025	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	01 April 2025	Unlikely there will be a material impact
GRAP 103 (amended): Heritage Assets	01 April 2025	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000	Cost / Valuation R'000	Accumulated depreciation and accumulated impairment R'000	Carrying value R'000
Land	1 288	-	1 288	1 288	-	1 288
Buildings	3 431	-	3 431	3 431	-	3 431
Plant and machinery	399	(138)	261	399	(111)	288
Furniture and fixtures	1 951	(805)	1 146	1 951	(708)	1 243
Motor vehicles	661	(397)	264	661	(265)	396
Office equipment	2 336	(1 000)	1 336	2 318	(845)	1 473
IT equipment	4 950	(4 447)	503	4 916	(3 932)	984
Other property, plant and equipment	42	(42)	-	42	(42)	-
Total	**15 058**	**(6 829)**	**8 229**	**15 006**	**(5 903)**	**9 103**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2025

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land	1 288	-	-	-	1 288
Buildings	3 431	-	-	-	3 432
Plant and machinery	288	-	-	(27)	261
Furniture and fixtures	1 243	-	-	(97)	1 146
Motor vehicles	396	-	-	(132)	264
Office equipment	1 473	18	-	(154)	1 336
IT equipment	984	85	(15)	(550)	503
	9 103	**103**	**(15)**	**(960)**	**8 230**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land	1 288	-	-	-	1 288
Buildings	3 206	225	-	-	3 431
Plant and machinery	315	-	-	(27)	288
Furniture and fixtures	1 445	-	(96)	(106)	1 243
Motor vehicles	529	-	-	(133)	396
Office equipment	1 564	127	(61)	(158)	1 473
IT equipment	683	811	(7)	(503)	984
	9 030	**1 163**	**(164)**	**(927)**	**9 103**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

	2025 R'000	2024 R'000
Repairs and maintenance	106	157

Repairs and maintenance are separately disclosed hereunder, to comply with the requirements of GRAP 17, as well as to ensure a better presentation of the financial statements.

PROPERTY VALUATION

The building is situated at 529 Belvedere Street, Arcadia. There are no restrictions on the title of the property, plant and equipment and no items are pledged as security for liabilities.

The office building was re-valued during 2025 activity by an independent valuer, who holds a qualification in property valuations and is a member of South African Council for Property Valuer's Profession. The valuation was carried out with reference to comparable market related sales and this method was used to determine the market related valuation. The building is due for another revaluation in 2030.

DEPRECIATION - LAND AND BUILDING

Land is not depreciated as it is deemed to have indefinite useful life. The estimated useful life for the building is twenty years, however, AgriSETA has a depreciation charged at zero because the residual value is above the carrying value as per GRAP 17 paragraph 67.

4. INTANGIBLE ASSETS

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software, other	7 276	(3 667)	3 609	7 166	(2 766)	4 400

RECONCILIATION OF INTANGIBLE ASSETS - 2025	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Computer software, other	4 400	110	(901)	3 609

RECONCILIATION OF INTANGIBLE ASSETS - 2025	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Computer software, other	4 767	521	(889)	4 400

5. INVENTORIES

	2025 R'000	2024 R'000
Cleaning	-	14
Cartridges	46	226
Stationery	114	143
	160	**383**

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Accrued interests and other receivables	1 267	321
Staff debtors	2	12
	1 269	**333**

7. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

DPW receivables (Donor funded project)	4 406	2 873
Mandatory grant SARS Adjustments	1 071	1 146
Provincial Departments of Agriculture Levy receivables	7 142	2 861
Discretionary grants receivables	291	831
Inter-SETA Receivables	17	-
	12 927	**7 711**

8. CASH AND CASH EQUIVALENTS

For the purpose of the Cash Flow Statement, cash and cash equivalents include cash on hand and banks and investments in short-term deposits. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement can be reconciled to the related items in the balance sheet as follows:

Cash on hand	-	1
Bank balances	530 666	64 208
Short-term deposits	342 737	414 529
	873 403	**478 738**

8. CASH AND CASH EQUIVALENTS (CONTINUED)

As required by National Treasury Regulations 31.2, National Treasury approved the banks where the bank accounts are held. The average interest rate for the year on short-term bank deposits is 7.25% (8.25% in 2024).

Paragraph 31.3.3 Unless exempted by the National Treasury, public entities that are listed in schedule 3A or 3C of the Act must, with effect from 1 July 2001, only :(a) invest surplus funds with the Corporation for Public Deposits, where such surplus exceed R1 million; and (b) invest surplus funds in an institution with an investment grade rating, where such surplus are less than R1 million.

For the period ending 31 March 2025, all surplus funds are kept at the Corporation for Public Deposits.

9. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES

YEAR ENDED 31 MARCH 2025	Administration Grant reserves R'000	Employer grant (Mandatory reserves) R'000	Discretionary grant reserves R'000	Total R'000
SDL Revenue	84 985	161 906	401 652	648 543
SDL Penalties and interest received	-	-	4 961	4 961
Levy from departments	4 502	-	9 004	13 506
Donor funded income	-	-	7 886	7 886
Investments income	-	-	31 453	31 453
Other income	1 061	-	-	1 061
Subtotal	90 548	161 906	454 956	707 410
Administration expenditure	(98 260)	-	-	(98 260)
Employer grants and project expenditure	-	(112 679)	(542 565)	(655 244)
Donor funded expenditure	-	-	(7 966)	(7 966)
Net deficit per statement of financial performance allocated	**(7 712)**	**49 227**	**(95 575)**	**(54 060)**

YEAR ENDED 31 MARCH 2024				
SDL Revenue	76 348	145 551	359 615	581 514
SDL Penalties and interest received	-	-	5 107	5 107
Levy from departments	3 296	-	6 591	9 887
Donor funded income	-	-	6 914	6 914
Investments income	-	-	38 568	38 568
Other income	1 923	-	-	1 923
Subtotal	81 567	145 551	416 795	643 913
Administration expenditure	(88 360)	-	-	(88 360)
Employer grants and project expenditure	-	(92 701)	(480 573)	(573 274)
Donor funded expenditure	-	-	(7 263)	(7 263)
Net deficit per statement of financial performance allocated	**(6 793)**	**52 850**	**(71 041)**	**(24 984)**

10. OPERATING LEASE

MINIMUM LEASE PAYMENTS DUE

• within one year	211	304
• in second to fifth year inclusive	193	405
Present value of minimum lease payments	**404**	**709**

10. OPERATING LEASE (CONTINUED)

PRESENT VALUE OF MINIMUM LEASE PAYMENTS DUE

	2025 R'000	2024 R'000
• Rental of printer machine	289	108

The monthly average operating lease payments of R12 033 consist of payments for the two printer machines, with the last lease contract ending 31 January 2027.

11. PROVISIONS

	2025 R'000	2024 R'000
Provision for Performance bonus	5 410	4 943
Provision - Levies from small companies	25 189	23 781
Provision for leave pay	3 833	3 355
	34 432	**32 079**

RECONCILIATION OF PROVISIONS - 2025

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Provision for Performance Bonus	4 943	5 974	(5 507)	5 410
Provision - Levies from small companies	23 781	1 408	-	25 189
Provision for Leave Pay	3 355	765	(287)	3 833
	32 079	**8 147**	**(5 794)**	**34 432**

RECONCILIATION OF PROVISIONS - 2024

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Provision for Performance Bonus	4 785	5 469	(5 311)	4 943
Provision - Levies from small companies	15 651	8 130	-	23 781
Provision for Leave Pay	3 575	12	(232)	3 355
	24 011	**13 611**	**(5 543)**	**32 079**

PROVISION FOR PERFORMANCE BONUS

Employees sign performance contracts as part of their conditions of service at the beginning of each financial year. Employees are assessed bi-annually and the bonus is paid in September each year. The amount is dependent on the outcome of individual performance evaluation.

PROVISION: LEVIES FOR SMALL COMPANIES

The amount of R25,2 million (2023/24: R23,7 million) relates to levies contributed by employers who are exempted from contributing skills development levies. after being exempted from contributing SDL due to legislation changes which came into effect from 01 August 2005. The South African Revenue Services(SARS) collects the levies on behalf of DHET and the responsibility to refund the employers remains with SARS. In terms of Skills Development Circular No. 09/2013, issued by the DHET on 25 August 2013, SETAs can utilise exempted amounts contributed after expiry date of five years as stipulated in terms of Section 190 (4) of the Tax Administration Act. These amounts are being transferred to discretionary funds in line with the aforementioned circular.

PROVISION FOR LEAVE

In terms of AgriSETA leave policy, the entity has an obligation to either pay out unused leave on termination of service or allow employees to carry over unused leave for the next six months. At each financial year end an obligation is recognized for the full leave pay entitlement due to employees.

12. PAYABLES FROM EXCHANGE TRANSACTIONS

	2025 R'000	2024 R'000
Trade and other payables	2 872	4 622
Accruals Administration	340	217
Sundry creditors	5	5
Payables - structured salaries	1 141	1 141
	4 356	**5 985**

The Payables - structured salaries amount relates to salaries that were withheld from the employees from January to March 2025, and will be paid over to the employees in December 2025, or upon earlier resignation of an employee.

13. PAYABLES FRON NON-EXCHANGE TRANSACTIONS

Trade Payables Discretionary Grants	26 626	27 604
Employer payables (Mandatory grants payables)	76 134	21 676
	102 760	**49 280**

14. REVENUE

Proceeds from Insurance	71	23
Other Income	-	1 900
Income from Public works : Administration	990	-
Investment revenue (Interest received)	31 453	38 568
Government grants and Donor Funded Income	7 886	6 914
Skills Development Levy: Income	662 049	591 401
Skills Development Levy: Penalties and Interest	4 961	5 107
	707 410	**643 913**

15. SKILLS DEVELOPMENT LEVY: INCOME

Levy transfer -Administration	84 985	76 307
Levy transfer -Mandatory grants	161 906	145 291
Levy transfer -Discretionary grants	401 652	359 916
Levy transfer -Provincial Department of Agriculture (Administration)	4 502	3 296
Levy transfer -Provincial Department of Agriculture (Discretionary)	9 004	6 591
	662 049	**591 401**

16. GOVERNMENT GRANTS AND DONOR FUNDING INCOME

Income from public works : Projects	7 886	6 914

17. INVESTMENT REVENUE

INTEREST REVENUE		
Interest received - investment	28 208	35 928
Interest received - Bank	3 245	2 640
	31 453	**38 568**

18. EMPLOYER GRANTS AND PROJECT EXPENDITURE

	2025 R'000	2024 R'000
DISCRETIONARY EXPENDITURE		
Discretionary Grants Project Expenditure	507 703	445 909
Discretionary Grants Administration Expenditure	4 068	6 060
Discretionary Grants Employee costs	30 795	28 605
	542 566	**480 574**

MANDATORY EXPENDITURE

Mandatory Grants Expenditure	112 679	92 701

19. GOVERNMENT GRANTS AND DONOR FUNDED EXPENDITURE

Donor funded project expenditure: Public works	7 886	6 914
Project Admin expenditure: Public works	80	349
	7 966	**7 263**

DONOR FUNDED PROJECT EXPENDITURE : PUBLIC WORKS

AgriSETA has entered into contract for the implementation of a partnership Expanded Public Works Programme (EPWP) with Department of Public Works and Infrastructure on 02 July 2020 for the implementation of training of 400 EPWP participants at the total cost of R66 million which includes R4,95 million project administration cost. In the current year, R7,9 million (2024: R6,9 million) has been incurred and paid or payable to the service providers contracted for implementation of the programme.

The appointed service providers are paid as and when the deliverables are achieved according to predetermined project milestones and funds are received from Department of Public Works and Infrastructure.

20. CONDITIONAL GRANTS AND RECEIPTS

AgriSETA entered into a partnership contract with National Skills Fund (NSF) on 04 December 2024 for the implementation of 12700 targets in Leanerships, Graduate Placements and Artisans.

Unspent conditional grants and receipts comprises of:

Income received in advance (National skills Funds)	398 785	-

MOVEMENT DURING THE YEAR

Balance at the beginning of the year	-	-
Income recognition during the year	398 032	-
Additions during the year (Interest earned)	753	-
	398 785	**-**

21. EMPLOYEE RELATED COSTS

	2025 R'000	2024 R'000
Basic salary	39 220	35 833
Structured salaries	2 925	2 814
Medical aid expense	279	423
UIF contributions	131	124
SDL contributions	425	384
Leave expense	682	12
Pension fund contributions	3 733	3 919
Overtime expense	740	406
Long-service awards	51	33
Acting allowances	144	108
Performance bonus	3 921	3 522
	52 251	**47 578**

As at 31 March 2025, AgriSETA had 105 total number of employees, compared to a count of 100 employees as at 31 March 2024.

22. GENERAL EXPENSES

Information technology costs	11 510	13 270
Advertising and promotion	1 694	426
Audit fees - External	4 712	3 303
Bank charges	216	230
Consulting and professional fees	1 021	1 938
Audit fees - Internal	101	1 073
Catering	103	154
Quality Council for Trade and Occupations (QCTO)	4 213	3 770
Insurance	711	579
Conferences and seminars	941	-
Postage and courier	61	269
Printing, stationery and cleaning	658	447
Fuel expense	42	59
Repairs and maintenance	106	157
Security (Guarding of SETA property)	763	496
Staff welfare	-	44
Subscriptions and membership fees	42	29
Telephone landlines	1 045	696
Training	1 680	1 459
Travel and accommodation	3 798	2 670
Small assets	10	14
Municipal costs (Rates, Water & Electricity)	1 571	1 659
License (Annual subscription)	2 468	1 008
Recruitment costs	649	48
Board and audit committee fees	4 056	3 037
Workmen's Compensation	123	114
Workshop costs (AGM)	1 550	1 613
	43 844	**38 562**

23. CASH GENERATED FROM (USED IN) OPERATIONS

	2025 R'000	2024 R'000
Deficit for the year	(54 060)	(24 984)
Adjustments for:		
Depreciation and amortisation	1 861	1 816
Proceeds from insurance and assets Disposal	(71)	(23)
Loss on fixed assets	15	164
Impairment deficit	-	109
Movements in provisions	2 353	8 068
Changes in working capital:		
Inventories	223	-
(Increase)/Decrease in exchange and non exchange receivables current year	(6 152)	281
Increase /(Decrease) in payables from exchange,non-exchange current year	51 853	(37 261)
Unspent conditional grants and receipts	398 785	-
	394 807	**(51 830)**

24. FINANCIAL INSTRUMENTS DISCLOSURE

AgriSETA operations are exposed to interest rate, credit, and liquidity risk. AgriSETA has developed a comprehensive risk strategy in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below. Financial instruments were not discounted as they will be settled or recovered within a short period. The effect of discounting was not considered material.

MARKET RISK

AgriSETA is exposed to fluctuations in the employment market, for example, sudden increases in unemployment and changes in wage rates. No significant events occurred during the year in the market that AgriSETA is aware of. There are adequate procedures in place to address changes in the market when necessary.

INTEREST RATE RISK

The AgriSETA manages its interest risk by effectively investing surplus funds in short-term deposits and call accounts with different accredited financial institutions according to the SETA's investment policy. Any movement in the interest rates will affect interest income. Interest income is utilised for additional discretionary grants and therefore will not affect the operations of the AgriSETA adversely.

AgriSETA manages its interest risk by spreading its funds over the two major banks in which it uses current account, call account and short-term investments. A cash management system is used for monitoring bank balances. The sensitivity of surplus funds to interest rates is dependent on the prime rate variations. At the reporting date, the prime rate was 7.25 % (Prior year: 8.25%).

24. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

The SETA's exposure to interest rate risk and the effective interest rates on financial instruments at the balance sheet date are as follows:

YEAR ENDED 31 MARCH 2025	Floating rate Amount R'000	Effective interest rate %	Non-interest bearing Amount R'000	Weighted average period until maturity in years	Total R'000
ASSETS	-				
Cash and cash equivalents	873 403	7,25%	-	-	873 424
Trade and other receivables from exchange	-	-	1 269	-	1 269
Receivables from non-exchange transactions	-	-	11 856	-	11 856
Total financial assets	**873 403**	**-**	**13 125**	**-**	**886 549**
LIABILITIES					
Payables from exchange transactions	-	-	(2 834)	-	(2 834)
Payables from non-exchange transactions	-	-	(28 150)	-	(28 150)
Unspent conditional grants	-	-	(398 785)	-	(398 785)
	873 403	**-**	**(416 644)**	**-**	**456 780**

YEAR ENDED 31 MARCH 2024	Floating rate Amount R'000	Effective interest rate %	Non-interest bearing Amount R'000	Weighted average period until maturity in years	Total R'000
ASSETS					
Cash and cash equivalents	478 738	8,25%	-	-	478 738
Trade and other receivables from exchange	-	-	333	-	333
Receivables from non-exchange transactions	-	-	6 565	-	6 565
Total financial assets	**478 738**	**-**	**6 898**	**-**	**485 636**
LIABILITIES	-	-	-	-	-
Trade and other payables from exchange	-	-	(5 985)	-	(5 985)
Payables from non-exchange transactions	-	-	(27 604)	-	(27 604)
	478 738	**-**	**(26 691)**	**-**	**452 047**

The Receivable from non-exchange transactions amount of R1,.8 million (2024: R6,6 million) excludes the statutory Employer receivable (Mandatory Grant SARS adjustments) amount of R1,07 million (2024: R1,14 million) as this amount is not a financial asset to be treated in terms of GRAP 104 financial instrument.

The Payable from non-exchange transactions amount of R28,1 million (2024: R27,6 million) excludes the statutory Employer payable (Mandatory Grant payable) amount of R76,1 million (2024: R21,6 million) as this amount is not a financial liability to be treated in terms of GRAP 104 financial instrument.

CREDIT RISK

Financial asset, which potentially subject the AgriSETA to the risk of non-performance by counter parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and account receivable.

The AgriSETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury. The AgriSETA's exposure is continuously monitored by the accounting authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The AgriSETA's concentration of credit risk is limited to the Agriculture sectors in which the SETA operates. No events occurred in the Agriculture industry during the financial period that may have an impact on the accounts receivable that has not been adequately provided for. The AgriSETA is exposed to a concentration of credit risk, as significant amounts is owed by the South African Revenue Services (SARS). This concentration of risk is limited as SARS is a government entity with sound reputation.

24. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

THE AGEING OF TRADE AND OTHER RECEIVABLE FROM EXCHANGE	2024/25 Gross R'000	2024/25 Impairment R'000	2023/24 Gross R'000	2023/24 Impairment R'000
Past due 60 and above	1 269	-	442	(109)
Subtotal	**1 269**	**-**	**442**	**(109)**

THE AGEING OF TRADE AND OTHER RECEIVABLE FROM NON-EXCHANGE

Not past due	11 856	-	6 565	-
Subtotal	**11 856**	**-**	**6 565**	**-**

CASH AND CASH EQUIVALENTS

Not past due	873 403	-	478 738	-
Subtotal	**873 403**	**-**	**478 738**	**-**

The Receivable from non-exchange transactions amount of R11,8 million (2024: R6,6 million) excludes the statutory Employer receivable (Mandatory Grant SARS adjustments) amount of R1,07 million (2024: R1,14 million) as this amount is not a financial asset to be treated in terms of GRAP 104 as a financial instrument.

LIQUIDITY RISK

The AgriSETA manages liquidity risk through proper management of working capital, capital expenditure. Adequate reserves and liquid resources are maintained. The AgriSETA manages liquidity risk through forecasting, as well as monitor cash flows on a daily basis.

2024/25	Carrying amount R'000	6 months or less R'000	6 to 12 months R'000	Total R'000
Payables from exchange transactions	(2 834)	-	-	(2 834)
Payables fron non-exchange transactions	(28 150)	-	-	(28 150)
Conditional grants received in advance	(398 785)	-	-	(398 785)
	(429 769)	**-**	**-**	**(429 769)**

2023/24				
Payables from exchange transactions	(5 985)	-	-	(5 985)
Payables from non-exchange transactions	(27 604)	-	-	(27 604)
	(33 589)	**-**	**-**	**(33 589)**

The Payable from non-exchange transactions amount of R28,1 million (2024: R27,6 million) excludes the statutory Employer payable (Mandatory Grant payable) amount of R76,1 million (2024: R21,6 million) as this amount is not a financial liability to be treated in terms of GRAP 104 as a financial instrument.

25. COMMITMENTS

	2025 R'000	2024 R'000
DISCRETIONARY FUNDED PROJECT		
ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR		
Adult Education and Training (AET)	1 941	584
Agri College support	176	647
Artisans Development	139 916	142 684
Bursaries continuation	12 968	17 278
Bursaries Post Graduate	5 433	924
Bursaries Under Graduate	10 821	12 744
Career Guidance	-	431
Graduate Placements	42 994	37 573
Internships	23 604	30 888
Learnerships	26 249	41 000
Lecture Development	148	-
Mentorships	30	300
Occupational Qualifications	5 155	4 975
Partnerships	65 801	114 868
Recognised Prior Learning (RPL)	3 480	-
Skills programs	2 296	1 629
Commodity organisations	200	125
TVET/ATVET Office establishment	55	-
Learning Material Development	3 323	-
Small Business Support	25	675
Persons Living with Disabilities	16	-
	344 631	**407 325**
Not yet contracted for and authorised by members	260 515	284 289

TOTAL OPERATIONAL COMMITMENTS		
Already contracted for	344 631	407 325
Not yet contracted for and authorised by members	260 515	284 289
	605 146	**691 614**

Commitments for the year ended 31 March 2024 were restated from R405,1 million to R691,6 million due to prior period errors effected in the 2024/25 financial year. The prior period errors relate to:

- Projects re-instated which were closed during prior periods is R1,8 million;
- Contracts relating to prior periods captured in the 2024/25 financial year amounting to R400 000;
- The budget revisions done in the 2024/25 financial year on contracts relating to prior periods is R15 000; and 2024/25 approval letters approved by the accounting authority, but not yet contracted as at 31 March 2024, erroneously not included in the 31 March 2024 closing commitments balance, corrected in current year is R284,3 million.

26. CONTINGENCIES	2025 R'000	2024 R'000

26.1 CONTIGENT ASSETS INTERSETA RECEIVABLES

The SETA has Inter-SETA balances that meet the recognition criteria for interSETA receivables in alignment to the Standard Operating Procedure issued by the Department of Higher Education and Training. The receivables disclosed was confirmed with MERSETA for the financial year 2024/25.

26.2 CONTINGENTS LIABILITIES

26.2.1 RETENTION OF SURPLUS FUNDS

In terms of section 53 (3) of PFMA, constitutional institutions and public entities listed in schedules 3A and 3C to the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) may not accumulate surpluses that were realised in the financial year without obtaining prior written approval of the relevant Treasury.

On 02 September 2020, National Treasury issued a new instruction note 12 of 2020/21 effective for the surpluses realized in the 2019/20 financial years and beyond, this instruction note repealed Instruction note no. 06 of 2017/2018 on the retention of cash surpluses and introduced the revised provisions of the retention of surpluses to be followed by the public entities listed in Schedule 3A and 3C of the PFMA. According to this Instruction a Surplus is based on the Cash and Cash Equivalent at the End of the year add Receivables less Current liabilities.

A submission has been made to the National Treasury to retain the following surplus:

Cash and cash equivalent at the end of the year	873 403	478 738
Add : Receivables	14 196	8 044
Less : Current Liabilities	(540 335)	(87 344)
Surplus	**347 264**	**399 438**

Notwithstanding the accumulated surplus of R347,2million above, AgriSETA has at year end commitments in the form of contracts with various service providers as indicated in note 25,The commitment value on these contracts is R605,1 million. The Net deficit after taking into account these commitments is R257,9 million.

26.2.2 OUTCOME OF THE MINISTER OF HIGHER EDUCATION AND TRAINING (DHET) AND EMPLOYERS, REPRESENTED BY BUSINESS UNITY SOUTH AFRICA (BUSA) CASE

In December 2012, the Minister repealed the 2005 Grant Regulations and promulgated 2012 Grant Regulations. Regulation 4(4) of the 2012 Grant Regulations reduced the mandatory grant that an employer could claim back from 50% to 20% of the total levies paid by the employer. The manner in which the 2012 Grant Regulations were promulgated, amongst other matters, led to litigation begun by BUSA, at the Labour Court. The Labour Court declared the Regulation to be invalid and consequently set aside, with suspension of the order until March 2016.

Prior to the order coming into effect, the regulation was re-promulgated in January 2016, to which BUSA launched renewed review proceedings in the Labour Court to set the re-promulgated regulation aside. The Labour Court dismissed the review application and BUSA decided to put through an appeal to the decision through the Labour Appeal Court (LAC). During October 2019, the LAC ruled that the decision to re-promulgate Regulation 4(4) was "irrational and lacking in any legal justification". The regulation, as re-promulgated in 2016, was consequently set aside.

Despite the said regulation being set aside, the LAC ruling is silent on both the percentage quantum that can be claimed back by employers and on the effective date of the order. The effect of the ruling is that the Minister, in consultation with employers and BUSA, would have to decide on the percentage for mandatory grants in consultation with the sector, and these accordingly published in the Government Gazette. To date, there has been no communication regarding the approved mandatory grant percentage that can claimed back by employers. These circumstances create uncertainty as to the percentage of mandatory grants that can be paid and/or accrued by the SETA during the year under review.

26. CONTINGENCIES (CONTINUED)

However, post the ruling, DHET continues to split the mandatory grant levy income portion at a rate of 20% in the monthly levy download information. Consequently, the SETA has continued to pay and accrue mandatory grants at 20% in the 2019/20 financial year which is also aligned to the approved annual performance plan. The mandatory grant expenditure in Note 18 as well as the mandatory grant liability in Note 13 were calculated at a rate of 20%.

Pending the final agreement between the Minister and the employers (through BUSA) on the approved rate, there is therefore a possible liability due to additional or lesser grant payments over or under the amounts already paid and accrued in the current year based on a payment rate of 20%. Given the initial review application at the Labour Court whereby BUSA cited that the mandatory grant reduction is irrational and unreasonable; as well as latter reports by business arguing that the LAC judgement would revert back to the original position; it is therefore remotely likely that there would be a contingent asset. it is therefore submitted that the likelihood of a possible liability is greater, which can only be confirmed from the outcome of the agreements between the Minister and employers, which is not within the control of the entity. The amount of the possible obligation cannot be (reliably) estimated due to the uncertainty of the approved rate, as well as the effective date of application. In addition, the entity has had no experience in similar transactions to be able to reasonably estimate the outcome of the events nor the amount.

26.2.3. INTERSETA PAYABLES

The SETA has Inter-SETA balances that did not fully meet the recognition criteria for InterSETA payables in alignment to the Standard Operating Procedure issued by the Department of Higher Education and Training. Amounts have not been confirmed as yet. A payable will be raised once an invoice has been received from the receiving SETA.

27. PRIOR PERIOD ERRORS

In the current year some Disclosure Notes to the Annual Financial Statements as disclosed in the prior year have been restated due to errors which were identified. The errors were as a result of transactions erroneously omitted and or erroneously accounted for.

Below are disclosure notes which were restated as a result of errors:

STATEMENT OF FINANCIAL POSITION YEAR ENDED 31 MARCH 2024	As previously reported R'000	Correction of error R'000	Restated R'000
Trade Payables Discretionary Grants	(28 649)	1 044	(27 605)
Trade payables and other payables	(5 020)	399	(4 621)
Discretionary grants receivables	1 024	(193)	831
Accrual administrations	(729)	512	(217)
Total net assets	(394 951)	(1 762)	(396 713)
	(428 325)	**-**	**(428 325)**

Payables were restated to write off the invoices that were recognised in the previous financial years as accruals, the restatement resulted to decrease in Trade payables and other payables by R399 thousands and Trade payables Discretionary Grants by R1,04 million.

The restatement on Trade payables - iscretionary grants also include the recognition of the invoice to the value of R1,4 million which was omitted in the previous financial year 2023/24.

The receivable for Siyabonga Academy was recovered during the 2023/24 financial year. The Discretionary Grants receivables were restated to recognise the recovery of R193 thousands.

27. PRIOR PERIOD ERRORS

STATEMENT OF FINANCIAL PERFORMANCE YEAR ENDED 31 MARCH 2024	As previously reported R'000	Correction of error R'000	Restated R'000
Discretionary Grants Project Expenditure	444 473	1 436	445 909
General expenditure	39 191	(629)	38 562
Deficit for the year	(24 178)	(807)	(24 985)
	459 486	**-**	**459 486**

Expenditure was restated to write off the invoices that were recognised in the previous financial years, the restatement resulted to decrease in the general expenses by R629 000 and increase in the discretionary grants project expenditure by R1,43 million.

The restatement on discretionary grants project expenditure includes the invoice to the value of R1,4 million and the R193 000 that was not recognised in the previous financial year 2023/24. The discretionary grants project expenditure increased by R1,4 million.

The administration invoices to the value of R193 000 recognised as accruals in the financial year 2022/23 were paid during the 2023/24 financial year and the respective expenditure was not recognised to reduce the accrual.

STATEMENT OF CHANGES IN NET ASSETS 2024 YEAR ENDED 31 MARCH 2024	As previously reported R'000	Correction of error R'000	Restated R'000
Discretionary grants reserves	394 951	-	394 951
Decrease in Net assets	-	(807)	(807)
Increase in Net assets	-	2 569	2 569
	394 951	**1 762**	**396 713**

COMMITMENTS

Commitments for the year ended 31 March 2024 were restated from R405,1 million to R691,6 million, due to prior period errors effected in the 2024/25 financial year. The prior period errors relate to:

- The 2024/25 approval letters approved by the accounting authority, but not yet contracted as at 31 March 2024 amounted to R284 289 million, were erroneously not included in the 31 March 2024 closing commitments balance and were corrected in the current financial year;
- Projects re-instated which were closed during prior periods amount to R1,77 million;
- Contracts relating to prior periods captured in the 2024/25 financial year amounting to R400 000; and
- The budget revisions done in the 2024/25 financial year on contracts relating to prior periods amount to R15 000.

	2024 R'000
Total operational commitments as previously reported	405 162
Approval letters issued but not yet contracted	284 289
Closed projects re-instated	1 779
Prior period contract recognised in the current financial year 2024/25	400
Budget revision (contract amount adjustment)	(15)
Total operational commitments restated balance as at 31 March 2024	**691 615**

28. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

SETA's has been re-established until 31 March 2030 as per Gazette no 42290 dated 7 March 2019.

29. EVENTS AFTER THE REPORTING DATE

AgriSETA management has not identified any adjusting or non-adjusting event after the reporting period date which would result in the financial statements being adjusted, or where such events required disclosure within the financial statements.

30. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

To the best of our knowledge, no material losses through criminal conduct or irregular, fruitless and wasteful expenditure were incurred during the year.

31. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

	2025 R'000	2024 R'000
Irregular, fruitless and wasteful expenditure	-	-

32. RELATED PARTIES

RELATIONSHIPS

CONTROLLING ENTITY

By virtue of the fact that AgriSETA is a national public entity controlled by Department of Higher Education and Training (DHET), it is considered related to other SETAs, TVETs, SAQA, Universities, the QCTO, NSFAS and the NSF. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such relationships.

RELATED PARTY BALANCES

	2025 R'000	2024 R'000
TRANSACTIONS FROM RELATED PARTIES		
QCTO	4 213	3 770
MANDATORY GRANTS RECEIVED		
ServiceSETA	(123)	(133)
INTER-SETA RECEIVABLES		
MERSETA	(17)	-
CONDITIONAL GRANT AND RECEIPTS		
Income received in advance (National skills Funds)	(398 785)	-

AgriSETA entered into a partnership contract with the National Skills fund (NSF) on 04 December 2024 for the implementation of 12 700 targets in leanerships, graduate Placements and artisans.

32. RELATED PARTIES (CONTINUED)

	2025 R'000	2024 R'000

Where there were transactions and balances arising due to the movement of funds between entities under common control of the DHET, these amounts and outstanding balances are disclosed below:

RELATED PARTY TRANSACTIONS

TVETS, UNIVERSITIES AND OTHER ENTITIES (INCLUDED IN PAYABLES FROM NON-EXCHANGE		
University of Limpopo	-	63
Fort Cox College Agricultural & Forestry	514	-
University of Venda	360	-
University of Johannesburg	1 370	439
Coastal KZN TVET College	668	429
University of Stellenbosch	850	1 378
Gert Sibande College	4 866	-
Cedara College	1 349	-
University of Pretoria	4 045	4 080
Tshwane University of Technology	1 211	4 038
Cape Peninsula University of Tech	1 206	119
Central University of Technology	913	178
University of Fort Hare	-	2 170
University of Limpopo (turfloop)	637	763
University of Free state tution	-	48
North-West University-Bursaries	-	22
Rhodes University	-	21
Majuba TVET College	4 656	2 950
Tshwane South TVET College	6 082	2 020
Umfolozi TVET College	3 665	2 143
Lephalale TVET College	-	470
Vuselela TVET College	1 031	1 805
Mopani South East TVET College	-	258
Ekurhuleni East TVET College	3 700	2 063
Orbit TVET College	1 031	516
Ingwe TVET College	840	420
King Hintsa TVET College	7 200	420
Letaba TVET College	3 008	-
Thekwini TVET College	660	-
Flavius mareka TVET college	1 031	-
Mthashana FET College	2 535	-
False Bay College	1 606	-
Northlink College	106	-
Ehlanzeni FET College	1 590	-
Motheo FET College	600	-
College Of Cape Town	722	-
Elangeni FET College	840	-
Inland College	198	-
Tshwane North college pretoria campus	413	-
Mpumalanga CET College	248	-
Waterberg FET College	464	-

32. RELATED PARTIES (CONTINUED)

	2025 R'000	2024 R'000
Nghezimani Sithole Fet College	176	-
South West Gauteng College	2 354	-
Ekurhuleni west college for further	516	-
Sekhukhune FET College	915	-
University of Zululand	991	-
Vaal University of Technology	420	-

NON-EXECUTIVE : ACCOUNTING AUTHORITY

ACCOUNTING AUTHORITY: BOARD MEMBERS - 2025

	Fees for services as a member R'000	Travel reimbursement R'000	Total R'000
Ms G Sepeng (Chairperson)	359	22	381
Mr A Kriel	151	-	151
Ms B Cele	320	1	321
Mr E.L Mhlongo	303	8	311
Ms E Pitzer	267	4	271
Ms K.L Senyatsi	178	1	179
Mr K Tsimatsima	187	1	188
Mr M Mahanjana	196	5	201
Ms S Mthembu	152	1	153
Mr M.S Mngomezulu	390	4	394
Ms L.V Gqokoma	347	1	348
Ms PS Luwaca	29	1	30
Mr C Van Der Rheede	288	1	289
	3 167	**50**	**3 217**

ACCOUNTING AUTHORITY: BOARD MEMBERS - 2024

Ms G Sepeng (Chairperson)	-	18	18
Mr A Kriel	67	-	67
Ms B Cele	226	-	226
Mr E.L Mhlongo	227	6	233
Ms M.E Mmako	116	1	117
Ms E Pitzer	203	-	203
Ms K.L Senyatsi	138	-	138
Mr K Tsimatsima	147	-	147
Mr M Mahanjana	147	-	147
Ms S Mthembu	134	1	135
Mr M.S Mngomezulu	254	1	255
Ms L.V Gqokoma	245	1	246
Mr C Van Der Rheede	131	-	131
	2 035	**28**	**2 063**

ACCOUNTING AUTHORITY: AUDIT RISK COMMITTE - 2025

	Fees for services as a member R'000	Total R'000
Dr G. Buys	80	80
Ms M. Phiri (Chairperson)	224	224

32. RELATED PARTIES (CONTINUED)

ACCOUNTING AUTHORITY: AUDIT RISK COMMITTE - 2025	Fees for services as a member R'000	Total R'000
Dr G. Buys	80	80
Ms M. Phiri (Chairperson)	224	224
Mr K. Maja	108	108
Mr V. Chonco	80	80
Dr P Dala	149	149
Ms DM Matlala	27	27
	668	**668**

ACCOUNTING AUTHORITY: AUDIT RISK COMMITTE - 2024	Fees for services as a member R'000	Travel reimbursement R'000	Total R'000
Dr G Buys	98	-	98
Ms M Phiri (Chairperson)	214	-	214
Mr K Maja	146	-	146
Mr V Chonco	98	12	110
Dr P Dala	126	-	126
Ms DM Mtlala	107	-	107
	789	**12**	**80**

STAKEHOLDERS : COMPANIES RELATED TO ACCOUNTING AUTHORITY 2025	Member fee paid to Employers R'000	DG Expenditure R'000	Travel reimbursement R'000	Total R'000
Hortgro Services (Mr A Rabe)	222	404	1	627

STAKEHOLDERS : COMPANIES RELATED TO ACCOUNTING AUTHORITY 2024	Levies received from the employer R'000	Member fee paid to Employers R'000	DG Expenditure R'000	Travel reimbursement R'000	Total R'000
Hortgro Services (Mr A Rabe)	-	100	3 059	-	3 159
Agri SA (Mr C Van Der Rheede)	(70)	180	325	11	516
	(70)	**280**	**3 384**	**11**	**3 675**

32. RELATED PARTIES (CONTINUED)

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT 2025	Basic salary R'000	Bonuses and performance related payments R'000	Travel reimbursement R'000	Total R'000
Dr K.I Sirovha (Chief Executive Officer)	2 322	296	-	2 618
Ms M. Sebela (Chief Financial Officer)	2 132	292	21	2 445
Mr M. Dlanga (Company Secretary)	679	154	1	834
Ms K.N Ndlovu (Chief Risk Officer)	1 317	106	-	1 423
Mr M. Shabangu (Executive Manager : LPP)	1 776	75	-	1 851
Mr M.F Phetla (Executive Manager : ETQA)	1 776	168	22	1 966
Mr J.F Fouche (Executive Manager : SP&R)	1 776	168	-	1 944
Dr M.B Letsoalo (Executive Manager : Corporate Service)	1 585	179	181	1 945
Ms LK Phateng (Chief Audit Officer)	1 430	88	-	1 518
Mr NO Mofokoane (Chief Information Officer)	1 430	94	-	1 524
Ms VSZ Maroleng	710	69	-	779
	16 933	**1 689**	**225**	**18 847**

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT 2025				
Dr K.I Sirovha (Chief Executive Officer)	2 191	307	3	2 501
Ms M. Sebela (Chief Financial Officer)	2 011	245	32	2 288
Mr M. Dlanga (Company Secretary)	1 536	158	2	1 696
Ms K.N Ndlovu (Chief Risk Officer)	1 242	122	6	1 370
Mr M. Shabangu (Executive Manager : LPP)	1 676	165	2	1 843
Mr M.F Phetla (Executive Manager : ETQA)	1 676	219	15	1 910
Mr J.F Fouche (Executive Manager : SP&R)	1 676	188	2	1 866
Dr M.B Letsoalo (Executive Manager : Corporate Service)	1 495	219	68	1 782
Ms LK Phateng (Chief Audit Officer)	1 349	-	-	1 349
Mr NO Mofokoane (Chief Information Officer)	1 349	-	-	1 349
	16 201	**1 623**	**130**	**17 954**

33. COMPARISON OF BUDGET AND ACTUAL AMOUNTS NOTES TO COMPARISON OF ACTUAL AND BUDGET AMOUNTS

Legislation requires that the SETA on an annual basis, in September, submit a budget to the Minister for approval. Explanations have been provided below for significant variances:

33.1 SKILLS DEVELOPMENT LEVY (SDL) INCOME

In the current financial year, AgriSETA collected 4% more levies from both private levy payers and provincial departments of Agriculture, which is R25,07 million more than the budgeted amount. The overcollection is due to the increase in number of employers joining AgriSETA and also transferring from other SETA's to AgriSETA.

33.2 PENALTIES AND INTEREST

Income from penalties and interest arises when employers fail to submit their returns as required by legislation. These amounts typically vary year-on-year. Penalties and interest on SDL are not budgeted for.

33. COMPARISON OF BUDGET AND ACTUAL AMOUNTS NOTES TO COMPARISON OF ACTUAL AND BUDGET AMOUNTS (CONTINUED)

33.3 INVESTMENT INCOME - INTEREST RECEIVED

Investment income comprises of interest received on the CPD investment account. The budgeted return on investment was R33 million, however, actual yield was R31,4 million. The increase is mainly attributed to consistent investment balances held during the year. The AgriSETA earned less interest due to the withdrawal of funds of R100 million from the investment account during the 2024/25 financial year.

33.4 EMPLOYER GRANTS AND PROJECT EXPENDITURE

Actual Employer grants and projects expenditure were less than the budget by R300 million, this is due to the adjustment of budget as approved by the minister. The phase of implementation of projects was the driver for discretionary grants expenditure payments. The mandatory grants paid were marginally higher in 2024/25, and the major contributor was the 100% approval of Work Skills Programme.

33.5 EMPLOYEE RELATED COSTS

Personnel expenditure is R1,9 million above the budget. The administration employee costs in 2024/25 increased marginally with a variance of 2.4% due to Salary increases as well as increase in the expenditure due to provisions raised for leave and performance bonus by R765 thousand and R5,9 million respectively.

33.6 GENERAL EXPENSES

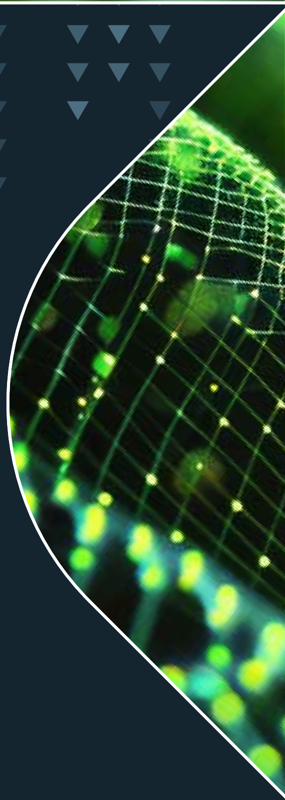
General expenses are limited to 10,5% of Employer collected SDL revenue. During the current year AgriSETA exercised strict control over general expenditure to ensure cost containment and that expenditure does not exceed budget. There was a spending of R13,06 million below budget. Any unspent funds are transferred to the discretionary reserves.

33.7 GOVERNMENT GRANTS AND DONOR FUNDED PROJECTS

During 2020/21, AgriSETA entered into an agreement to implement an Artisans project for the Department of Public Works over a period of 3 years. The project received revenue amounting to R7,9 million, whilst the project amounted to R7,9 million in the current financial year 2024/25.

NOTES

NOTES



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