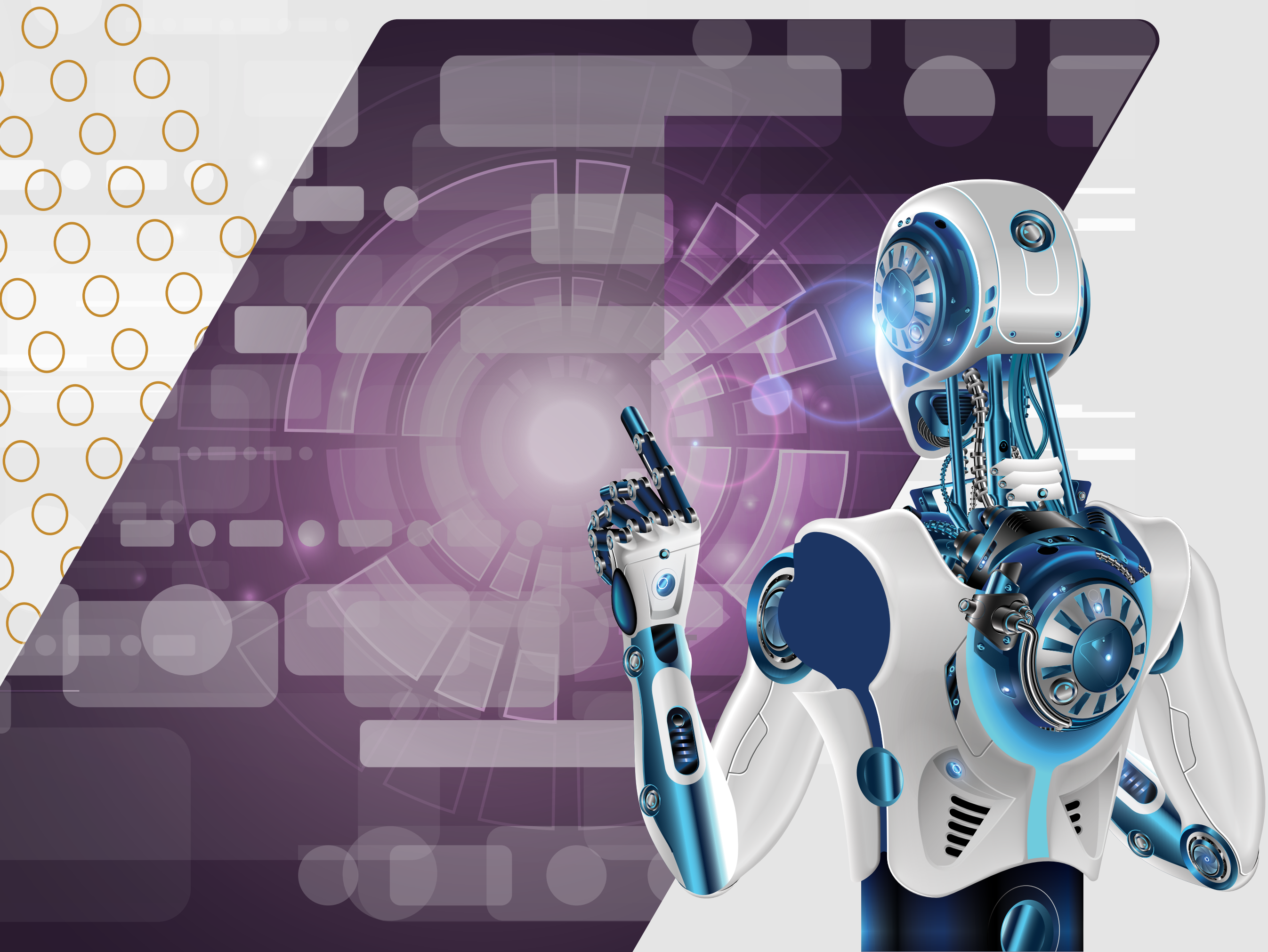
CHIETA

INNOVATING FOR IMPACT

ANNUAL REPORT

2024/25



Annual Report 2024/25

HONOURABLE MINISTER AND DEPUTY MINISTERS. IT IS A PLEASURE TO PRESENT YOU WITH THE ANNUAL REPORT FOR THE CHEMICAL INDUSTRIES EDUCATIONA AND TRAINING AUTHORITY FOR THE FINANCIAL YEAR

Mr Buti Manamela
Minister of Higher Education and Training

Ms Mimmy Gondwe
Deputy Minister of Higher Education and Training

Dr Nomusa Dube-Ncube
Deputy Minister of Higher Education and Training

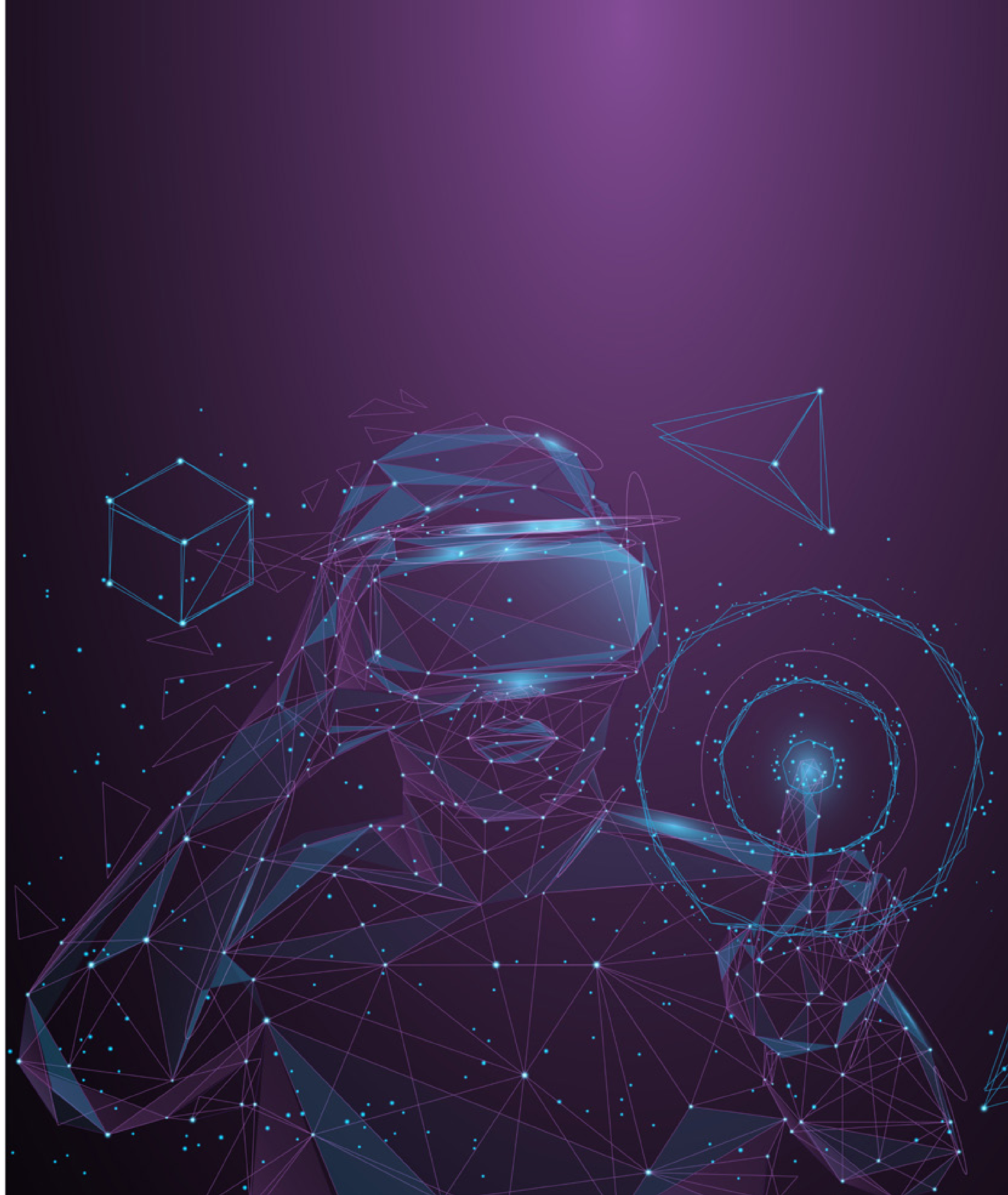


TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ACRONYMS

4IR	Fourth Industrial Revolution
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
ATR	Annual Training Report
AQP	Assessment Quality Partner
CET	Community Education and Training
CHIETA	Chemical Industries Sector Education and Training Authority
DHET	Department of Higher Education and Training
DTIC	Department of Trade, Industry and Competition
EISA	External Integrated Summative Assessment
ERP	Enterprise Resource Planning
ERRP	Economic Reconstruction and Recovery Plan
ETQA	Education and Training Quality Assurance
FMCG	Fast Moving Consumer Goods
GH	Green Hydrogen
HEMIS	Higher Education Management Information System
IIOT	Industrial Internet of Things
IMS	Integrated Management System
KZN	KwaZulu-Natal
NDP	National Development Plan
NSA	National Skills Authority
NSDP	National Skills Development Plan
NYEA	National Youth Employment Agency
NQF	National Qualifications Framework
OFO	Organising Framework for Occupations
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PSET	Post-School Education and Training
QCTO	Quality Council for Trade Occupations
SARB	South African Reserve Bank
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SIP	Strategic Integrated Project
SIU	Special Investigating Unit
SMME	Small, Medium and Micro-Enterprise
SSP	Skills Sector Plan
StatsSA	Statistics South Africa
STEM	Science, Technology, Engineering and Mathematics
TVET	Technical and Vocational Education and Training
UJ	University of Johannesburg
VPN	Virtual Private Network
WSP	Workplace Skills Plan

PART A

INTRODUCTION AND LEADERSHIP

1. General Information

Registered Name of Public Entity:	Chemical Industries Sector Education and Training Authority
Registration Number:	03/CHIETA/1/4/11
Registered Office Address:	72 New Road Glen Austin AH (Grand Central) Midrand
Postal Address:	PO Box 961, Auckland Park, 2006
Contact Telephone Number:	(+27) 011 628 7000
Email Address:	info@chieta.org.za
Website:	www.chieta.org.za
External Auditor's Information:	Auditor-General of South Africa 4 Daventry Street Lynnwood Bridge Office Park Lynnwood Manor Pretoria 0081
Banker's Information:	First National Bank 1 First Place Simmonds Street Johannesburg 2001
Company Secretary:	Governance and Risk (Executive Manager)
ISBN:	978-1-77997-864-6
RP:	RP167/2025

2. About This Report

This Annual Report provides an integrated overview of the strategic direction, institutional performance, financial management, and governance of the Chemical Industries Sector Education and Training Authority (CHIETA) for the period from 1 April 2024 to 31 March 2025. The report is prepared in compliance with the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended, and related National Treasury Regulations, and is submitted in accordance with the legislative obligations for Schedule 3A public entities.

CHIETA is mandated under the Skills Development Act, No. 97 of 1998, to facilitate skills development in the Chemical Sector, promote quality training and learning pathways, and support economic growth and employment creation through demand-led education and training programmes. As a Sector Education and Training Authority (SETA), CHIETA's key responsibilities include developing sector skills plans (SSPs), disbursing skills development levies (SDL), promoting learnerships and apprenticeships, and ensuring quality assurance of occupational qualifications as delegated by the Quality Council for Trades and Occupations (QCTO).

This report functions as a mechanism for accountability and transparency, enabling the Executive Authority, Parliament, stakeholders, and the public to evaluate CHIETA's performance against its strategic objectives and Annual Performance Plan (APP). It comprises audited financial statements, performance data, risk management disclosures, human capital information, and highlights of corporate governance.

Alongside statutory compliance, this report aligns with sound governance principles and sustainability reporting frameworks, including the King IV Report on Corporate Governance for South Africa, to demonstrate CHIETA's commitment to ethical leadership, integrated thinking, and value creation. Its structure and content aim to facilitate informed decision-making, bolster public confidence, and foster ongoing performance improvement.

> ***"For the third consecutive year, CHIETA received a clean, unqualified audit opinion with no findings and achieved a 100% perfomance"***

3. Foreword by the Chairperson

It is with pride that I present the CHIETA Annual Report for the 2024/25 financial year – a year characterised by exceptional progress in delivering on our Annual Performance Plan targets, strengthening governance, and advancing inclusive skills development. Over the past year, CHIETA upheld its high-performance standards by achieving 100% of its 2024/25 performance indicators across all four strategic programmes. This result reflects our disciplined execution of strategy and enhanced systems for monitoring and evaluation.

For the third consecutive year, CHIETA received an unqualified audit opinion with no findings. This significant accomplishment reflects achievement demonstrates our unwavering commitment to sound governance practices and our continued focus to delivering meaningful results aligned with South Africa's skills development objectives.

CHIETA's performance during the 2024/25 financial year took place in a persistently difficult economic climate. Although growth remained positive at just over 0.6% in 2024, this was not sufficient to address the urgent employment needs of the country's youth (Stats SA, 2025). For 2025, modest growth of around 1% is projected (SARB, 2025), though it remains limited by global economic volatility, emerging trade barriers, and persistent supply-side challenges such as infrastructure bottlenecks, a weak business environment, and low productivity.

In 2024/25, CHIETA accelerated the implementation of several strategic frameworks aimed at deepening our developmental impact and future-proofing the organisation. Our strengthened ESG Framework – a strategic initiative to support sustainable and integrated reporting – was actively embedded into operations this year. We also refined the Macro Indicators Framework to improve monitoring and reporting aligned with the Vision for 2030, ensuring that our 2024/25 achievements are clearly measured and communicated.

This reporting period also saw improved internal governance mechanisms, including enhancements in our risk maturity levels, increased digitisation of ethical frameworks, and improved policy alignment. Governance oversight remained robust, with the Board and its Committees providing strategic guidance on key performance areas, policy improvements, and organisational transformation.

Throughout 2024/25, CHIETA played a vital role in addressing national priorities such as youth development, artisan training, support for SMMEs and cooperatives and support for women in STEM projects. These initiatives – from large-scale apprenticeship programmes to targeted entrepreneurial support – have already delivered measurable results within the reporting period, contributing to employment creation and enterprise growth.

While our forward-looking strategy remains important, this annual report reflects on the outcomes and achievements over the 2024/25 financial year. We reflect on the organisation's strong performance across our key strategic programmes, our achievements in governance, transformation and compliance, and annual financial results. These outcomes have helped to strengthen our organisation and its impact on skills development in the chemicals sector.

On behalf of the Governing Board, I would like to sincerely thank the CHIETA Executive team, staff, and all stakeholders for their dedication, resilience, and service. Together, we are building a stronger, more capable, and inclusive future through skills development in the chemical industry.

Ms Wezi Khoza
Governing Board Chairperson

"CHIETA Smart Skills Centres (SSCs) are not just an investment in technology, they are an investment in people"

4. CEO's Overview

It gives me great pleasure to present the CHIETA Annual Report for the 2024/25 financial year. This reporting period reflects not only a continuation of our commitment to performance excellence and innovation, but also significant strides in deepening impact across all our strategic programmes. Through sound governance, stakeholder collaboration, and a focus on inclusive skills development, CHIETA has remained steadfast in advancing its mandate within a rapidly evolving economic and technological environment.

Vision, Mission and Strategic Pillars

In pursuit of CHIETA's long-term vision – to be an innovation leader in education and training – we remain committed to our mission of facilitating skills development that supports sustainable livelihoods.

Our organisational strategy continued to be anchored by four strategic pillars:

- Innovation
- Digitisation
- Collaboration
- Transformation

These pillars guide our decision-making, partnerships, and programme design in support of the next organisation strategy, aimed at delivering high-impact outcomes across the skills development value chain.

Challenges

The difficult economic outlook in the period under review contributed to challenges in work integrated placements within the sector. Continuous engagements with organisations ensued for adequate placements to take place.

Key Achievements for 2024/25

The 2024/25 financial year was marked by significant achievements. CHIETA once again achieved 100% of its performance targets, as outlined in our approved APP. These performance milestones reflect our commitment to quality, accountability, and impact.

We proudly received an unqualified audit opinion with no findings, demonstrating the strength of the governance systems and internal controls we have implemented and continuously improved.

Our focus on impact delivered measurable results, including structured workplace learning, reintegration of retrenched workers, SMME development and artisan development. Furthermore, the increased number of learners who successfully completed their various artisan programmes through RPL was a welcome outcome. A total of 63 076 learners benefited from CHIETA's high impact programmes through the 2024/2025 financial year. These results clearly demonstrate CHIETA's ongoing commitment to creating inclusive, sector-aligned skills pipelines for employment and enterprise development.

Figure 1-1 CHIETAs Five Year Trend Analysis

	2024/25	2023/24	2022/23	2021/22	2020/21
LEVY INCOME	R681 Million	R653 Million	R621 Million	R586 Million	R384 Million
LEARNERS SUPPORTED	63 076	74 742	49 652	45 581	26 474
COOPERATIVES SUPPORTED	126	211	108	54	0
SMMEs SUPPORTED	700	630	576	105	10
ARTISANS TRAINED	1 735	2 286	2 528	1 646	1 080
CERTIFICATES ISSUED BY CHIETA ETQA	3 692	3 720	6 036	4 236	2 117

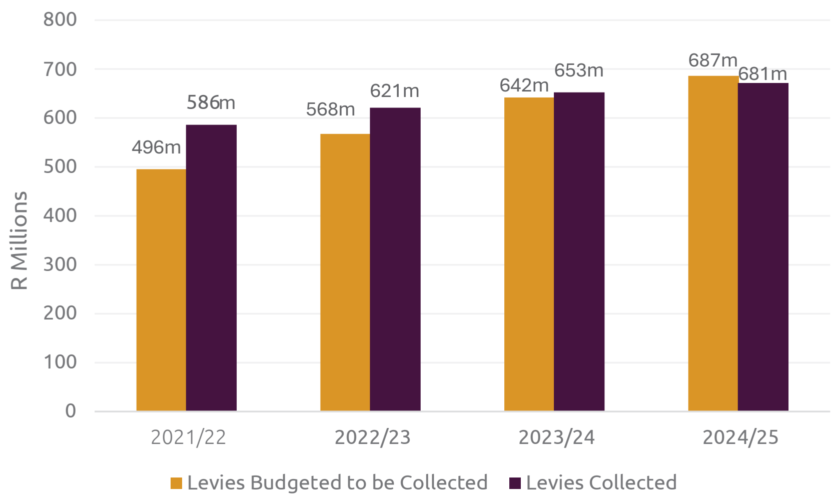
Financial Performance Overview

In 2024/25, CHIETA's revenue increased by 4.2% to R723 million, while expenditure rose by 5.5% to R750 million, leading to a deficit of R26.9 million. Despite this, CHIETA maintained a cash surplus of R64.9 million in accordance with PFMA Treasury guidelines.

Discretionary grant and project expenditure totalled R488 million, while mandatory grants reached R151 million, accounting for 93% of SDL income allocated to direct skills development and employer grants.

A significant portion of CHIETA's budget is comprised of the skills levies collected from employers. Figure 1-2 illustrates CHIETA's skills levy budget, compared to the actual levies collected, over the last four reporting periods. In 2024/25, CHIETA collected R723 million in skills levies, representing a 10.7% increase from 2023/24, against a budget of R750 million.

Figure 1-2 Levies Budgeted and Collected (2021/22 - 2024/25)



Importantly, CHIETA obtained approval from the Executive Authority to surpass the 10.5% limit on administrative expenditure and applied to retain surplus funds in accordance with PFMA Section 53 and the Skills Development Act.

The organisations supply chain management processes contributed to enhance organisational performance as well as effective and efficient management of all CHIETA assets.

Innovation and Digitisation

Innovation continued to be a key aspect of CHIETA's operations. The Innovation and Technology Unit, led by a dedicated Executive Manager, has crafted a Digital Transformation and Innovation Strategy to enhance data-driven service delivery.

Key initiatives included:

- Completion of the SSDD CHIETA APP, to be piloted in 2025/26
- Development of an OFO Codes Mapping tool
- Enhancement of the Business Intelligence Platform
- Improvements to the Integrated Management System (IMS) interface
- Launch of a new Ideation Committee, which approved prototypes such as Digital Badging, a qualifications portal, and a QR Live System App
- Over 25 000 rural learners accessed digital learning via CHIETA's Smart Skills Centres

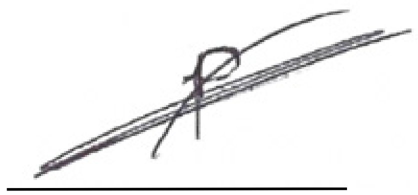
These innovations demonstrate our commitment to digital inclusion, service excellence, and smart skills delivery.

Looking Ahead

As we transition into 2025/26, CHIETA is poised to implement a focused APP that maintains performance excellence within a sound governance environment. Our priorities include:

- Maintaining our clean audit status and meeting 100% of our SLA and APP targets
- Increasing support to TVET and CET colleges
- Public – public partnership development and increased ecosystem engagement
- Enhancing ESG reporting maturity
- Strengthening governance across all levels
- Scaling our AI and ethical technologies in risk management
- Implementing 18 macro indicators aligned with Vision 2030
- Developing the 2026/27 APP in alignment with the 7th Administration priorities

With a committed team, sound governance, and a forward-thinking strategy, CHIETA remains a catalyst for skills development and economic transformation in the chemical industries.



Mr Yershen Pillay
Chief Executive Officer

5. Statement of responsibility and confirmation of accuracy for the annual report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General of South Africa (AGSA).

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) standards, applicable to the public entity.

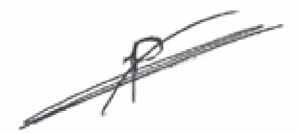
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority 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 annual financial statements.

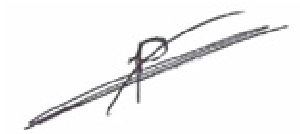
The external auditors are engaged to express an independent opinion on the annual financial statements.

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

Yours faithfully



Chief Executive Officer
Yershen Pillay



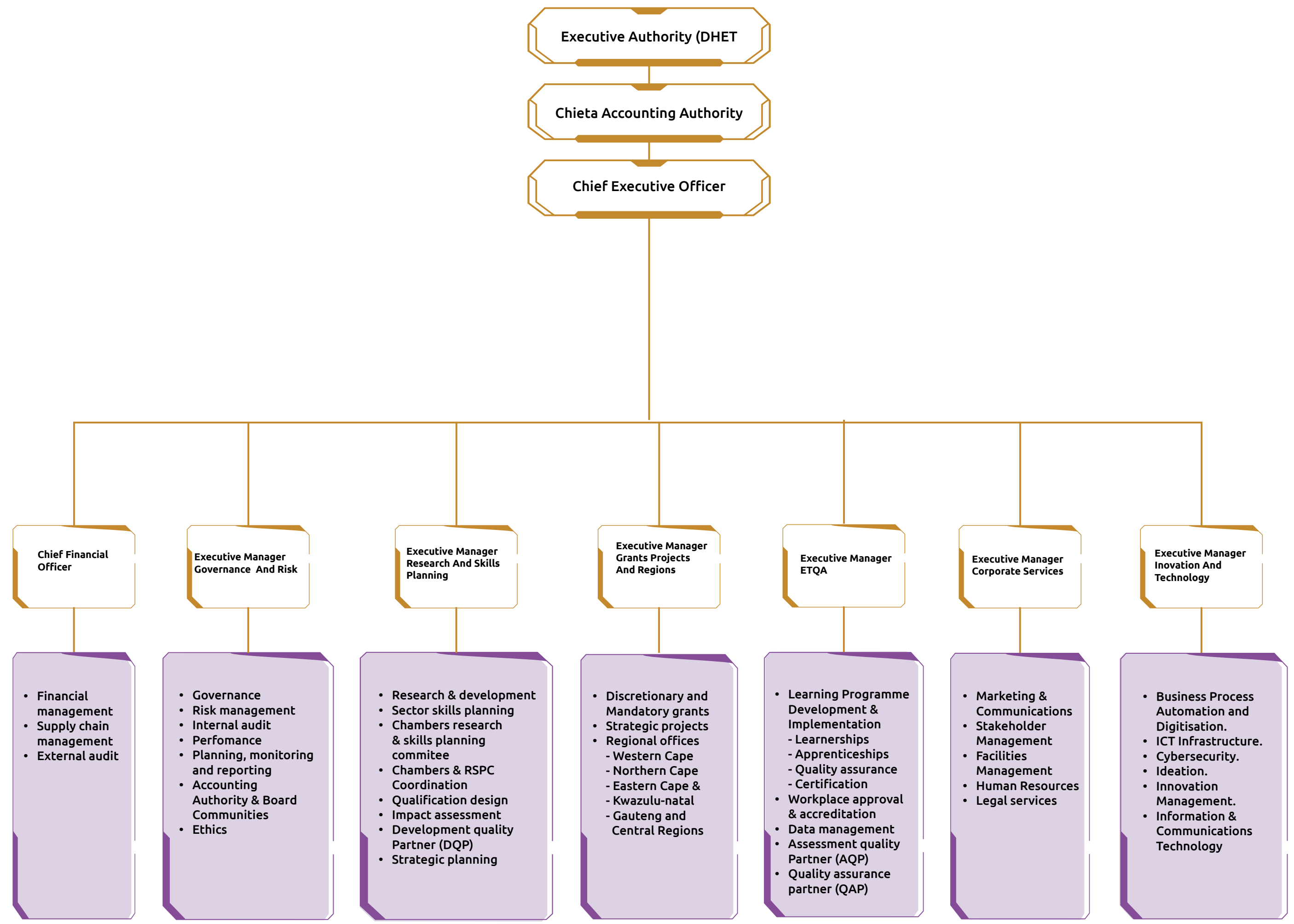
Interim Accounting Authority
Yershen Pillay

6. Leadership and Governance Structure

ORGANISATIONAL STRUCTURE

CHIETA's organisational structure is crafted to align with its strategic priorities and to effectively deliver on its mandate. The structure enhances operational efficiency, clear accountability, and coordination across all programme sectors. It encourages a results-oriented environment where management and staff are empowered to achieve the organisation's skills development goals in the Chemical Sector

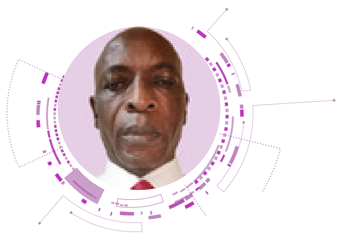
Figure 1-3 Organisational Chart



7. Our Board

The CHIETA Accounting Authority (Board) provides strategic oversight and governance in line with the Public Finance Management Act (PFMA) and the CHIETA Constitution. Consisting of representatives from organised labour, organised employers, and relevant government departments, the Board ensures that CHIETA operates with integrity, transparency, and accountability in fulfilling its statutory obligations and achieving its strategic goals.

Wezi Khoza
Board Chairperson

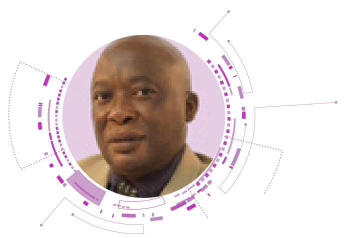


Mosehla Mampho
Organised Labour

Adri Swart
Organised Labour

Gerhard Cloete
Organised Labour

Charles Phahla
Organised Labour

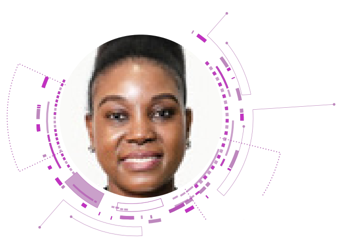


Steven Mahlangu
Organised Labour

Isaac Matji
Employer

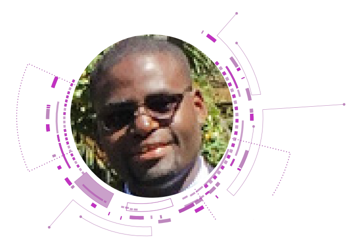
Sharmila Govind
Employer

Geraldine Hewitt
Employer



Prof Banothile Makhubela
Employer

Thabo Masombuka
Employer

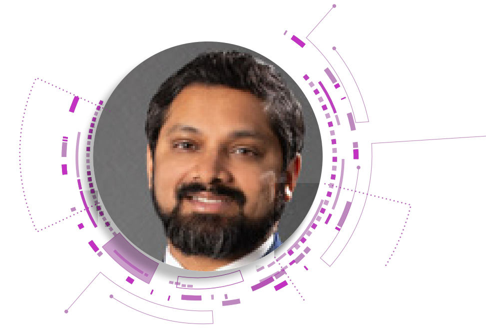


Edzisani Daniel Ndou
Government, Professional and Community Organisations

Karishma Ramcharan
Government, Professional and Community Organisations

8. Executive Leadership

The Executive Leadership of CHIETA plays a crucial role in enhancing organisational performance and executing strategic decisions approved by the Board. The executive team oversees programme delivery, stakeholder engagement, operational governance, and compliance. This leadership level ensures the organisation remains agile, effective, and aligned with national skills development priorities.



Yershen Pillay
Chief Executive Officer

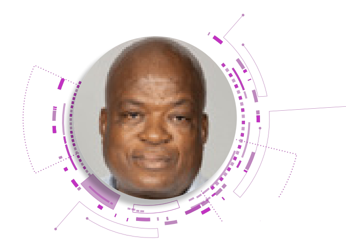
Ncikazi Kabi
Chief Financial Officer

Kedibone Moroane-Nkhobo
Executive: Research and Skills Planning

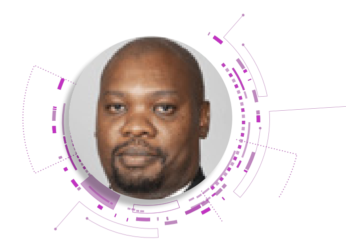
Trevor Channing
Executive: Governance and Risk

Princess Kgakane
Executive: Grants, Projects & Regions

Jay Moodley
Executive: Corporate Services



Joel Mmapulane
Executive: ETQA



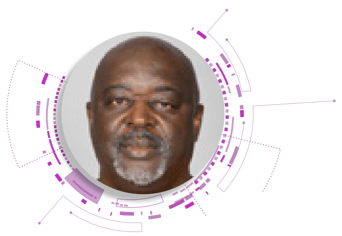
Simon Maluleka
Executive: Innovation and Technology

9. Management Team

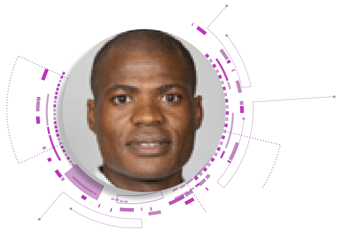
CHIETA's Management Team consists of experienced professionals who oversee daily operations across various business units and programmes. The team guarantees the smooth implementation of strategic and operational plans, promotes cross-functional collaboration, and upholds the organisation's values. Their dedication to excellence continues to enhance CHIETA's influence within the skills development ecosystem.

Glory Nyathi
Communications and Facilities Manager

Mahlatse Xinzi
Grants and Projects Manager

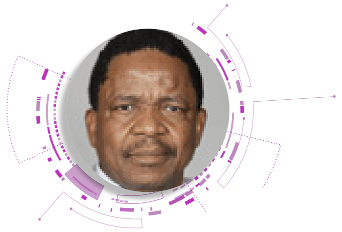


Dr. Munya Makota
Finance Manager



Lungelo Myeni
SCM Manager

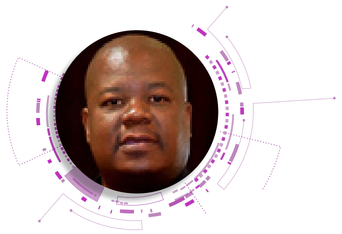
Tshidi Magonare
Qualifications Design and Development Manager



Sipho Mlotshwa
ICT Manager

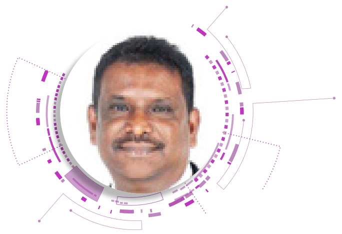
Lerato Ramahuta
Human Resources Manager

Ronnie Naidoo
Monitoring and Evaluations Manager



Bennet Kamanga
Regional Manager: Gauteng and Central Regions

Roger Adriaanse
Regional Manager: Western and Northern Cape Regions



Rajen Naidoo
Regional Manager: KZN and Eastern Cape Regions

PART B

PERFORMANCE INFORMATION

1. Situational Analysis of the Chemical Industry

CHIETA prepares an annual update of its Sector Skills Plan (SSP) in accordance with the requirements of the Department of Higher Education and Training (DHET). The SSP is based on research carried out by CHIETA to gather information on skills supply and demand within the Chemical Industry. It aims to establish the sector's current situation and profile, serving as a strategic guide for the organisation's direction.

Policy Framework

Government policies are developed by various organs of state, many of which overlap are integrated. However, two overarching goals underpin all these policies and plans: stimulating South African economy and creating employment.

The National Development Plan (NDP 2030) provides the overarching vision and policy framework for South Africa, while sector-specific Master Plans, strategic projects led by the Department of Trade, Industry and Competition (dtic), the National Infrastructure Plan, and the Strategic Integrated Projects (SIPs) directly impact the Chemical Industry.

The NDP emphasises the crucial role of science and technology in national development, recognising innovation as the primary driver of technology-based growth and improved living standards. The Chemical Industry plays a leading part in the shift towards an innovation-driven economy and the Fourth Industrial Revolution (4IR), making the development of workforce skills essential to achieving these goals.

The broader policy environment for skills planning in the Chemical Industry includes the National Skills Development Plan (NSDP), the National Skills Accord, the National Youth Employment Accord (NYEA), the White Paper for Post-School Education and Training (PSET), policies issued by the Quality Council for Trades and Occupations (QCTO), and other key frameworks such as the grant regulations published in Government Gazette 35940 on 3 December 2012.

Data Gathering

The information in both the SSP and this annual report is gathered from multiple sources, including Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs), which together account for about 80% of employees in the sector. These WSPs and ATRs offer essential baseline statistical data that allow CHIETA to carry out detailed and precise sector analyses.

The reporting framework adopted by CHIETA exceeds the minimum legislative requirements for labour market reporting. Since the 2012/13 mandatory grants cycle, employers have submitted individual employee records using the Organising Framework for Occupations (OFO) codes via CHIETA's digitised online submission platform.

This source data is complemented by other sector-specific and national data sources, including Quantec, the Quarterly Labour Force Surveys, and completion and certification data from the Higher Education Management Information System (HEMIS) and Technical and Vocational Education and Training (TVET) institutions maintained by DHET. CHIETA also references Employment Equity Reports as part of its broader data ecosystem.

In addition to these quantitative sources, CHIETA commissions and undertakes various research projects that contribute to a deeper understanding of the Chemical Industry. This is further supplemented by research produced by government departments, national research institutions, and industry bodies. To ensure the SSP update is well informed and inclusive, additional qualitative data is obtained through extensive consultation with sector stakeholders.

Planning Structures

CHIETA operates five chambers, consisting of representatives from employers, trade unions, government departments, and other vital interest groups. These chambers meet quarterly and play a crucial role in the development and annual review of the review of sector skills.

Skills planning is a key constitutional mandate of these chambers and forms a standing item on the agenda of CHIETA's regional skills forums. These forums are held quarterly in Gauteng (representing Gauteng and inland provinces), KwaZulu-Natal, the Eastern Cape, and the Western Cape (including the Northern Cape). They are attended by employers, trade unions, private and public education and training providers, and other key stakeholders. These platforms facilitate robust engagement and consultation on all skills-related matters.

CHIETA | ANNUAL REPORT 2024/2025

Additionally, the annual strategic planning workshop of CHIETA's Governing Authority and Management is a pivotal event that sets the organisation's overarching objectives and strategic direction. During this workshop, Board members and senior management provide critical input into the SSP, define impact objectives, and shape CHIETA's broader organisational strategy. National development priorities, sectoral skills needs, and emerging initiatives are all considered and integrated into the SSP accordingly.

Industry Profile

The following table provides an overview of the Chemical Industry as per the relevant Standard Industrial Classification (SIC) Code.

Table 2-1 Industrial Coverage, Subsectors and Chambers of the Chemicals Industry

SIC code	Scope of coverage/description	Sub sector	Chamber
33410	Manufacture of basic chemicals, except fertilisers and nitrogen compounds	Base Chemicals	Petroleum and Base Chemicals
33430	Manufacture of plastics in primary form and of synthetic rubber		
34000	Manufacture of other non-metallic mineral products		
41210	Manufacture of industrial gases in compressed, liquified or solid forms		
33100	Manufacture of coke oven products	Petroleum	
33200	Petroleum refineries/synthesisers		
33300	Processing of nuclear fuel		
61410	Wholesale trade in solid, liquid, and gaseous fuels and related products		
87140	Industrial research, e.g., fuel research		
33501	Chemically based general household and personal care products	Fast-Moving Consumer Goods	Fast-Moving Consumer Goods and Pharmaceuticals
33541	Manufacture of soap and other cleaning compounds		
33543	Manufacture of beauty products		
33530	Manufacture of pharmaceuticals, medicinal chemicals, and botanical products	Pharmaceuticals	
33592	Manufacture of explosives and pyrotechnic products	Explosives	Explosives and Fertilisers
11600	Production of organic fertiliser	Fertilisers	
33420	Manufacture of fertilisers and nitrogen compounds		
33421	Manufacture of raw materials and chemical compounds used in agriculture		
33502	Manufacture, sale and/or distribution of diversified specialty chemicals for industrial use	Specialty Chemicals	Specialty Chemicals and Surface Coatings
36400	Manufacture of accumulators, primary cells, and primary batteries		
33520	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	Surface Coatings	
39905	Powder coating		
34110	Manufacture of glass and glass products	Glass	Glass
34112	Manufacture of glass containers, glass kitchenware and tableware, scientific and laboratory glassware, clock and watch glasses, and other glass products		

Levy Payers

In 2024/25, a total of 3 284 companies paid skills development levies to CHIETA — an increase of 104 compared to the previous financial year. This growth is primarily attributed to the inclusion of very small companies that exceeded the R500 000 annual payroll threshold, as well as the transfer of companies from other SETAs into CHIETA's jurisdiction.

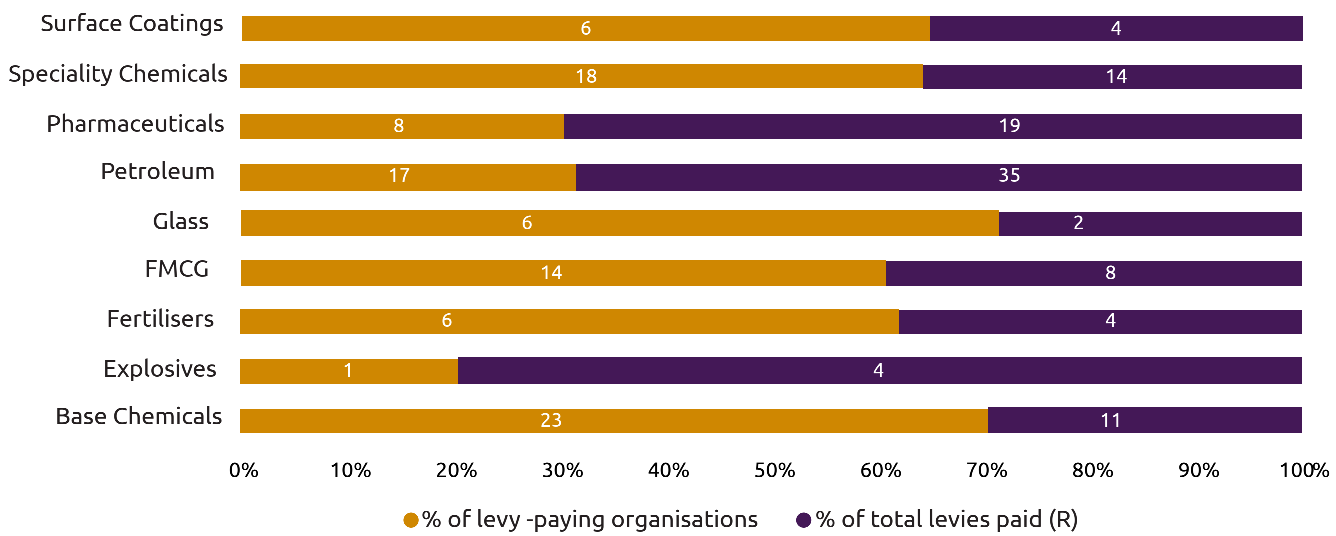
Notably, the Petroleum subsector contributed 35% of the total levies paid in 2024/25, despite representing only 17% of levy-paying companies in the Chemical Industry. This disproportionate contribution is mainly due to the presence of a small number of very large companies within this subsector.

The majority (58%) of levy-paying companies in the Chemical Industry are classified as micro (fewer than 20 employees) or small (20–49 employees). A further 23% are medium-sized enterprises (50–149 employees), and 19% are large organisations (150 or more employees). The high prevalence of micro and small enterprises in the sector has significant implications for the type of support CHIETA must provide in terms of skills development.

Among levy-paying employers are several strategic state-owned enterprises, which play an instrumental role in advancing government initiatives aimed at stimulating local economic growth.

The following figure categorises levy payers based on a combined methodology, incorporating employment size, levy amounts paid by organisations, subsector allocations, and total levies collected.

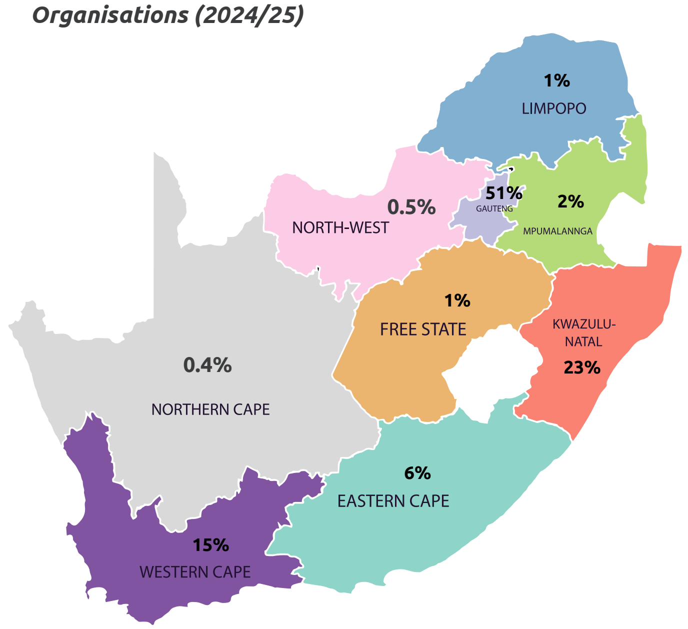
Figure 2-1 Sub-Sectoral Distribution of Levy-Paying Organisations (2024/25)



Employers

The following map illustrates the provincial distribution of levy payers across South Africa. It shows that a substantial proportion of levy-paying organisations are based in Gauteng, the country's economic hub, followed by KwaZulu-Natal and the Western Cape – provinces characterised by large populations and strong economic activity.

Figure 2-2 Provincial Distribution of Levy-Paying Organisations (2024/25)

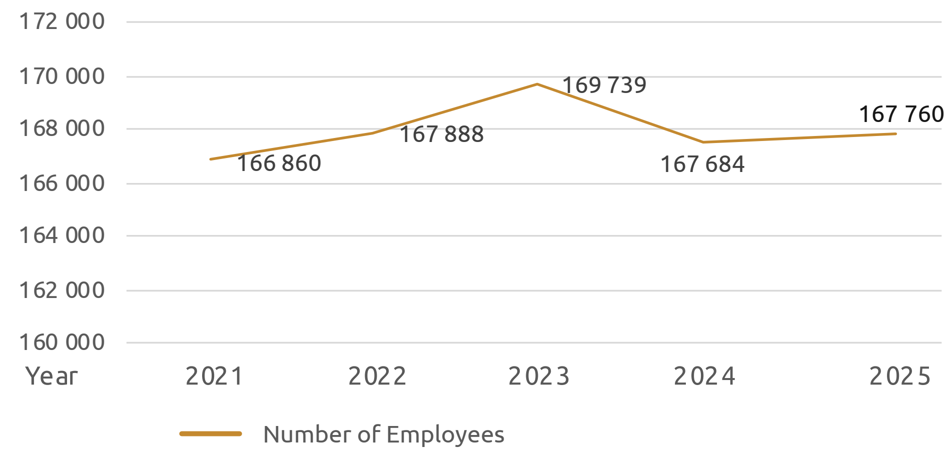


NB: Due to rounding off, Northern Cape and North West provinces appear as 0%, the actual percentages are 0.4% and 0.5% respectively.

Labour Market Profile

The following graph shows employment in the Chemical Sector from 2021 to 2025. Total employment rose by 76 jobs in the 2024/25 financial year, reaching 167 760 employees. This suggests that the workforce has effectively stabilised, indicating a mature and steady labour market rather than one undergoing significant growth or decline. The ongoing economic slowdown has also led to limited new job creation, as companies remain cautious with their hiring strategies and capital investments.

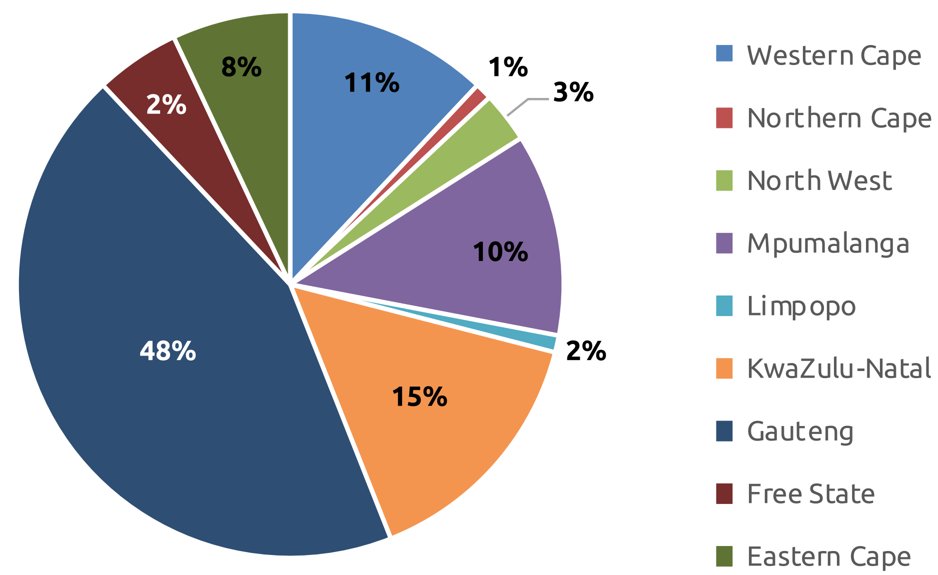
Figure 2-3 Estimate of Total Employment in the Chemical Industry (2021–2025)



Source: CHIETA source-data system, June 2024

The provincial distribution of employees in the Chemical Industry is shown below. Gauteng hosts nearly half (48%) of all employees, followed by KwaZulu-Natal, Mpumalanga, and the Western Cape. While this generally aligns with the provincial distribution of employers, the share of employees in Mpumalanga (10%) is disproportionately high compared to the share of employers (2%). This indicates that the province's chemical industry is concentrated among a few large companies.

Figure 2-4 Provincial Distribution of Employees (2024)

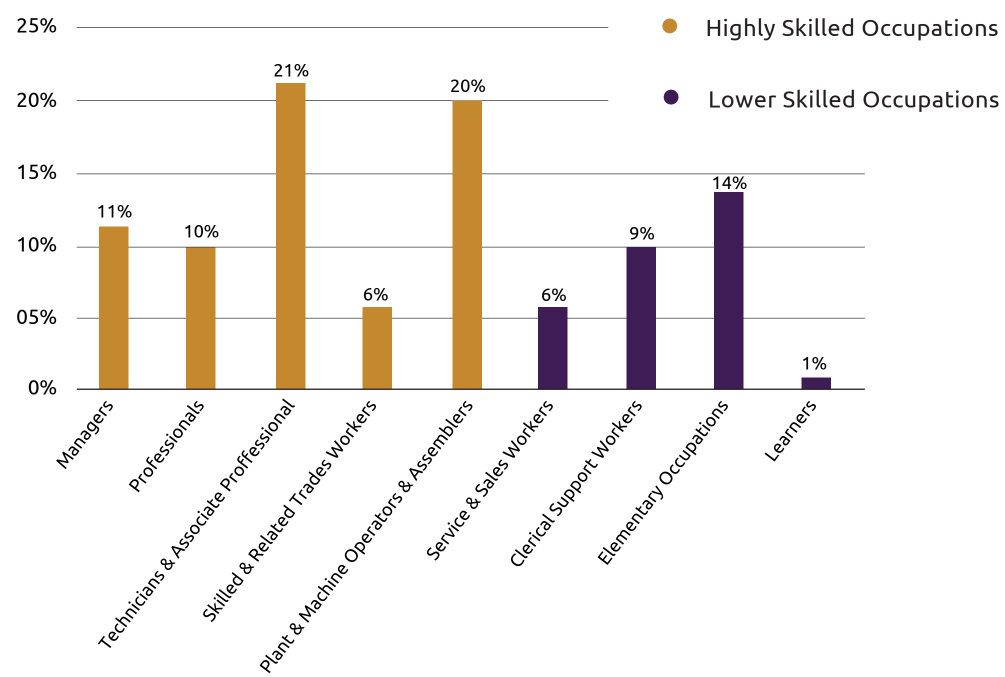


Occupations

The following graph shows the occupational distribution of employees across the Chemical Industry in 2025. The greatest proportion of employees (21%) fall into the "Technicians and Associate Professionals" category, followed by "Plant and Machine Operators and Assemblers" (20%). The industry also employs a high proportion of "Managers" (11%), "Professionals" (10%), and "Skilled and Related Trades Workers" (6%).

Together, these five 'skilled' categories make up 72% of employees in the sector, emphasising the high skills demands of the Chemical Industry and highlighting the need for ongoing training and skills development.

Figure 2-5 Occupational Distribution of Employees by Skill Level (2025)



Qualifications of Employees

The distribution of employee qualification levels in the Chemical Industry is shown below. In 2025, 32% of employees held post-matric qualifications (NQF Level 5 and above), while 58% possessed NQF Level 4 qualifications. Over the past five years, CHIETA has consistently supported workers with various learning opportunities aimed at upskilling and reskilling. This has helped ensure the workforce's adaptability in response to changing labour market demands and technological progress.

Table 2-2 NQF Level for Employees

NQF Level	2021	2022	2023	2024	2025
Below level 1	4%	2%	4%	2%	2%
Level 1	2%	2%	2%	2%	2%
Level 2	4%	4%	2%	3%	3%
Level 3	4%	5%	4%	5%	3%
Level 4	47%	50%	47%	46%	58%
Level 5 and above	37%	36%	37%	42%	32%

Source: CHIETA source data system, June 2025

1 Level 4 category includes individuals with Standard 10 (Grade 12) and NCV level 3. Level 5 comprises those who hold post-school qualifications such as diplomas, bachelor's degrees, honours degrees, master's degrees, and doctoral degrees.

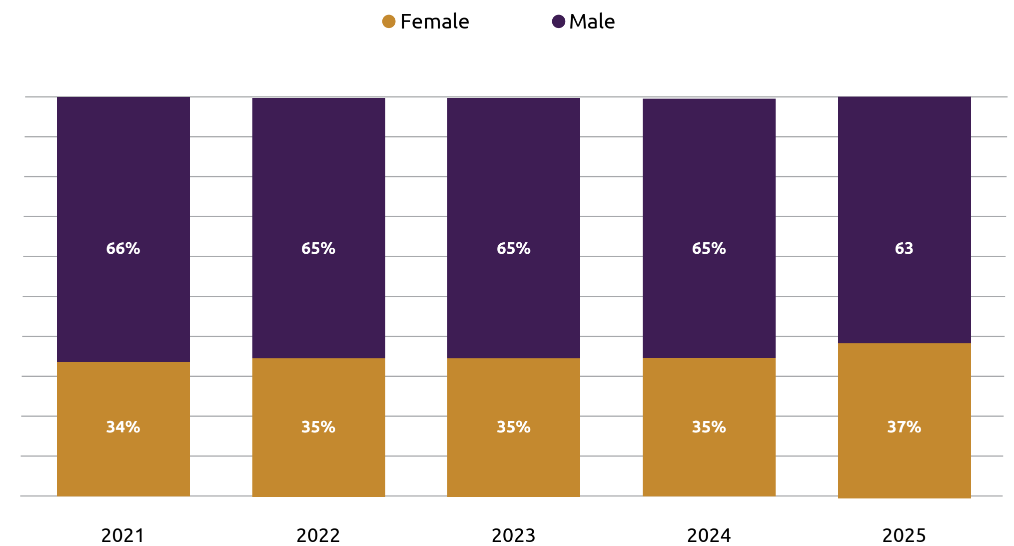
Employee Demographics

CHIETA monitors the distribution of employees by gender and population group to evaluate progress in employment transformation. Together with its industry partners, CHIETA supports the advancement of previously disadvantaged individuals, with a particular focus on women and people with disabilities, in accordance with the Employment Equity Act.

The Chemical Industry remains predominantly male-dominated, with a gender split of approximately 63% male and 37% female. The lack of gender parity is influenced by historical, cultural, educational, and socio-economic factors, as well as the physically demanding nature of many sector occupations. In response, CHIETA is actively partnering with industry stakeholders to support training programmes for women in STEM fields. Notably, the gender balance has remained relatively stable over the last five years.

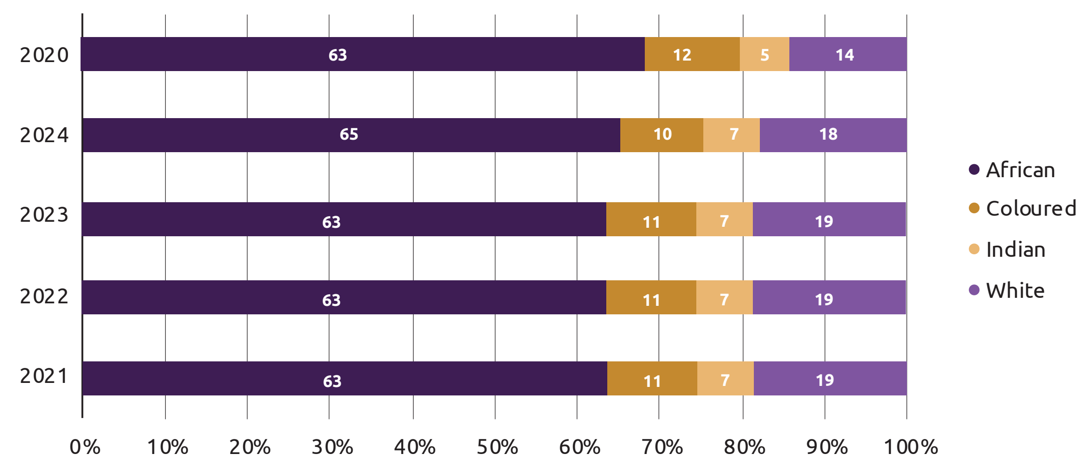
The distribution of sector employees by population group from 2021 to 2025 indicates minimal transformation gains, with only a slight shift in favour of black employees.

Figure 2-6 Gender Composition of Employees in the Chemical Industry (2025)



Source: CHIETA source data system, June 2025

Figure 2-7 Population Group Composition of Employees in the Chemical Industry (2021–2025)



Source: CHIETA source data system, June 2025

The following table shows the age distribution of employees in the sector over the past five years. While proportions have stayed relatively stable, the Chemical Industry has experienced a 5% increase in employees under 35, rising from 35% in 2020 to 40% in 2024, mainly because of CHIETA's focus on youth-focused education, training, and job creation programmes.

Table 2-3 Age Distribution of Workers in the Chemical Industry (2021–2025)

Age	2021		2022		2023		2024		2025	
	N	%	N	%	N	%	N	%	N	%
<35	58 485	35	50 287	30	53 004	31	53 499	32	67 466	40
36–54	87 588	52	100 170	60	96 220	57	92 602	56	81 102	48
55–59	11 628	7	10 913	7	11 599	7	11 832	7	10 211	6
60+	9 159	5	6 518	4	8 916	5	9 750	6	8 981	5
Total	**166 860**	**100**	**167 888**	**100**	**169 739**	**100**	**167 684**	**100**	**167 760**	**100**

People with Disabilities

The table below shows the proportion of employees with disabilities, disaggregated by population group, gender, and age. Across the Chemical Industry, the proportion of workers with disabilities has remained steady at approximately 1% from 2021 to 2025. However, industry engagement suggests that some individuals refrain from disclosing disabilities due to fear of discrimination, likely leading to underreporting. This is supported by the presence of numerous null values in the disability data.

Table 2-4 Workers with Disabilities According to Population Group, Gender and Age (2021–2025)

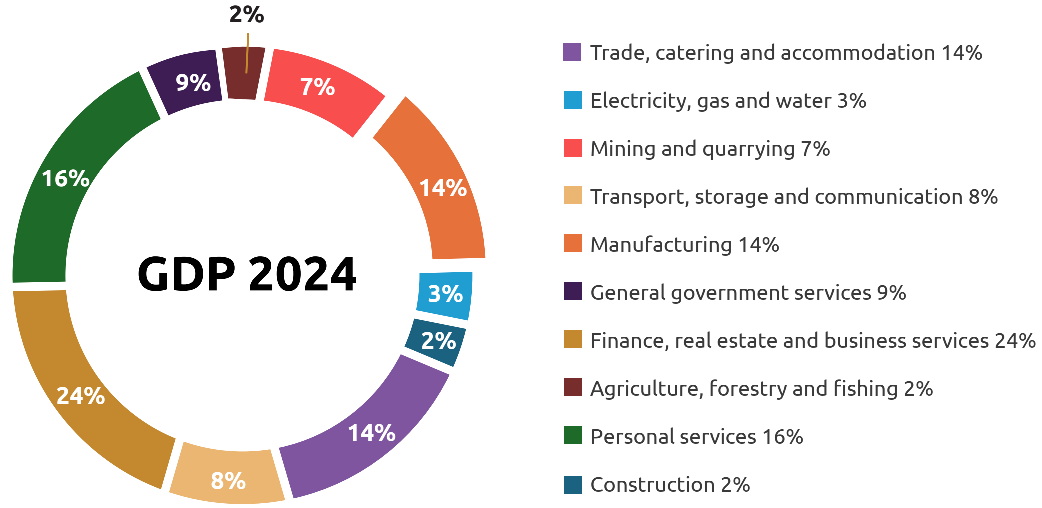
	Disabled workers	2021		2022		2023		2024		2025	
		N	%	N	%	N	%	N	%	N	%
Population group	African	1 103	63	1 251	63	1 160	60	942	62	1322	67
	White	318	18	405	21	416	21	289	19	422	21
	Coloured	218	12	193	10	250	13	194	13	88	4
	Indian	103	6	123	6	112	6	103	7	144	7
	Total	1 742	100	1 971	100	1 938	100	1 528	100	1976	100
		N	%	N	%	N	%	N	%	N	%
Gender	Female	809	46	965	49	865	45	745	49	541	27
	Male	933	54	1006	51	1072	55	783	51	1435	73
	Total	1 742	100	1 971	100	1 937	100	1 678	100	1976	100
		N	%	N	%	N	%	N	%	N	%
Age	15-34	739	42	847	43	908	47	541	35	677	34
	35-54	688	40	797	40	693	36	686	45	729	37
	55-59	176	10	202	10	198	10	149	10	164	8
	60-64	108	6	97	5	112	6	119	8	404	20
	65+	31	2	28	1	26	1	33	2	2	0
	Total	**1 742**	**100**	**1 971**	**100**	**1 937**	**100**	**1 528**	**100**	**1976**	**100**
Percentage of total employment			**100**		**100**		**100**		**100**		**100**

Source: CHIETA data system, June 2025

Economic Performance

The text shown in Figure 2-8 illustrates the contribution of South African industries to gross domestic product (GDP). In 2024, the manufacturing sector's share of output remained steady at 14%, due to the strong performance of several subsectors.

Figure 2-8 Industries' Share of GDP in 2024



Source: Statistics South Africa, 2024

Despite ongoing challenges, such as constraints in electricity supply, inefficiencies in rail transport, and inadequate logistics infrastructure, the manufacturing sector's growth has remained stable. In 2024, the production within the manufacturing sector sustained a rate of 14%, bolstered by the robust performance of various subsectors. Notably, the chemical industry contributed approximately 4% to this output (Quantec data, 2024) and constituted a significant portion of total manufacturing sales, accounting for 25% Manufacturing Outlook, 2024).

The table below highlights the key change drivers that shape the current operating context. Each of the identified change drivers carries both demand- and supply-side skills implications, which are analysed in detail in the table below.

Table 2-5 Chemical Industry Major Change Drivers

Change Driver	Implications for Skills Planning	
	Demand	Supply
The evolution of work The South African chemical sector is rapidly evolving due to localisation policies, global trade shifts, and digitalisation, driving urgent demand for new skills, especially in refining, sustainability, and innovative technologies.	There is growing demand for professionals in engineering, sustainability, supply chain, and digital technologies as the chemical sector integrates with petroleum production and advances toward smart manufacturing, requiring coordinated national efforts to close the skills gap.	On the supply side, the chemical industry workforce needs to be trained in digital skills for advanced chemical facilities, along with specialised training in green chemicals, environmental law, carbon accounting, and global trade compliance to meet emerging industry demands.
Green Transition and Decarbonisation The green transition is driving the chemical industry to reduce emissions and adopt sustainable, low-carbon practices, requiring a shift to clean energy, new production technologies, and reskilling of the workforce to support a circular, carbon-free economy.	The shift to a low-carbon economy increases demand for professionals skilled in clean technologies, green chemistry, sustainable production, and environmental compliance. The industry needs workers who can drive innovation in energy efficiency, emissions reduction, and circular economy practices.	There is an urgent need to equip the current and future workforce with skills in green chemicals, renewable energy, carbon accounting, environmental law, and sustainable manufacturing. Vocational and higher education programmes must be revised to align with green economy objectives and facilitate a just transition. To support this, CHIETA has developed a green hydrogen skills programme aimed at bridging the existing skills gap.
The Circular Economy The circular economy promotes sustainable use of resources by reducing waste, extending product life, and improving recycling, reuse, and renewable energy use. For South Africa's coal-reliant chemical sector, this shift demands a transition to low-carbon solutions like hydrogen and clean technologies, in response to climate change and resource constraints.	There is a growing demand for professionals skilled in renewable energy and hydrogen production, waste-to-value technologies, resource efficiency and recycling, sustainable product and process design, and circular economy business models. These expertise areas are essential to drive the transition toward a more sustainable and resource-efficient chemical industry.	Training institutions must prioritise green chemistry, sustainable engineering, circular economy principles, hydrogen technologies, energy transition skills, environmental management, carbon literacy, and innovation in recycling, reuse, and waste management. To support this, CHIETA has developed a green hydrogen skills programme aimed at bridging the existing skills gap.
Development from Chemistry 4.0 Chemistry 4.0 marks a digital transformation in the chemical industry, integrating AI, IoT, automation, and data analytics to improve efficiency, quality, and innovation. This shift drives smart manufacturing but faces challenges due to critical skill shortages in digital technologies.	There is growing demand for experts in machine learning, data analytics, robotics, virtual plant simulation, cybersecurity, and advanced engineering to support innovative, data-driven chemical processes.	Higher education and training institutions must modernise their curricula to incorporate advanced digital skills such as 3D engineering and cybersecurity. Additionally, upskilling current workers and strengthening STEM education are critical to closing the skills gap and driving the industry's digital transformation. To support this, CHIETA continues to implement its STEM programme, helping to bridge the growing shortage of STEM-qualified learners.

The Skills Needs of the Industry

Although 267 occupations have been identified as hard-to-fill vacancies, the overall impression is that the Chemical Industry does not face significant occupational shortages. However, specific specialisations within key occupations and certain non-specialised roles are experiencing shortages. To prioritise skills in short supply, an abridged list of hard-to-fill vacancies was developed and is presented in the table below.

Table 2-6 List of Hard-to-Fill Vacancies in the Chemical Industry (2025)

OFO Group	Occupation Code	Occupation Name	Number of Organisations (Indicating a Vacancy)	Total Weighted Vacancies	Total Positions (Vacancies + Employed)	Vacancy Reason
Managers	2021-132102	Operations Manager (Production)	11	39	3 370	Equity considerations
Technicians and associate professionals	2021-311601	Chemical Engineering Technician	5	9	340	Lack of relevant experience
	2021-312201	Production / Operations Supervisor (Manufacturing)	17	56	2 847	Lack of effective supervisory skills
	2021-311301	Electrical Engineering Technician	6	23	335	Lack of relevant experience
Service and sales workers	2021-541102	Hazardous Materials Removal Workers	14	116	409	Lack of relevant qualifications
Skilled and related workers	2021-672105	Instrument Mechanician	3	27	486	Lack of relevant experience
	2021-671202	Millwright	19	49	3 245	Deficiencies in related experience
	2021- 651302	Boiler Maker	5	104	3 371	Lack of relevant experience
Plant and machine operators and assemblers	2021-713101	Chemical Production Machine Operator	6	30	928	Lack of relevant experience
Elementary occupations	2021-832907	Chemical Plant Worker	3	31	455	Lack of skills; Equity considerations

The reasons for hard-to-fill vacancies are complex, and it is not always possible to explain all occupations. However, to better understand the nuances of occupational shortages from chamber and regional perspectives, CHIETA engages stakeholders through regional skills forums and chamber meetings. These engagements help release skills into the labour market, easing upward pressure on salaries. Despite these efforts, the demand for engineers, scientists, and artisans remains high.

It is crucial to maintain a long-term perspective on skills development. Hard-to-fill vacancies can also stem from gaps within occupations. These gaps range from soft skills to procedural knowledge, including company-specific practices, technical expertise, or required experience. For instance, Quality Assurance Pharmacists are identified as a hard-to-fill role by the pharmaceutical subsector. Although many candidates have the necessary qualifications, they often lack industry-specific experience, having previously worked in unrelated sectors like FMCG.

The Chemical Industry depends heavily on managers in specialised technical areas. These managers tend to be older than those in other job sectors, leading to a high demand for replacements. Because managers are often promoted from experienced professionals, supporting the development of technical staff into leadership positions is essential. This strategy will also enhance racial and gender diversity among industry managers.

Along with promoting a broad environmental awareness, the industry must acquire specific skills to enable sustainable operations. These include skills for managing the use and conservation of non-renewable resources, strategic planning to optimise resource use, and addressing water constraints, especially within the chemical, plastic, and pharmaceutical sectors. Stricter regulations on organic compound discharges have raised the costs and complexity of achieving compliance through traditional treatment methods.

Another expanding area of specialisation is cleaner production processes, including air pollution reduction and recycling initiatives. The Glass subsector is actively engaged in cullet (recycled glass) collection. Skills development in this sector focuses on micro and informal businesses, especially training collectors on the correct format and size for cullets before resale.

Occupational health and safety (OHS) is a key concern for the industry. This includes both overarching OHS skills and occupation-specific expertise. A significant number of environmental and occupational health inspectors are expected to retire within the next five years. Because these inspectors play a vital role in the industry, targeted training initiatives are necessary to develop the next generation of professionals. Skills in handling hazardous materials, including managing substances like ammonia in fertiliser and explosives sectors and ensuring the safe transportation of hazardous chemicals, are also essential.

Research conducted by Wits, REAL & CHIETA (2024) and the World Economic Forum (2024) indicates that the industry is experiencing substantial transformation due to green hydrogen developments and digital innovation. Occupations anticipated to emerge from these trends include:

- Software Developers / Machine Learning Specialists
- Renewable Materials Specialists
- Fuel Cell Engineers
- Sustainability Managers
- Hazardous Materials Removal Specialists

2. Performance Report

Overview of Organisational Performance

Table 2-7 CHIETA Strategic Programmes Performance Comparative

PROGRAMME NUMBER	STRATEGIC PROGRAMME	2023/24 Target	Actual Achievement 2023/24	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/25	Percentage Achieved	Status 2024/25
PROGRAMME 1	ADMINISTRATION	5	5	5	0	100%	☺
PROGRAMME 2	RESEARCH AND SKILLS PLANNING	9	10	10	1	111%	☺
PROGRAMME 3	OCCUPATIONALLY DIRECTED PROGRAMME	14 963	18 321	17 269	2 306	115%	☺
PROGRAMME 4	ETQA	469	717	831	362	177%	☺
TOTAL CHIETA BASELINE ACHIEVEMENT		**15 446**	**19 053**	**18 115**	**2 669**	**117%**	☺

☺ **Green indicates actual achievement or performance exceeding the annual target**

CHIETA's organisational performance for the 2024/25 financial year demonstrates a disciplined and strategically aligned execution of its mandate as outlined in the Strategic Plan 2020/21–2024/25 and the Annual Performance Plan (APP) for 2024/25. The APP consists of four strategic performance programmes with clearly defined indicators and annual targets.

Governance and performance management are key to CHIETA's operations. Organisational performance is reviewed quarterly and reported to the CHIETA Governing Board to support their oversight responsibilities. This method allows for real-time monitoring of progress against set objectives and strengthens accountability.

During the reporting cycle, CHIETA reported on 70 organisational performance indicators. Performance data was carefully monitored, internally verified, and submitted for external audit by the Auditor-General of South Africa (AGSA). The integrity of this information supports CHIETA's dedication to transparent and effective public administration.

Detailed performance results for performance indicators are presented in the performance scorecards presented later in this section.

3. Key Organisational Performance Highlights

CHIETA's 2024/25 performance outcomes demonstrated excellence and strategic alignment.

Key highlights include:

- 100% achievement of all KPIs in the approved 2024/25 APP.
- All four performance programmes achieved green status.
- The organisation recorded an average baseline performance of 117%.

These achievements underscore the organisation's commitment to delivering on its strategic priorities and exceeding stakeholder expectations.

Table 2-8 Analysis of Learners Participating in Learning Programmes (2024/25)

Demarcation / Profile of Learners	Total	%
Employed Learners	5 174	34%
Unemployed Learners	10 070	66%
Male Learners	9 756	64%
Female Learners	5 488	36%
Youth (15–35 years)	12 266	80%
Learners with Disabilities	305	2%
TVET College Learners	2 147	14%
Learners from Rural Districts	7 152	47%
SMMEs Supported	700	N/A

These figures reflect CHIETA's efforts to drive inclusive skills development across employment categories, gender, rural communities, and youth. They also demonstrate a strategic focus on transformation, entrepreneurship, and institutional partnerships.

4. Performance by Strategic Programmes

Programme 1: Administration

Purpose of Programme

To provide business oversight and enablement services to the core business units and instil and maintain a culture of good governance within CHIETA.

Outcomes and Outputs

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

Output - CHIETA's alignment to the key principles of corporate governance.

Table 2-9 Sub-Programmes of Programme 1: Administration

Sub-programme	Purpose
GOVERNANCE AND RISK	To instil and maintain a culture of good corporate governance within CHIETA through its strategic performance planning, governance and company secretary support to the CHIETA governance structures, DHET liaison, organisation-wide risk management, performance monitoring and reporting, and corporate ethics management.
FINANCE AND SUPPLY CHAIN MANAGEMENT	To ensure sound financial management and compliance with laws and regulations pertaining to the PFMA, and effective and efficient supply chain management processes to enhance organisational performance, as well as effective and efficient management of all CHIETA assets.
CORPORATE SERVICES	
a) Legal Services	- To assist with disciplinary and grievance procedures. - To provide legal opinion on specific issues. - To assist with amendments to organisational policies.
b) Marketing and Communications	- To build brand awareness around CHIETA's role in the chemical sector. - To position CHIETA as a leader in skills development in general and in the chemical industry in particular.
c) Stakeholder Management	- To increase access and participation in the CHIETA offerings. - To strengthen CHIETA's supply capacity. - To gather and disseminate information and intelligence. - To engage skills development facilitators (SDFs) to encourage participation by member companies.
d) Facilities Management	- To ensure the functionality, comfort, safety, sustainability and efficiency of the built environment, including buildings and surrounding infrastructure.
e) Human Resources	- To create a work environment that is supportive and conducive to performance and delivery against the strategic objectives of CHIETA. - To develop, implement and oversee an integrated strategy in which all HR functions work together cohesively to create a positive work environment characterised by performance, cross-functional teamwork and accountability.
INNOVATION AND TECHNOLOGY	To provide ICT infrastructure, computers, application software, mobile communication and first-line support in a robust, secure and flexible manner based on industry standards.

Performance Highlights

The following Programme 1 output indicators were achieved/exceeded for 2024/25:

- Maintaining an unqualified audit report at the end of the financial year 2024/25
- Provision of SETA Governance Charter reports

Governance and Risk

The CHIETA Accounting Authority Board approved a macro indicator dashboard for the period 2020–2025, comprising eighteen measurable indicators that assess how successfully CHIETA's Vision and Mission are being realised. CHIETA achieved 100% performance across these indicators up to 31 March 2025. Progress was closely monitored and reported at each quarterly meeting of the CHIETA Governing Board.

The Unit also actively participated in the innovation working groups established through the CHIETA Innovation Bootcamp. These groups serve as incubators for new ideas and practical solutions, which are then presented to MANCO and the CEO for review and potential adoption.

From a governance perspective, the leadership and tone at the top of the organisation, from the Accounting Authority to the Office of the CEO, cultivated an enabling environment that supports positive governance outcomes.

In response to a Board effectiveness survey, the Accounting Authority implemented a Governance Action Matrix for 2024/2025 to promote governance maturity and embed continuous improvement across the organisation.

Digitised platforms supporting CHIETA's governance stakeholders remained stable and effective throughout the year. These systems facilitated key compliance processes such as Accounting Authority Board remuneration disclosures and conflict of interest declarations from all governance and constitutional structures, as well as employees. Independent probity checks were conducted, and all declarations were found to be accurate and truthful. Importantly, no conflicts of interest were identified in relation to CHIETA's supply-side operations or grants management.

Cross-functional collaboration with business units and stakeholders strengthened CHIETA's risk analysis capabilities, improving both risk resilience and responsiveness to emerging opportunities. This collaborative approach also played a key role in the organisation's unqualified organisational performance audit from the Auditor-General of South Africa (AGSA) and the achievement of all key performance indicators (KPIs) agreed upon between the Accounting Authority and the Executive Authority.

The Accounting Authority further provided oversight of the CHIETA Environmental, Social and Governance (ESG) Framework and accompanying dashboard, reinforcing CHIETA's commitment to responsible corporate citizenship and integrated reporting.

From a compliance and risk management perspective, CHIETA demonstrated strong performance. A clean audit outcome was received from the AGSA, and the organisation submitted its quarterly governance reports to the Department of Higher Education and Training (DHET) as required. Collaboration on the CHIETA Audit Improvement Plan and efforts to enhance internal controls across business units were key to achieving this result.

The annual performance planning process were sustained during the reporting period reflecting a balanced integration of priorities from both the Executive Authority and the Accounting Authority, carefully aligned with CHIETA's affordability framework to guarantee strategic impact

PLANS FOR 2025/26

- Implement improved risk maturity interventions through more robust and proactive gathering of risk intelligence, with a focus on existing, emerging, and opportunity risks to inform strategic and performance planning.
- Maintain focus on achieving 100% of Annual Performance Plan (APP) targets for the 2025/26 financial year.
- Develop and submit a focused APP for 2026/27 to the Executive Authority, aligned to the strategic priorities of the Seventh Administration and Executive Authority.
- Advance the digitisation of governance and risk management functions in line with the CHIETA Digitisation Strategy, approved by the Governing Board.
- Conduct a governance maturity assessment and benchmarking exercise across SETAs and public sector comparators.
- Improve and deepen the integration and reporting of CHIETA's ESG indicators in the 2025/26 financial year.

Financial Management and SCM

The financial performance of CHIETA for the year ended 31 March 2025 shows a deficit of R26.9 million, a significant increase from the previous year's deficit of R17 million. This occurred despite a 4.2% rise in revenue, which grew from R694 million to R723 million, and a 5.5% rise in expenditure, from R711 million to R750 million.

Despite the deficit, CHIETA reported a cash surplus of R64.9 million, as defined by the Public Finance Management Act (PFMA) National Treasury Surplus Retention Instruction Note 12 of 2020/2021 – a significant improvement compared to the R8.2 million deficit in the previous year.

A total of R639 million (2024: R610 million) was spent on employer grants and projects. Of this, R488 million (2024: R465 million) was allocated to discretionary grants and project expenditure, accounting for 71% of skills development levy (SDL) income, which is consistent with the previous year's percentage. Mandatory grant expenditure amounted to R151 million (2024: R145 million), representing 22% of SDL income, also in line with the prior year. This expenditure pattern shows CHIETA's continued compliance with legislative requirements, with the majority of spending focused on grant funding and project implementation.

CHIETA is proud to have secured an unqualified audit outcome with no findings for the 2024/25 financial year.

The entity exceeded the 10.5% administrative expenditure threshold, but prior approval was obtained from the Executive Authority as required. Additionally, in line with Section 53 of the PFMA and the Skills Development Act, CHIETA has sought National Treasury approval to retain surplus funds from the previous financial year.

Corporate Services

Marketing and Communications played a strategic role in positioning CHIETA as a recognised leader within both the SETA landscape and the broader chemical industry. The organisation achieved a Public Relations (PR) value of R25 089 814 significantly increasing its visibility and stakeholder reach. CHIETA's stakeholder engagement was further strengthened through existing partnerships and new memorandums of understanding (MOUs) were signed with key institutions, expanding CHIETA's collaborative outcomes and impact. The organisation's public engagement and positioning was also improved strengthened through media outreach activities, including press releases, interviews, and event support, throughout the reporting period.

Corporate Services also played a key role in establishing and launching three Smart Skills Centres (SSCs)Centres during 2024/25 - in Limpopo, the North West and Mpumalanga - supporting CHIETA's efforts to bridge the digital skills divide. The Marketing team also assisted with centre branding, layout and design, and the execution of launch media campaigns, including social media outreach. These centres contribute to building a future-ready workforce by providing communities with access to digital learning resources, enhancing employability, and empowering youth and adults with 4IR-aligned skills. They also serve as innovation hubs that promote lifelong learning, entrepreneurial development, and inclusive participation in the economy, particularly in underserved and rural areas.

In 2024/25, the Legal Services team continued to deliver vital support on various matters, including legal opinions, and disciplinary cases, helping to maintain organisational compliance and integrity.

CHIETA also implemented its revised organisational structure, as approved in the previous financial year. The ICT function was officially relocated from Corporate Services to the newly established Innovation and Technology Department in March 2024.

The Human Resources section focussed on employee wellness activities, a staff innovation bootcamp, and implementation of the education subsidy benefit and the employee further studies programme, rewarding employee excellence through an awards ceremony.

CHIETA's Stakeholder Management section delivered programmes such as career guidance initiatives and education to combat gender-based violence. The section also undertook site visits to employers and training providers across the chemicals sector.

Finally, in the year under review, Facilities Management prepared to relocate its KZN and Head offices.

PLANS FOR 2025-2026

- Management of the office relocations.
- Launching of the Customer Relationship Management (CRM) system.
- Improving media outreach.
- Supporting business units with workshops, conferences and colloquiums.
- Implementing a schedule of digital training for staff.
- Digitising HR operations.
- Updating the website

Innovation and Technology

During the year under review, CHIETA's Innovation and Technology Unit continued to play a crucial role in supporting the organisation to carry out its mandate effectively and efficiently through the strategic use of digital solutions and infrastructure.

To enhance governance of ICT-related policies, processes, and procedures, several key policies were reviewed and approved, including the Information Security Policy, Backup Policy, and Acceptable ICT Usage Policy.

- The Information Security Policy provides a framework for responding to information security incidents and breaches, ensuring minimal disruption and safeguarding the confidentiality, integrity, and availability of CHIETA's systems, applications, and data.
- The Backup Policy ensures that reliable backups of servers are maintained to enable the accurate and timely restoration of affected systems and data in the event of failure.

CHIETA | ANNUAL REPORT 2024/2025

- The Acceptable ICT Usage Policy outlines the standards for appropriate and responsible use of CHIETA's ICT resources by internal and external users.
- The Cloud Computing Policy to facilitate and or stimulate the use of cloud-based computing services as the technology enabler for the digitally transformed CHIETA.

Notably, the organisation developed a Digital Transformation and Innovation Strategy aimed at encouraging the effective use and reuse of organisational data to meet internal ICT needs and respond meaningfully to stakeholder feedback. The strategy details initiatives that will support the roll-out of new digital services, aligning with the long-term vision of the Innovation and Technology Unit.

Key digital developments during the reporting period included:

- Completion of the Supply Side Demand Database (SSDD) and the first phase of the CHIETA APP, which is scheduled for piloting in the 2025/26 financial year.
- Development and implementation of the Organising Framework for Occupations (OFO) Codes Mapping to address the mismatches in the OFOs. This solution streamlines the process of identifying, analysing, and resolving these mismatches, thereby improving workforce planning and alignment.
- Business Intelligence (BI) platform to enhance data-driven decision-making.
- Enhancements to the Integrated Management System (IMS) user interface to improve user experience and accessibility for stakeholders.

In a significant move to promote innovation, CHIETA established the Ideation Committee to steer, assess, and supervise innovative projects. Five ideas we approved and are currently in the experimentation and/or prototyping stages.

In pursuit of digital inclusivity, CHIETA expanded access to digital learning by enabling over 25,000 beneficiaries from rural communities to access Smart Skills Centres. These centres delivered essential digital skills training, fostering community empowerment, employability, and entrepreneurial activity.

PLANS FOR 2025-2026

- Review the Integrated Management System (IMS) user requirements.
- Develop additional functions on the IMS platform (contract management, integration with the Department of Home Affairs, etc.).
- Develop additional functions of the CHIETA connect APP.
- Start the development of AI-Powered Enterprise Resource Planning.
- Establish an AI partner.
- Generate one innovation.

CHIETA | ANNUAL REPORT 2024/2025

The table below reflects the audited performance for Programme 1: Administration for the 2024/25 financial year, as measured against the approved Annual Performance Plan.

Table 2-10 Audited Performance Table for Programme 1: Administration

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2024/23	Planned Annual Target 2023/24	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
A compliant, high-performance CHIETA that is well- capacitated to improve workforce productivity and enhance labour market prospects of employees for sustainable livelihoods	**CHIETA aligned to the key principles of Corporate Governance**	1.1	Maintaining an Unqualified Audit Report at the end of the financial year 2024/25	1	1	1	1	0	100%		As per AGSA Audit Outcome and Management Report for 2024/25
		1.2	Providing 4 Governance Charter Reports	4	4	4	4	0	100%		Target achieved
		1.3	Percentage of Discretionary Grants allocated to Pivotal Grants in support of the development of High, Intermediate and Elementary Skills	N/A	N/A	80%	80%	0	100%		Target achieved
		Baseline		**5**	**5**	**5**	**5**	**0**	**100%**		**Baseline Target Achivieved**

Programme 2: Research and Skills Planning

Purpose of Programme

A professional and credible skills planning and development tool for the Chemical Industry that articulates sector realities, needs and priorities, as well as agreed sector strategies to address skills mismatches and requirements.

Outcomes and Outputs

Outcome - A better-equipped workforce understanding the sector operations.

Output - The programme's key output is a credible institutional mechanism for research, skills planning and impact measurement.

Performance Highlights

A core component of CHIETA's mandate is the implementation of credible and evidence-based skills planning. This involves the development of a comprehensive sector skills profile, accurate identification of current and future skills needs, and the strategic prioritisation of interventions. Research and analysis continue to play a pivotal role in strengthening this planning process by enabling informed decision-making and targeted programme development across the sector.

Performance during the year under review was guided by seven key output indicators that align with CHIETA's strategic objectives:

- Number of learners absorbed into employment
- A well-researched Sector Skills Plan (SSP) that supports a credible institutional mechanism for skills planning
- Number of partnerships established with higher education institutions (HEIs)
- Number of sector research agreements signed to support TVET growth and occupationally directed programmes
- Number of established or emerging cooperatives trained in national and sector priority occupations or skills
- Number of small and emerging enterprises trained in national and sector priority occupations or skills
- Completion of an impact study to evaluate CHIETA's effectiveness

The introduction of the National Skills Development Plan (NSDP) has further strengthened the importance of research and analysis in the operations of Sector Education and Training Authorities (SETAs). In response, CHIETA formalised the creation of a dedicated Research and Skills Planning Unit to ensure alignment with the NSDP's strategic goals. This has positioned the organisation to provide authoritative insights on skills needs and supply within the Chemical Industry, thereby improving its capacity to influence national skills development policy and implementation.

Research and Sector Skills Planning

Research and analysis form the foundation of CHIETA's capacity to produce a credible, evidence-based Sector Skills Plan (SSP), design and develop qualifications and steer strategic skills development in the Chemical Industry. CHIETA's research agenda is aligned with the National Skills Development Plan (NSDP) and is overseen by an approved policy framework and strategic research plan endorsed by the Accounting Authority.

In line with Vision 2025, CHIETA's research has focused on emerging and cross-cutting themes such as:

- The hydrogen economy
- Nanotechnology
- Small, Medium and Micro Enterprises (SMMEs), start-ups, cooperatives and community-based enterprises
- Digitisation and innovation
- Employment absorption rates through tracer studies
- Monitoring and evaluation of programme effectiveness and impact

These themes reflect both sector priorities and the evolving nature of work with a circular and digitalised economy.

The development of the SSP aligns with the DHET SSP Framework (2020–2025), with the final update for this period completed

CHIETA | ANNUAL REPORT 2024/2025

during the year under review. This planning was carried out in a volatile economic environment where the Chemical Industry continues to face challenges such as:

- Rising input costs
- Infrastructure deficiencies
- Energy supply constraints
- Broader economic stagnation affecting the manufacturing sector

Understanding the labour dynamics, growth trends and future needs of the sector remains essential to developing a responsive and forward-looking SSP.

Stakeholder Centricity and Data Management

Stakeholder input is central to CHIETA's research and planning. Its five chambers, representing nine subsectors of chemical manufacturing, serve a key role in shaping and confirming research findings and skills priorities. Further engagement takes place through quarterly regional skills forums, which include representation from employers, labour, government, and education and training providers.

To support accurate and timely decision-making, CHIETA has enhanced its data management capacity. In 2021/22, a dedicated Data Strategy was implemented. In the current reporting year, efforts concentrated on:

- Enhancing the Workplace Skills Plan – Annual Training Report (WSP–ATR) submission process
- Building stakeholder data literacy and submission capacity
- Streamlining system workflows

Due to the lack of a single national database dedicated to the Chemical Sector, CHIETA depends on a combination of internal and external sources for its analysis. These include:

- WSP–ATR submissions (primary internal data source)
- Sector-wide economic datasets (e.g., Stats SA, Quantec)
- Employment equity and education data
- Sector-specific academic and institutional research

Key Research Activities (2024/25)

CHIETA's research in 2024/25 concentrated on digital transformation and the hydrogen economy, both of which have significant implications for the future of work and skills in the sector. Collaborative partnerships with public research institutions were pursued to deliver high-quality insights and steer programme development.

The following table outlines key partnerships established in 2024/25:

Table 2-11 Research Partnerships (2024/25)

Research Partnership	Timeframe	Research Area	Objectives of the Study
Connaissance Business Advisors	Oct 2024 – Sept 2025	Artificial Intelligence & Skills Development	To guide AI integration into skills development for sustainable livelihoods
BoAura Solutions	Oct 2024 – Sept 2025	Green Plastics & Innovation	To assess the feasibility of establishing nine green plastics hubs across South Africa
Ozone Business Consulting	Oct 2024 – Aug 2025	Chemical sector absorption rates and levels	To establish a baseline for accurate absorption targets based on prevailing socioeconomic conditions
PTEN Consulting	Oct 2024 – Sept 2025	Impact study measuring CHIETA's effectiveness	To measure the effectiveness of CHIETA partnerships and collaborations from April 2020 – March 2025
TS91 Consulting	Oct 2024 – Sept 2025	Tracking and Tracing of learners	To track and trace Learners who completed CHIETA-funded work-based learning programmes and qualifications for the period 2018 - 2023.

The following table summarises primary research outputs from 2024/25:

Table 2-12 Research Projects (2024/25)

Area	Project Name	Findings/Recommendations
1	Blended Learning Through a Coded Welding Programme	Identified eight improvement strategies across six TVET colleges, including better career guidance, facilitator training, standardised teaching practices, improved procurement, and collaboration.
2	Green Hydrogen and SMME Opportunities	Found that the green hydrogen industry is in early stages; proposed nine interventions to support SMMEs, cooperatives, and start-ups in entering the market.
3	CHIETA Monitoring and Evaluation Implementation	Developed M&E processes to enable automated real-time tracking, predictive analytics, and enhanced forecasting of future outcomes.

PLANS FOR 2025/26

Looking ahead, CHIETA will continue to prioritise research that enhances programme design, strengthens sector intelligence, and enables more responsive service delivery. Key areas of focus include:

- Labour Market Trend Analysis: To better understand employment dynamics, job transitions, and demand shifts across subsectors.
- Artificial Intelligence (AI) for Skills: To examine how emerging technologies can resolve skills mismatches and align workforce capabilities with economic needs.
- Reskilling for the Green Hydrogen Economy: To support a just energy and labour transition through targeted upskilling and workforce development aligned with low-carbon strategies.
- Learner Tracking and Tracing: To track the post-programme outcomes of CHIETA-funded learners (2023–2025), measuring absorption and programme effectiveness.
- Implementation of the CHIETA Monitoring and Evaluation policy framework: to measure CHIETA's overall effectiveness on its strategic objectives and performance.

Each of these planned studies will help develop a responsive, innovative, and evidence-based skills ecosystem for the Chemical Industry.

The table below presents the audited performance for Programme 2: Research and Skills Planning for the 2024/25 financial year, in alignment with the approved Annual Performance Plan.

Table 2-13 Audited Performance Table for Programme 2: Research and Skills Planning

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
Improved workforce productivity and diversity through structured industry knowledge and capacity building	**A credible institutional mechanism for research and skills planning**	2.1	Number of learners absorbed into employment	1	1	1	1	0	100%		Target Achieved
		2.2	The SSP is well researched for providing a credible institutional mechanism for skills planning	1	1	1	1	0	100%		Target Achieved
		2.3	Number of HEI Partnerships	2	4	3	4	1	133%		Target Exceeded due to the increased uptake from HEI Institutions through DG funding window
		2.4	Number of sector research agreements signed for TVET growth occupationally directed programmes	1	1	1	1	0	100%		Target Achieved
		2.5	Number of established or emergent cooperatives trained in the sector and national priority occupations or skills	1	1	1	1	0	100%		Target Achieved
		2.6	Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	1	1	1	1	0	100%		Target Achieved
		2.7	Impact study to measure CHIETA's effectiveness	1	1	1	1	0	100%		Target Achieved
		Baseline		**8**	**10**	**9**	**10**	**1**	**111%**		**Baseline Target Exceeded**

Programme 3: Occupationally Directed Programmes

Purpose of Programme

To ensure ongoing training for the Chemical Industry workforce through mid-level skills development and apprenticeship programmes, while also addressing high-level national scarce skills by producing work-ready graduates from Higher Education Institutions.

To address the low levels of language and numeracy, support co-operatives, NGOs, and small enterprises, enhance public capacity for better service delivery, develop career and vocational guidance, and focus on the medium-term strategic priorities of Government.

Outcomes and Outputs

Outcome 1: To improve workplace productivity and diversity.
Output: Increased access and delivery on occupationally directed programmes.

Outcome 2: Improved support to TVET and CET colleges.
Output: Utilise TVETs/CETs as the training providers of choice.

Outcome 3: Seamless work-integrated learning between training institutions, employees, and industry.
Output: Support several federations/trade unions.

Outcome 4: Skilled and competent Chemical Industry entrepreneurs and cooperatives.
Output: Support the growth and sustainability of work-based learning opportunities for SMMEs and cooperatives.

Outcome 5: Effective career and vocational guidance.
Output: Prioritise career development services that are accessible to learners in occupations of high demand.

Outcome 6: Increased participation of workers in various learning programmes to address critical skills in industry and related sectors to transform workplaces and achieve improved productivity and economic growth.
Output: Support diversity on all collective levels as well as the transformational profile of the Chemical Industry.

Performance Highlights

During the reporting period, CHIETA successfully implemented a diverse range of discretionary grant projects that advanced occupational learning, strengthened skills pipelines, and promoted inclusive economic participation within the chemical sector. The projects covered artisan development, workplace learning, youth empowerment, and small business incubation, reaching learners across multiple provinces and priority groups.

Key initiatives included the PetroSA Apprenticeship Programme, which supported 153 apprentices in engineering trades vital to the petrochemical industry, and the Richards Bay Technical Training and Assessment Centre (RBTTAC) project, which enabled 80 artisans to undertake Recognition of Prior Learning (RPL) assessments and trade tests. CHIETA contributed R10.5 million to the PetroSA project, while funding for the RBTTAC initiative supported both artisan development and SMME growth.

CHIETA also promoted structured workplace-based learning through a Northlink TVET College project, benefiting 50 learners who applied theoretical knowledge in engineering environments. The college was awarded R2.1 million to implement this programme.

In support of academic pipelines and improved outcomes in STEM, CHIETA funded a STEM tutoring project at the University of the Western Cape (UWC), positively impacting 100 Grade 10–12 learners from surrounding schools. The UWC project received R1.14 million in funding. Similarly, the Options in Personnel Retrenched Workers Support Programme provided entrepreneurial training and career coaching to 35 displaced chemical sector workers, many of whom have since re-entered the workforce or launched small enterprises. This project tracked 131 past CHIETA learners, with 31% securing employment and 37% starting businesses.

Several projects focused on entrepreneurial development and SMME support. These included:

- College of Cape Town's New Venture Creation programme
- Litha Business Enterprise incubation
- Chemin's SMME support project
- Savannah Chemical Operations' Artisan Technopreneurship initiative
- The Hope Factory's business development programme, where 100% of participants became income-generating and actively trading businesses

Collectively, these interventions equipped entrepreneurs with technical, financial, and regulatory skills, expanded access to markets, and facilitated the establishment of new chemical manufacturing micro-enterprises.

Furthermore, the Esizayo Organics Agri-Skills project trained 30 youths in sustainable farming and food production skills, enhancing local food security and community self-reliance. CHIETA contributed R660 000 to this project.

These projects showcase CHIETA's commitment to high-impact, sector-aligned skills development that tackles unemployment, boosts productivity, and fosters transformation.

CHIETA | ANNUAL REPORT **2024/2025**

The table below outlines the audited performance for Programme 3: Occupationally Directed Programmes for the 2024/25 financial year, based on targets set in the approved Annual Performance Plan.

Table 2-14 Audited Performance Table for Programme 3: Occupationally Directed Programmes

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Target (SETA funded) 2024/25	Planned Target (Sector funded) 2024/25	Total Planned Annual Target 2024/25	Actual Achievement (SETA funded)	Actual Achievement (Sector funded)	Total Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
		3.1	The number of WSPs & ATRs approved for large firms	143	134	120	0	120	152	0	152	32	127%		Target exceeded through the Regional Skills Forums that were conducted to ensure participation from large firms. Some large companies moved their levies from other SETAs to CHIETA. This was also supported through the work of the CHIETA CEO Income Generation Committee.
		3.2	The number of WSPs & ATRs approved for medium firms	203	170	170	0	170	203	0	203	33	119%		Target exceeded through the Regional Skills Forums that were conducted to ensure participation from large firms. Some medium companies moved their levies from other SETAs to CHIETA. This was also supported through the work of the CHIETA CEO Income generation Committee
		3.3	The number of WSPs & ATRs approved for small firms	412	335	320	0	320	448	0	448	128	140%		Target exceeded through the Regional Skills Forums that were conducted to ensure participation from small companies. Some large companies moved their levies from other SETAs to CHIETA. This was also supported through the work of the CHIETA CEO Income Generation Committee
		3.4	Number of workers enrolled in Learnership programmes	603	679	671	0	671	697	0	697	26	104%		Target Exceeded
		3.5	Number of workers completed Learnership programmes	333	417	336	0	336	353	0	353	17	105%		Target Exceeded

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Target (SETA funded) 2024/25	Planned Target (Sector funded) 2024/25	Total Planned Annual Target 2024/25	Actual Achievement (SETA funded)	Actual Achievement (Sector funded)	Total Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
		3.6	Number of workers granted bursaries (New Entries)	51	75	50	0	50	55	0	55	5	110%		Target Exceeded
		3.7	Number of workers granted bursaries (Continuing)	63	75	51	0	51	59	0	59	8	116%		Target Exceeded. CHIETA companies responded favourably to teh DG Funding Window to apply for Bursaries for their employees.
		3.8	Number of workers granted bursaries completed their studies	35	14	35	0	35	44	0	44	9	126%		Target Exceeded through the response from stakeholders and employers to continue supporting bursaries for their employees to complete their qualifications.
		3.9	Number of workers enrolled in Skills Programmes	1275	1133	1200	0	1 200	1 230	0	1 230	30	103%		Target Exceeded
		3.10	Number of workers completed Skills Programmes	679	1083	594	0	594	856	0	856	262	144%		Target Exceeded due to the high intake for Skills Programmes that were certificated in 2024/25.
		3.11	Number of artisan learners enrolled	1342	1646	1083	0	1 083	1 114	0	1 114	31	103%		Target Exceeded
		3.12	Number of artisan learners completed	1186	1272	595	0	595	621	0	621	26	104%		Target Exceeded
		3.13	Number of unemployed learners granted bursaries (Continuing)	200	549	220	0	220	226	0	226	6	103%		Target Exceeded
		3.14	Number of unemployed learners granted bursaries (new enrolments)	0	161	0	0	0		0	0	0	0%		No Target Set
Learning programme support for increased access for high and intermediate skills	**Increased access and delivery on occupationally directed programmes**	3.15	Number of unemployed learners granted bursaries completed their studies	25	168	30	0	30	56	0	56	26	187%		Target Exceeded due to the previous years pipeline of Bursary students that completed and supported through the Lesedi Bursary Programme.
		3.16	Number of learners enrolled on RPL /ARPL	289	394	600	0	600	633	0	633	33	106%		Target Exceeded

CHIETA | ANNUAL REPORT 2024/2025

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Target (SETA funded) 2024/25	Planned Target (Sector funded) 2024/25	Total Planned Annual Target 2024/25	Actual Achievement (SETA funded)	Actual Achievement (Sector funded)	Total Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
		3.17	Learners that completed RPL / ARPL	599	729	200	0	200	211	0	211	11	106%		Target Exceeded
		3.18	Number of SETA / Employer partnerships established	123	85	130	0	130	194	0	194	64	149%		Target Exceeded. Employers were encouraged to collaborate and partner with CHIETA through the DG Funding Window.
		3.19	Number of university students requiring Work Integrated Learning to complete their qualifications placed in workplaces	60	210	93	0	93	131	0	131	38	141%		Target Exceeded due to the increased intake from stakeholders for HET WIL
		3.20	Number of university students completed their Work Integrated Learning placements	34	32	46	0	46	58	0	58	12	126%		Target Exceeded due to the previous year's university students that completed their qualifications
		3.21	Number of unemployed learners enrolled in Internships	538	623	615	0	615	647	0	647	32	105%		Target Exceeded
		3.22	Number of unemployed learners completed internships	283	357	322	0	322	439	0	439	117	136%		Target Exceeded due to prior year completions that were certficated
		3.23	Number of unemployed learners enrolled in Skills Programmes	1 610	1 008	1 395	0	1 395	1 790	0	1 790	395	128%		Target Exceeded due to the increased uptake from CHIETA Employers & Providers in the Discretionary Grants Funding Windows
		3.24	Number of unemployed learners completed Skills Programmes	803	551	723	0	723	790	0	790	67	109%		Target Exceeded
		3.25	Number of unemployed learners enrolled on learnerships programmes	2 164	2477	1 085	0	1 085	1 632	0	1 632	547	150%		Target Exceeded due to the increased uptake from CHIETA Employers & Providers in the Discretionary Grants Funding Windows

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Target (SETA funded) 2024/25	Planned Target (Sector funded) 2024/25	Total Planned Annual Target 2024/25	Actual Achievement (SETA funded)	Actual Achievement (Sector funded)	Total Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
		3.26	Number of unemployed learners completed learnerships programmes	1 960	1 862	565	0	565	760	0	760	195	135%		Target Exceeded due to the pipeline from previous years enrolments that were certificated in the 2024/25 financial year
		3.27	Number of unemployed learners enrolled for Candidacy Programmes	40	66	78	0	78	78	0	78	0	100%		Target Achieved
		3.28	Number of unemployed learners completed Candidacy Programmes	15	20	15	0	15	17	0	17	2	113%		Target Exceeded due to the increased intake from employers through the Discretionary Grants Funding Windows
		3.29	Number of SETA offices established and maintained in TVET colleges	2	2	2	0	2	2	0	2	0	100%		Target Achieved
Improved support for TVET and CET colleges through effective career and vocational guidance system	**TVETs/CETs to be utilised as the training provider of choice**	3.30	Number of Centres of Specialization supported	5	4	5	0	5	5	0	5	0	100%		Target Achieved
		3.31	Number of TVET lecturers exposed to the industry through skills programmes	127	135	105	0	105	144	0	144	39	137%		Target Exceeded due to the increased uptake from TVET Colleges through the Discretionary Grants Funding Windows
		3.32	Number of TVET College lecturers awarded bursaries (Continuing)	50	0	50	0	50	51	0	51	1	102%		Target Exceeded
		3.33	TVET Colleges infrastructure development (Equipment / Workshops)	0	0	0	0	0	0	0	0	0	0%		NoTarget Set
		3.34	Number of managers receiving training on curriculum-related studies ((TVETs)	0	0	0	0	0	0	0	0	0	0%		NoTarget Set
		3.35	Number of CET College lecturers awarded skills programmes	60	55	100	0	100	114	0	114	14	114%		Target Exceeded due to the increased uptake from CET Colleges on Skills Programmes. CET lecturers were enrolled on multiple levels in skills programmes.

CHIETA | ANNUAL REPORT 2024/2025

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Target (SETA funded) 2024/25	Planned Target (Sector funded) 2024/25	Total Planned Annual Target 2024/25	Actual Achievement (SETA funded)	Actual Achievement (Sector funded)	Total Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
		3.36	Number of CET learners accessing AET programmes	69	1 006	100	0	100	109	0	109	9	109%		Target Exceeded
		3.37	Number of TVET Partnerships established	14	15	16	0	16	19	0	19	3	119%		Target Exceeded due to the increased participation from TVET Colleges in the Discretionary Grants Funding Windows.
		3.38	Number of CET partnerships established	3	0	5	0	5	5	0	5	0	100%		Target Achieved
		3.39	Number of managers receiving training on curriculum-related studies (CETs)	0	0	0	0	0	0	0	0	0	0%		NoTarget Set
		3.40	CET Colleges infrastructure development support (Equipment / Workshops / Connectivity / ICT)	0	0	0	0	0	0	0	0	0	0%		NoTarget Set
		3.41	Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	1 311	1 310	1 285	0	1285	1288	0	1288	3	100%		Target Achieved
		3.42	Number of TVET students completed their Work Integrated Learning placements	485	256	642	0	642	664	0	664	22	103%		Target Exceeded
		3.43	Number of people enrolled in CET Internships	0	0	0		0	0	0	0	0	0%		NoTarget Set
		3.44	Number of people completed CET Internships	0	0	0	0	0	0	0	0	0	0%		NoTarget Set
Seamless work integrated learning between training institutions, employees and industry	Number of federation/ trade unions supported	3.45	Number of Federations/Trade Unions supported through relevant skills training Interventions	3	5	5	0	5	5	0	5	0	100%		Target Achieved

CHIETA | ANNUAL REPORT 2024/2025

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Target (SETA funded) 2024/25	Planned Target (Sector funded) 2024/25	Total Planned Annual Target 2024/25	Actual Achievement (SETA funded)	Actual Achievement (Sector funded)	Total Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
Establishment of new enterprises and cooperatives with increased skills development support to entrepreneurial activities in the chemical and related sectors	**Work based learning opportunities for Micro, SMMEs and cooperatives in support of growth and sustainability**	3.46	Number of cooperatives funded for skills that enhance enterprise growth and development	108	54	120	0	120	126	0	126	6	105%		Target Exceeded
		3.47	Number of small businesses funded for skills that enhance growth and development	576	105	600	0	600	637	0	637	37	106%		Target Exceeded
		3.48	Number of CBOs/ NGO/ NPOs funded for skills that enhance the development and sustainability of their organisation's activities	80	50	90	0	90	93	0	93	3	103%		Target Exceeded
		3.49	Number of people trained on entrepreneurship supported to start their business	69	104	60	0	60	63	0	63	3	105%		Target Exceeded
Skilled and competent Chemical Industry entrepreneurs and cooperatives	**Prioritised career development services are accessible to learners on occupations of high demand**	3.50	Number of career development events completed in urban areas on occupations in high demand	3	2	3	0	3	3	0	3	0	100%		Target Achieved
		3.51	Number of career development events completed in rural areas on occupations in high demand	3	2	3	0	3	3	0	3	0	100%		Target Achieved
		3.52	Number of Career Development Practitioners trained	0	0	0	0	0	0	0	0	0	0%		NoTarget Set
		3.53	Number of capacity building workshops on Career Development Services initiated	0	0	0	0	0	0	0	0	0	0%		NoTarget Set

CHIETA | ANNUAL REPORT **2024/2025**

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Target (SETA funded) 2024/25	Planned Target (Sector funded) 2024/25	Total Planned Annual Target 2024/25	Actual Achievement (SETA funded)	Actual Achievement (Sector funded)	Total Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentage Achieved	Status	Reasons for Deviations
Seamless work-integrated learning between training institutions, employees and industry	**Diversity on all collective levels in support of the transformational profile of the Chemical Industry**	3.54	Number of Rural Development Projects initiated	10	10	10	0	10	17	0	17	7	170%		Target Exceeded due to the increased uptake from stakeholders in the Discretionary Grant Funding Windows to support the District Development Model in rural areas.
		3.55	Number of workers enrolled on AET programmes	250	250	280	0	280	283	0	283	3	101%		Target Exceeded
		3.56	Number of workers completed AET programmes	165	155	140	0	140	144	0	144	4	103%		Target Exceeded
		Baseline		**18 461**	**19 845**	**14 963**	**0**	**14 963**	**17 276**	**0**	**17 269**	**2 306**	**115%**		**BaselineTarget Exceeded**

Programme 4: Education, Training and Quality Assurance

Purpose of Programme

The Education and Training Quality Assurance (ETQA) unit plays a vital role within CHIETA by ensuring that all education and training activities across the chemical sector adhere to nationally recognised quality standards. The unit directly supports CHIETA's vision of a capable, skilled, and inclusive workforce by accrediting providers, approving workplaces and assessment centres, and overseeing assessment and certification processes for learners.

Outcomes and Outputs

Outcome - Improved access to and completion of high-quality occupational programmes aligned with sectoral needs.

Output

- Accreditation, monitoring, and evaluation of Skills Development Providers (SDPs) and assessment centres.
- Registration of assessors and moderators.
- Quality Assurance of Learner Achievements (QALA).
- Approval and monitoring of workplaces to support practical training.

Programme Highlights

- Expansion of accredited SDPs across chemical-related legacy and occupational qualifications.
- Continued registration of qualified assessors and moderators based on national standards.
- Strengthening of quality assurance systems, including moderation and certification processes.
- Effective collaboration with QCTO in line with delegated quality assurance responsibilities.
- Enhanced ETQA operational efficiencies through internal stakeholder support and digitisation.

Challenges

- Low uptake of assessment centres due to the high cost and complexity of plant simulation requirements, impacting the rollout of practical assessments.
- Stakeholder concerns around data security of the ETQA IMS system necessitate its temporary suspension and the introduction of improved cybersecurity safeguards.
- Limited human resource capacity within the unit, which constrained the speed of service delivery and system development.
- Variability in understanding and compliance across some regions, requiring increased engagement and training of providers.

Plans for 2025/26

- Implement a fully integrated, digitised ETQA platform covering accreditation, workplace approval, learner enrolment, assessments, and certification.
- Expand CHIETA's footprint by increasing the number of accredited assessment centres in underserved provinces.
- Roll out digital certification to complement traditional methods and improve turnaround times.
- Strengthen collaboration with QCTO to align quality assurance practices and achieve performance efficiencies.
- Provide continuous capacity building for assessors, moderators, and providers to ensure full compliance with national standards.
- Ensure effective implementation of risk mitigation strategies in all ETQA operational processes.

CHIETA | ANNUAL REPORT 2024/2025

The table below highlights the audited performance for Programme 4: Education, Training and Quality Assurance for the 2024/25 financial year, measured against the approved Annual Performance Plan.

Table 2-15 Audited Performance Table for Programme 4: Education, Training and Quality Assurance

Outcome	Output	Output Indicator		Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Target (Sector funded) 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement for 2024/2025	Percentge Achieved	Status	Reasons for Deviations
Increased access to workplace-based learning opportunities	**Accreditation, registration of assessors & Moderators quality assurance of learner achievements, workplace approvals and monitoring of skills development**	4.1	Approved workplaces including SETA endorsements	80	87	50	64	14	128%	☺	The annual target has been exceeded due to the phasing in of the Occupational Qualifications (OQ) which requires that learners be placed in an Approved Workplace for completion of their Workplace Experience Modules. This has resulted in a high influx of Workplace Approval applications.
		4.2	Quality Assurance of learner achievements are conducted per learning intervention	389	288	201	285	84	142%	☺	The annual target has been exceeded due to the Phasing out of the Historically Registered Qualifications (HRQs) as Skills Development Providers (SDPs) close off and exit learners on the HRQs.
		4.3	Assessors and Moderators registered	296	291	193	380	187	197%	☺	The annual target has been exceeded due to the high influx of Assessor and Moderator applications through the conventional route and the AER route for registration against the Occupational Qualifications.
		4.4	Skills Development Providers are accredited, re-accredited, monitored and assessment sites/centres are approved for learnerships and skills programmes	4	51	25	102	77	408%	☺	The annual target has been exceeded due to a rise in Skills Development Provider and Assessment Centre applications aligned to the implementation of the Occupational Qualifications.
		Baseline		**769**	**717**	**469**	**831**	**362**	**177%**	☺	**Baseline Target Exceeded**

PART C

Governance

1. Governance Context and Background

The Governance and Risk Business Unit continues to oversee CHIETA's governance, risk management, compliance, and performance planning functions. In 2024/25, this unit sustained its administrative support to the CHIETA Accounting Authority and its Committees, while also maintaining effective liaison with the Department of Higher Education and Training (DHET) and other vital stakeholders.

CHIETA's governance framework is built within a strong legislative and regulatory environment. It is guided by the Public Finance Management Act (PFMA), the Skills Development Act, and the principles of the King IV Report on Corporate Governance. As a public organisation, CHIETA is dedicated to upholding the highest standards of transparency, accountability, and ethical behaviour at all levels.

The CHIETA Constitution, approved by the Executive Authority, remains the fundamental governance document, allowing the organisation to deliver on its mandate with integrity, compliance, and performance excellence. Strategic governance continues to be closely aligned with CHIETA's Vision 2025 and the implementation of its Fusion 2030 Strategy, which incorporates sustainability, transformation, and digital modernisation.

1.1. KEY ACHIEVEMENTS

In the 2024/25 financial year, CHIETA again achieved a clean organisational audit outcome, demonstrating the effectiveness of its governance controls and internal oversight mechanisms. The organisation met 100% of its annual performance targets in the approved APP, with an average organizational baseline achievement of 117% across all four performance programmes.

The Accounting Authority and its Committees continued to be active and effective in guiding organisational governance, supported by improved performance impact reporting, combined assurance processes, and enhancements to internal risk and ethics frameworks.

Notable governance achievements include:

- The continued implementation of a digitised conflict of interest declaration platform, which promoted efficiency, transparency, and confidentiality across all levels of governance.
- The successful completion of the 2024/25 Risk Maturity Assessment, which highlighted improved capabilities across all four risk maturity pillars.
- Strengthened collaboration with the Institute of Directors South Africa (IoDSA) to support CHIETA's Governance Capacity Building Framework.
- Implementation of a Combined Assurance Model under the oversight of the Audit and Risk Committee, integrating assurance inputs from internal audit, external audit, and management.
- Enhanced alignment between policy development and CHIETA Strategy, including the CHIETA Fusion 2030 Strategy, ensuring that governance policies, risk frameworks, and performance structures are strategically integrated.

These achievements underscore CHIETA's commitment to maintaining a high-performing, ethical, and future-ready governance environment in support of its skills development mandate.

1.2. PORTFOLIO COMMITTEES

Parliament has a crucial oversight role over CHIETA as a public entity. This is carried out through its portfolio committees, which review CHIETA's performance in fulfilling its mandate, managing public funds, and delivering service outcomes.

During the 2024/25 financial year, the Portfolio Committee on Higher Education, continued its oversight of CHIETA. The Committee assessed non-financial performance and engaged with the organisation on issues related to its support for national priorities such as youth development, skills planning, and inclusive economic growth.

Furthermore, the Standing Committee on Public Accounts (SCOPA) examined CHIETA's 2024/25 audited annual financial statements and the accompanying audit report issued by the Auditor-General of South Africa (AGSA). CHIETA submitted all necessary documents for Parliamentary review and responded to all Parliamentary enquiries promptly and transparently.

CHIETA remains fully committed to upholding accountability to Parliament and implementing recommendations made by oversight bodies in accordance with its public mandate.

1.3. EXECUTIVE AUTHORITY

The Minister of Higher Education and Training acts as the Executive Authority of CHIETA, in accordance with the Skills Development Act, the Public Finance Management Act (PFMA), and other applicable legislative and policy frameworks. The Executive Authority oversees the organisation's strategic direction, governance, and performance to ensure that CHIETA fulfils its mandate as a Sector Education and Training Authority (SETA).

During the 2024/25 financial year, the Executive Authority approved the Annual Performance Plan (APP) for the 2025/26 financial year, monitoring performance outcomes, and reviewing strategic plans aligned with the National Skills Development Plan (NSDP) 2030.

The Executive Authority appoint the CHIETA Accounting Authority in accordance with the CHIETA Constitution. The process ensured that members appointed to the Board collectively represented a wide range of industry stakeholders, with the necessary qualifications, experience, and dedication to guide the organisation towards achieving its strategic goals.

CHIETA remains aligned with the directives of the Ministry and continues to contribute meaningfully to the broader post-school education and training system.

1.4. ACCOUNTING AUTHORITY

The CHIETA Accounting Authority, appointed by the Minister of Higher Education and Training is responsible for the strategic oversight and governance of the organisation in accordance with the Public Finance Management Act (PFMA), the Skills Development Act, the CHIETA Constitution, and other relevant legislation and policy frameworks.

The Accounting Authority guarantees that CHIETA fulfils its mandate by providing strategic guidance, overseeing organisational performance, and ensuring compliance with ethical standards, legal requirements, and sound financial practices. Its role is vital in supporting the aims of the National Skills Development Plan (NSDP) 2030 and the targets outlined in CHIETA's Strategic Plan and Annual Performance Plan (APP).

Responsibilities of the Accounting Authority include:

- Governing and managing CHIETA in accordance with the PFMA and other applicable laws.
- Providing effective leadership and oversight to support the implementation of the CHIETA Strategic Plan and APP.
- Ensuring full compliance with all statutory and policy requirements.
- Managing institutional risk and monitoring performance through a strong internal control environment.
- Liaising with stakeholders and fostering partnerships that enhance the organisation's impact.
- Ensuring that the CHIETA Code of Ethics Framework are upheld across all levels of governance and operations.

Composition of the Accounting Authority

The Accounting Authority is constituted to represent a broad spectrum of CHIETA's stakeholders, including:

- Organised labour
- Organised employers
- Relevant Government Departments and professional bodies within the Chemical Industry sector

This inclusive composition ensures that decisions are made with sectoral relevance, balancing the interests of economic development, skills growth and social transformation.

Committees of the Accounting Authority

To support its governance responsibilities, the Accounting Authority is assisted by the following committees, each with specific terms of reference:

- Executive Committee (EXCO)
- Grants Committee
- Governance and Strategy Committee
- Finance and Remuneration Committee
- Audit and Risk Committee

These committees play an active role in guiding CHIETA's strategic and oversight focus, with structured reporting mechanisms to the Accounting Authority to ensure adequate oversight.

1.5. RISK MANAGEMENT AND INTERNAL CONTROLS

In accordance with Section 51(1)(a)(i) of the Public Finance Management Act (PFMA), CHIETA has enhanced its integrated risk management and internal control systems to ensure the efficient, effective, and transparent utilisation of public funds.

During the 2024/25 financial year, the Accounting Authority continued to oversee the implementation of the CHIETA Strategic Risk Management Framework. This framework offers a structured, consistent, and organisation-wide approach to identifying, assessing, mitigating and monitoring risks, supporting informed decision making and safeguarding organisational value.

Key developments and achievements included:

- **Risk Maturity Assessment**: CHIETA conducted its annual Risk Maturity Assessment, which confirmed sustained high levels of maturity across all four risk pillars. Specific focus was placed on strengthening controls related to emerging and opportunity risks aligned to the evolving strategic landscape.

- **Combined Assurance Model**: Under the guidance of the Audit and Risk Committee, CHIETA further institutionalised its Combined Assurance Framework. This model integrates assurance inputs from management, internal audit, external audit (AGSA) to enhance governance transparency and effectiveness.

- **Digitisation and Automation**: In support of risk intelligence and efficiency, CHIETA introduced more digitised and AI-based applications to assist with risk intelligence gathering and analysis of the CHIETA risk environment.

- **Operational and Strategic Risk Ownership**: Clear accountability has been embedded across all levels, with strategic risks overseen by the Accounting Authority and operational risks managed by designated control owners within the CHIETA management team.

CHIETA's internal control environment was regularly monitored through formalised risk assessments, internal audits, and compliance reviews. Reporting mechanisms ensured that the risk profile and mitigation measures were reviewed quarterly by governance structures, including the Audit and Risk Committee and Governance and Strategy Committee.

Through these measures, CHIETA reinforced its position as a compliant, forward-thinking, and resilient public entity capable of delivering on its mandate in a dynamic operating context.

1.6. COMPLIANCE WITH LAWS AND REGULATIONS

CHIETA remains committed to upholding the highest standards of legal and regulatory compliance, aligned with the requirements of the PFMA, Skills Development Act, Treasury Regulations and other relevant legislative frameworks.

During the 2024/25 financial year, CHIETA maintained a legal compliance risk register. This register allows all business units to monitor, evaluate and report on their respective areas of compliance responsibility, forming a crucial part of the organisation's governance framework.

Key compliance efforts included:

- Quarterly reporting to governance structures on compliance obligations and any emerging risks or non-compliance issues.
- Ongoing internal legal reviews and policy alignment exercises to ensure that all institutional policies and procedures comply with the latest regulatory requirements.
- Regular engagements with the Department of Higher Education and Training (DHET) and other regulatory authorities to ensure ongoing alignment with sectoral and national mandates.
- Inclusion of compliance monitoring as a key component of the Combined Assurance Framework, contributing to integrated governance oversight.

By institutionalising compliance as a shared responsibility across all functions, CHIETA reinforces its ethical mandate, safeguards public resources, and sustains confidence among its stakeholders.

1.7. ETHICS, FRAUD AND CORRUPTION

CHIETA maintains a zero-tolerance policy towards fraud, corruption and unethical behaviour. The organisation's Ethics Management Framework, approved by the Accounting Authority, offers structured guidance for fostering integrity, transparency and accountability at all levels.

Key ethics, fraud prevention and awareness initiatives during the 2024/25 period included:

- Continued operation of the CHIETA Fraud Hotline, managed by an independent service provider. The hotline remained active 24/7 and served as a secure and confidential channel for reporting unethical behaviour. Regular reports were submitted to the Audit and Risk Committee and the Accounting Authority for oversight.
- Ongoing ethics training and awareness sessions were conducted with staff and stakeholders to build a shared understanding of CHIETA's ethical expectations and anti-fraud policies.
- Maintenance of a Fraud Risk Register, regularly reviewed by management and the Audit and Risk Committee. This register identifies key fraud risks, along with mitigation controls and accountability structures.
- Integration of ethics indicators into performance reporting mechanisms to strengthen alignment between ethical conduct and organisational performance.

Through these proactive initiatives, CHIETA promotes a culture of integrity and reaffirms its commitment to ethical leadership in the public sector.

1.8. CONFLICT OF INTEREST

CHIETA maintains a robust Conflict of Interest Policy and Code of Ethics Framework, which oversees ethical behaviour and transparency within its governance structures, stakeholder forums, and employees. These instruments are aligned with the organisation's six core values and form part of the broader Ethics Management Framework.

Key measures implemented during the 2024/25 financial year included:

- Annual conflict of interest declarations submitted by all affected parties, including members of the Accounting Authority, Board Committees, management and staff, and relevant stakeholders.
- Declaration of personal or private interests as a standard agenda item in all formal meetings of the Accounting Authority and its committees, ensuring transparency in decision-making.
- Independent probity checks were conducted on the 2024/25 declarations to verify completeness and accuracy of declarations made in the financial year and all management meetings
- Use of a digitised declaration platform, improving ease of access, confidentiality, and real-time updates for declarations of interest.

These measures ensure that all role-players within CHIETA operate with the highest standards of ethical governance and accountability, thereby safeguarding public trust and compliance with relevant legislation.

1.9. CODE OF CONDUCT

The CHIETA Accounting Authority has established and put into effect a comprehensive Corporate Ethics Strategic Framework, which encompasses a detailed Code of Ethics. This framework sets out the expected ethical behaviours and standards for CHIETA employees, governance structures, and stakeholders involved in carrying out the organisation's mandate.

The Code of Conduct is aligned with CHIETA's six core values and serves as a foundational guideline for:

- Professional conduct in line with public sector governance expectations
- Ethical decision-making at all levels of the organisation
- Promoting integrity, transparency, and fairness in all business processes
- Ensuring accountability in the use of public resources

During the 2024/25 reporting period, ethics awareness and refresher programmes were implemented across various levels of the organisation to reinforce a culture of ethical leadership. These initiatives are part of CHIETA's ongoing commitment to operating as a responsible public entity.

1.10. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

As a skills authority in the Chemical Industry, CHIETA remains firmly committed to promoting integrated health, safety, and environmental (HSE) standards across all its programmes and partnerships. These considerations are integrated into CHIETA's skills development model and sector planning processes to ensure alignment with industry requirements and sustainable development priorities.

In the 2024/25 financial year, CHIETA continued to incorporate occupational health and safety (OHS) principles into its learning programmes, especially those involving technical training and workplace-based learning. This included ensuring that implementing partners met minimum HSE standards and that learners received suitable HSE training.

Additionally, CHIETA advanced its efforts in environmental sustainability by further developing and implementing its Environmental, Social and Governance (ESG) Reporting Framework. This framework supports the integration of sustainability reporting into CHIETA's operations and allows the organisation to demonstrate how it aligns with responsible corporate citizenship as outlined by King IV.

CHIETA also continued its support for research into environmentally responsible practices within the Chemical Industry, especially as part of the Sector Skills Plan (SSP) and its green economy strategy under Fusion 2030.

1.11. COMPANY SECRETARY

The company secretariat function at CHIETA is fulfilled internally through the Governance and Risk Business Unit, ensuring that governance processes remain efficient, compliant, and aligned with legislative and constitutional requirements.

The Company Secretary plays a critical role in providing governance and administrative support to the Accounting Authority and its committees. This includes the coordination of meetings, circulation of agendas and documentation, record-keeping of minutes, and monitoring the implementation of resolutions. The secretariat ensures that all governance processes adhere to the Public Finance Management Act (PFMA), the CHIETA Constitution, and relevant governance best practices, including the King IV Code on Corporate Governance.

During the 2024/25 reporting period, the Company Secretary continued to support the enhancement of governance maturity across CHIETA's structures by effective administrative support to Board and Board committee meetings, conflict of interest declaration processes and governance record keeping, inclusive of digitisation of key governance services provided.

1.12. SOCIAL RESPONSIBILITY

CHIETA remains committed to social impact and upholding its organisational value of 'care' through sustained corporate social responsibility initiatives. These initiatives reflect CHIETA's recognition of the broader social context in which it operates and its responsibility as a public entity to contribute to social upliftment.

In the 2024/25 financial year, CHIETA continued to support several children's centres, old age homes and hospitals located in Gauteng, KwaZulu-Natal, Port Elizabeth, and the Western Cape. In partnership with the organisation's Wellness partner and with the support of our employees, we also collected clothing that was donated to children in need.

These engagements fostered a sense of community among CHIETA employees and strengthened partnerships with local organisations committed to child welfare and development. The initiative is part of CHIETA's broader effort to align social investment with its core values and contribute meaningfully to improving lives outside of formal skills development programmes.

The social pillar in the CHIETA ESG Framework also identified key social indicators that CHIETA achieved as part of the broader ESG Framework for 2024/25.

1.13. B-BBEE COMPLIANCE

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the dtic.

Table 3-1 Compliance with B-BBEE Codes of Good Practice

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**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	**No**	N/A. CHIETA is a schedule 3A entity that is mandated by the Skills Development Act to achieve skills development and economic growth within the sector it operates. It is therefore not required to issue licenses, concessions, or other authorisation in respect of economic activities in terms of the law.
Developing and implementing a preferential procurement policy	**No**	CHIETA has adopted and is implementing the preferential procurement policy as issued by the National Treasury through its Supply Chain Management Policy.
Determining qualification criteria for the sale of state-owned enterprises	**No**	N/A. CHIETA is a schedule 3A entity that is mandated by the Skills Development Act to achieve skills development and economic growth within the sector in which it operates.
Developing criteria for entering into partnerships with the private sector	**No**	Partnerships with the private sector are executed through the awarding of discretionary grants which are in line with the CHIETA Grants Policy Framework.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	**No**	The awarding of discretionary grants is included in the CHIETA Grants Policy Framework. CHIETA participates in the awarding of discretionary grants to advance skills development and training as part of its normal course of business. However, there was no investment in schemes in support of B-BBEE.

2. Strategic Outlook

2.1. BUSINESS IMPACT

CHIETA's business impact is demonstrated through the successful fulfilment of its mandate with measurable performance results and developmental outcomes. The implementation of strategic programmes during the 2024/25 financial year directly contributed to key national objectives, such as poverty alleviation, youth employment, entrepreneurial support, and skills development for economic growth.

By achieving 100% of its APP targets and maintaining an above-average overperformance rate across strategic programmes, CHIETA made tangible contributions to enhancing workplace productivity, inclusive access to learning opportunities, and capacity building within the institution.

The impact of CHIETA's interventions includes:

- Supporting the transition of learners into employment and self-employment pathways.
- Strengthening partnerships with TVET colleges, universities, industry, and labour stakeholders.
- Promoting equitable participation of women, youth, and persons with disabilities in skills development programmes.
- Enhancing sectoral capacity through sustainable funding, structured work-based learning, and innovation-driven skills interventions.

CHIETA's ongoing commitment to data-informed planning, ethical governance, and value-for-money execution ensures that the organisation's efforts lead to scalable and sustainable development within the chemical sector and beyond.

Events After the Reporting Date

In June 2025, the President issued a Special Investigating Unit (SIU) proclamation into certain historical matters dating back to 2016–2019, which CHIETA's former leadership had formally referred to the SIU in 2019. This proactive referral demonstrates CHIETA's longstanding commitment to transparency and good governance. Importantly, these matters predate the current leadership, involve no current employees or service providers, and have no impact on our ongoing operations or programmes. CHIETA's zero irregular expenditure for the past two years, our clean audit, and 100% achievement of our 2024/25 targets reflect the strong governance, financial discipline, and organisational integrity that defines CHIETA today.

2.2. PLANS FOR 2025/26

For the 2025/26 financial year, CHIETA will reinforce its dedication to sound governance, strategic performance delivery, and sustainable impact. Governance initiatives will concentrate on improving performance intelligence, risk maturity, policy alignment, and ethical resilience to support the CHIETA Fusion 2030 strategy.

Key priorities for the year ahead include:

- **Performance Impact Reporting**
  CHIETA will expand its performance reporting beyond APP metrics to incorporate broader developmental and transformation outcomes, offering stakeholders a more comprehensive view of impact across the sector.
- **Enhanced Risk Intelligence**
  Through more aggressive identification and analysis of existing, emerging, and opportunity risks, CHIETA will elevate its integrated risk management function to better inform strategic planning and risk mitigation strategies. These efforts will be led in collaboration with all business units and overseen by the Governance and Strategy Committee.
- **APP Excellence**
  Building on the success of achieving 100% of predetermined objectives in 2024/25, CHIETA remains committed to maintaining this standard in 2025/26, within a robust governance and internal control framework.
- **Development of the 2026/27 APP**
  A streamlined and strategically focused Annual Performance Plan for 2026/27 will be developed and submitted to the Executive Authority for consideration, ensuring planning that aligns with sectoral and national priorities.
- **Advancement of the CHIETA Macro Indicators**
  The 18 CHIETA Macro Indicators introduced in support of the Vision 2030 strategy, align with the seventh administration priorities and will continue to be monitored, enhanced, and aligned with organisational performance and national development objectives.
- **Strengthening of ESG Integration**
  Maturity improvements will be made to the CHIETA Environmental, Social, and Governance (ESG) Reporting Framework, positioning CHIETA as a leader in sustainable and integrated public sector reporting.
- **Policy Universe Alignment**
  All policies within CHIETA's governance framework will be reviewed and realigned to support the Fusion 2030 strategy and evolving operational realities.
- **Ethics and Probity Initiatives**
  Independent probity checks will be conducted on all conflict-of-interest declarations by affected parties for 2025/26, strengthening the CHIETA Ethical Management Framework.
- **Digitisation of Ethical Applications**
  The introduction of more digitised and AI-driven applications as well as digitised and ethical driven AI applications within the governance environment.

CHIETA | ANNUAL REPORT 2024/2025

- **Governance Capacity Building**
  CHIETA will continue to invest in governance training and awareness across all levels of the organisation, reinforcing shared accountability, strategic alignment, and governance excellence.

3. AUDIT AND RISK COMMITTEE REPORT 2024/25

The report of the Audit and Risk Committee has been prepared in accordance with the Treasury Regulations for Public Entities 3.1; 27.1 issued in terms of the Public Finance Management, (Act No. 1 of 1999) (PFMA) as amended by Act 29 of 1999.
The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2025.

AUDIT AND RISK COMMITTEE (ARC) MEMBERS AND ATTENDANCE

The Audit and Risk Committee consists of the members listed hereunder and is required to meet at least once a quarter as per its approved ARC Charter. During the current financial year, five (5) meetings were held which included meetings with Internal Audit, in-committee and continuation meetings of ARC as and when required. The internal and external auditors have unrestricted access to the Audit and Risk Committee.

Table 3-2 Summary of meetings attended per Audit and Risk Committee Member

NAME	24 May 2024	29 July 2024	14 Aug 2024	29 Oct 2024	11 Mar2025
Zelda Tshabalala (Chairperson and Independent member until 30 September 2024)	✓	✓	✓	n/a	n/a
Dr Nandipha Madiba (Independent member)	✓	✓	✓	✓	✓
Portia Ravhuhali (Independent member and appointed Chairperson from 1 October 2024)	✓	✓	✓	✓	✓
Okuhle Sidumane (Independent member from 1 October 2024)	n/a	n/a	n/a	✓	✓
Prof Banothile Makhubela	✓	✓	✓	✓	✓
Gerhard Cloete	✓	✓	✓	✓	✓

✓ Attended meeting
× Apology

AUDIT AND RISK COMMITTEE RESPONSIBILITIES

The Audit and Risk Committee has adopted appropriate formal terms of reference in alignment with the PFMA , its Audit and Risk Committee Charter, and has regulated its affairs in compliance with this Charter as well as the recommendations of the King IV code of corporate governance and discharged all its responsibilities as contained therein.

INTERNAL AUDIT

The entity's internal audit function is outsourced and was operational for the entire period under review. The activities of internal audit are governed by the approved internal audit charter. The independence of the internal audit was monitored throughout the period. Internal audit follows a risked based approach, which incorporates management's risk assessment. The internal audit plans and reports issued for the period under review were all reviewed by the Audit and Risk Committee. The Audit and Risk Committee is satisfied with the level of combined assurance provided by internal audit.

RISK MANAGEMENT

The Audit and Risk Committee considered quarterly Risk Management Committee Reports highlighting the risks identified throughout the institution and management's mitigation processes thereof. The Strategic Risk Register for the 2024/25 period was considered and recommended to the Governing Board for adoption where after the ARC monitored the implementation of mitigating action plans on a quarterly basis.

IN-YEAR MANAGEMENT AND QUARTERLY REPORTS

The Audit and Risk Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of CHIETA during the year under review.

EFFECTIVENESS OF INTERNAL CONTROL

The system of internal controls within the CHIETA is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance for public entities. This is achieved by means of the risk management process, which includes the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and Performance information and the management letter of the Auditor- General South Africa, the committee concluded that the existing control systems , during the year under review were adequate and effective and provide reasonable assurance that the organization's goals and objectives are being achieved.

The committee is also pleased to report that CHIETA has received an unqualified audit opinion with no material findings from the Auditor General for the 2024/25 financial year.

EVALUATION OF FINANCIAL STATEMENTS AND ORGANISATIONAL PERFORMANCE

The Audit Committee has:

- Reviewed and discussed the Audited Financial Statements and Audited Organizational Performance Report to be included in the Annual Report with the Auditor General and the Accounting Authority.
- Reviewed the Auditor General's Management Report and management's response thereto.
- Reviewed the Auditor General 's audit report.
- Reviewed adjustments resulting from the audit.
- Reviewed quarterly reports submitted by management.

CHIETA | ANNUAL REPORT 2024/2025

AUDITOR GENERAL OF SOUTH AFRICA

The Audit and Risk Committee has met with the Auditor General of South Africa to ensure that there are no unresolved matters.

The Audit and Risk Committee concurs with and accepts the Auditor General's conclusion on the audit of the Annual Financial Statements and performance information for the financial year 2024/2025 and recommend that the audited Annual Financial Statements and performance information report be adopted.

APPRECIATION

The Audit and Risk Committee expresses its sincere appreciation to the Accounting Authority, Chief Executive Officer, Management team, Internal Audit and External Auditors for their co-operation towards its achieving the requirements of the Charter as mandated.

The audit committee will also like to commend management for consistently maintaining an unqualified audit opinion for the past 3 years.

PORTIA RAVHUHALI
Independent Chairperson of the Audit and Risk Committee
23 July 2025

PART D

HUMAN RESOURCES

1. HR Priorities and Achievements

The 2024/25 financial year marked a period of transformative momentum for CHIETA's Human Resources function, as we deepened our commitment to building a people-centred culture anchored in appreciation, inclusion, innovation, and care.

Driving a Culture of Appreciation

The Dinaledi Boards and Articles have continued to be a key part of our recognition culture. They provide a strong platform to honour both individual and team achievements across the organisation. These boards have boosted morale, improved collaboration, and fostered a greater sense of belonging among staff members.

Third Innovation Bootcamp

A defining feature of CHIETA's learning culture, the third Innovation Bootcamp was successfully hosted during the year under review. This initiative continues to empower staff with entrepreneurial and innovation skills needed to thrive in an ever-changing world of work. Employees were challenged to respond to real-world problems with agility and creativity, preparing them to lead and innovate with impact.

Celebrating International Men's Day

A historic first for CHIETA, International Men's Day was celebrated in 2024, marking a significant milestone since the organisation's founding in 2001. The event provided a platform for open discussion on men's health, gender equality, responsible fatherhood, and men's roles in fostering inclusive communities. It aligned perfectly with CHIETA's holistic approach to employee wellbeing and inclusion.

Mandela Day: Embodying Ubuntu

As part of our ongoing commitment to social impact, CHIETA took part in Nelson Mandela Day activities across four provinces: Gauteng, KwaZulu-Natal, Western Cape, and Eastern Cape. These engagements highlighted our dedication to embodying the values of compassion, community upliftment, and shared responsibility.

Our Second Slipper Day

Slipper Day was launched as a playful yet meaningful awareness campaign supporting children with life-threatening illnesses. Employees wore slippers to work as a symbolic gesture of empathy and care, while reinforcing our organisational values of social consciousness and collective humanity.

Employee Rewards and Recognition

At CHIETA, our Employee Rewards and Recognition programme celebrates those who demonstrate excellence in advancing our four strategic pillars: Innovation, Digitisation, Collaboration, and Transformation. The most recent awards ceremony honoured the significant contributions of individuals whose work exemplified impact, innovation, and service excellence. These awards foster a culture of high performance, inspiring others to aim for excellence and aligning daily operations with strategic aims.

Learning and Development

The organisation has continued to prioritise upskilling and career development, recognising that employee growth is key to organisational success. During the year under review, four employees were promoted internally – a clear testament to the success of our internal development efforts.

Each promotion demonstrates CHIETA's confidence in its people, along with our commitment to establishing transparent career growth pathways based on merit, potential, and performance.

Employee Attraction and Retention

CHIETA's average staff turnover rate fell to 1.25% in 2024/25, down from 1.49% the previous year. This decline clearly indicates our ongoing efforts to promote a supportive, inclusive, and development-oriented work environment. Such retention directly enhances institutional knowledge, team stability, and organisational continuity – key factors in maintaining long-term performance.

Empowering Interns

CHIETA's internship programme stands out through the meaningful integration of interns into core operational activities. Interns are encouraged to contribute to real-time projects from the beginning, gaining practical experience and sector-specific skills. Many former interns have gone on to secure permanent roles in both the public and private sectors, demonstrating the programme's quality and relevance.

2. HR Outcomes 2024/25

The following tables present a summary of the organisation's human resource outcomes for the 2024/25 financial year.

Table 4-1 Personnel Cost by Programme/Activity and Objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Administration	110 363	69 345	63%	53	1 308
Projects	639 794	26 648	4%	57	468
Total	**750 157**	**95 993**	**13%**	**110**	**873**

Table 4-2 Personnel Cost by Salary Band

Level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management (Executives)	17 708	18%	8	2 214
Line Management (Managers)	20 440	21%	11	1 858
Professional Qualified (Specialists)	29 708	31%	23	1 292
Skilled (Practitioners)	11 317	12%	11	1 029
Semi-skilled (Administrators & Assistants)	14 443	15%	26	556
Unskilled (Cleaners & Interns)	2 377	2%	31	77
Total	**95 993**	**100%**	**110**	**873**

Table 4-3 Performance Rewards

Programme/activity/objective	Performance rewards (R'000)	% of performance rewards to total personnel cost
Top Management (Executives)	2 201	18%
Line Management (Managers)	2 817	23%
Professional Qualified (Specialists)	4 298	35%
Skilled (Practitioners)	1 126	9%
Semi-skilled (Administrators & Assistants)	1 769	14%
Unskilled (Cleaners & Interns)	88	1%
Total	**12 299**	**100%**

Table 4-4 Training Costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training exp. as % of personnel cost	No. of employees trained	Avg. training cost per employee (R'000)
Administration	69 345	840	1%	13	65
Projects	26 648	384	1%	12	32
Total	**95 993**	**1 224**	**1%**	**25**	**49**

Table 4-5 Employment and Vacancies by Occupational Level

Occupational Levels	Appointments	Terminations	Vacancies
Top Management	1	0	0
Senior Management	1	0	0
Professionals	1	0	3
Skilled	0	1	1
Semi-Skilled	2	0	0
Unskilled	23	9	9
Total	**28**	**10**	**13**

Table 4-6 Employment and Vacancies by Programme/Activity/Objective

Programme/activity/objective	Approved Posts	No. of Employees	Vacancies	% of Vacancies
Top Management	8	8	0	0%
Senior Management	11	11	0	0%
Professionals	26	23	3	12%
Skilled	12	11	1	8%
Semi-Skilled	26	26	0	0%
Unskilled	40	31	9	23%
Total	**123**	**110**	**13**	**11%**

Table 4-7 Employment Changes

Position Level	Employment at the beginning	Appointments/ Promotions	Terminations	Employment at the end
Top Management	7	1	0	8
Senior Management	10	1	0	11
Professional qualified	22	1	0	23
Skilled	10	1	1	10
Semi-skilled	26	1	0	27
Unskilled	17	23	9	31
Total	**92**	**28**	**10**	**110**

Table 4-8 Reasons for Staff Leaving

Reason	Number	% of total staff leaving
Death	0	0%
Resignation	1	10%
Dismissal	1	10%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	8	80%
Other	0	0%
Total	**10**	**100%**

CHIETA | ANNUAL REPORT 2024/2025

Table 4-9 Labour Relations Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written Warning	0
Dismissal	1
Other	0
Total	**1**

Table 4-10 Equity Target and Employment Equity Status

Male

Level	African	Coloured	Indian	White	Current
Top Management (Executives)	2	0	1	1	2
Line Management (Managers)	4	1	2	0	4
Professional Qualified (Specialists)	9	0	2	0	9
Skilled (Practitioners)	3	1	0	0	3
Semi-skilled (Administrators & Assistants)	8	0	0	0	8
Unskilled (Cleaners & Interns)	6	0	0	0	6
Total	**32**	**2**	**5**	**1**	**32**

Female

Level	African	Coloured	Indian	White	Current
Top Management (Executives)	3	0	1	0	3
Line Management (Managers)	4	0	0	0	4
Professional Qualified (Specialists)	8	2	1	1	8
Skilled (Practitioners)	6	1	0	0	6
Semi-skilled (Administrators & Assistants)	17	1	0	0	17
Unskilled (Cleaners & Interns)	25	0	0	0	25
Total	**63**	**4**	**2**	**1**	**63**

Table 4-11 People with Disabilities

Level	Male	Female	Current
Top Management (Executives)	0	0	0
Line Management (Managers)	0	0	0
Professional Qualified (Specialists)	0	0	0
Skilled (Practitioners)	0	0	0
Semi-skilled (Administrators & Assistants)	0	0	0
Unskilled (Cleaners & Interns)	0	0	0
Total	**0**	**0**	**0**

PART E

PFMA COMPLIANCE

PFMA COMPLIANCE

1. Irregular, Fruitless and Wasteful Expenditure and Material Losses

1.1. IRREGULAR EXPENDITURE

a) Reconciliation of Irregular Expenditure

Table 5-1 Reconciliation of Irregular Expenditure

Description	2024/2025	2023/2024
Opening balance (Restated)	R0	R62 002
Add: Irregular expenditure confirmed	R0	R0
Less: Irregular expenditure condoned	R0	R0
Less: Irregular expenditure not condoned and removed	R0	(R61 752)
Less: Irregular expenditure recoverable	R0	R0
Less: Irregular expenditure not recovered and written off	R0	(R 250)
Closing balance	**R0**	**R0**

Table 5-2 Reconciling Notes

Description	2024/2025	2023/2024
Irregular expenditure under assessment in 2021/22	R0	R0
Irregular expenditure related to 2021/22 identified in 2022/23	R0	R0
Irregular expenditure for the current year	R0	R0
Total	**R0**	**R0**

b) Details of Irregular Expenditure Under Assessment, Determination, and Investigation

Table 5-3 Details of Irregular Expenditure Under Assessment, Determination, and Investigation

Description	2024/2025	2023/2024
Irregular expenditure under assessment	R0	R0
Irregular expenditure under determination	R0	R0
Irregular expenditure under investigation	R0	R0
Total	**R0**	**R0**

c) Details of Irregular Expenditure Condoned

Not applicable.

d) Details of Irregular Expenditure Removed – Not Condoned

Table 5-4 Details of Irregular Expenditure Removed – Not Condoned

Description	2024/2025	2023/2024
Irregular expenditure not condoned and removed	R0	R61 752
Total	**R0**	**R61 752**

e) Details of Irregular Expenditure Recovered

Not applicable.

f) Details of Irregular Expenditure Written Off (Irrecoverable)

Table 5-5 Details of Irregular Expenditure Written Off (Irrecoverable)

Description	2024/2025	2023/2024
Irregular expenditure written off	R0	R250
Total	**R0**	**R250**

g) Inter-Institutional Arrangements – Institution Not Responsible

Not applicable.

h) Inter-Institutional Arrangements – Institution Responsible

Not applicable.

i) Disciplinary or Criminal Steps Taken Due to Irregular Expenditure

Not applicable.

1.2. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of Fruitless and Wasteful Expenditure

Table 5-6 Reconciliation of Fruitless and Wasteful Expenditure

Description	2024/2025	2023/2024
Opening balance	R0	R143
Add: Fruitless and wasteful expenditure confirmed	R0	R0
Less: Fruitless and wasteful expenditure written off	R0	(R143)
Less: Fruitless and wasteful expenditure recoverable	R0	(R0)
Closing balance	**R0**	**R0**

Reconciling Notes

Description	2024/2025	2023/2024
Under assessment in 2022/23	R0	R0
Related to 2021/22 and identified in 2022/23	R0	R0
Fruitless and wasteful expenditure for the current year	R0	R0
Total	**R 0**	**R0**

b) Details of Fruitless and Wasteful Expenditure (under assessment, determination, and investigation)

Not applicable.

c) Details of Fruitless and Wasteful Expenditure Recovered

Table 5-7 Details of Fruitless and Wasteful Expenditure Recovered

Description	2024/2025	2023/2024
Fruitless and wasteful expenditure recovered	R0	R0
Total	**R0**	**R0**

d) Details of Fruitless and Wasteful Expenditure Written Off (Irrecoverable)

Table 5-8 Details of Fruitless and Wasteful Expenditure Written Off (Irrecoverable)

Description	2024/2025	2023/2024
Fruitless and wasteful expenditure written off	R0	R143
Total	**R0**	**R143**

e) Disciplinary or Criminal Steps Taken Due to Fruitless and Wasteful Expenditure

Not applicable.

1.3. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES (PFMA SECTION 55(2)(B)(I) & (III))

a) Details of Material Losses Through Criminal Conduct

Not applicable.

b) Details of Other Material Losse

Not applicable.

c) Other Material Losses Recovered

Not applicable.

d) Other Material Losses Written Off

Not applicable.

1.4. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Table 5-9 Late and/or Non-Payment of Suppliers

Description	Number of Invoices	Consolidated Value (R'000)
Valid invoices received	3 534	R359 784
Invoices paid within 30 days or agreed period	3 534	R359 784
Invoices paid after 30 days or agreed period	0	R0
Invoices older than 30 days (unpaid and without dispute)	0	R0
Invoices older than 30 days (unpaid and in dispute)	0	R0

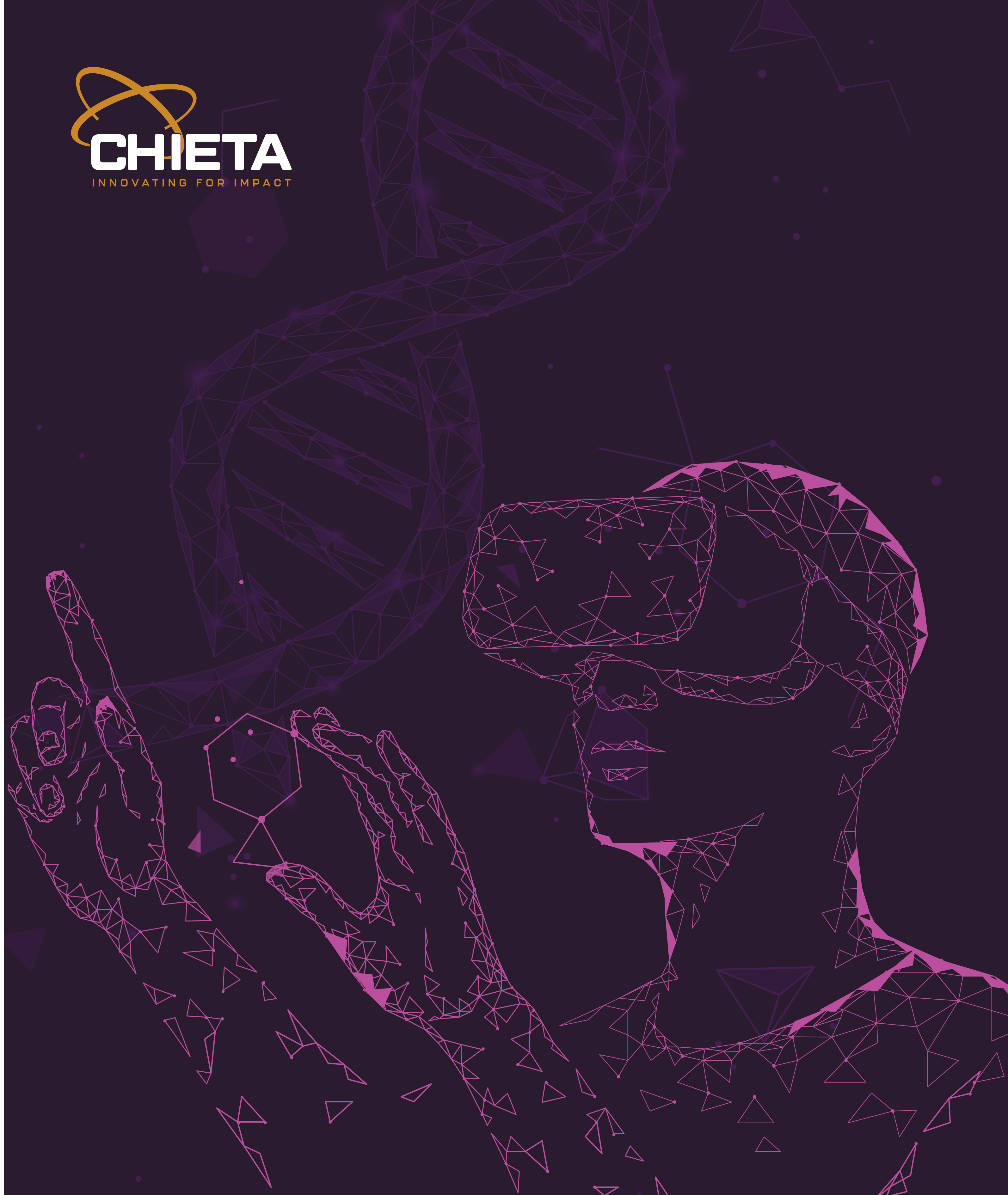
1.5. SUPPLY CHAIN MANAGEMENT

Procurement by Other Means

The entity did not have any procurement through other means during the reporting period.

Contract Variations and Expansions

The entity did not have any contract variation or expansion during the reporting period.



CHIETA
INNOVATING FOR IMPACT

PART F

FINANCIAL INFORMATION

Report of the auditor-general to Parliament on the Chemical Industries Education and Training Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Chemical Industries Education and Training Authority (CHIETA) set out on pages 105 to146, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, and the cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of CHIETA as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP), the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. 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.

4. I am independent of the public 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.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and SDA, 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.

7. 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

8. 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.

9. 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 on page XX, forms part of our auditor's report.

Report on the audit of the annual performance report

10. 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 information against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

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

Programme	Page numbers	Purpose
Programme 2: Research and skills planning	45- 51	To ensure a professional and credible skills development planning tool for the chemical industry articulating sector realities and needs and agreed sector strategies to address skills need.
Programme 3: Occupationally directed programme	52- 67	To ensure continuous training of the chemical industry workforce through mid-level skills needs and apprenticeship training and addressing of high level national scarce skills through work-ready graduates from higher education institutions. To address the low-level of language and numeracy, supporting co-operatives, non-governmental organisations, and small enterprises, increasing public capacity for improved service delivery, building career and vocational guidance and addressing the medium-term strategic priorities of government

12. 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 public entity's planning and delivery on its mandate and objectives.

13. 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.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over achievements.

Material misstatements

18. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was in the reported performance information for programme 3: occupationally directed programme. Management subsequently corrected the misstatement, and I did not include any material findings in this report.

Report on compliance with legislation

19. 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.

20. 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.

21. 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.

22. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

23. 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.

24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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.

25. 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.

26. 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

27. 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.

28. I did not identify any significant deficiencies in internal control

Auditor-General

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 International Standards on Auditing, 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 [type of auditee]'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 the 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.

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	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1. Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction note. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction note. 5 of 202/21	Paragraph 2
National Treasury instruction note 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury instruction note 1 of 2021/22	Paragraph 4.1
National Treasury instruction note 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction note 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction note 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6

Legislation	Sections or regulations
National Treasury SCM instruction note 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice note 11 of 2008-9	Paragraph 2.1; 3.1 (b)
Practice note 5 of 2009-10	Paragraph 3.3
Practice note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Statement of Financial Position as at 31 March 2025

	Note(s)	2025 R '000	2024 R '000
Assets			
Current Assets			
Inventories	3	27	34
Receivables from exchange transactions	4	2 800	601
Receivables from non-exchange transactions	5	47	69
Cash and cash equivalents	6	412 983	440 198
		415 857	**440 902**
Non-Current Assets			
Property, plant and equipment	7	10 698	8 267
Intangible assets	8	3 227	3 913
		13 925	12 180
Total Assets		**429 782**	**453 082**
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	6 471	5 762
Payables from non-exchange transactions	9	76 148	74 646
Provisions	11	16 274	14 804
		98 893	**95 212**
Total Liabilities		**98 893**	**95 212**
Net Assets		**330 889**	**357 870**
Reserves			
Administration reserves		13 925	12 180
Discretionary reserves		316 964	345 690
Total Net Assets		**330 889**	**357 870**

Statement of Financial Performance

	Note(s)	2025 R '000	2024 R '000
Revenue			
Revenue from exchange transactions			
Other income	15	-	84
Interest received - investment	12	33 728	35 661
Total revenue from exchange transactions		**33 728**	**35 745**
Revenue from non-exchange transactions			
Skills Development Levy Revenue			
Skills development levy: income	13	681 928	653 202
Skills development levy: penalties and interest	13	6 434	5 103
Other income	14	1 084	-
Total revenue from non-exchange transactions		**689 446**	**658 305**
Total revenue		**723 174**	**694 050**
Expenditure			
Employee related costs	16	(69 345)	(61 085)
Employer grant and project expenses	17	(639 794)	(610 342)
Administration	18	(40 109)	(39 579)
Loss on disposal of assets and liabilities		(909)	(61)
Total expenditure		**(750 157)**	**(711 067)**
Deficit for the year	2	**(26 983)**	**(17 017)**

CHIETA | ANNUAL REPORT **2024/2025**

CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

	Administration reserve R '000	Employer grant reserve R '000	Discretionary reserve R '000	Surplus/ (Deficit) R '000	Total net assets R '000
Balance at 01 April 2023	**12 824**	**-**	**362 063**	**-**	**374 887**
Changes in net assets					
Surplus for the year	-	-	-	(17 017)	(17 017)
Allocation of net surplus/(deficit)	(14 908)	17 629	(19 738)	17 017	-
Transfer to discretionary grants	14 264	(17 629)	3 365	-	-
Balance at 01 April 2024	**12 180**	**-**	**345 690**	**-**	**357 870**
Changes in net assets					
Surplus for the year	-	-	-	(26 983)	(26 983)
Allocation of net surplus/(deficit)	20 386	19 036	(66 405)	26 983	-
Transfer to discretionary grants	(18 641)	(19 036)	37 677	-	-
Balance at 31 March 2025	**13 925**	**-**	**316 964**	**-**	**330 889**

Cash Flow Statement

	Note(s)	2025 R '000	2024 R '000
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		687 300	658 961
Interest income		33 697	35 661
		720 997	694 622
Payments			
Employee costs		(67 088)	(59 227)
Grants and projects payments		(638 412)	(619 844)
Cash payments to suppliers and others		(34 950)	(36 700)
		(740 450)	(715 771)
Net cash flows from operating activities	19	**(19 453)**	**(21 149)**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(7 759)	(3 332)
Proceeds from sale of property, plant and equipment	7	46	19
Purchase of other intangible assets	8	(50)	(208)
Net cash flows from investing activities		**(7 763)**	**(3 521)**
Net increase/(decrease) in cash and cash equivalents		(27 216)	(24 670)
Cash and cash equivalents at the beginning of the year		440 198	464 870
Cash and cash equivalents at the end of the year	6	**412 982**	**440 200**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	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	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Interest received-investment	6 392	-	**6 392**	33 728	**27 336**	27.2
Revenue from non-exchange transactions						
Skills development levies revenue						
Skills Development Levy: income	687 619	-	**687 619**	681 928	**(5 691)**	27.1
Skills Development Levy: penalties and interest	3 382	-	**3 382**	6 434	**3 052**	27.1
Approved retained surplus	-	345 656	**345 656**	-	**(345 656)**	27.7
Other income -		-	**-**	1 084	**1 084**	
Total revenue from non- exchange transactions	**691 001**	**345 656**	**1 036 657**	**689 446**	**(347 211)**	
Total revenue	**697 393**	**345 656**	**1 043 049**	**723 174**	**(319 875)**	
Expenditure						
Employee related costs	(73 883)	1 711	**(72 172)**	(69 345)	**2 827**	27.5
Employer grant and projects expenses	(606 732)	(323 281)	**(930 013)**	(639 794)	**290 219**	27.3
Administration expenses	(16 778)	(24 086)	**(40 864)**	(40 109)	**755**	27.4
Total expenditure including retained surplus	**(697 393)**	**(345 656)**	**(1 043 049)**	**(749 248)**	**293 801**	
Operating deficit	-	**-**	**-**	**(26 074)**	**(26 074)**	
Loss on disposal of assets and liabilities	-	-	**-**	(909)	**(909)**	
Net surplus/ (deficit) for the -year		**-**	**-**	**(26 983)**	**(26 983)**	

Significant Accounting Policies

1. Significant accounting policies

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

1.1. Presentation of annual financial statements

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretation, guidelines and directives issued by the Accounting Standard Board. The implementation of the new GRAP standards has not resulted in any change in accounting policy. The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respect, consistent with those of the previous year, except as otherwise indicated.

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost basis.

These accounting policies are consistent with the previous period.

1.2. Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the entity. Figures have been rounded off to the nearest thousand (R'000)

1.3. Going concern assumption

These audited annual financial statements have been prepared on a going concern basis, as the CHIETA does not see any reason to significantly curtail its operations in the foreseeable future and CHIETA will continue to operate as a going concern.

1.4. Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited 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 audited annual financial statements.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables from non-exchange transaction

CHIETA pays mandatory grants to its sector levy-payers based on information from South African Revenue Services (SARS), where SARS retrospectively amends the information on levies collected. This may result in grants that have been paid to affected levy-payers being in excess of the amount CHIETA would have granted to those levy-payers had all information been available at the time of payment of those grants.

Trade receivables from exchange transactions

CHIETA assesses its trade receivables for impairment at the end of financial reporting period. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, CHIETA makes judgement as to whether observable data indicating measurable decrease in the estimated future cashflows from a financial asset.

Significant Accounting Policies

Impairment testing

Management makes judgement to designate assets as non-cash generating assets or cash generating assets. Cash generating assets are used with the objective of generating a commercial return. CHIETA assets are non-cash generating assets.

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.

Useful lives of property, plant, equipment and intangibles

Management will increase the depreciation charge where useful lives are less than previously estimated.

Exchange and non-exchange receivables impairment

CHIETA assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or loss, CHIETA determines whether there is observable data indicating a measurable decrease in the estimated future cashflows from a financial asset.

The impairment for receivables is calculated on an individual basis based on historical cost ratios, adjusted for conditions.

Trade payables from exchange transactions

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

Trade payables from non-exchange transactions

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

1.5. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment.

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.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation, and any impairment losses to their estimated residual value.

Significant Accounting Policies

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

Item	Depreciation method	Useful life
Office equipment	Straight-line	10 years
Computer equipment	Straight-line	3 years
Leasehold property	Straight-line	Lease term
Furniture and fittings	Straight-line	10 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The depreciation methods applied to an asset is reviewed at least at each reporting period and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

CHIETA assesses at each reporting date whether there is any indication that the entity 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 entity 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.
The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

1.6. Intangible assets

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 entity; and
- the cost or fair value of the asset can be measured reliably.

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.

CHIETA reassesses the useful life of intangible assets at the end of each reporting period.

CHIETA | ANNUAL REPORT 2024/2025
CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.
Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e impairment losses are recognised).

Gains and losses on disposal of intangible assets are determined by the reference to their carrying amount and taken into account in determining operating profit.

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

Item	Depreciation method	Useful life
Computer software, internally generated	Straight-line	Life of CHIETA license
Computer software	Straight-line	2-7 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.7. Financial instruments

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.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Significant Accounting Policies

Initial recognition

CHIETA recognises a financial asset or financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. Financial assets are recognised through the application of the trade date accounting.

Upon initial recognition, CHIETA classifies the instrument or its component parts, as a financial liability, a financial asset in accordance with the substance of the contractual arrangement and the definitions of a financial liability and financial asset.

Subsequent measurement of financial assets and financial liabilities

CHIETA subsequently measures financial assets and financial liabilities at amortised cost.

Impairment and collectability of financial asset

CHIETA assesses, at the end of each reporting period, a period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Derecognition

Derecognition of financial asset

CHIETA derecognises a financial asset when the contractual rights to the cashflows from the financial asset expire, settled or waived.

Derecognition of financial liability

CHIETA derecognises a financial liability when the obligation specified to the contract has been settled, waived, cancelled or discharged.

Classification

CHIETA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

Cash and cash equivalents, receivables from exchange transactions and other receivables are categorised as financial assets measured at amortised cost, which due to their short term nature, closely approximate their fair values.

CHIETA has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transaction	Financial liability measured at amortised cost
Payablesfrom non-exchange transaction	Financial liability measured at amortised cost

Significant Accounting Policies

1.8. 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.

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.

1.9. Inventories

Consumables are recognised as an asset on the date of acquisition and measured at the cost of acquisition. It is subsequently recognised in surplus or deficit as it is consumed. Subsequent to initial recognition inventory is measured at cost or current replacement cost which ever is less.

1.10. Trade receivables from non-exchange transactions

Employer receivable

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

The SETA recognises the carrying amount in the statement of financial position using the cost method at the transaction amount. CHIETA recognises employer receivable if the transaction is a non-exchange transaction, using the policy on revenue from non-exchange transactions.

1.11. Trade receivables from exchange transaction

Receivables from exchange transaction are other receivables, interest receivables and rental deposits held. Interest receivable is recognised by applying the effective interest rates on investment held in line with the investment income policy. CHIETA recognises exchange receivables using the policy on revenue from exchange transactions.

1.12. Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash on hand, current and savings bank accounts and money market investments, call account and fixed deposits held by the CHIETA at the Corporation of Public Deposits (CPD) and at domestic banks. Cash and cash equivalents are initially recognised at cost and subsequently stated at amortised cost, which is due to their short term nature, closely approximate their fair value.

1.13. Provisions and contingencies

Provisions are recognised when:
- the entity 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.

Provisions are estimates raised by management using the information available to management. Additional disclosures of these estimates of provisions are included on the notes to financial statements.

Significant Accounting Policies

1.13. Provisions and contingencies(continued)

Performance bonus provision is finalised post year-end and is based on reviewed performance scores.

Contingencies are disclosed on the notes.

Exempt employers provisions

These are balances received from exempt employers, and should be repaid to all employers whose salary bill is below the threshold of R500 000 payroll per annum. In terms of DHET circular 09/2013, SETAs may utilise exempted amounts contributed after expiry of five years as stipulated in Section 190(4) of the Tax Administration Act. These funds are transferred to the discretionary reserve in line with the aforementioned circular.

1.14. Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or services potential will flow to the SETA and these benefits can be measured reliably. Revenue is measured at fair value of consideration received.

1.15. Revenue from non-exchange transactions

Revenue from non-exchange transactions result in resources being received by CHIETA usually in accordance with a binding agreement. When CHIETA receives resources as a result of non-exchange transactions. It recognises as asset and revenue in one period and the arrangement becomes binding and when it is probable that CHIETA will receive economic benefit or service potential and can make reliable measure of the resources transferred.

Non-exchange revenue include the receipt of levy income and interest and penalties from the DHET.

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

Skills development levies are recognised at the fair value of the consideration received.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Levy income

In terms of Section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No.9 of 1999) as amended, registered member companies of the SETA pay skills development levy of 1% of the total payroll cost to SARS. 80% of skills development levies are paid over to the SETA (net of the 20% contribution to the National Skills Fund).

Revenue is adjusted for inter-SETA transfers due to employers changing SETAs . The amount of the inter-SETA adjustment is calculated according to the Standard Development Procedures issued by the DHET in June 2001. When a new employer is transferred to the SETA, the levies transferred by the former SETA are recognised as revenue and allocated to the respective category to maintain its original identity.

Skills development levy transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when the DHET makes an allocation to the SETA, as required by section 8 of the SDL Act , 1999 (Act No. 9 of 1999) as amended.

Significant Accounting Policies

1.15. Revenue from non-exchange transactions (continued)

Exempt registered member companies of the SETA

Companies with an annual payroll cost of less than R500 000 are exempted from paying 1% skills development levy, in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005. An employer who is liable to pay the levy is exempted if, during any month there is reasonable ground to believe that the total remuneration (as determined in accordance with the Levies Act) payable or paid by the employer to all its employees during the following 12 months period will not exceed R500 000. Should the SETA receive any SDL from possibly exempt companies, the SETA recognises a provision equalling SDL received from these possible levy exempted companies. As per Skills Development Circular 09/2013, five years from receipt, the SETA transfers all monies received from exempted companies to levy revenue. Such levies are allocated to discretionary levies.

SARS retrospectively amends the information on levies collected, it may result in grants paid to certain employers exceeding employer contribution.

Levy interest and penalties

Interest and penalties on the SDL are recognised when they accrue based on the amount received or allocation made by DHET as required by the SDL Act.

1.16. Investment income

Investment income is recognised on a time-proportion basis , taking into account the principal amount outstanding and the effective interest method over period to maturity.

1.17. Budget information

The approved budget is prepared on accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The annual financial statements and the budget are on 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.

The annual budget is prepared on accrual basis, that is all planned costs and income are presented in a single statement to determine the needs of the CHIETA. As a result of the adoption of accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statement for variances.

1.18. 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).

CHIETA will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

Significant Accounting Policies

1.18. Events after reporting date(continued)

CHIETA 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.

1.19. Employee benefits

Employee benefits

Employee related costs are all forms of consideration given by an entity in exchange for service rendered by employees.

Employee related costs are recognised during periods in which the related service is rendered.

Short-term employee benefits.

Short term employee benefits includes items such as:

- salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employee render the related service.

The SETA provides for retirement benefits for all permanent employees through a defined contribution scheme that is subject to the Pension Fund Act, 1956 as amended. In terms of Pension Fund Act, the fund is not required to be actuarilly valued. Contributions are at a rate of 14.88% and 6.87% of pensionable emoluments.

When an employee has rendered services to the CHIETA during a reporting period, the CHIETA recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange of that service:

- as liability (accrued expense), after deducting an amount already paid
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

Termination benefits.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement dates; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Termination benefits are recognised and expensed when an employee withdraws their services.

Employees may encash up to a maximum of 11 days of available leave on their anniversary date.

The liability for annual leave is recognised as it accrues to employees. This liability is based on the number of leave days due to employees at year end.

CHIETA provides study assistance to qualifying employees.

SETA contribution to the defined contribution plan is charged to the income statement in the year to which they relate and future liability exists for the CHIETA.

Significant Accounting Policies

1.20. Commitments

Commitments are disclosed where CHIETA in the normal course of operation entered into contractual agreements with entities relating to grants or where this is a contractual letter of award. Commitments are measured at the amount CHIETA would pay to settle the future obligation as per the contractual relationship with the beneficiary.

1.21. 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.

CHIETA operates in an economic environment currently dominated by the entities directly or indirectly owned by the South African government.Transactions with DHET and other related parties not at arms length are disclosed.

1.22. Administration expenditure

Administration expenditure comprises overhead, and operational costs incurred in the ordinary course of business to support the effective running of the organisation. These include and not necessarily limited to rent and utilities, communication and IT related costs, depreciation, and payments to the QCTO. These expenses are recognised as an expense in the period in which they are incurred, using the accrual basis of accounting, and measured at historical cost. Administrative expenditure is classified separately from discretionary and mandatory grant expenditure in accordance with the SETA Grant Regulations, which prescribe that administration costs must not exceed 10.5% of the total levies received.

1.23. Reserves

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with Regulations issued in terms of the SDA as follows:

- Administration reserve
- Employer grant reserve; and
- Discretionary reserve

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to pay for its administration costs.

The net surplus/deficit is allocated to the administration reserve, the mandatory grant reserve and the discretionary fund reserve.

Surplus funds are moved to the discretionary fund reserve from the administration based on unspent funds at year-end and from the mandatory grants based on unclaimed grants after the prescribed time frames have elapsed.

In addition, contributions received from public service employers in the national or provincial spheres of government may be used to fund the SETA's administration costs.

1.24. Grants and project expenditure

A registered company may recover a maximum mandatory grant of 20% of its total levy payment by complying with the grant criteria in accordance with the Skills Development Regulations issued in terms of the Skills Development Act 1999 (Act No. 9 of 1999).

Mandatory grants

The grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed form by the 30 April of every year. The grant is equivalent to 20% of the total levies paid by the employer during the corresponding financial period for skills planning grant implementation.

Significant Accounting Policies

1.24. Grants and project expenditure(continued)

Discretionary grants and project expenditure

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

A SETA may out of any surplus monies determine and allocate discretionary grants to employers, education and training providers and workers of the employers who have submitted and application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expense in the period in which they are incurred and on which conditions are met.

Project expenditure comprise:
- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and project administration costs that can be allocated to the project; and
- such other costs as are specifically chargeable to the SETA under the terms of the contract.

A maximum of 7.5% of discretionary grant and project expenditure may be used for project management purposes.

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

1.25. Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in the presentation in the current year. Refer to note 27.

1.26. Segment reporting

The entity does not have an activity or unit that meets the definition of a (segment) as defined, as CHIETA administrative units and functional departments do not undertake activities that generate economic benefits or services potential separately from the SETA. Management has assessed that CHIETA operates as one segment both from a service and geographical point of view. The segment reporting section has been removed from the current financials statements as it is deemed not relevant for users. Management has therefore not divided the financial information into segments as required under GRAP 18.

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

2. Allocation of net surplus / (deficit) for the year to reserves for the year ended 31 March 2025

	Administration	Employer grant reserves	Discretionary grant reserves	Total
Investment income	33 728	-	-	33 728
Skills development levy: income	89 503	170 483	421 942	681 928
Skills development levy: penalties and interest	6 434	-	-	6 434
Other income: non-exchange	1 084	-	-	1 084
Total revenue	130 749	170 483	421 942	723 174
Employer related costs	(69 345)	-	-	(69 345)
Employer grants and projects expenses	-	(151 447)	(488 347)	(639 794)
Administration expenses	(40 109)	-	-	(40 109)
Loss on sale of assets	(909)	-	-	(909)
	20 386	**19 036**	**(66 405)**	**(26 983)**

Allocation of net surplus / (deficit) for the year to reserves for the year ended 31 March 2024

	Administration	Employer grant reserves	Discretionary grant reserves	Total
Investment income	-	-	35 661	35 661
Skills development levy: income	85 733	163 276	404 193	653 202
Skills development levy: penalties and interest	-	-	5 103	5 103
Other income	84	-	-	84
Total revenue	85 817	163 276	444 957	694 050
Employer related costs	(61 085)	-	-	(61 085)
Employer grants and projects expenses	-	(145 647)	(464 694)	(610 341)
Administration expenses	(39 580)	-	-	(39 580)
Loss on sale of assets	(61)	-	-	(61)
	(14 909)	**17 629**	**(19 737)**	**(17 017)**

3. Inventories

	2025	2024
	R '000	R '000
Stationery	27	34

The stationery consist of printing paper, toner and other consumables that were not used by 31 March 2025.

Inventory is not pledged as security for liabilities.

Printing and stationery expensed for 2025 is R472 000; (2024:R983 000).

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

4. Receivables from exchange transactions

	2025	2024
	R '000	R '000
Deposits	1 928	3 59
Accrued interest	31	-
Prepaid expenses-lease smoothing	841	242
	2 800	**601**

No impairment test was performed due to low credit risk.

5. Receivables from non-exchange transactions

	2025	2024
	R '000	R '000
Grants and projects receivables	**47**	**69**

6. Cash and cash equivalents

	2025	2024
	R '000	R '000
Cash and cash equivalents consist of:		
Cash on hand	10	9
Bank balances	412 973	440 189
	412 983	**440 198**

As required by Treasury Regulations 31.2, National Treasury approved the banks where CHIETA bank accounts held. The average interest rate on short term bank deposits was 7.88% (2024: 8.33%).

Cash includes cash on hand and cash with banks. Cash equivalents are short term, highly liquid investments that are held with registered banking institutions and are subject to an insignificant risk of change in value.

For the purpose of the cashflow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and investment.

CHIETA | ANNUAL REPORT **2024/2025**

CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

Figures in Rand thousand

7. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fittings	6 193	(951)	5 242	5 143	(1 408)	3 735
Office equipment	845	(331)	514	717	(327)	390
Computer equipment	12 145	(7 203)	4 942	8 507	(4 483)	4 024
Leasehold improvements	-	-	-	666	(548)	118
Total	**19 183**	**(8 485)**	**10 698**	**15 033**	**(6 766)**	**8 267**

Reconciliation of property, plant and equipment - 31 March 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	3 735	3 205	(931)	(767)	5 242
Office equipment	390	213	(12)	(77)	514
Computer equipment	4 024	4 341	(12)	(3 411)	4 942
Leasehold improvements	118	-	-	(118)	-
	8 267	**7 759**	**(955)**	**(4 373)**	**10 698**

Reconciliation of property, plant and equipment -31 March 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	1 978	2 218	-	(461)	3 735
Office equipment	502	9	(41)	(80)	390
Computer equipment	5 569	1 105	(39)	(2 611)	4 024
Leasehold improvements	329	-	-	(211)	118
	8 378	**3 332**	**(80)**	**(3 363)**	**8 267**

Pledged as security

No property, plant and equipment has been pledged as security.

No repairs and maintenance to PPE were incurred in current financial year.

Notes to the Audited Annual Financial Statements

8. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortization and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortization and accumulated impairment	Carrying value
Computer software, internally generated	5 470	(2 481)	2 989	5 470	(1 873)	3 597
Computer software	907	(669)	238	857	(541)	316
Total	**6 377**	**(3 150)**	**3 227**	**6 327**	**(2 414)**	**3 913**

Reconciliation of intangible assets - 31 March 2025

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	3 597	-	(608)	2 989
Computer software, other	316	50	(128)	238
	3 913	**50**	**(736)**	**3 227**

Reconciliation of intangible assets 31 March 2024

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	4 205	-	(608)	3 597
Computer software, other	241	208	(133)	316
	4 446	**208**	**(741)**	**3 913**

Pledged as security

No intangible assets were pledged as security:

9. Payables from non-exchange transactions

	2025 R '000	2024 R '000
Skills development grants payable - mandatory non-exchange	25 440	14 974
Discretionary projects payable	5 114	4 039
Discretionary projects accrual	29 593	40 023
Projects payables	267	-
Projects accruals	15 361	15 272
Other payables	373	338
	76 148	**74 646**

CHIETA | ANNUAL REPORT 2024/2025
CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

10. Payables from exchange transactions

	2025 R '000	2024 R '000
Accruals	1 310	1 745
Employee benefits - leave accrual (refer to note 10.1)	3 497	2 831
Payables	530	177
Lease expense payable	1 134	1 009
	6 471	**5 762**

10.1. Employee benefits-leave accrual

	2025 R '000	2024 R '000
Opening carrying amount	2 831	3 470
Amount utilised	(2 831)	(3 470)
Leave accrual - current year	3 497	2 831
	3 497	**2 831**

11. Provisions

Reconciliation of provisions for the year ended 31 March 2025

	Opening Balance	Additions	Utilised during the year	Total
Exempt employers	1 533	14	-	1 547
Employee benefit - Provision for performance bonus	13 127	12 300	(10 709)	14 718
Provisions projects	144	-	(134)	10
	14 804	**12 314**	**(10 843)**	**16 275**

Reconciliation of provisions for the year ended 31 March 2024

	Opening Balance	Additions	Utilised during the year	Total
Exempt employers provision	1 242	291	-	1 533
Employee benefit - provision for performance bonus	10 630	11 892	(9 395)	13 127
Provisions projects	174	-	(30)	144
	12 046	**12 183**	**(9 425)**	**14 804**

An amount of R1,546 million (2024: R1,533 million) relates to amounts to be repaid to all exempt employers exempted from SDL (below the threshold of R500 000 payroll per annum) who have however contributed the levies. In terms of Skills Development Circular No. 09/2013, issued by the DHET on 25 August 2013, SETA's are able to utilise exempted amounts contributed after the expiry 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.

Notes to the Audited Annual Financial Statements

Bonus provision

An amount of R14,718 million (2024: R13,127 million) relates to performance bonus provision based on employee actual and/ estimated performance and contract ratings. 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 post year-end. The amount is dependent on the outcome of individual performance evaluation.

R10 thousand, (2024: R144 thousand) relates to contractual obligations for which payment is conditional to project completion.

12. Investment income

	2025 R '000	2024 R '000
Interest income-bank deposits	**33 728**	**35 661**

Average cash and cash equivalents held during the course of the year as well as interest rate were lower than the previous year.

13. Skills development levy income

	2025 R '000	2024 R '000
Skills development levies - administration	89 503	85 733
Skills development levies - mandatory grants	170 483	163 276
Skills development levies - discretionary grants and special projects	421 942	404 193
	681 928	**653 202**

The amount included in other revenue arising from exchanges of goods or services are as follows:

	2025 R '000	2024 R '000
Skills development levies - interest	2 492	2 099
Skills development levies - penalties	3 942	3 004
	6 434	**5 103**

14. Other income from non-exchange transations

	2025 R '000	2024 R '000
Other income	**1 084**	**-**

This amount relates to levies received from Department of Mineral Resources and Energy.

Notes to the Audited Annual Financial Statements

15. Other income from exchange transactions

	2025 R '000	2024 R '000
Training and development levy from ETDP SETA	-	84

16. Employee related costs

	2025 R '000	2024 R '000
Basic salaries	41 396	36 043
Performance awards	12 300	11 892
Temporary staff	4	4
Leave provision movement	665	565
Medical aid contributions	3 301	2 935
Leave encashment	1 650	1 584
Provident fund contributions: Defined contributions plans	8 415	7 696
UIF	371	366
Education subsidy	1 243	-
	69 345	**61 085**

17. Employer grant and project expenses

	2025 R '000	2024 R '000
Mandatory grants		
Disbursed	151 447	145 647
Discretionary grants and projects		
Disbursed	488 347	464 695
Discretionary grants expenditure consists of:		
Discretionary grants and projects expenses	457 666	435 774
Discretionary project administration expenses	30 681	28 921
	488 347	**464 695**

	2025 R '000	2024 R '000
Employer grant and project expenses		
Mandatory grants	151 447	145 647
Discretionary grants and projects	488 347	464 695
	639 794	**610 342**

Notes to the Audited Annual Financial Statements

18. Administrative expenditure

	2025 R '000	2024 R '000
Depreciation	4 372	3 364
Amortisation of intangibles	736	740
Operating lease rentals	3 253	3 012
Maintenance, repairs and running costs	129	90
Utilities	1 157	915
Advertising, marketing, promotions and communications	1 227	1 806
Consultancy and service provider fees	2 041	4 061
Legal fees	664	906
Travel and accommodation	3 091	3 296
Training and development	1 047	1 567
Remuneration to members of the accounting authority	2 417	3 136
Remuneration to members of the audit committee	288	484
Internal auditors remuneration	1 092	737
External auditors remuneration	4 006	3 158
IT maintenance and internet service	598	1 151
Telephone and fax	646	420
Printing and stationery	472	983
Insurance costs	312	208
Workshop and meeting costs	2 508	2 004
Quality council for trades and occupations (QCTO)	4 687	4 318
Postage and courier	130	382
Board and committee secretariat	433	355
Cleaning services	286	376
Licenses	2 142	1 715
Cloud and hosted services	1 114	-
Relocation costs	457	-
Other expenses	804	395
	40 109	**39 579**

1. The SDL Act regulations requires a transfer of an amount not exceeding 0.5% of the total levy paid by the employer to the QCTO for SETA quality assurance functions.
2. Consultancy and service provider fees includes research, human resource and governance professional services .
3. License fees include security software and smart skills licenses.
4. Other expenses comprise of various general administrative costs including website costs, bank charges, teas, compensation commisioner and coffees

CHIETA | ANNUAL REPORT 2024/2025
CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

19. Cash used in operations

	2025 R '000	2024 R '000
Deficit	(26 983)	(17 017)
Adjustments for:		
Depreciation and amortisation	5 109	4 105
Loss on sale of assets	909	61
Movements in provisions	1 470	2 758
Changes in working capital:		
Inventories	7	(7)
Receivables from exchange transactions	(2 199)	(222)
Receivables from non-exchange transactions	22	794
Payables from exchange transactions	709	(1 859)
Payables from non-exchange transactions	1 503	(9 762)
	(19 453)	**(21 149)**

20. Retention of surpluses

In terms of Section 53(3) of the PFMA, public entities listed in the Schedule 3A and 3C may not retain cash surpluses that were realised in the previous financial year without obtaining prior written approval of National Treasury. The National Treasury issued instruction No. 12 of 2020/2021 which revised the calculation of the retention of surpluses to be followed by public entities listed in the Schedule 3A and 3C of the PFMA.

	2025 R '000	2024 R '000
Cash and cash equivalents	412 983	440 198
Add: receivable (non-exchange and exchange)	2 847	670
Less:current liabilities	(82 619)	(80 408)
Less:provision	(16 274)	(14 804)
Net surplus	**316 937**	**345 656**
Less:discretionary grants commitments	(200 551)	(273 968)
Less:strategic projects commitments	(47 860)	(73 297)
Less:operating lease commitments	(3 557)	(6 602)
Net surplus/(deficit) after taking into account commitments	**64 967**	**(8 211)**

Prior year amount was restated by R419 thousand.

Notes to the Audited Annual Financial Statements

21. Contingencies

Contingencies surplus retention

In terms of the PFMA, all surplus / (deficit) funds as at year-end require National Treasury approval. The CHIETA annually requests formal rollover of any unspent funds or approval for realisation of a deficit and has communicated this in writing as per National Treasury requirements. Formal approval has not yet been obtained from National Treasury to retain the surplus funds at the time of the submission of these Annual Financial Statements. Please refer to note 19 for surplus.

Contingent liability - Mandatory grants

CHIETA may be liable on the BUSA versus the Minister of DHET case on the mandatory grant levy percentage. The effect of the ruling is that the Minister will have to decide on the percentage for mandatory in consultation with the sector. The Minister has not made the decision in regard to the mandatory grant percentage. Despite the said regulation being set aside, the Labour Appeal Court 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 the sector, and these accordingly percentage that can be paid and/or accrued by the SETA during the year under review. However, post the ruling, SARS / DHET continue to split the mandatory grant levy income portion at a rate 20% in the 2023/24 financial year which is also aligned to the approved annual performance plans. 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.

First time employer registration

First time employers who wish to apply for the mandatory grants with the Skills Development Levy are allowed to do so within six months of registration. At the reporting date, it is estimated that, additional mandatory grant expenditure of R157 545 ; (2024;R23 726) will be payable. The amount is contingent on the number of submissions received and approved.

Former employee litigation

The former employee is litigating the organisation for unfair and unprocedural dismissal and demands an amount of R6.3 million, 2024 (6.3 million). The matter is before the labour court and is currently sub judice.

22. Commitments

	2025 R '000	2024 R '000
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	3 557	6 602
- later than one year and not later than five years	19 095	1 188
	22 652	**7 790**
Rental expenses relating to operating leases		
Minimum lease payments	**6 174**	**6 009**

Notes to the Audited Annual Financial Statements

22. Commitments (continued)

Operating lease payments represent rentals payable by the entity for certain of its office space. Leases are negotiated for an average term of 5 years and lease period coincides with the license period of the CHIETA. Balance of remaining lease commitment is 5 and 1/4 years. Rentals escalate on a rate of 5% and 8% per annum. The monthly payments for property assessment rates and taxes and municipal charges are included as part of other operating expenditure in the statement of financial performance.

Discretionary grants commitments summary 2025

	Opening balance as at 1 April 2024 (restated**)	Approved and Contracted 2024 - 2025	Utilised during 2024 - 2025	Adjustments 2024-2025	Closing balance 31 March 2025
AET Provision incentives	979	1 495	(1 232)	(953)	289
Apprenticeships grant	71 325	130 565	(103 061)	(30 524)	68 305
Bursaries	32 249	25 505	(24 388)	(14 720)	18 645
Learnerships	82 255	75 607	(76 750)	(36 019)	45 092
RPL	11 674	23 139	(17 216)	(3 105)	14 492
Skills programme	14 012	20 943	(23 217)	(4 722)	7 017
WIL-Work experience	42 194	60 808	(51 577)	(20 325)	31 100
WIL-Work place for employment	19 281	34 852	(26 102)	(12 421)	15 611
**** See note 27**	**273 969**	**372 914**	**(323 543)**	**(122 789)**	**200 551**

Discretionary grants commitments summary 2024

	Opening balance as at 1 April 2023	Approved and Contracted 2023 - 2024	Utilised during 2023 - 2024	Adjustments 2023-2024	Closing balance 31 March 2024 (restated)
AET Provision incentives	1 024	1 349	(1 311)	(82)	979
Apprenticeships grant	50 195	106 398	(75 812)	(9 455)	71 325
Bursaries	28 389	40 906	(33 561)	(3 485)	32 249
Learnerships	72 136	92 368	(65 477)	(16 772)	82 255
RPL	8 860	18 865	(13 472)	(2 580)	11 674
Skills programme	11 020	22 430	(18 611)	(827)	14 012
WIL-Work experience	53 724	52 405	(60 368)	(3 568)	42 193
WIL-Workplace for employment	30 234	17 814	(27 860)	(908)	19 281
	255 582	**352 535**	**(296 472)**	**(37 677)**	**273 968**

Notes to the Audited Annual Financial Statements

22. Commitments (continued)

Strategic projects commitment schedule 2025

	Opening balance as at	Approved and Contracted	Utilised during	Sum of Total Adjustments	Closing balance as at
	01 April 2024 (Restated**)	2024 - 2025	2024 - 2025	2024 - 2025	31 March 2025
AET/Learners with disabilities	1 277	1 418	(944)	(1 194)	557
Candidacy project	3 446	7 800	(5 030)	(1 821)	4 395
Career guidance projects	3 864	9 907	(13 223)	-	548
CET projects	2 962	1 498	(2 603)	(1 675)	180
Cooperatives, NGOs, CBOs, CBCs support	2 474	3 448	(4 581)	(153)	1 187
Economic reconstruction and recovery plan	5 375	-	(2 317)	(3 058)	-
Institutional and industry partnerships	3 311	3 050	(3 180)	(2 418)	762
Maths and science projects	5 419	13 659	(9 407)	(2 222)	7 449
Public sector capacity	2 543	1 585	(3 152)	(488)	489
Qualifications development	1 895	2 362	(2 389)	(27)	1 842
Research and skills planning	10 877	7 379	(11 222)	-	7 035
Rural and cooperatives development	1 373	4 617	(4 063)	(307)	1 619
Small business support	13 108	19 028	(19 771)	(1 756)	10 609
Strategic infrastructure project	6 748	4 554	(7 431)	(1 435)	2 434
Technical and vocational education and training support	6 328	4 069	(4 865)	(3 097)	2 434
Trade union support	2 297	13 172	(8 084)	(1 065)	6 320
ETDQA (SST and AQP establishment)	-	6 011	(6 011)	-	-
Chemical stakeholder support	-	1 796	(1 796)	-	-
CHIETA interns	-	1 850	(1 850)	-	-
World skills competition	-	2 499	(2 499)	-	-
Regional stakeholder support	-	765	(765)	-	-
Career and vocational guidance integrated	-	4 407	(4 407)	-	-
marketing and relationship management Smart skills centre/Digitization projects	-	7 754	(7 754)	-	-
Career guidance	-	574	(574)	-	-
Qualification development	-	623	(623)	-	-
Research	-	290	(290)	-	-
Bursary project (Lesedi Bursary Project)	-	5 289	(5 289)	-	-
**** See note 27**	**73 297**	**129 404**	**(134 120)**	**(20 716)**	**47 860**

CHIETA | ANNUAL REPORT **2024/2025**

CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

22. Commitments (continued)

Strategic projects commitments 2024

	Opening balance as at	Approved and Contracted	Utilised during	Sum of Total Adjustments	Closing balance as at
	01 April 2023 (Restated**)	2023-2024	2024	2023-2024	31 March 2024 (Restated)
AET/Learner with disabilities	2 285	1 334	(2 049)	(293)	1 277
Candidacy project	3 388	6 342	(6 275)	(8)	3 446
Career guidance projects	-	11 095	(7 230)	-	3 864
CET projects	5 412	1 290	(2 203)	(1 537)	2 962
Cooperatives, NGOs, CBOs support	4 578	6 814	(8 918)	-	2 474
Economic reconstruction and recoveryplan	6 145	3 625	(4 395)	-	5 375
Institutional and industry partnerships	4 291	6 134	(6 935)	(179)	3 311
Maths and science projects	5 594	9 722	(9 626)	(270)	5 419
Public sector capacity	1 065	4 920	(3 366)	(77)	2 543
Qualifications development	2 493	3 231	(3 346)	(483)	1 895
Research and skills planning	13 791	7 170	(10 084)	-	10 877
Rural and cooperative development	5 668	-	(3 085)	(1 210)	1 373
Small business support	18 512	24 507	(29 260)	(651)	13 108
Strategic infrastructure project	10 959	5 382	(9 222)	(371)	6 748
Technical and vocational educationand	3 958	7 409	(4 537)	(502)	6 328
training support Tradeunionsupport	4 279	4 592	(5 960)	(614)	2 297
ETDQA (SST and AQP establishment)	-	5 051	(5 051)	-	-
Chemical stakeholder support	-	1 636	(1 636)	-	-
CHIETA interns	-	1 644	(1 644)	-	-
World skills competition	-	2 244	(2 244)	-	-
Regional stakeholder support	-	675	(675)	-	-
Career and vocational guidance integrated	-	2 610	(2 610)	-	-
Marketing and relationship management Smart	-	8 190	(8 190)	-	-
skills centes/Digitization projects Research and skills planning	-	572	(572)	-	-
Qualification development	-	189	(189)	-	-
	92 418	**126 378**	**(139 302)**	**(6 195)**	**73 297**

Adjustments relate to contracts that have been cancelled prior to or before project completion.

Notes to the Audited Annual Financial Statements

23. Financial instruments disclosure

In the course of the SETA operations it is exposed to interest rate, credit, liquidity and market risk. The SETA has developed a comprehensive risk strategy in terms of Treasury Regulation 27.2.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

Credit risk

Financial assets, which potentially subject the CHIETA to the risk of non-performance by counter-party and thereby subject to credit concentration of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

The CHIETA management limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury through the approval of their investment policy in terms of Treasury Regulations.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The CHIETA does not have any material exposure to any individual or counter-party. The CHIETA's concentration of credit risk is limited to the industry in which the CHIETA operates. No events occurred in the industry during the financial year that may have an impact on the accounts receivable that has not been adequately provided for. Accounts receivable are presented net of allowance for impairment.

Financial instruments

	2025	2024
Trade receivables from exchange transactions	1 959	359
Cash and cash equivalents	412 973	440 189
Trade and receivables from non-exchange transactions	47	69
	414 979	**440 617**

2024-2025 Age analysis

	Current	30 to 120 days	More than 120 days	Total
Trade receivable exchange transactions (rental deposits)	-	1 600	359	1 959
Cash and cash equivalents (not past due)	412 973	-	-	412 973
	412 973	**1 600**	**359**	**414 932**

Liquidity risk

The CHIETA manages liquidity risk through proper management of working capital, capital expenditure. Adequate reserves are maintained.

2024-2025

	Carrying amount	Contractual cash flows	Less than 1 year
Trade payables exchange transactions	(1 840)	(1 840)	(1 840)
Trade payables from non-exchange transactions	(50 709)	(50 709)	(50 709)
	(52 549)	**(52 549)**	**(52 549)**

CHIETA | ANNUAL REPORT 2024/2025
CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

23. Financial instruments disclosure (continued)

2023-2024

	Carrying amount	Contractual cash flows	Less than 1 year
Trade payables exchange transactions	(1 922)	(1 922)	(1 922)
Trade payables from non-exchange transactions	(59 672)	(59 672)	(59 672)
	(61 594)	**(61 594)**	**(61 594)**

Market risk

The CHIETA has not been exposed to any market risk fluctuations.

Fair values

The CHIETA's financial instruments consist mainly of cash and cash equivalents, account receivables, account payables. No financial instruments were carried at an amount in excess of its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instruments.

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relative short-term maturity of these financial assets.

Accounts receivable

The carrying amount of accounts receivable, is net of allowance for impairment loss due to the relatively short-term maturity of these financial assets.

Accounts payable

The carrying amount of accounts payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

Categories of financial instruments 2025

Financial assets

	At amortised cost	Total
Trade receivables from exchange transactions	1 959	1 959
Trade receivables from non-exchange transactions	47	47
Cash and cash equivalents	412 973	412 973
	414 979	**414 979**

23. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	Total
Trade payables from exchange transactions	(1 840)	(1 840)
Trade payables from non-exchange transactions	(50 709)	(50 709)
	(52 549)	**(52 549)**

Categories of financial instruments 2024

Financial assets

	At amortised cost	Total
Trade receivables from exchange transactions	359	359
Trade receivables from non-exchange transactions	69	69
Cash and cash equivalents	440 189	440 189
	440 617	**440 617**

Financial liabilities

	At amortised cost	Total
Trade payables from exchange transactions	(1 922)	(1 922)
Trade payables from non-exchange transactions	(59 672)	(59 672)
	(61 594)	**(61 594)**

Interest rate risk for the year ended 31 March 2025

	Floating rate amount	Effective interestrate	Amount	Non-interest bearing amount	Total
Cash and cash equivalents	379 245	7.88%	33 728	-	412 973
Trade receivables from exchange transactions	-		31	1 928	1 959
Trade receivable from non-exchange transactions	-	-%	-	47	47
Total financial assets	379 245	7.88%	33 759	1 975	414 979
Trade payables from exchange transactions	-		-	(1 840)	(1 840)
Trade payables from non-exchange transactions	-		-	(50 709)	(50 709)
Total financial liability	**-**		**-**	**(52 549)**	**(52 549)**

CHIETA | ANNUAL REPORT 2024/2025
CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025
Notes to the Audited Annual Financial Statements

23. Financial instruments disclosure (continued)

Interest risk for theyear ended March 2024

	Floating rate amount	Effective interest rate	Amount	Non-interest bearing amount	Total
Cash and cash equivalents	404 528	8.33%	35 661	-	440 189
Trade receivables from exchange transactions	-		-	359	359
Trade receivables non-exchange transactions	-		-	69	69
Total financial assets	404 528	8.33%	35 661	428	440 617
Trade payables from exchange transactions	-		-	(1 922)	(1 922)
Tradepayablesfromnon-exchange transactions	-		-	(59 672)	(59 672)
Total financial liability	**-**		**-**	**(61 594)**	**(61 594)**

Effective interest rate is the average interest rate on investments as at 31 March 2025.
Prior year was restated. See note 27.

24. Related parties

Relationships

Entities under Department of Higher Education and Training:
Agricultural SETA
Culture, Arts, Tourism and hospitality SETA (CATHSETA)
Construction Education and Training Authority (CETA)
Education Training and Development Practices(EDTPSETA)
Energy and Water SETA (EWSETA)
Finance and Accounting Services SETA(FASSET)
Food and Beverages SETA (FOODBEV)
Fibre Processing and Manufacturing SETA(FP&MSETA)
Health and Welfare SETA (HWSETA)
Insurance SETA (INSETA)
Local Government SETA (LGSETA)
Manufacturing, Engineering and Related Services SETA (MERSETA)
Media, Information and Communication Technologies SETA (MICT SETA)
Mining Qualifications Authority (MQA)
Public Sector SETA (PSETA)
Safety and Security SETA (SASSETA) Services SETA
TransportnEducation and Training Authority(TETA)
Wholesale and Retail SETA (W&RSETA)
National Institute for Humanities and Social Science (NIHSS)
National Skills Fund (NSF)
Human Resource Development Council of SouthAfric a(HRDSA)
South African Qualifications Authority (SAQA)
Quality Council for Trades and Occupations (QCTO)

Notes to the Audited Annual Financial Statements

24. Related parties (continued)

Remuneration of management

Management class:Board members

2025

Name	Appointment date	Constituency	Board meeting fee	Committee meeting fee	Total
Wezi Khoza	01 April 2020	Chairperson and Ministerial appointee	464	92	556
Adri Swart	01 April 2020	Unites Association of South Africa General	84	113	197
Kotjoana Charles Phahla	01 April 2020	Association of South Africa General	116	132	248
Geraldine Edith Hewitt	0 1April 2020	Industries Workers Union of SouthAfrica	102	96	198
Gerhardus Johannes Cloete	01 April 2020	Glass Employer Association Solidarity	116	132	248
Mogato Isaac Matji	01 April 2020	National Petroleum Employer Association	70	72	142
Mosehla Petrus Mampho	01 April 2020	South African Chemicals Workers Union	102	119	221
Dr Banothile Charity Makhubela	01 April 2020	Ministerial appointee	107	117	224
Shamila Navnit Govind	01 April 2020	Speciality Chemicals Employer Association	18	24	42
Sipho Steven Mahlangu	01 April 2020	Chemicals, Energy,Paper, Wood and alied Workers Union	89	48	137
Thabo Raymond Masombuka	01 April2 020	Ministerial appointee	102	102	204
			1 370	**1 047**	**2 417**

2024

Name	Appointment date	Constituency	Board meeting fee	Committee meeting fee	Total
Wezi Khoza	01 April 2020	Chairperson and Ministerial appointee	677	86	763
Adri Swart	01 April 2020	Unites Association of South Africa General	138	97	235
Kotjoana Charles Phahla	01 April 2020	Association of South Africa General	164	120	284
Geraldine Edith Hewitt	0 1April 2020	Industries Workers Union of SouthAfrica	138	56	194
Gerhardus Johannes Cloete	01 April 2020	Glass Employer Association Solidarity	156	144	300
Mogato Isaac Matji	01 April 2020	National Petroleum Employer Association	107	48	155
Mosehla Petrus Mampho	01 April 2020	South African Chemicals Workers Union	170	150	320
Dr Banothile Charity Makhubela	01 April 2020	Ministerial appointee	133	107	240
Shamila Navnit Govind	01 April 2020	Speciality Chemicals Employer Association	62	96	158
Sipho Steven Mahlangu	01 April 2020	Chemicals, Energy,Paper, Wood and alied Workers Union	151	72	223
Thabo Raymond Masombuka	01 April2 020	Ministerial appointee	147	116	263
			2 043	**1 092**	**3 135**

CHIETA | ANNUAL REPORT 2024/2025

CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

Management class: Executive management

2025

Name	Basic salary	Allowances	Provident fund	Leave paid	Performance bonus	Total
Yershen Pillay - Chief Executive Officer	2 253	298	293	106	539	3 489
Ncikazi Kabi - Chief Financial officer	1 826	43	132	82	238	2 321
Trevor Channing- Governance and Risk Executive	1 965	7	106	86	355	2 519
Joel Mmapulane - ETDQA Executive	1 826	7	132	74	245	2 284
Jay Moodley - Corporate Services Executive	1 671	7	286	-	327	2 291
Kedibone Moroane Nkhobo -Research & Skills Planning Executive	1 902	7	138	15	355	2 417
Simon Maluleke - Innovation & Technology Executive	1 671	7	261	-	-	1 939
Princess Kgakane - Grants, Projects & Regions Executive	704	-	123	-	-	827
Mahlatse Xinzi - Acting Grants, Projects & Regions Executive	918	98	157	44	179	1 396
	14 736	**474**	**1 628**	**407**	**2 238**	**19 483**

Notes to the Audited Annual Financial Statements

24. Related parties (continued)

2024

Name	Basic salary	Allowances	Provident fund	Leave paid	Performance bonus	Total
Yershen Pillay - Chief Executive Officer	1 650	569	273	-	409	2 901
Ncikazi Kabi - Chief Financial officer	1 592	51	116	-	140	1 899
Trevor Channing- Governance and Risk Executive	1 386	513	99	-	328	2 326
Joel Mmapulane - ETDQA Executive	1 659	22	119	-	209	2 009
Ashvir Isseri - Grants Strategic Projects Executive (Resigned)	1 234	135	184	44	271	1 868
Jay Moodley - Corporate Services Executive	1 598	25	268	-	208	2 099
Kedibone Moroane Nkhobo - Research & Skills Planning Executive	1 793	22	131	-	317	2 263
Mahlatse Xinzi - Acting Strategic and Projects Executive	848	167	147	-	160	1 322
	11 760	**1 504**	**1 337**	**44**	**2 042**	**16 687**

Management class: Members of Audit Committee

2025

Name	Appointment date	Constituency	Audit committee fees
ZeldaTshabalala	01 October 2021	Independent member	50
Nandipha Madida	01 April 2020	Independent member	107
Portia Ravhuhali	01 October 2021	Independent member	131
			288

2024

Name	Appointment date	Constituency	Audit committee fees
ZeldaTshabalala	01 October 2021	Independent member	78
Nandipha Madida	01 April 2020	Independent member	198
Portia Ravhuhali	01 October 2021	Independent member	208
			484

Notes to the Audited Annual Financial Statements

Transactions with board members

	Transacting company	Transaction type	Closing balance 2025	Closing balance 2024 (Restated)
Surface Coating Employer Association	BASF Holdings	Discretionary grants and projects	-	1 045
Public Institution	University of Johannesburg	Discretionary grants and projects	7 469	13 151
Glass	PG Group (Pty) Ltd	Discretionary grants	2 105	4 438
Base Chemicals and Petroleum Industry	Sasol South Africa	Discretionary grants and projects	18 685	20 054
Labour Union	South African Chemical Workers Union	Discretionary grants and projects	944	-
Labour Union	Solidarity		1 215	935
			30 418	**39 623**

Prior year transactions with board members were restated, see note 27.

Transactions with TVETs, Technikons and Public entities

	Nature of relationship	Closing balance 31 March 2025	Closing balance 31 March2024 (Restated)
Boland college	Common control	715	1 444
Coastal KZN FET College	Common control	587	463
College of Cape Town For Further Education and Training	Common control	301	3 518
East Cape Midlands TVET College	Common control	-444	-708
East London Technical College	Common control	2 379	769
Esayidi FET College	Common control	653	1 552
False Bay TVET College	Common control	2 505	698
Ingwe TVET College	Common control	276	-
Kwazulu Natal CET college	Common control	16	1 183
Letaba TVET College	Common control	446	293
Mnambithi TVET College	Common control	878	1 004
Mpumalanga CET College	Common control	256	80
Mthashana Technical and Vocational Educxation and Training	Common control	7 402	3 832
Nkangala TVET college	Common control	839	2 885
Northlink College	Common control	1 808	5 200
Port Elizabeth Public Further Education and Training College	Common control	1 685	3 184
South-West Gauteng College	Common control	4 164	9 688
Technical & Vocational Education Training Colleges Govenors Council	Common control	-	980
The Petroleum Oil and Gas Corporation of South Africa Soc	Common control	8 923	603
The South African Nuclear Energy Corporation Limited	Common control	8 353	9 155
Thekwini TVET college	Common control	320	50

Notes to the Audited Annual Financial Statements

	Nature of relationship	Closing balance 31 March 2025	Closing balance 31 March2024 (Restated)
Umfolozi TVET college	Common control	6 856	5 542
Capricon College	Common control	-	252
Eastern Cape Community Education & Training	Common control	-	803
Elangani College for FET	Common control	-	108
Gert Sibande TVET College	Common control	-	615
Maluti TVET College	Common control	-	571
Sekhukhune TVET College	Common control	-	31
Vuselela FET College Corporate Centre	Common control	-	4 402
West Coast Further Education and Training College	Common control	-	109
		49 806	**59 722**

Prior year transactions with board members were restated, see note 27.

Transactions with Executive Members

	Transacting company	Transaction type	Closing balance 2025	Closing balance 31 March 2024	
Education and training	Revolve	Discretionary grants and projects	-	625	-
Pharmaceuticals & chemically related consumer goods	Fresenius Kabi Discretionary (Pty) Ltd	Discretionary grants and projects	407	120	-
			407	**745**	**-**

25. Going concern

As at 31 March 2025, CHIETA has conducted a going concern assessment and concluded the following:

- The entity is in a net asset position at year end and this is expected to continue for the foreseeable future.
- The entity has sufficient cash resources to honour all commitments and payables that exist as at the reporting date.
- The entity forecasts that levy income will be sufficient to cover expenses for the foreseeable future.
- On July 2019 the Minister of the Department of Higher Education and Training re-established the SETAs within a new SETA landscape from 1 April 2020 to 31 March 2030.

26. Events after the reporting date

The Minister of Higher Education and Training appointed the Chief Executive Officer to assume the duties of the Accounting Authority of CHIETA, as interim Accounting Authority effective 22 May 2025 for a period of three (3) months or until the Accounting Authority is appointed, whichever comes first.

Notes to the Audited Annual Financial Statements

27. Comparison of budget and actual amounts for the year ended 31 March 2025

27.1 Skills development levy

Skills development levy was in line with projections for the year.

27.2 Investment income

Investment income was 427% above budget. This was due to high cash holdings.

27.3 Employer grants and project expenditure

Employer and strategic projects was 31% below budget. This was due to late approval of revised budget.

27.4 Administration expenditure

Administrative expenditure was in line with projections for the year.

27.5 Employee costs

Employee cost 4% below budget. This was due to vacant positions for the year under review.

27.6 Loss on disposal of assets

Loss on disposal of assets had not been budgeted for. This was necessitated by the size of the new office space procured.

27.7 Approved retained surplus

The organisation applied to the executive authority to retain the surplus funds and permission was granted. Of this, R345 million was allocated to the current year.

Notes to the Audited Annual Financial Statements

28. Prior period errors

Closing balance was incorrectly disclosed in the prior year resulting in a correction of the balance that was disclosed for the following items:

	As previously disclosed 31 March 2024	Correction	Opening balance as at 01 April 2024 (restated)	Note reference
RPL	11 581	93	11 674	Note 21

Strategic projects commitment balances restated

	As previously disclosed 31 March 2024	Correction	Opening balance as at 01 April 2024 (restated)
Bursary project	2 397	(2 397)	-
Trade Union Support	1 362	935	2 297
Technical and Vocational Education and Training (TVET) Support	6 258	70	6 328
Economic Reconstruction and Recovery plan	2 978	2 397	5 375
Qualification development	1 835	60	1 895
Rural and cooperative development	1 104	269	1 373
Cooperatives, NGOs, CBOs, CBCs support	2 743	(269)	2 474
See note 21	**18 677**	**1 065**	**19 742**

Financial Instruments

	As previously disclosed 31 March 2024	Correction	Closing balance as at 31 March 2024 (restated)
Trade payable from non-exchange transactions	(5 5659)	(4 013)	(59 672)
Trade payables from exchange transactions	(2 931)	1 009	(1 922)
See note 22	**(58 590)**	**(3 004)**	**(61 594)**

Transactions with board members

	Transaction type	As previously disclosed 31 March2 024	Correction	Closing Balance 2024 (Restated)
PG Group (Pty) Ltd	Discretionary grants and projects	3 750	687	4 437
Sasol South Africa	Discretionary grants and projects	1 930	18 124	20 054
Solidarity	Discretionary grants and projects	-	935	935
See note 23		**5 680**	**19 746**	**25 426**

CHIETA | ANNUAL REPORT 2024/2025

CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY
Trading as Chemical Industries Education and Training Authority
Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

28. Prior period errors (continued)

Transactions with TVETs,Technikons and Universities

	Nature of Relationship	As previously disclosed 31 March 2024	Correction	Closing Balance 31 March 2024 (Restated)
Cape Peninsula University Of Technology	Common Control	3 510	(3 510)	-
Durban University Of Technology	Common Control	4 606	(4 606)	-
Mangosuthu University Of Technology	Common Control	1 568	(1 568)	-
Nelson Mandela University	Common Control	208	(208)	-
North West University	Common Control	206	(206)	-
Sefako Makgatho Health Sciences University	Common Control	101	(101)	-
Sol Plaatjie University	Common Control	95	(95)	-
Tshwane University Of Technology	Common Control	5 286	(5 286)	-
University Of Johannesburg	Common Control	13 151	(13 151)	-
East London Technical College	Common Control	-	768	768
Northlink college	Common Control	5 160	40	5 200
University Of The Free State_Faculty of Education	Common Control	443	(443)	-
University Of TheWesternCape	Common Control	2 489	(2 489)	-
University Of The Witwatersrand	Common Control	1 803	(1 803)	-
Vaal University Of Technology	Common Control	365	(365)	-
Walter Sisulu University	Common Control	1 995	(1 995)	-
Walter Sisulu University Foundation Trust	Common Control	71	(71)	-
See note 23		**41 057**	**(35 089)**	**5 968**

Notes to the Audited Annual Financial Statements

29. New standards and interpretations

29.1. Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity'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 Mergers	To be determined	Unlikely there wil lbe a material impact
GRAP 106 Transfer o f Functions Between Entities Not Under Common Control	To be determined	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined	Unlikely there will be a material impact
GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Unlikely there will be a material impact
GRAP 103 (as revised): Heritage Assets	To be determined	Unlikely there will be a material impact
GRAP 104 (as revised):Financial Instruments	01 April 2025	Impacti s currently being assessed