



Renewed Connection

Chasing Growth



South African Tourism
Annual Report 2023/2024



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Part A

General Information

Renewed Connections: Chasing Growth

South African Tourism

**“The 2023/2024
Financial Year was
characterised by the
theme of ‘Renewed
Connections:
Chasing Growth.’**

General Information

Registered Name

South African Tourism

Registration Number

N/A

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Company Secretary

Bernadetta Tabane

Banking Details

Office

Institution

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 Nedbank, 135 Rivonia Road, Sandown, Sandton, 2196

Tourism Grading Council of South Africa (TGCSA)

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India

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ABBREVIATIONS / ACRONYMS

Abbreviations/Acronyms	Definition
AA	Accounting Authority
AASA	Association of Airlines of South Africa
ACSA	Airports Company South Africa
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AI	Analytics and Insights
AOP	Annual Operational Plan
APP	Annual Performance Plan
AR	Annual Report
ARCO	Audit and Risk Committee
ATI	Africa's Travel Indaba
ATM	Arabian Travel Market
AV	Audio-Visual
B2B	Business-to-Business
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BC	Budget Council
BRICS	Brazil, Russia, India, China and South Africa
BSC	Bid Specifications Committee
BQV	Basic Quality Verification
BU	Business Unit
CATHSSETA	Culture, Arts, Tourism, Hospitality, and Sports Sector Education and Training Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer

CMO	Chief Marketing Officer
CoSec	Company Secretary
COVID-19	Corona Virus Disease
CRM	Customer Relationship Management
CSO	Chief Strategy Officer
CTR	Click-Through Rate
DigiTech	Digital Transformation and Technology
DIRCO	Department of Internal Relations and Co-operation
DMC	Destination Management Company
DMO	Destination Management Organisation
DOA	Delegation of Authority
DOP	Divisional Operational Plan
DT	Department of Tourism
EA	Executive Authority
ECPTA	Eastern Cape Provincial Tourism Authority
EE	Employment Equity
ERRP	Economic Reconstruction and Recovery Plan
ESS	Employee Self-Service
ExCo	Executive Committee
FY	Financial Year
GAAP	Generally Accepted Accounting Practices
GDP	Gross Domestic Product
GIR	Government and Industry Relations
GRAP	Generally Recognised Accounting Practice
GRC	Governance, Risk and Compliance
GTA	Gauteng Tourism Authority
HC	Human Capital
HCIMS	Human Capital Information Management System
IA	Internal Audit
ICT	Information Communication and Technology

IBTM	Global Meetings and Incentives Exhibition
IMEX	Exhibition for Incentive Travel, Meetings and Events
KZN	KwaZulu-Natal
LATAM	Latin America
LGBTQIA+	Lesbian, Gay, Bi-Sexual, Transgender, Intersex, Queer / Questioning and Asexual
LTA	Local Tourism Authority
LTO	Labour Turnover
MA	Meetings Africa
MICE	Meetings, Incentives, Conferences and Exhibitions
MIPTECH	Ministerial Technical Committee for Tourism
MOU	Memorandum of Understanding
MPIF	Marketing Prioritisation and Investment Framework
MSC	Mediterranean Shipping Company
MTSF	Medium-Term Strategic Framework
N/A	Not Applicable
NAP	National Association Programme
NDP	National Development Plan
NPS	Net Promoter Score
NTCE	National Tourism Careers Expo
NTSF	National Tourism Sector Forum
NTSS	National Tourism Sector Strategy
OHS	Occupational Health and Safety
OPCA	Operation Clean Audit
OTA	Outbound Travel Agents
PFMA	Public Finance Management Act, Act 1 of 1999
PR	Public Relations
PTA	Provincial Tourism Authority
SAA	South African Airways
SAACI	South African Association for the Conference Industry
SANCB	South African National Convention Bureau

SANParks	South African National Parks
SAT	South African Tourism
SATOVITO	South African Township and Village Tourism Association
SATSA	South African Tourism Services Association
SCM	Supply Chain Management
SMME	Small, Medium and Micro-Enterprises
SPEPM	Strategic Planning, Evaluation and Programme Management
TBCSA	Tourism Business Council of South Africa
TGCSA	Tourism Grading Council of South Africa
TDGW	Tourism Development and Governance Working Group
TQiT	Total Quality in Tourism
TSMP	Tourism Sector Masterplan
TSRP	Tourism Sector Recovery Plan
TTIS	Trade, Tourism, Investment and Security Cluster
TURSAB	Association of Turkish Travel Agents
UAE	United Arab Emirates
UK	United Kingdom
USA	United States of America
VTSD	Villages, Townships and Small Dorpies
WMS	Workflow Management System
WTD	World Tourism Day
WTM	World Travel Market

Foreword by the Minister of Tourism

Ms. Patricia de Lille
Minister of Tourism



Through collaborative efforts and shared goals, we can continue to unlock the full potential of our tourism industry

I am pleased to present the Financial Year 2023/24 Annual Report for South African Tourism which encapsulates the collective efforts and achievements of our tourism sector, showcasing our commitment to driving growth, fostering partnerships, and empowering Small, Medium and Macro Enterprises (SMMEs) within the sector.

This is important as we celebrate South Africa's 30 years of democracy, a monumental occasion that signifies the country's journey towards freedom, equality and unity. This marks three decades since the establishment of a democratic government, symbolising the triumph of hope, resilience, and the collective struggle for justice and equality.

In the context of the tourism sector, South Africa's 30 years of democracy are testament to the country's remarkable transformation and growth as a tourism destination celebrating diversity and cultural heritage.

South Africa's democracy has allowed for the celebration and preservation of its rich cultural heritage and diversity. The country's vibrant mix of cultures, languages, traditions, and heritage sites have become major attractions for domestic and international tourists alike.

In addition to this, democracy has played a crucial role in fostering economic empowerment and job creation in the tourism sector.

The opening up of opportunities for previously marginalised communities, including in rural areas and townships, has led to the growth of small businesses, guesthouses, tour operators, and other tourism-related enterprises.

This has not only empowered local communities but has also contributed to job creation and economic growth in the country.

In our commitment to placing a spotlight on SMMEs, we are proud to acknowledge the instrumental role played by our strategic global trade shows. These platforms have provided invaluable opportunities for SMMEs to showcase their offerings through the Department's Market Access Support Programme, connect with international buyers, and contribute to the growth of our tourism sector.

By featuring SMMEs prominently on the trade floor, we not only supported their expansion, but we also enhanced the tourism experience for visitors by offering diverse and authentic experiences, including those from township tourism businesses.

Among other initiatives, the Tourism Grading Support Programme was introduced to encourage wider participation in the tourism grading system and alleviate the financial burden on small tourism enterprises.

This programme offers substantial discounts of between 80% and 90% on star grading assessment fees for accommodation establishments and meeting venues. By incentivising conformity to quality standards in tourism, we aim to enhance the visitor experience and bolster South Africa's competitiveness as a tourism destination.

Our flagship events, Africa's Travel Indaba in Durban, and Meetings Africa in Johannesburg, prominently feature various small businesses from across South Africa's nine provinces including those from Villages, Townships and Small Dorpies.

These initiatives provide these businesses access

to markets they may not have otherwise reached, enriching their opportunities for growth and success.

“

Our 30 years of democracy is testament to the country's remarkable transformation and growth as a tourism destination.

Reflecting on the highlights for the 2023/24 financial year, spanning from 1st April 2023 to 31st March 2024, we also achieved a significant milestone in the appointment of a capable team to form the Board and executive team of South African Tourism. While this journey may have been lengthy, it is indeed a significant milestone that we finally have individuals who bring invaluable expertise and vision to the organisation.

Over the 2023/24 financial year, we have also strengthened our partnership with the private sector, as we recognise that government cannot achieve our tourism objectives alone. Through collaborative efforts and shared goals, we continue to unlock the full potential of our tourism industry, driving economic growth, job creation, transformation and sustainable development for all.

In conclusion, I commend the dedication of all stakeholders within the tourism sector, and I look forward to continuing our journey of growth and prosperity in the next financial year.

My gratitude goes to each and every tourism stakeholder for all your hard work and passion and thank you in advance for all the work we will continue to do as partners.

P. de Lille

Ms. Patricia de Lille

Minister of Tourism

Date: 27 September 2024

“

**In FY23/24,
we achieved a
significant
milestone in the
appointment
of a capable
team to form
the Board and
executive team
of SA Tourism.**

Foreword by the Board Chairperson

Ms. Makhosazana Khanyile
Chairperson South African Tourism Board



“

Looking ahead to further growth, the South African Tourism Board is committed to fostering an enabling environment to drive spend and arrivals.

Four years following the onset of the COVID-19 pandemic, which brought global travel to a standstill, the 2023/24 financial year was characterised by the theme of ‘Renewed Connections: Chasing Growth.’ This theme celebrated the re-establishment of both global and local connections within the travel sector, as well as the forging of new ones, all aimed at fulfilling our mandate of increasing arrivals to South Africa and contributing to the economy.

8.8m

**tourists welcomed from
April 2023 to March 2024**

The start of the new financial year brought renewed optimism at South African Tourism. Strengthened relationships with key trade partners and the execution of innovative marketing initiatives to reignite demand contributed to the achievement of welcoming 8.8 million tourists from April 2023 to March 2024, marking a notable 30.1% increase compared to the same period in 2022. This achievement underscores the resilience and dedication of our partners and stakeholders within the tourism sector.

Looking ahead to further growth, the South African Tourism Board is committed to fostering an enabling environment to drive spend and arrivals. As we embark on this journey, alongside key stakeholders in the tourism value chain, in the private and public sectors, our goal is to steer South African Tourism towards greater success and recognition, not only within our organisation, but also among our valued partners, stakeholders, and,

also among our valued partners, stakeholders, and, most importantly, the travellers who choose to explore our beautiful country.

South African Tourism continues to implement the Tourism Sector Masterplan, approved by Cabinet on 27th September 2023. This plan includes a roadmap for the sector's full recovery from the impact of the COVID-19 pandemic, building upon the work of the April 2021 Tourism Sector Recovery Plan. The overarching objective of the recovery plan is to preserve jobs and protect livelihoods.

“

SA Tourism continues to implement the Tourism Sector Masterplan, approved by Cabinet.

The Board notes with concern the entity receiving a qualified audit opinion for the fiscal year. We are diligently working to enhance our controls and strengthen areas of weakness to improve our audit outcome.

We extend appreciation to Minister Patricia de Lille for her enthusiastic support for the entity, and for fostering collaboration between the tourism teams in the public and private sectors. As we move forward, let us continue to work together as the greater tourism sector towards the common goal of advancing South Africa's tourism industry, and promoting our beloved country to the world.



Ms. Makhosazana Khanyile

Chairperson

South African Tourism Board

Date: 30 August 2024

Overview by Chief Executive Officer

Ms. Nombulelo Guliwe
Chief Executive Officer



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South African Tourism will continue to amplify its efforts in strengthening the corporate brand.

General Financial Review of the Public Entity

For the year under review, South African Tourism generated total revenue of R1.6 billion. Of this, R1.3 billion came from government grants, while R133 million was contributed through voluntary TOMSA levies.

An additional R124 million was earned from business activities related to exhibitions, conferences, and business meetings hosted by the SANCB during the financial year. Grading revenue amounted to R15 million, generated from the quality assurance of 4,668 properties in 2023/24. South African Tourism also continued to invest surplus funds in the short-term investment market, earning R13 million in interest income across four financial institutions.

Spending Trends of the Public Entity

As the primary Destination Marketing

Organisation (DMO) responsible for promoting South Africa globally as a premier destination for both leisure and business, South African Tourism's major cost drivers have been centred around implementing the Global Tourism Brand campaign. This campaign has been strategically rolled out across regional and domestic markets. During the financial year, 71% of the expenditure was allocated to this campaign and other related marketing activities.

South African Tourism has continued to stabilise its operations by filling vacant positions with skilled, qualified, and experienced employees, keeping the organisation on track to fully capacitate itself. Workforce expenditure amounted to R234 million for the year under review.

Other priority expenditures included the stabilisation and revamp of South African Tourism's ICT environment, office administration costs,

grading expenses, and audit-related activities conducted during the financial year.

Overall, the entity spent R1.5 billion of the R1.6 billion total revenue generated, focusing on expenditures necessary to advance its mandate. This resulted in an accounting surplus of R81 million.

Capacity Constraints & Challenges Facing the Public Entity

South African Tourism's performance improved from the prior year by 17%, achieving 78% performance against the planned targets in the Financial Year 2023/24 Annual Performance Plan (APP). This improvement has in part been driven by strengthened and robust monitoring and reporting mechanisms that have been implemented throughout the fiscal, as well as acting appointments in vacant roles to deliver on plans for the year.

As reported in the prior fiscal, the entity continued to see a high vacancy rate, which was attributed to the moratorium in place and high attrition. South African Tourism ended the fiscal with a 17% vacancy rate, with 168 positions filled against a staff establishment of 202 positions. Some progress was realised by the end of March 2024, with the appointment of a Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Strategy Officer (CSO), which created a degree of stability at the executive level. Critical positions have been approved for recruitment, which is currently underway. Strong reliance was placed on acting appointments to ensure the requisite capacity for vacant roles.

Notably, the staff engagement score increased from the prior year. However, the entity did not meet the staff engagement score targeted for Financial Year 2023/24 by 0.52 due to human capital related challenges, like the lack of capacity. Despite these challenges, the staff remain resilient and committed.

The South African Tourism Board was dissolved on 21st April 2023. A new Board was appointed with effect from 21st April 2023 until 28th February 2024. The Minister of Tourism appointed a new Board with effect from 8th March 2024.

Discontinued Key Activities / Activities to be Discontinued

South African Tourism continues to give effect to its role in relation to the Economic Reconstruction and Recovery Plan (ERRP), the Tourism Sector Masterplan (TSMP), and its Five-Year Strategic Plan 2020 – 2025, through the entity's APP. As reflected in the Financial Year 2023/24 APP, no further amendments to the Five-Year Strategic Plan 2020 – 2025 were effected during the Financial Year 2023/24 annual planning cycle. Thus, there were no discontinued activities for the year under review.

New or Proposed Key Activities

As is evident in the Financial Year 2023/24 APP, South African Tourism continued to amplify its work around the destination brand and the corporate brand, through programmes focusing on Business Enablement, Leisure Tourism Marketing, Business Events and Tourist Experience.

Requests for Roll Over of Funds

In accordance with Section 53 of the Public

Finance Management Act (PFMA), South African Tourism has submitted an application to retain a surplus of R194 121 289. This amount remains after accounting for commitments of R17 211 591, contingent liabilities of R18 849 547, private sector funds from TOMSA levies totalling R133 543 522 and the surrender to the National Treasury of R35 023 840, relating to a refund of prepayments made to a supplier in the 2022/23 financial year. The delayed receipt of the allocated government grant during the year limited SA Tourism's ability to fully implement its 2023/24 Annual Performance Plan (APP). In the application submitted to National Treasury, South African Tourism has outlined strategic projects aimed at holistically marketing South Africa both domestically and globally, while also driving transformation within the tourism sector

Supply Chain Management

As part of the annual planning process, the entity undertakes a rigorous non-financial and financial planning process, that culminates in the Annual Performance Plan (APP) and the annual procurement plan.

Once the Accounting Authority approves the Annual Performance Plan, each business unit (BU) documents its activities, which inform the development of the Annual Operational Plan (AOP) and Divisional Operational Plans (DOPs). These plans outline activities that will ensure the achievement of the annual and quarterly targets in the Annual Performance Plan.

Once drafted, the DOPs are presented to the Budget Council (BC), which is chaired by the CEO. The BC then considers investment requirements for the financial year. The approved operational

plans and related investment requirements inform the development of the annual procurement plan. In line with Section A.1.10 (b) of the Delegation of Authority (DoA), the annual procurement plan is tabled with the Audit and Risk Committee (ARCO) and the Board for approval. The annual procurement plan forms the basis of procurement for the financial year. The approved annual procurement plan for Financial Year 2023/24 was submitted to National Treasury to comply with Supply Chain Management (SCM) Instruction Note 2 of 2016/2017. Monthly progress on the implementation of the annual procurement plan was reported to the Executive Committee (ExCo). Tracking and monitoring of the procurement plan is a standard agenda item at meetings of the Bid Adjudication Committee (BAC). The annual procurement plan was amended during Financial Year 2023/24 and was approved by the relevant governance structures.

In an effort to strengthen the supply chain environment, the SCM BU conducted training within the entity on the Public Finance Management Act (PFMA), the SCM code of conduct, and ethics. The BU monitored compliance with SCM policies throughout the fiscal year, and continued to build the capability of the entity's procurement committees, including the Bid Adjudication Committee, Bid Evaluation Committees (BEC), and Bid Specifications Committees (BSC).

All Concluded Unsolicited Bid Proposals for the Year Under Review

No unsolicited bid proposals were received during the year under review.

Audit Report Matters in the Previous Year & How they would be Addressed

The Internal Audit (IA) BU is South African Tourism's internal assurance provider and operates independently. This function operates against an approved rolling internal audit plan and oversees the mitigation of internal and external audit findings. The IA BU tabled monthly reports to ExCo, and quarterly reports to the ARCO and the Board. By the end of the fiscal year, the entity had concluded 91% of audit findings raised by the AGSA in the prior year, and those raised by the IA BU in the year under review. Open findings are within the Human Capital, Governance, Risk and Compliance, as well as the Supply Chain Management business units, and are being addressed in Quarter 1 of Financial Year 2024/25.

Outlook & Plans for the Future

South African Tourism will continue to amplify its efforts in strengthening the corporate brand. Whilst we have made significant progress in the Financial Year 2023/24 in strengthening our partnership with the broader tourism sector, we will amplify our efforts in the year ahead. Part of improving our corporate brand is ensuring that we continue to operate in an internal environment that is characterised by good corporate governance and sound internal controls, and capacitating international offices with senior staff.

Data, and the intelligence derived from data and research, are strategic assets that underpin our success. As we advance our positioning as a formidable thought leader within the tourism sector, the entity will continue to deliver insights that are based on quality research and analytics. Our Global Brand Campaign will be localised for

each of South Africa's priority source markets to ensure consumer-relevant integrated marketing communication and impactful media strategies that will drive demand, brand equity, and conversion. Through Tourism Execution, we will deliver localised marketing campaigns to both consumers and the distribution channel to generate demand for South Africa's wildlife, stunning landscapes, rich cultural heritage, vibrant cities, and adventure, whilst promoting sustainable tourism practices to protect the environment and local communities. South African Tourism will continue to position South Africa as an attractive and safe destination.

We will continue to market South Africa as a premier business events destination, to secure international and regional meetings, incentives, conventions, and exhibitions. Efforts to retain the destination's competitive advantage in the global business events sector will be amplified. Through Quality Assurance, Visitor Experience, and Brand Experience, we aim to improve the visitor experience for both international and domestic tourists. In this regard, we will continue our drive to grow the number of graded properties across South Africa, which will improve the overall perceptions of South Africa as a quality destination, that offers a wide variety of products and price points for tourists.

Economic Viability

South African Tourism implemented its Budget Optimisation Strategy, which seeks to optimise the annual budget and continually seek alternative income streams to ensure that sufficient resources are available to deliver on the entity's mandate. South African Tourism is a going concern. The

entity is solvent and liquid as total assets exceed liabilities.

Other

The Annual Financial Statements for the year ending 31 March 2024 are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and incorporate disclosures in line with the accounting policies of the entity and the requirements of the PFMA. The entity received a qualified audit outcome, and will implement a turn around plan to improve future audit outcomes.

Conclusion

I would like to thank our Shareholder, the Honourable Minister of Tourism, for her unwavering leadership. I also thank the former Board for their support during a governance compromised financial year. South African Tourism looks forward to working with the newly appointed Board as we take the organisation to new heights. Most importantly, I extend a sincere vote of gratitude to the South African Tourism employees who have remained steadfast in their commitment and dedication to the sector and the organisation.



Ms. Nombulelo Guliwe
Chief Executive Officer

Date: 30 August 2024

“
SA Tourism’s
performance
improved
from the prior
year by 17%,
achieving 78%
performance
against the
planned
targets in the
FY23/24 APP.”

Statement of Responsibility & Confirmation of Accuracy of the Annual Report

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

All information and amounts disclosed in the Annual Report (AR) are consistent with the Annual Financial Statements (AFS) audited by the Auditor-General of South Africa.

The Annual Report is complete, accurate, and is free from any omissions.

The Annual Report has been prepared in accordance with the Annual Report Guide as issued by National Treasury.

The AFS (Part F) have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP), including any interpretations of such statements issued by the Accounting Standards Board, and in accordance with the prescribed standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board, replacing the equivalent South African GAAP statement. Full details have been disclosed in the AFS.

The Accounting Authority (AA) is responsible for the preparation of the AFS and for the judgements made in this information.

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

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

In our opinion, the Annual Report fairly reflects the operations, performance information, human resources information, and the financial affairs of the public entity for the Financial Year ended 31st March 2024.



Ms. Nombulelo Guliwe
Chief Executive Officer



Ms. Makhosazana Khanyile
Board Chairperson

Vision



South Africa positioned as an exceptional tourist and business events destination that offers a value for money, quality tourist experience that is diverse and unique.



Mission

In achieving its vision, South Africa Tourism defines its mission as:

Marketing South Africa both internationally and domestically to increase the volume of tourists and the value they add to the economy, by:



Implementing an integrated tourism marketing strategy for South Africa;



Promoting South Africa as a world-class business events destination;



Facilitating the delivery of service-orientated, quality-assured tourism experiences;



Positioning South African Tourism as an industry thought leader;



Championing a digital outlook for the industry; and



Enhancing stakeholder participation and collaboration.



Values

In working towards the achievement of its vision and mission, South African Tourism subscribes to the following organisational values, which are in line with the **Batho Pele Principles**:



Integrity



Excellence



Respect



Authentic/Caring



Responsibility

Legislative & Other Mandates

Constitutional Mandate

At the apex of the legislative mandate informing the work of South African Tourism is the Constitution of the Republic of South Africa, Act 108 of 1996, as the supreme law of the Republic of South Africa. The following sections of the Constitution are particularly relevant to South African Tourism:

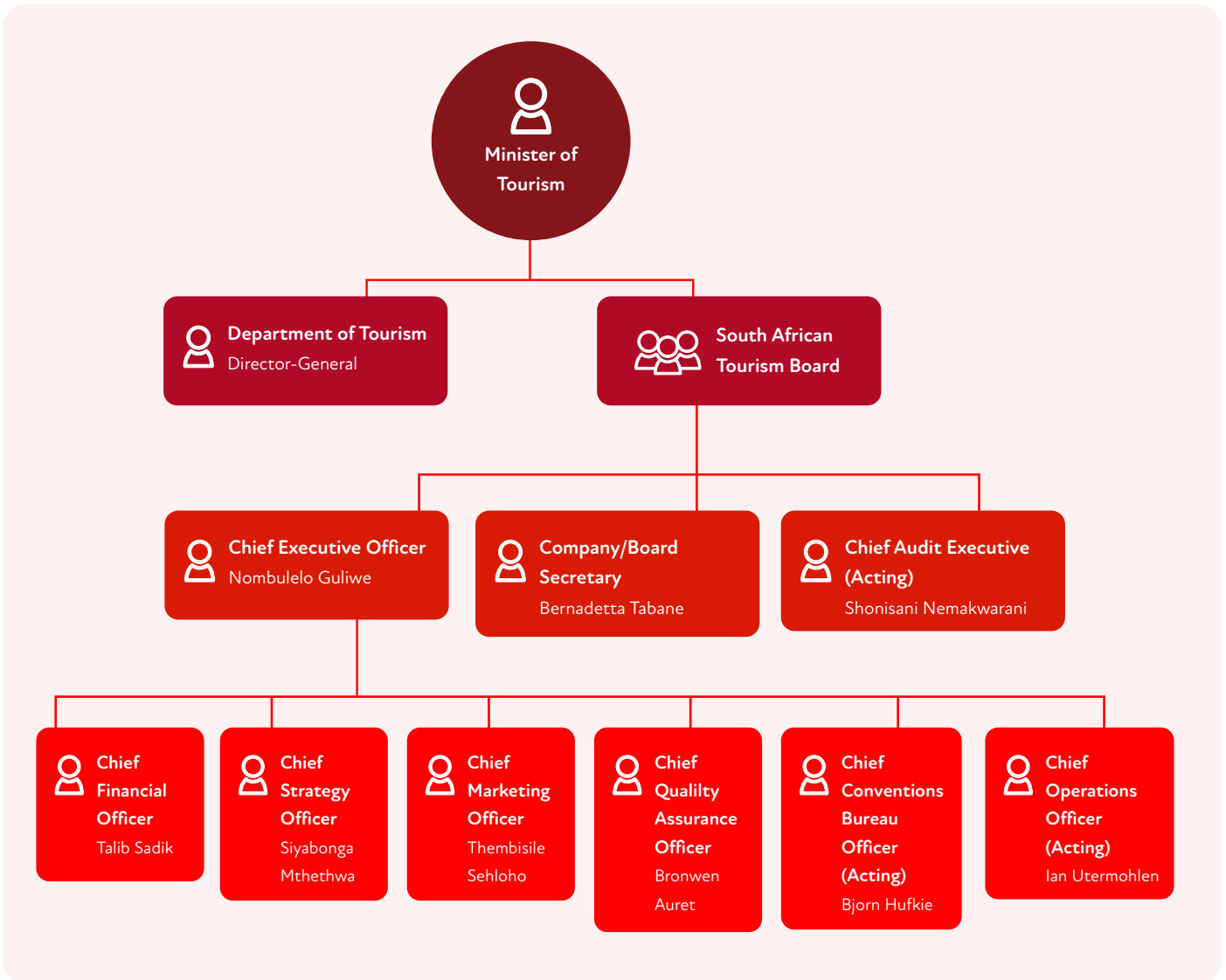
- Chapter 3 pertaining to co-operative government assigned functions to the three spheres of government.
- Part A of Schedule 4 lists tourism as a functional area of concurrent national and provincial legislative competence.
- Schedules 4 and 5 of Section 41(1) define the relationship and principles underlying co-operation between the various spheres of government.

Legislative Mandate

Legislation defining the South African Tourism mandate:

- Tourism Act (No. 3 of 2014), Chapter 3, sets out the functions of the South African Tourism Board.
- Public Finance Management Act (No. 1 of 1999, as amended) (PFMA), together with its regulations, lists South African Tourism as a Schedule 3A National Public Entity, which is accountable to the Minister of Tourism and Parliament. All prescripts and regulations arising from the PFMA are applicable to its governance and operations.

Organisational Structure



The position of Chief Marketing Officer was vacant since May 2023, with an incumbent appointed with effect from 1st April 2024.



The position of Chief Audit Executive has been vacant since November 2023 and has been advertised.



The position of Chief Conventions Bureau Officer has been vacant since April 2023.



The Board approved that Ian Utermohlen act in the position of Chief Operations Officer.



Part B

Performance Information

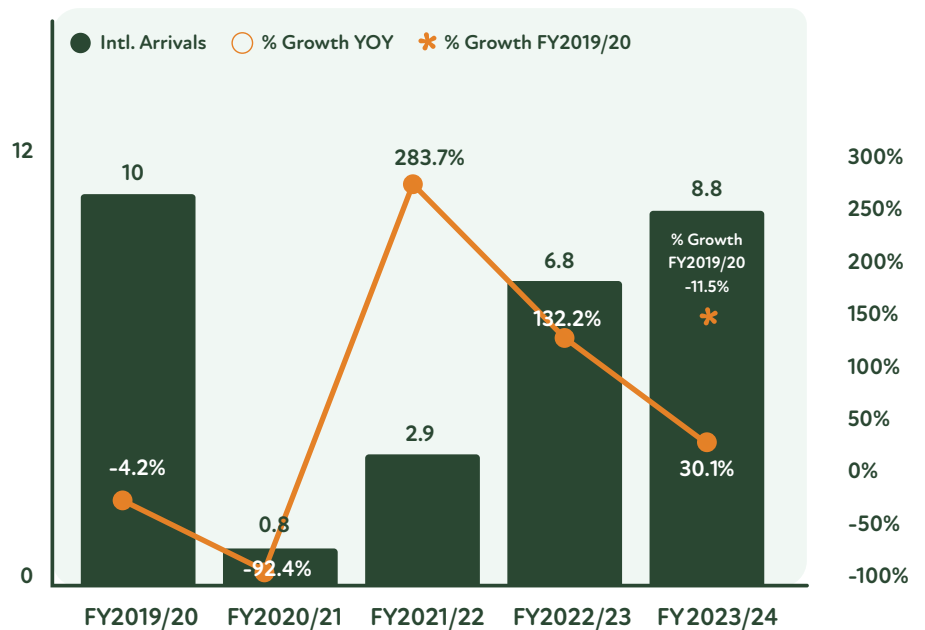
Renewed Connections: Chasing Growth

Service Delivery Environment

International Tourism Performance

In the Financial Year 2023/24 (FY2023/24), South Africa observed a momentous upswing in international tourist influx, with arrivals peaking at 8.8 million. This represented a remarkable year-on-year growth of 30.1% over the previous financial year. Even though it is 11.5% below pre-pandemic levels, it shows the significant strides made in the sector as part of its recovery.

International Tourist Arrivals FY2023/24 (Million)

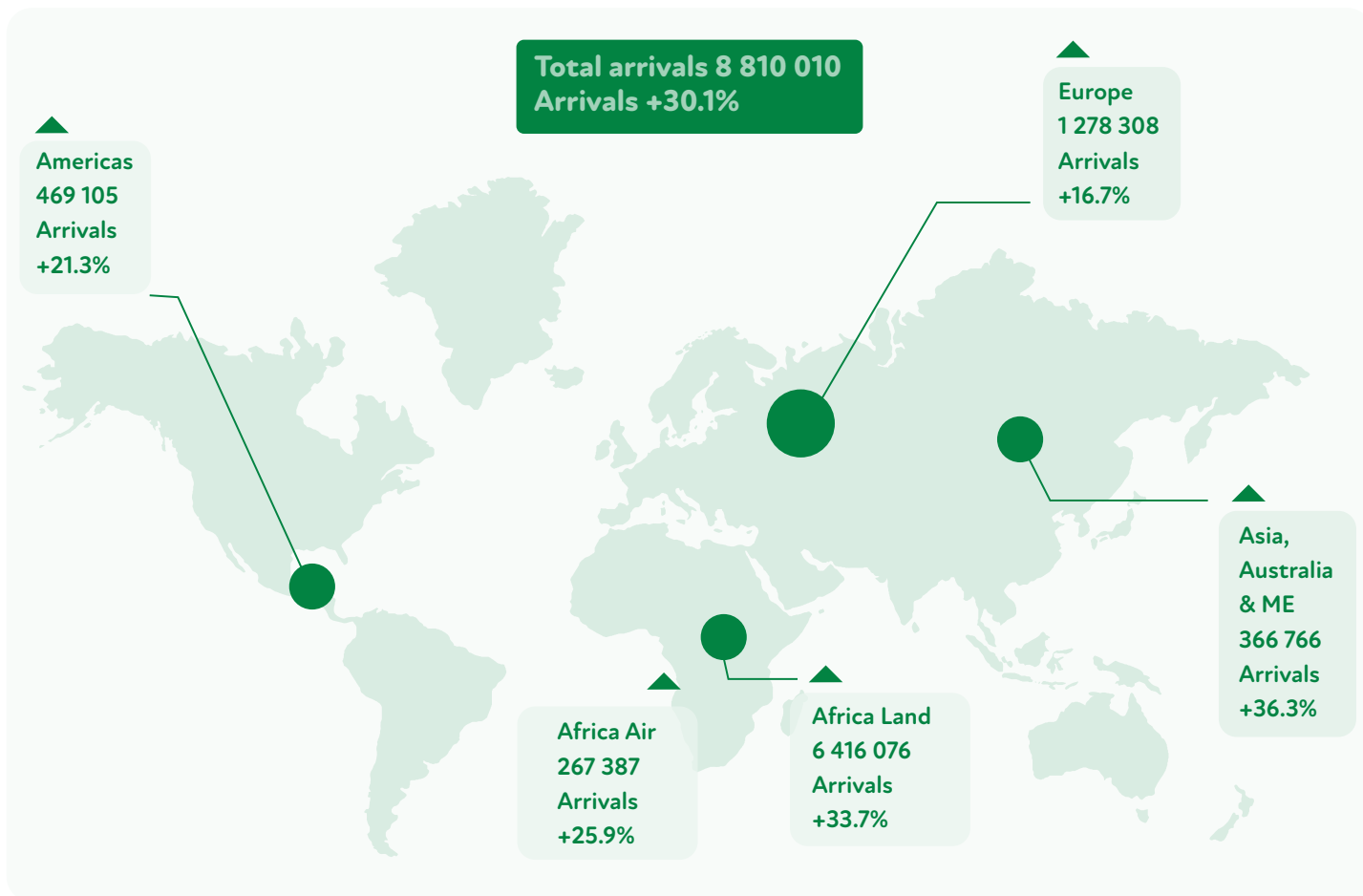


Source: StatsSA Tourism & Migration Release 2023/24

30.1%

year on year growth

“
Tourists from Africa and Europe remain the biggest spenders when visiting South Africa.



Source: StatsSA Tourism & Migration Release 2023/24

South Africa welcomed an array of international travellers, with the largest segment hailing from the African region, accounting for an impressive 6.7 million arrivals. Europe followed as the second-largest source market, contributing 1.3 million arrivals, while the Americas accounted for 469 105 arrivals. Encouragingly, all these regions exhibited growth, when compared to the prior financial year. In terms of the distribution of arrivals, the African region maintained the most substantial share, holding 75.9% of the total arrivals. Europe followed, making up 14.5% of the arrivals.

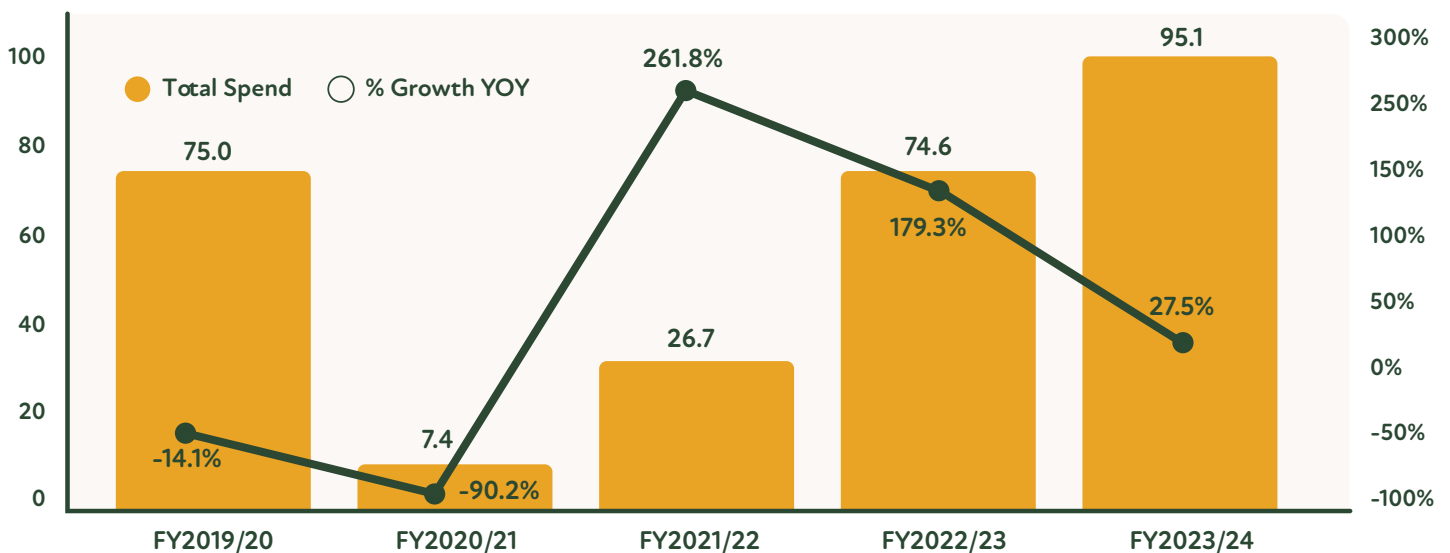
“ In the FY2023/24, South Africa observed a momentous upswing in international tourist influx, with arrivals peaking at 8.8 million. ”

Tourist Arrivals by Region	Financial Year 2022/2023	Financial Year 2023/2024	FY23/24 % Growth	Financial Year 2023/2024 Share of Arrivals
Africa	5 010 071	6 683 463	33.4%	75.9%
Africa Land	4 797 614	6 416 076	33.7%	72.8%
Africa Air	212 457	267 387	25.9%	3.0%
Europe	1 095 050	1 278 308	16.7%	14.5%
Americas	386 590	469 105	21.3%	5.3%
Asia	139 613	209 378	50.0%	2.4%
Australasia	82 759	105 972	28.0%	1.2%
Middle East	46 727	51 426	10.1%	0.6%
Total	6 772 315	8 810 010	30.1%	100.0%

Source: StatsSA Tourism & Migration Release 2023/24

Total foreign direct spend grew by 27.5%, reaching R95.1 billion in FY2023/24, from R74.6 billion in FY2022/23.

Total Foreign Direct Spend FY2019/20 - FY 2023/24 (R Billion)



Source: South African Tourism Departure Survey 2023/24

Tourists from Africa and Europe remain the biggest spenders when visiting South Africa. Even though these two regions make up a significant 90.4% of our visitors, they do not spend in the same way. African tourists represent a large proportion of our visitors at 75.9%, but they only account for 46.2% of the total spending. On the other hand, Europe, despite making up only 14.5% of our visitors, contributes

a substantial 32.9% to the total spending. It is worth noting that nearly all regions spent more in FY2023/24 compared to the previous year, which is great news for South Africa’s tourism sector.

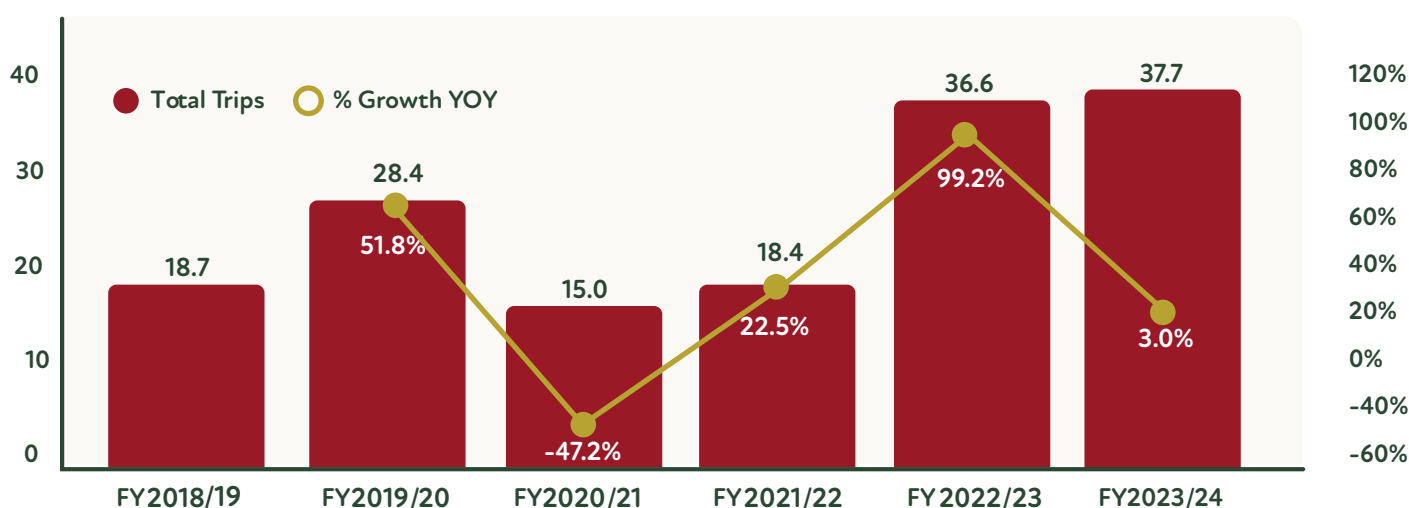
Spend by Region	Financial Year 2022/2023	Financial Year 2023/2024	FY23/24 % Growth	FY23/24 % Share
Africa	R28 796 323 880	R43 929 093 202	52.6%	46.2%
Africa Land	R24 228 222 137	R38 798 855 009	60.1%	40.8%
Africa Air	R4 568 101 743	R5 130 238 193	12.3%	5.4%
Europe	R27 587 320 665	R31 255 431 720	13.3%	32.9%
Americas	R12 075 130 702	R12 216 528 893	1.2%	12.8%
Asia	R2 732 435 132	R3 955 364 599	44.8%	4.2%
Australasia	R2 146 122 636	R2 549 450 332	18.8%	2.7%
Middle East	R1 259 184 400	R1 237 302 627	-1.7%	1.3%
Total	R74 596 517 414	R95 143 171 374	27.5%	100.0%

Source: South African Tourism Departure Survey 2023/24

Domestic Tourism Performance

Total domestic overnight trips amounted to 37.7 million in FY2023/24, a 3.0% increase compared to FY2022/23. Domestic revenue for FY2023/24 was R123.8 billion, a 19.2% increase compared to FY2022/23. Average overnight domestic spend was R3 284, which was a decrease of 15.7% compared to FY2022/23. The total number of domestic overnight holiday trips reached 12.6 million, representing a 33.5% share of all domestic overnight trips taken during FY2023/24.

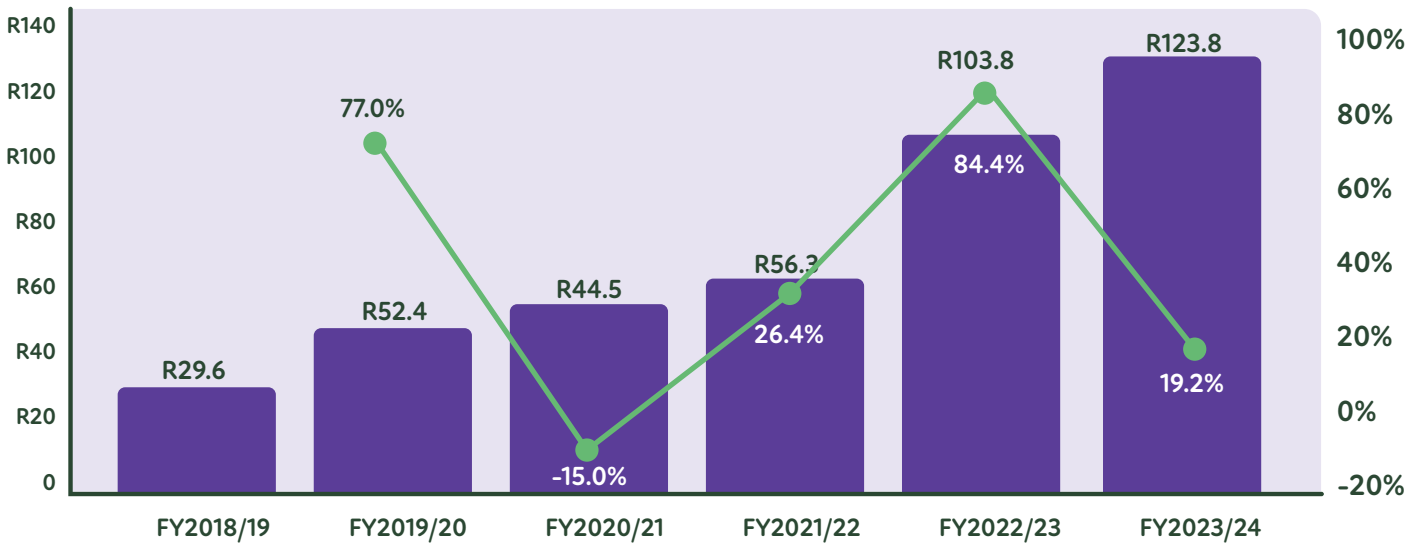
Total Domestic Overnight Trip (Million)



Source: South African Tourism Domestic Survey 2023/24

Holiday spend increased by 19.3%, reaching R56.5 billion during the fiscal. The significant growth in total overnight domestic spend performance during FY2023/24 was driven by holiday trip spend, which accounted for 45.7% of total overnight expenditure. Domestic day trips went down by 32.7% in FY2023/24, reaching 125.2 million compared to FY2022/23.

Total Domestic Overnight Spend (Billion)



Source: South African Tourism Domestic Survey 2023/24

Organisational Environment

Employee engagement positively contributes to staff morale, productivity, and a sense of belonging. Against the annual target of 3.13, the staff engagement survey result was 2.61, an increase from 2.3 in FY2022/23. A dedicated plan will be developed in FY2024/25 led by the Executive Committee, to address the issues and recommendations arising from the survey.

Key achievements in relation to employment equity targets include women representing 66% of the workforce against a target of 60%, and maintaining 79% of black people (Africans, Coloureds, and Indians) across all occupational levels against a target of 60%. 21 interns were appointed in the entity’s drive to employ young people.

In a continuous effort to foster an inclusive workplace, South African Tourism achieved the target of 2% of people with disabilities. This positive development may be attributed to the proactive dissemination of disability information and a dedicated engagement with employees who expressed a willingness to declare their disabilities.

A moratorium was in effect for most part of this fiscal, pending the review of the entity’s target

operating model. This adversely impacted some employment equity targets and the vacancy rate. However, critical vacancies were identified for which approval was sought to recruit fixed-term contracts. This was important to ensure business continuity across the organisation. Some of the key vacancies at the executive management level were filled.

“79% of black people represented across all occupational levels

There were no system failures or unplanned outages within the ICT environment during the fiscal year.

For the year under review, there was one case of alleged corruption, which is completed, and two cases of alleged unethical conduct, which have also been concluded.

Key Legislative Developments & Policy Changes

During FY2023/24, there were no key legislative developments or policy changes that substantively impacted the mandate and operations of South African Tourism. However, developments in relation to the Tourism Sector Masterplan (TSMP) are noted. The National Tourism Sector Strategy (NTSS) 2016–2026, which was adopted by Cabinet in December 2017, as well as the National Development Plan (NDP), served as the foundation for the creation of the Tourism Sector Masterplan. Additionally, this masterplan was derived from the three-year Tourism Sector Recovery Plan (TSRP) of 2021, which comprises interventions that extend beyond its immediate implementation time-period of 2023–2024. The TSMP aims to galvanise government, industry, and labour, to collectively share a common vision that will position the tourism industry on an inclusive and sustainable competitive path for the benefit of all South Africans.

“ The TSMP aims to position the tourism industry on an inclusive and sustainable competitive path for the benefit of all South Africans.

Overview Performance

Progress Towards Achievement of Institutional Impacts & Outcomes

Informed by the mandate and Medium-Term Strategic Framework (MTSF), the Impact Statement and Outcomes for South African Tourism are in line with the approved Five-Year Strategic Plan 2020 – 2025, are:

“
The Impact Statement and Outcomes for South African Tourism, are in line with the approved Five-Year Strategic Plan 2020 – 2025

<p>Impact</p>	<p>Tourism in South Africa grows and increasingly contributes to Gross Domestic Product (GDP), job creation, inclusive economic participation, and is enjoyed by all South Africans.</p>
<p>Outcomes</p>	<p>Increase the tourism sector’s contribution to inclusive economic growth. Achieve good corporate and cooperative governance.</p>

As part of the Financial Year 2023/24 planning cycle, the outcome indicators and five-year targets reflected in the approved Five-Year Strategic Plan 2020 - 2025 were assessed and some were revised.

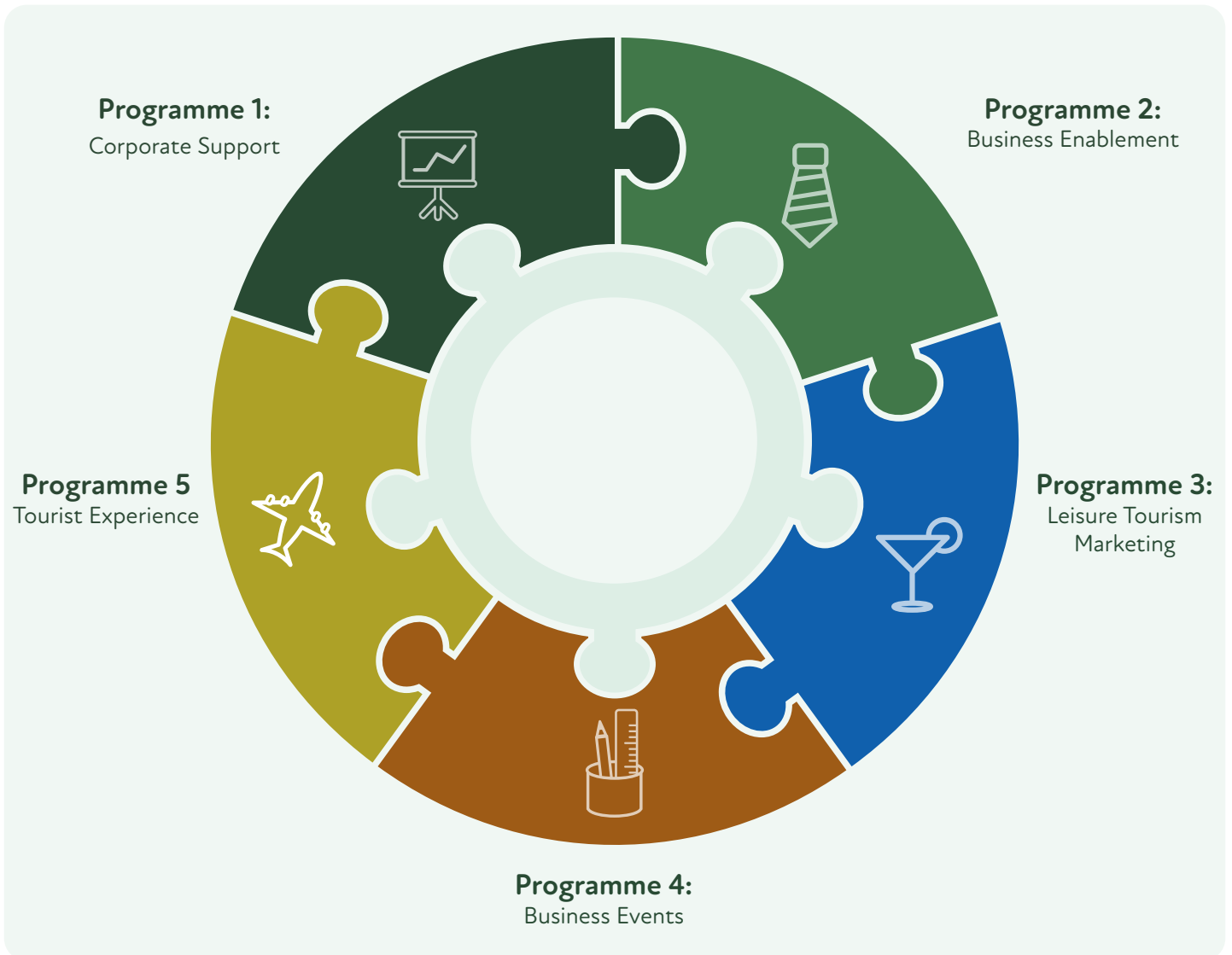
Progress on the Outcome Indicators and Five-Year Targets outlined in the Five-Year Strategic Plan 2020– 2025 is as follows:

Outcome	AMENDED IN ANNEXURE A OF FY2021/22 & FY2023/24 ANNUAL PERFORMANCE PLANS			Progress as at 31 March 2024
	Outcome Indicator	Baseline (2019/20)	Five-Year Target (to March 2025)	
1. Increase the tourism sector's contribution to inclusive economic growth	Progress towards doubling international tourist arrivals to 21 million by 2030 (SONA 2019)	10.3 million	10.3 million	FY2020/21: 760.1 thousand FY2021/22: 2.9 million FY2022/23: 6.8 million FY2023/24: 8.8 million
	Rand value of international tourist spend	R90.7 billion	R86.7 billion	FY2020/21: R7.4 billion FY2021/22: R26.7 billion FY2022/23: R74.6 billion FY2023/24: R95.1 billion
	Number of domestic holiday trips	7.1 million	10.8 million	FY2020/21: 3.1 million FY2021/22: 4.6 million FY2022/23: 9.9 million FY2023/24: 12.6 million
	Rand value of domestic holiday direct spend	R17.3 billion	R33.5 billion	FY2020/21: R12.1 billion FY2021/22: R25.8 billion FY2022/23: R47.4 billion FY2023/24: R56.5 billion
	Seasonality of tourist arrivals	1.3%	1.0%	FY2020/21: Not tracked due to COVID-19. FY2021/22: 1.0% FY2022/23: 1.0% FY2023/24: 1.0%
	Geographic spread of international tourist arrivals	20.0%	13.9%	FY2020/21: 13.8% FY2021/22: 12.2% FY2022/23: 11.0% FY2023/24: 9.7%
	Geographic spread of domestic tourist arrivals	8.0%	8.0%	FY2020/21: 4.0% FY2021/22: 2.6% FY2022/23: 1.8% FY2023/24: 3.3%
	Number of international business events hosted	230	111 (cumulative 2020/21-2024/25)	FY2020/21: 0 FY2021/22: 6 FY2022/23: 49 FY2023/24: 98
	Number of SMME businesses supported	182	1 096 (cumulative 2020/21-2024/25)	FY2020/21: 0 FY2021/22: 228 FY2022/23: 628 FY2023/24: 479
	2. Achieve good corporate and cooperative governance	External audit Outcome	Unqualified audit Outcome	Unqualified audit Outcome maintained
South African Tourism Corporate Brand Index		Baseline of 68.24 determined in 2021/22	74.24 South African Tourism Corporate Brand Index	FY2020/21: First study done in FY21/22 FY2021/22: 68.2 FY2022/23: 74.7 FY2023/24: 71.8

The assessment above reflects the significant impact of COVID-19 on progress towards the outcome targets. The critical objective remains to achieve or exceed the pre-COVID-19 levels in key tourism metrics.

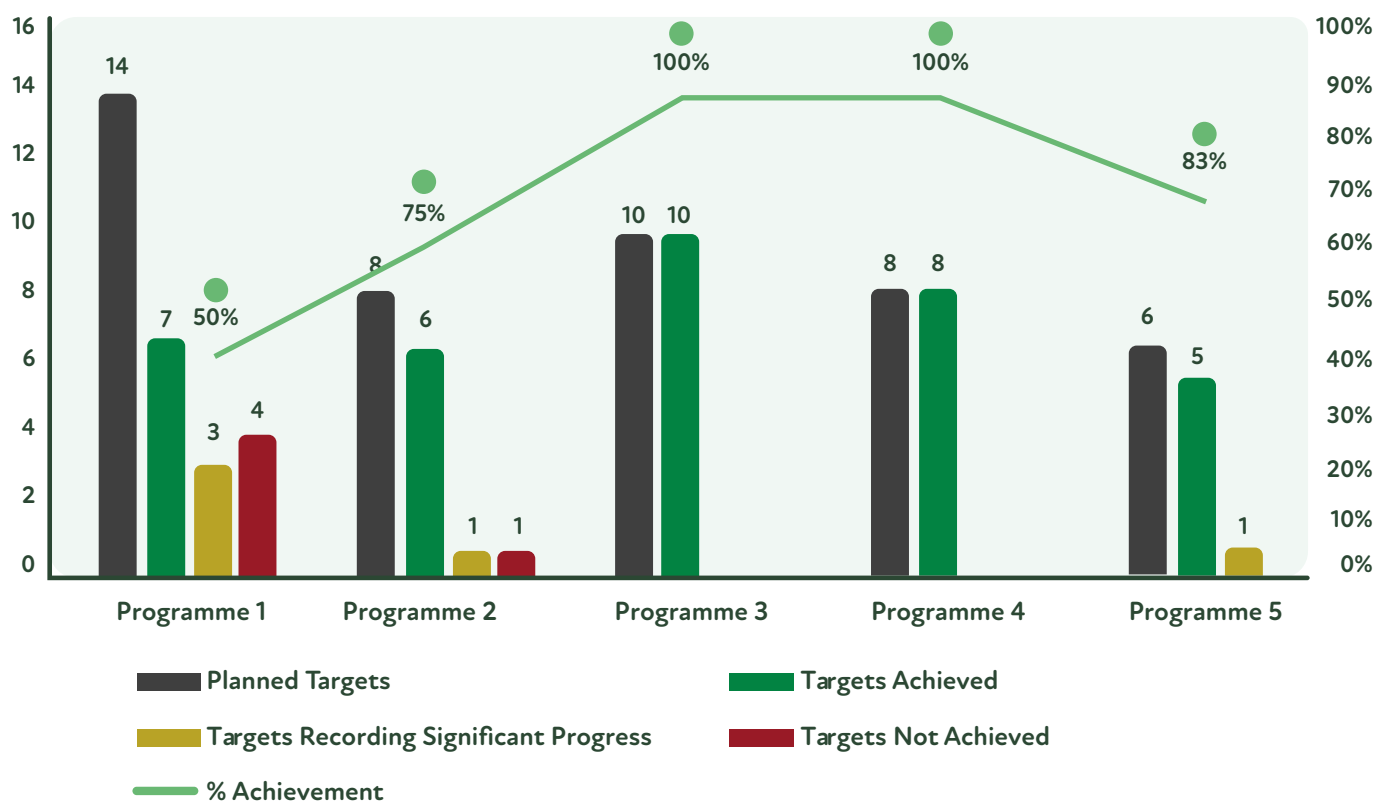
Institutional Programme Performance Information

South African Tourism is constituted by five budget programmes which inform the Annual Performance Plan and the Annual Report:



South African Tourism’s performance improved from the prior year by 17%, achieving 36 of its 46 annual targets as outlined in the FY2023/24 Annual Performance Plan, thus achieving 78% performance. Significant progress was achieved for 5 (11%) of the annual targets, while 5 (11%) targets were not achieved.

FY2023/24 Annual Programme Performance



Notably, the following targets either recorded significant progress or were not achieved:

Targets Recording Significant Progress	Targets Not Achieved
FY2023/24 Corporate Compliance Campaign (Operation Clean Audit) implemented except for one meeting	Improved risk maturity level up by one level from the prior assessment
91% implementation of valid audit recommendations against target of 100%	Score of 2.61 staff engagement score against a target of 3.13
48% women in senior and top management positions in SA Tourism against target of 50%	10% Labour Turnover (LTO) as % of average headcount against target of <8%
Score of 71.81 South African Tourism Corporate Brand Index against target of 72.24	17% vacancies as % of staff establishment against target of <8%
4 668 graded establishments against target of 5 462	Determine SA Tourism’s organisational baseline rating in the Best Company to Work for Survey, or equivalent

Reasons for deviation and mitigating actions for the above targets are presented in the tables below.

Programme 1: Corporate Support

Overview of the Programme

The purpose of the Corporate Support Programme is to provide effective support services to the organisation, to ensure compliance with statutory requirements, and ensure strategy development and integration with business performance monitoring, governance, and evaluation.

The Corporate Support Programme includes the following business units:

Business Unit	Purpose
Governance, Risk, Compliance (GRC), Legal and Company Secretariat	To provide efficient, effective, and proactive legal, governance, enterprise risk, and compliance support services to South African Tourism.
Internal Audit (IA)	To provide independent and objective assurance and consulting activity designed to add value and improve the organisation's operations.
Finance, Supply Chain Management and Facilities	To provide and manage effective end-to-end financial management and supply chain support services to the organisation.
Human Capital Management (HC)	To build an inspired and energised organisation and ensure that the organisation has the necessary skills and capacity to operate successfully.
Information Communication and Technology (ICT)	To create business value by delivering ICT-related systems and services that increase operational efficiency and effectiveness.
Office of the Chief Executive Officer: Chief of Staff	To provide strategic support to the CEO to achieve the mandate and outcomes of South African Tourism.
Office of the Chief Executive Officer: Strategic Planning, Evaluation and Programme Management (SPEPM)	To ensure strategy development and integration with business performance monitoring, evaluation, and reporting.

In contributing towards the impact South African Tourism aims to achieve where, *'tourism in South Africa grows and increasingly contributes to GDP, job creation, inclusive economic participation, and is enjoyed by all South Africans'*, the Corporate Support Programme delivers against the following Outcome and Five-Year Target in the approved Five-Year Strategic Plan 2020-2025:

Institutional Outcome	Sub-Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (2024/25)
2. Achieve good corporate and cooperative governance	Improved corporate reputation	External audit outcome	Unqualified audit outcome	Unqualified audit outcome maintained
		South African Tourism Corporate Brand Index	New indicator	74.24 South African Tourism Corporate Brand Index

Outcomes, Outputs, Output Indicators, Targets & Actual Achievement

The efforts within Programme 1 during the year under review was intended to contribute to good corporate governance and improving the corporate brand.

A new initiative in the FY2023/24 was the introduction of the Corporate Compliance Campaign, referred to as Operation Clean Audit (OPCA). OPCA is a proactive initiative aimed at improving audit Outcomes by strengthening internal controls, and minimising and/or preventing compliance issues that ultimately lead to negative audit findings.

Following the FY2022/23 audit by the Auditor-General (AGSA), a clear audit action plan was developed and tracked on an ongoing basis to address any identified findings. This included the determination of root causes and the internal control deficiencies. This was undertaken in collaboration with the entity’s internal assurance partners.

“ The Combined Assurance Framework and the Enterprise Risk Management Framework were revised and approved to improve the internal control environment.

The Internal Audit (IA) business unit continued to monitor progress in mitigating audit findings by tracking action plans implemented by management. Ninety one percent of our audit findings were concluded by the end of the fiscal year. Reports in this regard were presented to ExCo on a monthly basis and to the Audit and Risk Committee (ARCO) on a quarterly basis.

Proactively, the IA business unit (BU) reviewed and concluded audits on quarterly and annual non-financial performance information to ensure that the reported performance information is accurate and reliable. The BU remains under-capacitated as the Chief Audit Executive position is still vacant.

In managing strategic and operational risks, the entity developed a strategic risk register and operational

risk registers, which were monitored through the Governance, Risk, Compliance and Company Secretariat BU. Progress on this risk portfolio was reported to the ExCo meetings on a monthly basis, and quarterly to the Audit and Risk Committee and Board. The Combined Assurance Framework and the Enterprise Risk Management Framework were revised and approved to improve the internal control environment, support good corporate governance, and focus on emerging risks. Organisation-wide training was conducted on ethics with nominated risk champions receiving training on enterprise risk management. The entity did not determine the maturity level in FY2023/24 due to a lack of capacity within the entity for risk management.

From a technological standpoint, the main objective was to enhance business value by delivering ICT-related systems and services that increase operational efficiency and effectiveness. The ICT BU successfully addressed and closed all audit findings raised by both IA and the AGSA. In addition, significant progress was made in automating business processes. The integration of all the automated business processes with the Oracle financial system will be concluded in the new financial year.

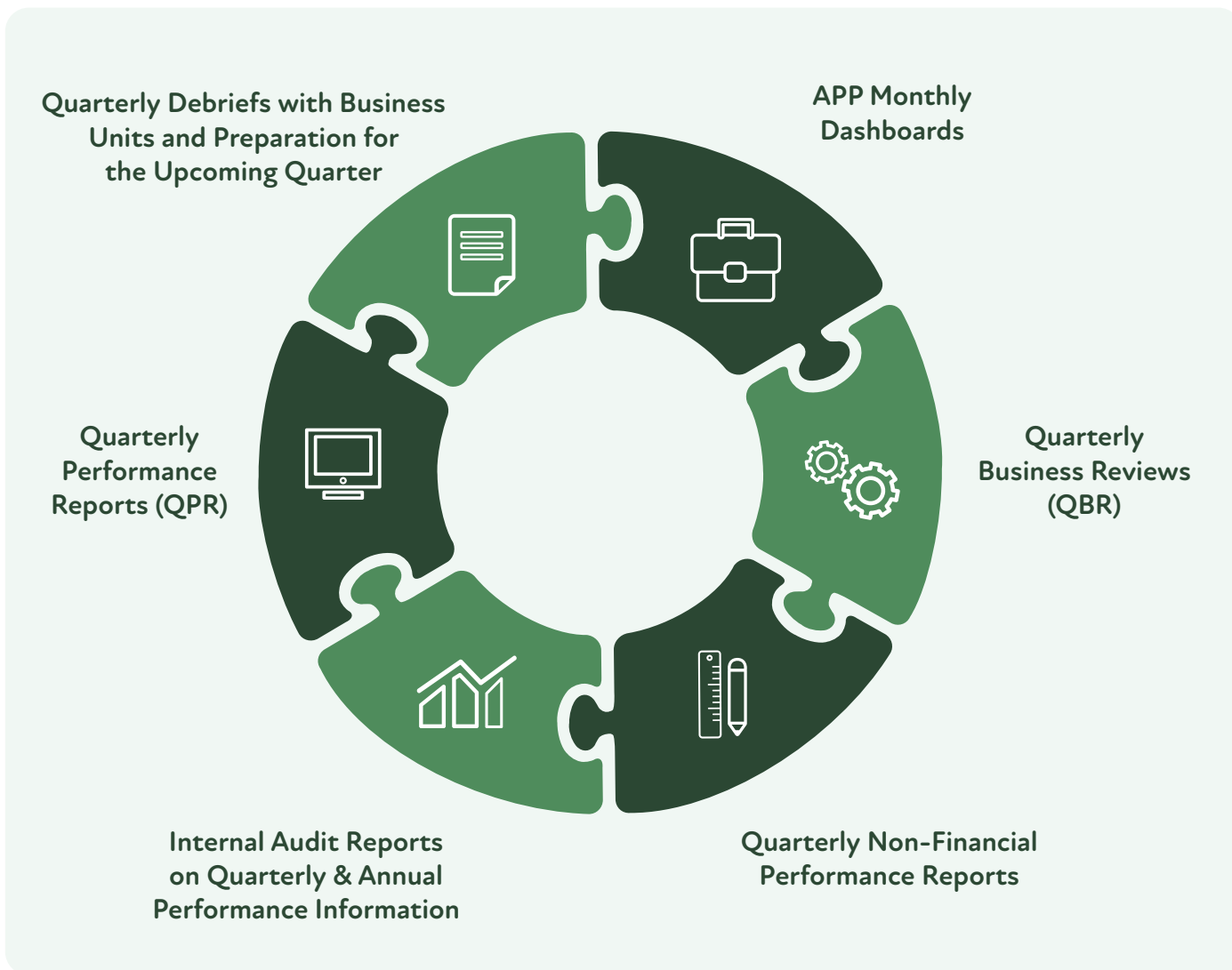
The ICT BU was capacitated with the appointment of an Enterprise Architecture Manager, resulting in the seamless implementation of various initiatives in support of the Cybersecurity Framework. This included the rollout of firewalls owned by the entity, Mimecast email management, Qualys vulnerability and penetration testing, cybersecurity training, and awareness sessions.

The ICT BU enabled business by implementing numerous ICT initiatives that improved operational efficiency. These initiatives include integrated GRC, eProcurement, HC and Payroll, modernisation of the Workflow Management System (WMS), the Total Quality in Tourism (TQIT) system, Oracle integration, the upgrade of the Oracle Database from version 12c to version 19c, and expanded infrastructure hardware to improve office connectivity. Significant progress was also made in improving hardware to enhance the end-user experience.

As part of strengthening the supply chain environment, several initiatives were implemented to promote integrity and ethical conduct in supply chain management (SCM) as per Section 57 of the PFMA. Recognising the impact of a declining fiscus and the impact on the entity's financial resources, South African Tourism developed a budget optimisation strategy and policy, which were implemented in the latter part of the fiscal year. It is envisaged that this strategy and policy will in the near future identify alternative revenue streams and areas where economies of scale may positively impact the financial resources at the entity's disposal.

Areas of achievement and challenges in relation to Human Capital are outlined in Part D of this Annual Report. South African Tourism continued to strengthen non-financial performance information management with the development and approval of the Performance Information Management,

Monitoring and Reporting Framework. This Framework aims to improve the structures, systems, and processes required to manage, monitor and report on the planned outcomes in the Five-Year Strategic Plan and the Annual Performance Plan. Furthermore, this framework defines roles and responsibilities for managing, monitoring and reporting on performance information. Several robust performance information management mechanisms were effected throughout the fiscal including:



In planning for the FY2024/25, South African Tourism undertook a robust planning process that involved both the public and private sectors. This ensured a comprehensive and consultative approach to the development of the Annual Performance Plan for the fiscal.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviation	
Achieve good corporate and cooperative governance	Sound governance and internal control environment	Improved risk maturity level	New indicator	Improved risk maturity level from 2 to 3	Improved risk maturity level up by one level from the prior assessment	The risk maturity level was not determined.	The FY2023/24 risk maturity assessment was not conducted thus the maturity level could not be determined.	Capacity constraints adversely impacted the business unit's ability to undertake this area of work, as the Head: Governance, Risk and Compliance and Risk and Compliance Officer were vacant.	
		Corporate Compliance Campaign (Operation Clean Audit) implemented	N/A	New indicator	FY2023/24 Corporate Compliance Campaign (Operation Clean Audit) implemented	FY2023/24 Corporate Compliance Campaign (Operation Clean Audit) was implemented with the exception of one activity.	One of the Operation Clean Audit (OPCA) steering committee meetings was not convened as planned.	Unavailability of project team members led to the meeting being cancelled.	
		Percentage implementation of valid internal and external audit recommendations	100% implementation of valid audit recommendations	100% implementation of valid audit recommendations	100% implementation of valid audit recommendations	91% implementation of valid audit recommendations.	9% of valid audit recommendations were not implemented.	The outstanding findings were not concluded by the due date in the Human Capital, Supply Chain Management and Governance, Risk and Compliance business units.	
	Optimal financial management	Percentage payment of compliant invoices within thirty days from date of receipt	100%	100%	100%	100%.	None.	None required.	
		Number of initiatives to promote integrity and ethical conduct in supply chain management (SCM) implemented as per Section 57 of the PFMA	N/A	New indicator	6 SCM ethics and integrity initiatives implemented	6 SCM ethics and integrity initiatives were implemented.	None.	None required.	
	Revenue enhancement and cost optimisation	Budget Optimisation Strategy developed	New indicator	Budget optimisation benchmarking study commenced	Finalised Budget Optimisation Strategy	The Budget Optimisation Strategy was finalised.	None.	None required.	
	Human capital management and development	Staff engagement score	3.71 Staff engagement score	2.3 Staff engagement score	3.13 Staff engagement score	Staff engagement score of 2.61 was achieved.	The achievement was 0.52 lower than the planned target.	Whilst there was an increase from the prior year, the score was lower than the target, due to human capacity related challenges, like the lack of capacity.	
		Implementation of Employment Equity (EE) Plan:							
		Percentage of women in SA Tourism	67%	60%	60%	66%	The achievement was 6% higher than the planned target.	The EE Plan focused on the recruitment of women.	
		Percentage of women in senior and top management positions in SA Tourism	64%	50%	50%	48%	The achievement was 2% lower than the planned target.	The moratorium impacted recruitment.	

Achieve good corporate and cooperative governance	Human capital management and development	Percentage of people with disabilities employed in SA Tourism	2%	2%	2%	2%	None	None required
		Maintain at least 60% black people (Africans, Coloureds, and Indians) across all occupational levels	73%	60%	60%	79%	The achievement was 19% higher than the planned target.	The EE Plan focused on the recruitment of black people.
		Labour Turnover (LTO) as % of average headcount	3.74%	4.7%	<8%	10%	The performance result was 2% higher than the planned target	Death, dismissals, retirement, expiry of contract, and resignations led to a higher labour turnover.
		Vacancies as % of staff establishment	12.87%	13.0%	<8%	17%	The performance result was 9% higher than the planned target.	The moratorium on filling vacancies and an increase in resignations led to a higher vacancy rate.
	ICT Governance Framework and internal controls	ICT Governance Framework implemented	New indicator	ICT Governance Framework developed and approved	FY2023/24 Roadmap for ICT Governance Framework implemented	The FY2023/24 Roadmap for ICT Governance Framework was implemented.	None	None required

Strategy to Overcome Areas of Under-Performance

Target	Mitigating Action/s
The risk maturity level improved by one level from the previous assessment	In January 2024, the Board approved critical vacancies for recruitment. Thus, during Quarter 4, the Head: Governance, Risk, Compliance, Legal and Company Secretariat initiated a recruitment process to recruit a fixed-term contract to capacitate the business unit. The risk maturity assessment will be undertaken in the new fiscal.
FY2023/24 Corporate Compliance Campaign, OPCA, implemented	Individual business unit meetings were convened as a contingency measure.
100% implementation of valid audit recommendations	Management in Human Capital, Supply Chain Management and Governance, Risk and Compliance prioritised the implementation of the outstanding findings in the new fiscal.
3.13 Staff engagement score	The entity will develop a detailed action plan to enhance employee engagement levels with deliverables over a two-year period, which will be led by ExCo.
50% women in senior and top management positions in SA Tourism	The entity prioritised the recruitment of women in senior and executive roles. The target was met during Quarter 1 of FY2024/25 with the appointments of the CEO and the General Manager: Finance.
<8% Labour Turnover (LTO) as % of average headcount	The entity will focus on employee retention and talent management.
<8% vacancies as % of staff establishment	The entity will continue to motivate for the recruitment of critical vacancies until the moratorium is lifted.

Programme 2: Business Enablement

Overview of the Programme

The purpose of the Business Enablement Programme is to enhance collaboration with various stakeholders, and to provide centralised tourism intelligence to support evidence-based decision-making. Programme 2 includes the following business units:

Business Unit	Purpose
Digital Transformation and Technology (DigiTech)	To enable visualisation and interaction with data obtained from digital channels, dynamic reporting, and data-driven digital marketing execution.
Analytics and Insights (AI)	To provide centralised tourism intelligence and establish South African Tourism as a thought leader in the sector.
Office of the Chief Executive Officer: Industry & Government Relations (IGR)	To enhance collaboration with various stakeholders.
Global Public Relations (PR) and Communications	To showcase South Africa's exceptional experiences and people whilst showcasing South African Tourism and the greater tourism sector's contribution to economic growth and employment.

In contributing towards the impact of *“tourism in South Africa grows and increasingly contributes to GDP, job creation, inclusive economic participation, and is enjoyed by all South Africans”*, the Business Enablement Programme delivers against the following Outcome and Five-Year Target in the approved Five-Year Strategic Plan 2020-2025:

Institutional Outcome	Sub-Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (2024/25)
2. Achieve good corporate and cooperative governance	Relevant tourism intelligence and digital ecosystem	South African Tourism Corporate Brand Index	New indicator	74.24 South African Tourism Corporate Brand Index

Outcomes, Outputs, Output Indicators, Targets & Actual Achievement

South African Tourism, through its Analytics and Insights (AI) BU, has made significant strides during the year under review, contributing pivotal data and insights, and shaping strategic decisions within South African Tourism. As a cornerstone of the organisation's data-driven approach to marketing, the BU has been instrumental in collecting and analysing crucial information surrounding the South African destination brand.

Throughout the year, key surveys were conducted aimed at understanding various aspects of destination branding. Notable among these were the International Brand Tracker Survey, the Domestic Brand Tracker Survey, and the inaugural Business Events Brand Tracker Survey. The latter being conducted by only a few destination marketing organisations (DMO) globally. These surveys provided invaluable insights into the perceptions of South Africa as a tourism destination among both international and domestic consumers. In addition to these surveys, the BU executed bedrock research projects, including the Departure Tourism Survey and the Domestic Tourism Survey. These surveys serve as the foundation for key performance indicators for tourism in South Africa and the broader South African tourism sector. Moreover, the BU supported research initiatives across the organisation. Projects ranged from conducting Net Promoter Score (NPS) studies, to post-show evaluations of our strategic platforms, both nationally and internationally.

“ The Programme ensures compliance and integrates strategy development with business performance. ”

A notable addition to the BU's portfolio were the Trends Analysis Reports. These reports offer insights into emerging trends in the global travel and tourism industry, equipping South African Tourism with valuable knowledge to capitalise on these trends effectively. Four comprehensive reports were produced during the financial year, aiding strategic planning and market positioning. The reports encompassed a variety of topics including a comparative DMO report, gastronomy trends, digital tourism trends, and global tourism trends. Thought leadership articles and infographics on key industry insights were produced. The topics varied, covering online sentiments of South Africa, unlocking the business events market, arrivals infographics, and market playbooks. Several of these pieces gained recognition in travel and tourism publications, mainstream newspapers, and online platforms.

In line with our commitment to accessibility, South African Tourism prioritised the swift dissemination of data through interactive dashboards. These dashboards provided stakeholders with real-time access to essential metrics, including arrivals data, international and domestic tourist trends, and other critical performance indicators.

Looking ahead, the integration of big data promises to revolutionise South African Tourism's approach to data analytics and strategic insights, enabling the AI BU to anticipate trends and measure future bookings effectively, ultimately driving more tourist arrivals onto our shores. This initiative involves enhancing data accessibility through user-friendly dashboards tailored for various stakeholders and aligning data for seamless integration into a unified data lake. Big data sources will also be leveraged to augment the organisation's decision-making prowess. By consolidating these efforts, South African Tourism aims to enhance data integrity, facilitate cross-dataset analysis, and fortify our predictive modelling capabilities. Additionally, South African Tourism will embark on a series of compelling initiatives encompassing the development of an organisation-wide strategy, and the delivery of customised insights and analytics capabilities.

Following South African Tourism's digital roadmap, the DigiTech BU successfully enabled the business by implementing key digital initiatives. Key achievements during the year under review include the implementation of a Customer Relationship Management (CRM) system, a central data storage system for improved reporting, and business dashboards to enhance data utilisation. A market access platform was built and launched for the Domestic Region, including and a new corporate website streamlining digital experiences and data use for South African Tourism.

Through the Government and Industry Relations (GIR) BU, South African Tourism aims to enhance collaboration with the tourism sector. Partnerships and collaborations are critical in advancing the implementation of the Tourism Sector Masterplan (TSMP), derived from the three-year Tourism Sector Recovery Plan (TSRP). The TSRP was developed through a collaborative and iterative effort by key stakeholders in the tourism value chain to acknowledge the need for targeted, coordinated action to set the sector on the most optimal path to recovery, transformation, and long-term sustainability. One of the key enablers identified by the TSMP is to form targeted and strategic partnerships between government and the private sector.

Thus, South African Tourism continued to strengthen relationships with key tourism value chain stakeholders. For the period under review, the entity conducted a number of strategic stakeholder engagements which were guided by our stakeholder engagement framework. This framework endeavours to ensure that the right stakeholders are engaged through the right channels for the appropriate level of participation and support for sector recovery. For the first time, South African Tourism proactively involved Provincial Tourism Authorities and the industry in our planning process.

The scope and reach are areas for improvement, which will be addressed through the execution of the Head: Government and Industry Relations' responsibilities and further consultation.

Engagements with Government Entities

On the shareholder front, the Minister of Tourism led the inaugural Marketing Workshop in July 2023. The workshop aimed to bring together stakeholders responsible for destination marketing to identify one central overarching message that will be used to position the country consistently. In preparation for the workshop, South African Tourism, in partnership with the public and private sectors, assisted with content management for destination marketing.

South African Tourism participated in the Department of Tourism's (DT) outreach stakeholder engagement programme. The purpose of the programme was to obtain insights from stakeholders regarding challenges facing the industry. This platform enabled South African Tourism to share information about its Basic Quality Verification (BQV) Programme, which focuses specifically on supporting homestays and other emerging tourism products in rural areas.

The outreach programme also presented an opportunity to highlight the National Association Programme (NAP), which encourages local associations, federations, and societies to rotate their national meetings and conferences across the country, thus spreading the economic impact of local meetings and conferences to villages, towns, and small dorpias (VTSDs). South African Tourism also created awareness about its tourism grading programme and market access platforms, such as Sho't Left and speed marketing initiatives. The sessions included Cradock in the Eastern Cape on 10th August 2023, Nkomazi Municipality in Mpumalanga on 16th November 2023, uPhongolo Municipality in KwaZulu-Natal on 30th November 2023, and Khayelitsha in the Western Cape on 26th March 2024.

South African Tourism participated in the National Air Access Meeting on 7th August 2023, which was the initial meeting to establish the national structure that will focus on airlift for the country. The session included provincial air services structures from KwaZulu-Natal, Cape Town, and Gauteng, as well as industry stakeholders, namely the Airports Company South Africa (ACSA) and the Association of Airlines of South Africa (AASA).

In support of the Tourism Development and Governance Working Group (TDGW), a structure responsible for developing the agenda for MIPTECH — the inter-provincial tourism technical committee of provincial and national officials — South African Tourism presented the South African Tourism and Tourism Business Council of South Africa (TBCSA) structured engagement report. This report provided insights on the collaboration between the entity and the private sector in accelerating the recovery of the tourism sector. The session was held from 11th to 12th September 2023.

The entity participated in the National Tourism Stakeholder Forum (NTSF) on 20th September 2023

and 29th February 2024. These sessions, convened by the Department of Tourism, include tourism value chain stakeholders and government departments. South African Tourism presented the Tourism Performance Report and the FY2024/25 APP.

In collaboration with the Department of Tourism (DT), South African Tourism participated in Brazil, Russia, India, China, and South Africa (BRICS) Tourism Ministers meeting on 24th October 2023 in Cape Town. The purpose of this engagement was to sign an action plan among the BRICS countries on key areas of collaboration, including ensuring direct air access, addressing visa challenges, collaborating on destination development including technology advancement, and facilitating sustainability projects. South African Tourism participated in the DT's strategic planning session on 11th and 19th October 2023, presenting its input into the 30-Year Review and the proposed grading business model. The session provided an opportunity for collaboration between the DT and the entity. This was followed by the DT's Lekgotla on 22nd February 2024, where the entity presented progress on the MTSF 2019–2024 commitments, prospects for sector growth, priorities for the medium-term targets for 2024/25 to 2026/27, and implementation readiness for FY2024/25.

South African Tourism participated in the inaugural meeting of the Tourism Sector Masterplan Steering Committee on the 14th February 2024. The purpose of the meeting was to discuss the terms of reference for the structure and outline areas of focus and implementation plans until FY2025/2026 which require the active involvement of the tourism value chain.

“**BRICS countries signed a tourism action plan on key areas.**”

On a broader government relations front, South African Tourism participated in the Trade, Tourism, Investment and Security (TTIS) Cluster's sessions on 13th September 2023 and 20th February 2024. The entity presented the Destination Brand Tracker and the state of readiness for Meetings Africa 2024.

In terms of provincial relations, South African Tourism hosted four meetings of the Chief Executive Officers' (CEOs) and Chief Marketing Officers' (CMOs) Forum with Provincial Tourism Authorities. The engagements centred around the review of the Memorandum of Understanding (MOU) between the entity and the PTAs, collaboration on domestic tourism campaigns, provincial roadshows, the development of the event strategy, and leveraging opportunities around Sports Tourism. Furthermore, the provinces were part of the environmental scanning session which afforded an opportunity for the

PTAs to contribute towards the development of South African Tourism's FY2024/25 Annual Performance Plan.

South African Tourism supported the Gauteng Tourism Authority (GTA) at the Gauteng stakeholder engagement session on 1st September 2023 where the entity presented the tourism performance for Quarter 1 and market insights for the Gauteng province.

The launch of the Summer Campaign on 19th September 2023 in the Eastern Cape, presented an opportunity for South African Tourism to engage with the Eastern Cape Parks and Tourism Agency (ECPTA) and relevant stakeholders.

The hosting of World Tourism Day (WTD) in the North West on 27th September 2023, further presented an opportunity for South African Tourism to engage with the North West Tourism and Parks Board and its stakeholders.

The entity further participated in the Limpopo Provincial Tourism Forum in Sekhukhune on 22nd November 2023. This is a quarterly forum attended by provincial districts to engage on matters affecting the sector in the province. South African Tourism presented on the importance of grading of establishments, market access as well as Sho't Left, and speed marketing.

The Global Brand Campaign project plan required extensive consultation for insights and alignment with the public and private sectors. Engagements were held with the TBCSA, the nine Provincial Tourism Authorities, and the Minister of Tourism. The following stakeholders were consulted accordingly:

Date	Stakeholder
6 th February 2024	TBCSA
7 th February 2024	Provincial Tourism Authorities
22 nd February 2024	Department of Tourism

Engagements with Sector & Industry

The entity collaborated with the Southern African Tourism Services Association (SATSA) to leverage the association's annual conference to share key programmes for the year, market insights, and programmes for the United States (US), United Kingdom (UK), and German markets. The tourism sector inclusivity pledge was launched, with industry stakeholders pledging their commitment to sector inclusivity. The conference was held from 6th to 7th May 2023 in Durban.

The Chairpersons and CEOs of SA Tourism and TBCSA held an engagement on 6th June 2023 to strengthen the relationship between the two entities and optimise the implementation of the Memorandum of Agreement (MOA) with a view to enhancing sector recovery.

The domestic webinar relating to Travel Week was held on 13th July 2023 followed by the UK session on 29th July 2023, the US on 2nd August 2023, Germany on 4th August 2023, Africa on 15th August 2023, and China on 30th August 2023. The business events session was held on 22nd September 2023. The purpose of these sessions was to share plans for the identified markets and facilitate collaboration. Post-session reports were presented to the wider tourism sector during the TBCSA Leadership Conference held on 8th September 2023. At this conference, the entity participated in the panel discussion focusing on measures that South Africa needs to embark on to accelerate the marketing efforts in a bid to achieve the target of 21 million arrivals by 2030.

South African Tourism collaborated with the Southern African Association for the Conference Industry (SAACI) by participating in their conference from 30th July to 1st August 2023 in the Eastern Cape.

The entity also participated in the South African National Parks' (SANParks) Vision 2040: Scenario And Strategy Development session held in Cape Town from 5th to 7th February 2024. The session brought together key stakeholders including environmental practitioners, the Department of Tourism, the Department of Environmental Affairs, the South African Township and Village Tourism Association (SATOVITO), civil society, PTAs, and academia to deliberate on scenarios of the future and development paths that help stakeholders think differently about what the future holds for SANPARKS and how to plan for this.

The entity supported Southern Africa's Township and Village Tourism Expo (SATOVITO) at its event from 25th to 26th January 2024 held in Krugersdorp, Gauteng.

South African Tourism also participated in the TBCSA/SAACI industry networking breakfast which took place on 28th February 2024. The entity highlighted the importance of collaboration between the public and private sectors in ensuring the growth of business events and the importance of collaboration to meet the objectives of the TSMP.

Throughout the 2023/2024 fiscal year, South African Tourism demonstrated its commitment to enhancing brand equity and driving tourism demand for South Africa, both domestically and internationally, through the Global Public Relations and Communications Business Unit. In paying homage to South Africa's most treasured assets – its people and unique landscapes – the organisation continued to tell the story of a warm and welcoming South Africa through traditional media and digital platforms.

In contributing towards “rapidly and inclusively growing tourism economy that leverages South Africa’s competitive edge in nature, culture and heritage, underpinned by ubuntu and supported by innovation and service excellence”, as set out in the National Tourism Sector Strategy 2016-2026, a total of R1.4 billion coverage reached over 9.8 billion people in FY2023/24. This is an impressive cumulative coverage value across various source markets, including South Africa. This significantly contributed to heightened corporate and destination brand awareness. This was achieved through close collaboration within the organisation as well as working with various tourism sector partners.

Our strategy-driven tactics and initiatives were carefully crafted to not only showcase the beauty of our country as an attractive tourism destination and a capable host for business events of any size but also to highlight South African Tourism’s pivotal role in advancing inclusivity for small, medium, and micro-enterprises (SMMEs), promoting geographic spread by highlighting less-visited provinces, and supporting women and youth, in line with the objectives outlined in the Economic Reconstruction and Recovery Plan (ERRP). South African Tourism’s strategically owned global trade shows, Meetings Africa (MA) and Africa’s Travel Indaba (ATI), were promoted. In highlighting the economic impact of the organisation’s initiatives, SMMEs that attended these trade shows were profiled amongst media and trade alike with the sole aim of granting them access to the international market. A strong emphasis was placed on highlighting the vital role of tourism in bolstering the global economy, particularly in South Africa. By showcasing tourism’s substantial contribution to the country’s GDP and job creation, we underscored the economic imperative driving all South African Tourism’s endeavours.

Strategic events supported by South African Tourism provided a significant platform to increase awareness about South Africa, thus contributing to boosting positivity about the destination. At these trade shows, including the Arabian Travel Market (ATM) in Dubai, the Worldwide Exhibition for Incentive Travel, Meetings and Events (IMEX) in Frankfurt and Las Vegas, the World Travel Market (WTM) in London, the Institute of Business Travel Management (IBTM) World in Spain, and the International Tourism Exchange (ITB) in Berlin, smaller businesses within the South African tourism sector were supported. These efforts ensured that South Africa remains top of mind for travellers as the country and destination they choose to visit and explore.

During the FY2023/24, the BRICS Summit hosted in South Africa in August 2023, was leveraged to highlight the role of tourism as a bridge that connects cultures and opens avenues of dialogue that transcend language barriers and political boundaries.

Equally, sport has proven to be a catalyst for economic development and an investment driver with a significant ability to create much-needed jobs. Using the power of sport, the entity leveraged various events that took place in 2023 including the Netball World Cup in Cape Town, as well as the Rugby World Cup which took place in France.

To drive geographic spread and showcase all of South Africa's unique and highly appealing provinces, in partnership with the Department of Tourism and the North West Province, South African Tourism executed the Tourism Month media launch event, and supported World Tourism Day celebrations. Additionally, to drive travel during the summer season, a Summer Campaign was launched in partnership with the Eastern Cape Province. These initiatives provided a platform for hosted tours with media across provinces, allowing them to experience first-hand the diverse tourism products offered by the less-visited provinces. Our weekly newsletter, *Tourism Tuesdays*, continued to be instrumental in promoting new tourism products and experiences, engaging audiences, and generating interest in South Africa as a travel destination.

With trust being a key currency for our tourism sector's growth, and in response to negative media reports surrounding both the corporate and destination brands, a crisis communications approach was executed to safeguard the organisation's and the destination's reputation.

The international publicity and digital media engagement generated throughout the fiscal reminded both domestic and international travellers of the many reasons why South Africa is the only destination to choose for both leisure and business.

In conclusion, effective stakeholder management requires equally effective monitoring mechanisms to ensure that collaborative initiatives meet the desired objectives. The Corporate Reputation Index assesses the awareness and satisfaction levels of key stakeholders to determine the most pertinent communication channels for enhancing coordination and collaboration. This index provides organisations with a way to understand how they are perceived by their stakeholders and take actions to enhance their reputation over time. The annual target for South African Tourism in the Corporate Reputation Index was a score of 72.24. The entity received a score of 71.81. An analysis of this result shows that only responsiveness improved, rising from 3.74 to 3.78, while the other pillars declined. Partnership formation decreased from 3.69 to 3.46, support declined from 3.72 to 3.37, and communication decreased from 3.68 to 3.59. This decline across the pillars resulted in an overall decrease in the corporate brand score from 74.68 to 71.81.

The Corporate Reputation Index Report highlighted key recommendations outlining critical areas that South African Tourism should focus on to improve relations with stakeholders. Thus, in the new fiscal year, South African Tourism will review its stakeholder engagement framework and develop a clear strategy aimed at driving a new vision for becoming a responsive organisation for the tourism industry can be developed.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviation
Achieve good corporate and cooperative governance	Integrated Digital and Analytics Operating Framework	Integrated Digital and Analytics Operating Framework annual roadmap implemented	New indicator	Integrated Digital and Analytics Operating Framework and annual roadmap implemented	Implementation of Year 2 Roadmap of the Integrated Digital and Analytics Operating Framework	The Year 2 Roadmap of the Integrated Digital and Analytics Operating Framework was implemented.	None.	None required.
	Tourism information gathering	Number of tourism information tracking surveys implemented	N/A	New indicator	5 tourism information tracking surveys completed	5 tourism information tracking surveys were completed.	None.	None required.
	Tourism trends analysis	Number of trend analysis reports	N/A	New indicator	4 quarterly trend analysis reports	4 quarterly trend analysis reports were produced.	None.	None required.
	Tourism thought leadership	Number of thought leadership pieces published	N/A	New indicator	8 thought leadership pieces published	31 thought leadership pieces were published.	23 additional thought leadership pieces were published.	The additional thought leadership pieces were required to showcase data on the 24 MPIF markets.
	Tourism research	Number of tourism statistics and performance reports	N/A	New indicator	4 tourism statistics and performance reports	4 tourism statistics and performance reports were produced.	None.	None required.
	Stakeholder management	South African Tourism Corporate Brand Index	Conducted a survey to establish a new baseline for South African Tourism Corporate Brand Index	70.24 South African Tourism Corporate Brand Index	72.24 South African Tourism Corporate Brand Index	The South African Tourism Corporate Brand Index score of 71.81 was achieved.	The South African Tourism Corporate Brand Index score was 0.43 lower than the planned target.	Whilst the domestic corporate brand index increased, the international corporate brand index decreased due to hub head vacancies. Thus, partnership formation, support and communication were the main drivers of decline in the overall score.
	Organisational environment	Rating of SA Tourism in Best Company to Work for Survey, or equivalent	N/A	New indicator	Determine SA Tourism's organisational baseline rating in the Best Company to Work for Survey, or equivalent	SA Tourism's organisational baseline rating in the Best Company to Work for Survey, or equivalent, was not determined.	The Best Company to Work for Survey, or equivalent, was not undertaken, thus the baseline rating could not be determined.	The rating was not determined as the entity did not qualify for Best Company to Work For. Poor planning led to a prolonged procurement process.
	Global PR and communications	Annual Global PR and Communications Plan implemented	N/A	New indicator	FY2023/24 Global PR and Communications Plan implemented	The FY2023/24 Global PR and Communications Plan was implemented.	None.	None required.

Strategy to Overcome Areas of Under-Performance

Target	Mitigating Action/s
70.24 South African Tourism Corporate Brand Index	The Stakeholder Engagement Framework will be revised on the basis of the improvement areas identified in the South African Tourism Corporate Brand Index Survey Report. The recruitment of hub heads has been prioritised in Quarter 1 of FY24/25.
Determine SA Tourism's organisational baseline rating in the Best Company to Work for Survey, or equivalent	The Human Capital business unit has been tasked to prioritise this target in Quarter 1 of the new fiscal.

Programme 3: Leisure Tourism Marketing

Overview of the Programme

The purpose of the Leisure Tourism Marketing Programme is to create demand through travel acquisition and growing brand equity for South Africa as a leisure and business events destination, in identified markets.

The Leisure Tourism Marketing Programme includes the following business units:

Business Unit	Purpose
Brand and Marketing	To grow brand equity to create tourism demand for South Africa as a leisure and business events destination, in identified markets.
Tourism Execution	To create demand through travel acquisition, by working with the distribution channels to sell South Africa as a destination.

Global Trade

To participate in the various local and international platforms to connect and promote South Africa as a lucrative destination to international airlines; and

To identify and implement trade tools required for international partners to better sell South Africa and improve conversion.

In contributing towards the impact, South African Tourism aims to achieve where, ‘*tourism in South Africa grows and increasingly contributes to GDP, job creation, inclusive economic participation, and is enjoyed by all South Africans*’, the Leisure Tourism Marketing Programme delivers against the following outcome and five-year targets in the approved Five-Year Strategic Plan 2020-2025:

Institutional Outcome	Sub-Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (2024/25)
1. Increase the tourism sector’s contribution to inclusive economic growth	Demand creation	Progress towards doubling international tourist arrivals to 21 million by 2030 (State of the Nation Address, 2019)	10.3 million	10.3 million
		Rand value of international tourist spend	R90.7 billion	R86.7 billion
		Number of domestic holiday trips	7.1 million	10.8 million
		Rand value of domestic holiday direct spend	R17.3 billion	R33.5 billion

Outcomes, Outputs, Output Indicators, Targets & Actual Achievement

In contributing to ‘*tourism in South Africa grows and increasingly contributes to GDP, job creation, inclusive economic participation, and is enjoyed by all South Africans*’, the Leisure Tourism Marketing Programme leads the execution on the policy directive to revitalise the destination brand and deliver 21 million tourist arrivals by 2030. Through the Brand and Marketing business unit, South African Tourism aims to grow brand equity to create tourism demand for South Africa as a leisure and business events destination in identified markets.

South Africa’s tourism sector was severely and negatively impacted by the global COVID-19 pandemic.

Consequently, South African Tourism's ability to communicate and create demand for leisure and business events was affected. As part of the TSRP, South African Tourism needed to break through the noise and reclaim its position as a premier tourism destination in the global travel community. A step-change growth strategy and a series of significant strategic actions were required to reassert the sector's position above pre-pandemic performance measures and increase arrivals.

In the year under review, the focus was on reimagining destination marketing strategies to reflect changing consumer needs and traveller habits. Leveraging digital platforms and innovative storytelling techniques, the entity showcased South Africa as a safe, welcoming, and experiential destination for domestic and international travellers alike. Beyond its immediate economic benefits, tourism serves as a catalyst for infrastructure development, encouraging investments in transportation networks, accommodation facilities, and recreational amenities.

Key to this was the Global Tourism Brand Campaign that endeavoured to ensure that South Africa is embedded as a top-of-mind destination for all potential tourists. The campaign specifically targeted the Market Prioritisation and Investment Framework (MPIF) markets and was developed for localisation within each of the priority source markets. At the 2023 Africa's Travel Indaba (ATI), in collaboration with Gagasi FM, South African Tourism facilitated the KwaMax's Lifestyle Village activation, a collaborative effort between tourism and industry stakeholders. This platform showcased diverse township tourism opportunities, empowering local vendors and trade partners to showcase their products and offerings. Additionally, at ATI, the entity curated 360° experiential dome activations, offering a novel marketing opportunity that engaged audiences across various demographics and locations. Without even travelling to the vast experiences that South Africa has to offer, the dome provided an immersive experience that gave delegates a taste of South Africa using 360° film-making technology.

The BRICS stakeholder dinner was a momentous occasion, marked by cultural exchange and reflection on the collective achievements of the past decade. The event showcased the rich diversity and heritage of each member country creating an immersive experience for all attendees. Throughout the evening, guests were treated to a curated culinary journey featuring signature dishes from each BRICS nation, symbolising the fusion of cultures and cuisines that define the alliance. Live entertainment, including South African traditional performances and musical showcases, added to the atmosphere celebrating the vibrant spirit of South Africa. Keynote speeches highlighted the shared goals of economic growth, development, and cooperation within the tourism ecosystem. Stakeholders had the opportunity to engage in meaningful dialogue and networking, strengthening bonds and fostering new collaborations across borders. A 360 degree experiential dome activation was also executed.

The Summer Campaign aimed to revitalise South Africa's tourism sector amidst global challenges. By promoting domestic travel and increasing domestic spending within the tourism ecosystem, the

campaign not only reignited the passion for exploration among South Africans, but also addressed youth unemployment by creating job opportunities within the sector. The campaign had a significant economic impact, creating over 914 jobs and supporting 85 businesses. The campaign involved 81 SMMEs, generating total sales of R310 653, with R125 500 attributed to vouchers distributed by the Summer Army. South African Tourism temporarily employed 340 individuals aged between 18 and 28 during the festive season, offering them valuable real-life experience and fostering personal development.

To create an authentic South African Tourism experience during the Easter celebrations, South African Tourism partnered with Ukhozi FM's Magic Music Session to host an activation of the Visit South Africa +27 Stand. To support and grow SMMEs through market access, a sustainability village was established for these businesses to showcase and sell their products. The Magic Music Sessions, celebrated and curated by Ukhozi FM at Moses Mabhida in Durban, featured unforgettable musical experiences. Soul and gospel sounds were showcased by seasoned, internationally acclaimed artists, with live band performances that captivated the audience. These experiences were designed to engage, educate, and excite the public, media, and stakeholders, encouraging visitors to explore the beauty of our country.

To celebrate Amapiano, a genre that originated in South Africa and is celebrated globally, South African Tourism participated in PianoFest with a +27 experiential lifestyle stand. This stand embodied the spirit of freedom, movement, and collaboration. Each element was engaging and exciting for the target audience, offering activation elements, photo opportunities, and experiences that brought South African culture to life. The stand strategically promoted the exceptional people, places, and events that have placed South Africa on the world stage. Attendees learned about Sho't Left deals and promotions encouraging travel within South Africa while enjoying interactive activities.

In June 2023, South African Tourism entered into a partnership with Siya Kolisi, Captain of the Springboks, the four-time and reigning World Rugby champions, and the face of arguably the most revered team, to serve as the brand advocate for destination South Africa. Siya Kolisi is the flag bearer, the most recognisable face of one of the most high-profile global assets this country has. In this role, Mr. Kolisi participated in various promotional activities to promote destination South Africa. Through this collaboration, South African Tourism produced an audio-visual (AV) with Siya Kolisi as the lead, which received 2 052 676 views globally, and a click-through rate (CTR) on Facebook of 7.7%. The AV was further posted through the South African Presidency X (formerly known as Twitter) account during the 2023 BRICS Summit hosted by South Africa and was viewed 257 000 times.

South African Tourism also entered into a partnership with the South African Tourism Services Association (SATSA) to create and maintain relationships between the public and private tourism sectors, position South African Tourism as a thought leader within the tourism industry, foster strong relationships between the entity and the private sector, and increase the exposure of the entity's events

and campaigns. SATSA provided ongoing exposure through its communication channels, including its website, newsletters, and social media. SATSA supported SA Tourism’s marketing activities by amplifying the Siya Kolisi ‘Best of Us’ Exceptionalism AV on its digital platforms, further extending reach and engagement as part of the invitation to the world to visit South Africa post the 2023 Rugby World Cup.

Through the initiatives led by the Brand and Marketing business unit, South African Tourism not only contributed to the economic growth of South Africa’s tourism sector, but also made a tangible impact on youth unemployment, demonstrating our commitment to creating meaningful and transformative experiences for both businesses and individuals alike.

The year under review was successful with regards to domestic travel performance. The number of holiday trips taken between April 2023 and March 2024 grew by 27.9% to 12.6 million, and holiday spend in the same period grew by 19.3% to R57 billion, compared to the prior year. This growth was mainly driven by South African Tourism’s focus to inspire segments to “get out of the house” and take more day and holiday trips NOW, by showcasing a variety of affordable, desired experiences in a clear and accessible manner, underlined by personal safety message, through #TravelWiseMzansi. The campaign also aimed to create opportunities for the distribution channel to access the domestic market enabling them to promote and sell travel effectively as preferred by consumers.




The domestic campaign targets three main segments:

The infographic consists of three green rounded rectangular boxes arranged horizontally. Each box has a circular icon at the top. The first box contains an icon of buildings, the second contains an icon of two interlocking gears, and the third contains an icon of a padlock. Below each icon is a bold title and a descriptive paragraph.

- Build Segment**
 Adults earning more than R5 000 per month (threshold income for holiday travel). This group has the appropriate socio-economic background, but might not be travelling
- Convert Segment**
 Adults already travelling for any purpose, which might not necessarily be travelling for holiday
- Defend Segment**
 Adults already travelling for holiday purposes. This group is mature in terms of holiday travel.

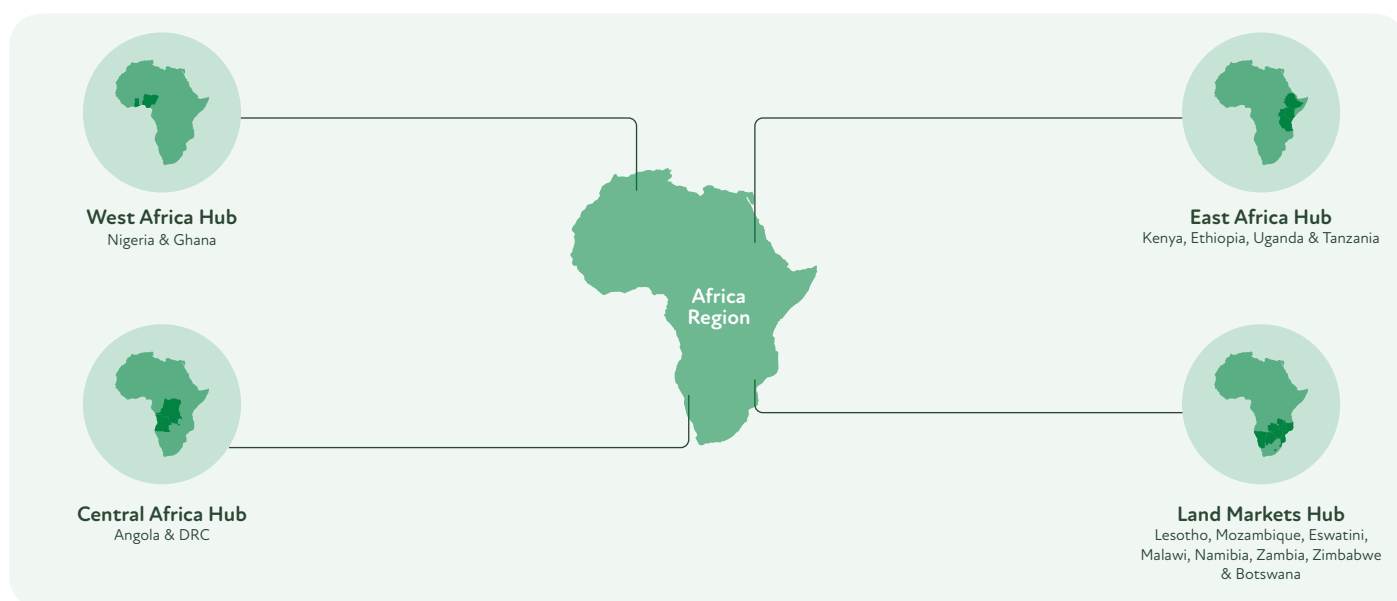
The “It’s Your Country, Enjoy It, because nothing’s more fun than a Sho’t Left” campaign was continued under the Sho’t Left umbrella. To counteract seasonality, three sub-campaigns were activated.

Through these three campaigns, we showcased:

	<p>“Seat at the Table” Campaign</p> <p>Emphasised the idea of South Africans setting a table anywhere during Easter.</p>
	<p>Travel Week</p> <p>In collaboration with trade, South Africans received up to 50% off travel if they book in that week for any future date.</p>
	<p>“Gimme Summer that Sho’t Left” Campaign</p> <p>Inspiring South Africans to enjoy the festive season.</p>

South African Tourism collaborated with the industry throughout the year to ensure that there was a significant number of monthly deals promoted directly to the consumer and also on the entity’s site, www.shotleft.co.za. This included a variety of experiences in VTSDs. The industry responded positively to the call to collaborate, with 920 deals being loaded during the Sho’t Left Travel Week campaign. Given its international footprint, South African Tourism operates in several global regions, namely Africa, Europe and the United Kingdom, the Americas, as well as Asia and Australasia. In areas where South African Tourism does not have a physical presence, it undertakes destination marketing activities in embassy support markets.

The Africa Region is configured into four hubs:



Africa marketing activities contribute towards South African Tourism’s institutional outcome of increasing the tourism sector’s contribution to inclusive economic growth, through demand creation initiatives, that range from seasonal campaigns to distribution channel initiatives. The strategic intent for the fiscal was to lift the demand creation side of the conversion curve and grow the pipeline for short- and long-term consideration, while maintaining excellent closure ratios of 2022 in all markets. The marketing initiatives also intended to grow arrivals, spend, brand, and overcome travel barrier issues. For

this fiscal, Africa's share of total destination arrivals is 75.9%. The regional performance growth against the year 2022 performance is 33.4%.

The regional seasonal campaigns highlighted lesser-visited provinces by showcasing hidden gem experiences. These campaigns, together with the distribution channel marketing and engagement activities, resulted in an estimated 78 SMMEs both in the tourism sector and other industries being promoted, featured, and/or given access to the Africa market.

Collaboration with corporates, as a distribution channel to drive both business events and leisure travel, coupled with continuous engagement with the South African Missions, and related marketing activities, assisted not only in contributing to arrivals and spend, but also incorporating elements and messaging of ease of visa processing, especially in Nigeria.

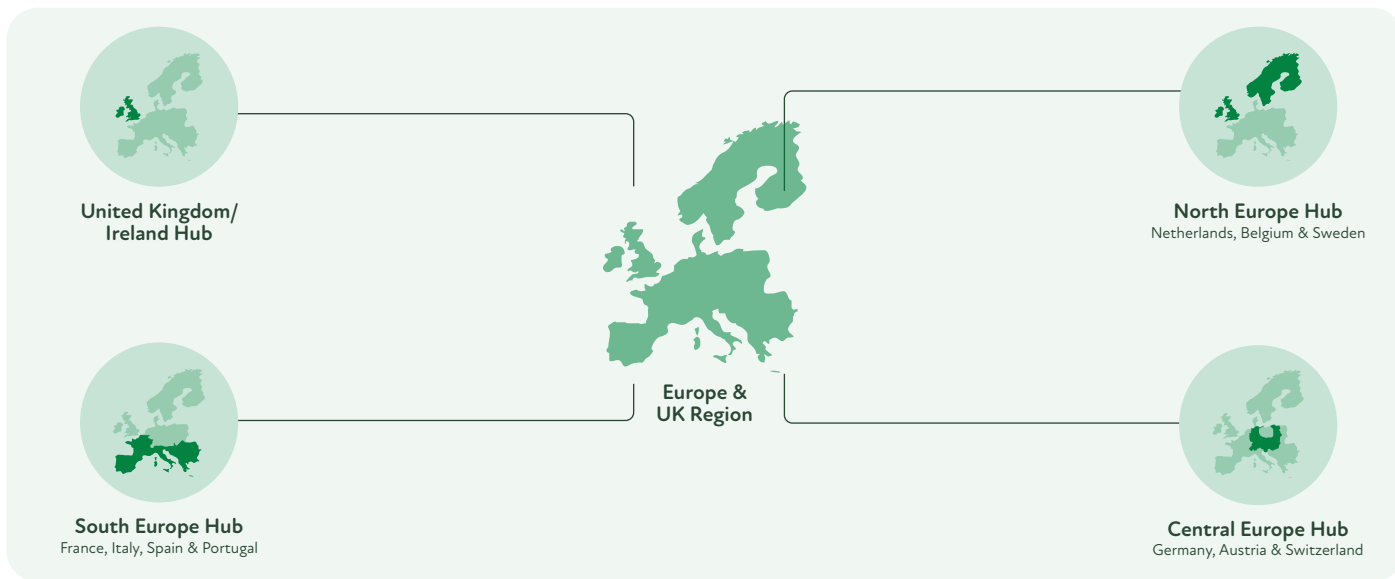
The Out-of-Home Campaign was executed in prominent sites in East Africa, the Land Hub, and West Africa, with seven sites at Bole International Airport in Ethiopia, which is a key connecting airport for not only African airlines and passengers, but for other major international destinations too.

Sweet Escapes with Thobi Rose was the entity's first-ever YouTube Travel Series, hosted by the charismatic and relatable content creator and popular South African influencer Thobi Rose. The series redefined the traditional travel vlog by blending captivating storytelling with insightful exploration of the country's hidden gems. This six-part series inspired and informed viewers about South Africa's unique destinations, diverse cultures and the untold stories of exceptional people, and the lesser-known places they could explore.

The region continued engagements and collaboration with the distribution channels, content creators, and media, through interactive digital communication tools and platforms for wider reach and brand appeal.

In the final instance, the biggest win during this period has been the outstanding performance following the visa waivers for Kenya, which started in January 2023, and Ghana, in November 2023, compared to the same period in 2022. These visa waivers, coupled with continuous targeted integrated marketing initiatives executed by South African Tourism to attract visitors from these markets, created a winning formula for the growth of the tourism sector.

Moving on to the Europe and UK, the Region is configured into four hubs:



The Region continued to create demand through travel acquisition and growing brand equity for South Africa as a leisure and business events destination in its core and watchlist markets.

Europe’s Six Core Markets	Europe’s Six Watchlist Markets
United Kingdom (UK)	Ireland
Germany	Austria
Netherlands	Switzerland
France	Portugal
Italy	Belgium
Spain	Sweden

Europe and UK travellers represent a substantial portion of air arrivals and spend, making their travel patterns crucial for South Africa’s tourism industry. In 2023, South Africa experienced a significant increase in tourism arrivals from Europe and the UK, contributing positively to the country’s economy.

The total number of tourists from Europe and the UK to South Africa from April 2023 to March 2024 was 1 278 308. The top three European countries by arrivals were the UK with 362 462 arrivals, followed by Germany with 254 132 arrivals, and the Netherlands with 134 750 arrivals. The UK market regained the number one air market position for South Africa, and the Netherlands was Europe’s best-performing arrival market, with a 9% recovery compared to 2019. Overall, Europe and UK arrivals increased by 16.7% compared to the previous year, indicating a positive trend in tourism to South Africa. Seasonal variations were observed, with peak months coinciding with European summer holidays.

Europe and UK travellers primarily visited South Africa for leisure purposes, with popular experiences including beautiful scenery, safaris, cultural experiences, food and wine, and the climate. Europe and UK tourists contributed significantly to the local economy through spending on accommodation, dining, transportation, souvenirs, and experiences. The total expenditure by Europe and UK tourists in FY2023/24 amounted to approximately R31.2 billion, representing a substantial contribution to South Africa's GDP. The top three European countries by spend were the UK with R9.5 billion, Germany with R6.1 billion, and the Netherlands with R2.9 billion.

The Europe and UK hubs focused on delivering the LIVE SOUTH AFRICA! localisation campaign plans, with a strong emphasis on building demand and conversion, supported by brand affinity initiatives. Strong LIVE AGAIN equity in the FY2022/23 fiscal year was built. To ensure continued success, the LIVE SOUTH AFRICA! campaign continued in FY2023/24. European travellers were invited to LIVE SOUTH AFRICA by experiencing a life-changing transformation filled with rich, authentic, unfiltered experiences—from breathtaking beauty to sun-soaked coasts, from wildlife to active adventure, from vibrant urban energy to the incredible warmth and cultural diversity of the South African people. Challenges such as the cost of airline tickets and safety and security issues impacted the recovery to 2019 tourist arrival levels. Despite these challenges, Europe and UK tourism to South Africa experienced growth in 2023, underscoring the resilience and appeal of the country as a tourist destination. Continued efforts to enhance visitor experiences, address challenges, and capitalise on opportunities will be crucial for sustaining this positive momentum.

“ Challenges such as the cost of airline tickets and safety and security issues impacted the recovery to 2019 tourist arrival levels.

United Kingdom and Ireland

The United Kingdom (UK) and Ireland play a pivotal role in the Market Prioritisation and Investment Framework (MPIF) as the largest overseas market. South Africa welcomed 362 462 arrivals from the UK, a 7.8% increase from the previous year, and 28 684 arrivals from Ireland, a 17.3% growth. Combined, this represented an 87.7% recovery of 2019 levels. Forward projections by Oxford Economics indicate that

the UK and Ireland will recover to 2019 levels in 2024. The hub continues to exhibit a resilient desire for exploration, despite economic challenges. Strategic planning and an appetite for longer, upgraded travel experiences have fuelled growth in the luxury travel sector.

Efforts leveraging industry relationships have resulted in connections with 1 690 trade partners at key platforms including WTM, Experience Africa, ATI, and local roadshows. South African Tourism won the 'Luxury Tourist Board of the Year' and the Aspire Travel Awards in 2023 as a testament to these efforts. The UK and Ireland campaign LIVE SOUTH AFRICA! reached nearly 29.1 million consumers driving over 31.9 million engagements across multiple channels including The Telegraph, The Times, Wanderlust, ITV, consumer shows and digital. South Africa has been featured in 99 articles across 70 publications in the UK and Ireland, generating over £8m PR value. Posts across all channels showed a significant level of engagement with over 830 000 interactions and 3.1 million video views.

Safety concerns were addressed through targeted safety campaigns and partnerships. To mitigate perceptions of expense, the hub emphasised value for money, working with 'The Post Office Holiday Money Report' which generated 297 pieces of coverage in the UK.

Central Europe

The strategy for the Central Europe hub evolved from encouraging people to "just" travel, to making them genuinely crave South Africa's offerings of wildlife, nature, and individual experiences. The hub's focus centered around promoting value-for-money, affordability, and authentic experiences by connecting with locals, wildlife, and scenic beauty, while addressing concerns regarding safety and security. Through the hub's efforts, people were encouraged to truly live South Africa in their own personalised and enriching way, all while promoting sustainable products and responsible tourism.

Focusing on Germany, Austria, and Switzerland serves to elevate South Africa's position in the market relative to long-haul competitors. South Africa welcomed 319 071 visitors from Central Europe with Austria reaching 21 292 (17.2% compared to the prior year); Germany with 254 132 arrivals (15.1% compared to the prior year), and Switzerland with 43 647 (13.6% compared to the prior year).

To break down barriers, the strategic approach taken was the creation of destination knowledge and trust, and equipping trade partners with the necessary tools to sell South Africa more effectively. Thus, the hub focused on a multitude of measures from live experiences and events to spot-on targeted group-focused media campaigns. The digital paid media campaign reached 10.7 million consumers and reached a total of 73 million impressions. Regarding day-to-day social media communication, travellers were inspired to choose South Africa as their next destination with stunning visuals and trending content. Over 5 million impressions were gathered, over 685 000 consumers reached and counted 41 000 engagements organically on Instagram and Facebook. Through the hub's consumer newsletter, over 48 618 recipients were reached. The hub achieved a potential PR reach of 392 million (+37%),

resulting in an impressive €13 million media value. Trade co-operation played a significant role in the hub's success. By building brand and destination knowledge, both new and existing trade partners were supported and empowered to sell South Africa. Through webinars, podcast promotions, and workshops, brand and destination knowledge was built for over 4 000 participants. With an astounding 69 projects across all fields and disciplines, from digital, print, social, newsletters to POS and Live Events, the trade co-operation was highly successful reaching a total of over 51 million contacts.

Throughout the fiscal, the operating environment for the Central Europe tourism industry was characterised by a degree of uncertainty that forced consumers to change their habits in almost all areas of life. Germany and Austria are facing a recession and a high inflation rate. The war in Ukraine, the climate crisis, and high energy costs, are challenges that will occupy Central Europe for the foreseeable future.

South Europe

Since the beginning of the financial year, South Europe faced high inflation. However, consumers continue to prioritise travel, including to long-haul destinations. South Africa welcomed a total of 229 268 travellers (29.6% of the prior year arrivals) from the South Europe region, with France at 123 339, Italy at 52 973, Spain at 32 956, and Portugal with 20 000. Each year, the pre-COVID arrival levels are getting closer, as Southern Europe closed the year at 80.9% of 2019 arrivals. Projections estimate a return to pre-COVID levels by 2025.

The South Europe hub localised the LIVE SOUTH AFRICA! Campaign. Within the campaign, for each brand pillar, stories were narrated that were brought to life by exceptional people, places and experiences. The campaign delivered 6.7 million digital engagements, exceeding the annual target of 5.3 million. It reached 49.7 million consumers, exceeding the target of 6.9 million. The major barrier to travel to South Africa remains safety and security concerns for this hub.

North Europe

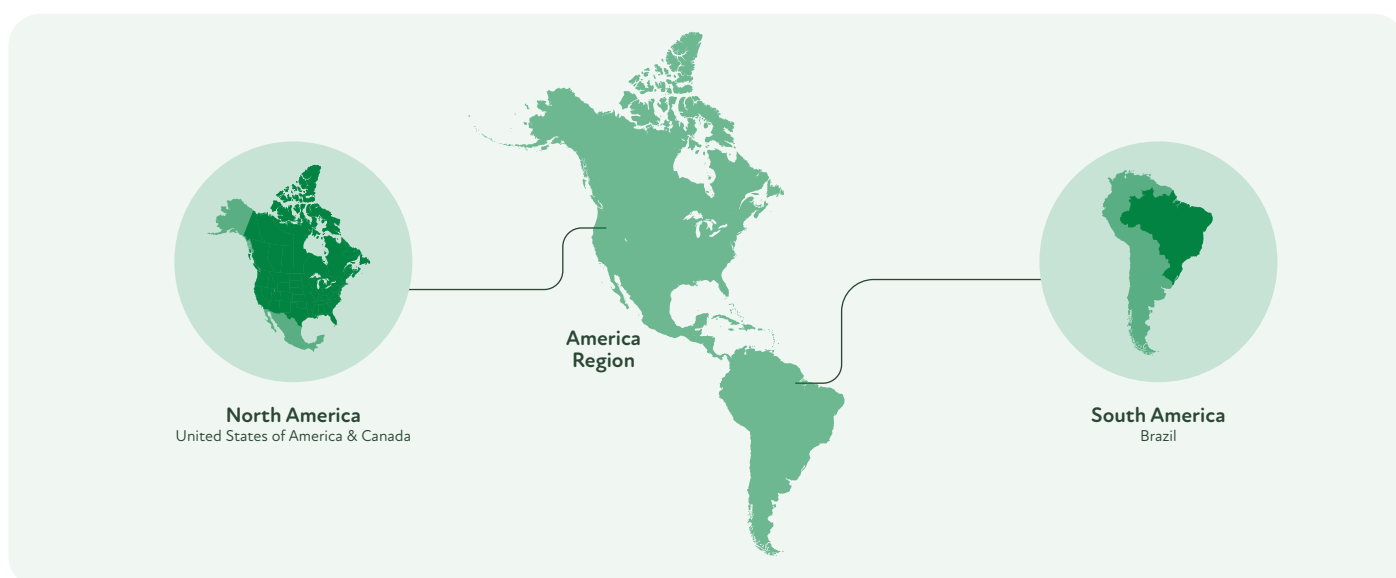
The North Europe hub has exhibited outstanding recovery post COVID-19, particularly in the Netherlands and Belgium, reaching 96.6% and 92.6% of 2019 arrivals, respectively. The Netherlands is the fourth largest overseas market and the third largest source market out of Europe, with 134 750 arrivals recorded for April 2023 to March 2024, and a 25.8% increase from the prior year. Belgium closed the year with 48 312 arrivals, an 18.7% increase from the prior year. Sweden recorded arrivals of 24 998, a 9.1% increase from the prior year.

The hub launched the Live South Africa! campaign, highlighting South African businesses and responsible tourism opportunities to North European audiences. It reached a total of 116.3 million consumers, with 11.0 million of those actively engaging with the content. From a Public Relations perspective, blogger

collaborations targeted at inspiring content, stories, and coverage about different areas were effective in driving additional engagement on South African Tourism’s North Europe channels. The content was aimed at making a positive impact, with a consistent effort to onboard media and offset negative stories to counter publications about crime. The hub prioritised business-to-business interaction and enabled market access at the Vakantiebeurs trade and consumer show and South African Tourism’s first roadshow in North Europe post-COVID. Twenty-three South African products, including ten SMMEs, met over 104 Dutch and Belgian travel trade professionals as a result of the roadshow, which took place across four cities in the region.

‘Safety and security’ continues to be a barrier for this market. However, Public Relations interventions and media relationship building were activated in mitigation. South Africa is also perceived as expensive due to limited direct airlift from this region.

The Americas Region is configured into two hubs:



The FY2023/24 delivered prospects for robust future performance out of the USA and Brazil to drive sector recovery. This was supported through the introduction of direct airlift by Delta and United Airlines, and the reinstatement of Latin America Airlines (LATAM) and South African Airways (SAA) flights out of Sao Paulo. The direct flight operated by SAA ex Sao Paulo/ Cape Town was a major highlight during the year. For the first time, destination South Africa can confidently message ease of access to the Brazilian traveller, as South Africa is a mere seven-and-a-half-hour flight via direct access to Cape Town, as the gateway to experience the entire country.

The North America hub harnessed renewed enthusiasm for travel from the region to deliver localised brand campaigns and distribution channel initiatives that built global brand affinity and drove conversion. These efforts resulted in recovery reaching more than 100% of the 2019 levels from the USA, and 88% of the 2019 levels from Canada.

For 2023, the USA was a strong market just behind the UK, with Canada coming in at number eight on the list of overseas tourism markets. Wildlife safari, natural scenery, and culture are the top draws for both markets and featured heavily across the campaigns and initiatives which impacted trade, media, stakeholders, and consumers.

The hub also conducted several market access initiatives, including the hosting of an insights-led workshop at Africa’s Travel Indaba that offered valuable data and information into both the USA traveller and travel trade landscape from guest experts. Two-hundred and seventy-eight (278) SMMEs, South African products, and trade were engaged between in-person and digital programming.

In leveraging the reinstatement of direct flights for Brazil post COVID-19 in October 2023, the hub worked to reinspire and re-educate the trade, media, and influencers through a networking event with an estimated 150 participants. The South African Consul-General in São Paulo represented the South African government given the significance of the BRICS formation in pursuing the South/South agenda. The Brazil hub executed the sixth edition of the South African Tourism trade show in São Paulo which included the participation of 33 entities showcasing more than 200 products and experiences. The success of the show was demonstrated by the attendance of more than 200 trade and media professionals.

While the strength of both the USA and Canadian dollar makes South Africa an affordable option, the country needs to aggressively gain market share by lowering barriers including, the perception of crime, concerns around political uncertainty, the electricity crisis, and increasing aviation routes to lower the cost of travel.

South African Tourism has four hubs in the Asia Australasia Region:



During 2023 Asian markets showed significant growth with a total of 366 776 arrivals from the region, representing a 36.2% growth compared to the same period last year. India led the way with 79 628 tourists, a 24%

growth, closely followed by China, which saw a massive 257% surge amounting to 42 082 arrivals. Japan increased arrivals by 218% and was a high yield market in terms of spend. The performance highlights South Africa's magnetism as a tourism destination for tourists coming from this region. The rich and varied cultural heritage, historical connections, natural beauty, and diversity continue to make destination South Africa highly attractive to travellers coming from the Asia Pacific region. The re-opening of the Chinese market and the initiation of direct flight routes have catalysed a resurgence in arrivals, highlighting the vast potential and significance of this market to South Africa. The Indian travel and tourism sector is forecasted to experience a robust growth rate of 12% to 14% by 2025.

The region's marketing approach was to showcase South Africa's exceptional experiences while demonstrating it to be a safe, fun, accessible, and welcoming destination. All marketing activities were underpinned by a call to action to visit South Africa now and deterring fear through rich content integration, advocacy, distribution channel engagement, and over-riding barriers with an exceptional, meaningful, and inviting proposition. The campaigns in the region had a consumer and distribution channel focus. The consumer focus was led through content integration, advocacy, collaboration, digital marketing, activations, and events. The distribution channels were engaged through outbound travel agent (OTA) campaigns, airline campaigns, and advertising. These efforts led to some important achievements.

Air China re-introduced direct operations from Beijing via Shenzhen to Johannesburg. Cathay Pacific also introduced direct operations from Hong Kong to Johannesburg. SAA introduced direct operations from Perth to Johannesburg in April 2024. South African Tourism undertook a successful road show in major cities in China showcasing South Africa as a preferred destination. The Minister of Tourism held a successful outreach programme in China promoting South Africa as a preferred destination. The India hub held a successful road show in five second tier cities in India showcasing South Africa as a preferred destination. Australia successfully executed the Mega Lekker City project bringing more than 90 travel agents, consumers, and trade media from Australia to South Africa.

Key challenges for this region include the lack of direct airlift, and the longer than usual turnaround time for obtaining visas especially for China and India. South Africa is gradually being perceived as an expensive destination due to the high cost of airline tickets and hotel supply shortages post COVID-19. Safety and security issues remain a barrier for this region, especially for the Chinese market. The region has had direct and ongoing engagements with the Department of Home Affairs and the South African embassies to improve the visa challenge, as well as with airlines with the intention to improve airlift.

Business development is essential to safeguard South African Tourism's marketing investments by cultivating demand in second-tier markets. This ensures a continuous pipeline for future growth and reduces the risk of over-reliance on the existing 24 markets. The ELO business unit aims to boost tourist arrivals to South Africa from embassy support markets and enhance their spending. By doing so, it aims to contribute to the economic

impact of tourism including generating downstream economic benefits and fostering job creation within the tourism sector. South Africa has built a robust brand affinity through its embassies and missions in emerging and growth opportunity markets where South African Tourism does not have a physical presence. The ELO markets experienced a remarkable 88% recovery in 2023 compared to pre-COVID-19 levels of 2019. In the ELO portfolio, Uruguay, Madagascar, and Iran emerge as the leading growth markets, each experiencing an increase of over 50% compared to 2023.

Most of the expanding markets have seen an increase of over 10%. In ELO, most European markets experienced growth in 2024, while most African markets declined during the same period with arrivals in Quarter 1 (January-March) down compared to 2023. However, over half of the markets within the ELO portfolio have experienced a decline from 2023. The most significant decrease was observed in Israel, which decreased by 66% overall and by 71% specifically in March 2023.

Trade platforms and trade activations were effective tools in raising destination awareness. Various campaigns were implemented at trade workshops, which included the SAA /United Arab Emirates (UAE) campaign delivered through TURSAB, which is the Association of Turkish Travel Agents, the Turkey trade workshop, and the Siya Kolisi AV. Other promotional engagements included deals campaigns with Globe Travel Visit South Africa via their channels, Espire Travel Visit South Africa through their social media channels, the Air Algerie launch flight, Mandla Mandela word-of-mouth on TV, and the Hilal TV Live Again campaign during BRICS broadcast.

In terms of distribution channel initiatives, training sessions were held in Cape Town at the Southern Sun, Springbok Atlas, African Diamond Tourism, Ludus Magnus, and Escape 2 the Cape. Non-channel engagements included engagement with the Halaal Tourism Association of South Africa, and the BCX SuperSport Shootout Caddie Activation. In the Middle East, the business unit engaged in the TURSAB Turkey Trade workshop and attended the UAE National Day with the UAE Ambassador. The bespoke destinations Visit South Africa brochure campaign was shared at the above events and was distributed to the embassies and trade through their distribution channels. The channel initiatives included a presentation on the ELO strategy on market access during the SATSA Webinar on Transformation, the Air Cote D'Ivoire ELO strategy meeting webinar planning (distribution channel initiative), Air Mauritius trade meeting familiarisation trip planning follow-up (distribution channel initiative), BRICS Aviation Working Group (stakeholder/distribution), Iran Joint Cluster meetings with the Departments of Tourism and International Relations and Co-operation (DIRCO).

The business unit also conducted a Masterclass in Tourism training webinar with DIRCO's newly appointed Heads of Missions in the various embassies, followed by a spousal training session. Other channels included Globe Travel and the Pakistan High Commission's tourism workshop, and the Air Algerie trade breakfast workshop to celebrate the launch of the direct flight in collaboration with Gauteng Tourism. The ELO business unit also collaborated with KwaZulu-Natal (KZN) on the KZN UAE

familiarisation trip. The trip was undertaken in September with hosted trade from UAE and led a speed marketing session with UAE trade and KZN Tourism.



From a Global Trade perspective, the plan for the fiscal was to stimulate demand through aviation and cruising efforts in and around the country. The plan included route development initiatives, trade collaborations as well as participation at key international and/or local tradeshows. Amongst these were key mobility drivers such as Routes World, an aviation platform, the Inaugural Airline Pavilion featuring eight airlines at Africa's Travel Indaba, as well as well as the Inaugural Cruise Tourism Workshop which led to a collaboration with the Mediterranean Shipping Company (MSC) cruises in the welcoming of their Splendida and the opening of the Nelson Mandela Cruise Terminal in Durban. Furthermore, South African Tourism worked with country trade and airline partners like Air Algerie, TURSAB, and SAA to equip them with the necessary information to package South Africa as an appealing and accessible destination.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviation
Increase the tourism sector's contribution to inclusive economic growth	Global brand campaign	Global Tourism Brand Campaign implemented	FY2021/22 Global Tourism Brand Campaign plan launched and implemented	Financial Year 2022/2023 Global Tourism Brand Campaign Plan implemented	Financial Year 2023/2024 Global Tourism Brand Campaign Plan implemented	The FY2023/24 Global Tourism Brand Campaign Plan was implemented.	None.	None required.
					3 global tourism campaigns localised in South Africa	4 global tourism campaigns were localised in South Africa.	1 additional global tourism campaign was localised in South Africa.	The business unit leveraged tactical marketing opportunities.
					2 global brand collaborations and/or partnerships secured	2 global brand collaborations and/or partnerships were secured.	None.	None required.
		Number of localised brand campaigns implemented in support of the Global Tourism Brand Campaign	N/A	New indicator	11 localised brand campaigns implemented	11 localised brand campaigns were implemented.	None.	None required.
	Regional (Africa) Tourism Campaign	Number of regional seasonal campaigns implemented	N/A	New indicator	4 regional seasonal campaigns implemented	4 regional seasonal campaigns were implemented.	None.	None required.
Domestic Tourism Campaign	Number of domestic seasonal campaigns implemented	4 domestic deal driven campaigns implemented	3 domestic deal driven campaigns implemented 1. Sho't Left Travel Week Campaign 2. Summer Deal-Driven Campaign 3. Easter Deal-Driven Campaign	3 domestic seasonal campaigns implemented	3 domestic seasonal campaigns were implemented.	None.	None required.	

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviation
Increase the tourism sector's contribution to inclusive economic growth	Global brand affinity initiatives	Number of distribution channel initiatives implemented in market	N/A	New indicator	101 distribution channel initiatives implemented in market	336 distribution channel initiatives were implemented in market.	235 additional distribution channel initiatives were implemented in market.	Additional online opportunities and platforms with distribution channels and provinces were leveraged.
	Global Trade Programme	Global Trade Programme implemented	N/A	New indicator	FY2023/24 Global Trade Plan implemented	The FY2023/24 Global Trade Plan was implemented, including additional activities.	2 additional activities were implemented.	Route development opportunities emanating from collaboration with stakeholders were leveraged.
	Global Advocacy Programme	Annual Global Advocacy Programme implemented	New indicator	Elements of the Global Advocacy Programme implemented	FY2023/24 Global Advocacy Programme implemented	The FY2023/24 Global Advocacy Programme was implemented, including additional activities.	12 additional activities were implemented.	Advocacy efforts to promote the destination were amplified through internal collaboration.
	Tourism economic impact communication	Number of quarterly tourism economic impact communication activities	N/A	New indicator	4 quarterly tourism economic impact communication activities	52 communication activities on the quarterly tourism economic impact were implemented.	48 additional communication activities on the quarterly tourism economic impact were implemented.	Efforts were intensified to communicate the economic impact of tourism.

A key objective of the Global Advocacy campaign was to ensure a positive image of South Africa and its offerings. Through various interactions and activations, South African Tourism participated in platforms supported by individuals with influence driving and advancing a positive narrative about the country. These included Africa’s Travel Indaba 2023 where CNN’s Richard Quest hosted the global media editorial session known as the Global Media Face Off. He also recorded some episodes of his show in South Africa. During his stay, he showcased some of Durban’s attractions and participated in media interviews positively profiling South Africa. As a leader in shaping business opinions, his hosting of the Global Media Face Off and recording of his show in South Africa went a long way in driving a positive narrative about the destination.

At Meetings Africa 2024, South African Tourism’s owned strategic business events show which took place in February this year, the entity featured influential voices in the business events sector, positively advocating for South Africa as not only a capable business events host, but also as a country that has a significant knowledge economy. Similarly, at ITB in early March of 2024, both the Minister of Tourism, Patricia de Lille, as well as South Africa’s Ambassador to Germany, Stone Sizani, spoke candidly about the initiatives and discussions in government around access, which provided the media that covered this event an indication that the critical issue of access is being addressed at government level. At the same event, the Minister signed an MOU with the Tourism Minister of Brazil, paving the way for mutual promotion of the two destinations. Throughout the year, the Global PR and Communications business unit executed its media plan seeding positive content addressing barrier issues. Over the last year, several airlines reintroduced direct routes to South Africa from various countries. This is a vote of confidence and trust in destination South Africa.

Strategy to Overcome Areas of Under-Performance

Target	Mitigating Action/s
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There was no under-performance for this Programme.

Programme 4: Business Events

Overview of the Programme

The purpose of the Business Events Programme is to grow the nation’s business events industry. The South Africa National Convention Bureau (SANCB) includes the following business units:

Business Unit	Purpose
Business Development and Support Services	To generate qualified leads and inform targeted positioning of South Africa as a business events destination.
Meetings, Incentives, Conferences and Trade Exhibitions (MICE) Sales	To capacitate and enable a relevant and competitive business events destination.
Strategic Events and Platforms	To create an inclusive market access and transaction platform for South African and African tourism and auxiliary products.

In contributing towards the South African Tourism impact of “tourism in South Africa grows and increasingly contributes to GDP, job creation, inclusive economic participation, and is enjoyed by all South Africans”, the Business Events Programme delivers against the following Outcomes and Five-Year Targets in the approved Five-Year Strategic Plan 2020-2025:

Institutional Outcome	Sub-Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (2024/25)
1. Increase the tourism sector’s contribution to inclusive economic growth	Demand creation	Number of international business events hosted	230	111 (Cumulative 2020/21-2024/25)
		Number of SMME businesses supported	182	1 096 (Cumulative 2020/21-2024/25) <i>(Through both Business Events platforms and Visitor Experience events and hosting itineraries)</i>

Outcomes, Outputs, Output Indicators, Targets & Actual Achievement

The objective of the SANCB is to grow South Africa’s business events and secure a pipeline of international business events to be hosted in the country. The SANCB’s sales division converts leads into bidding opportunities for international and regional business events, including meetings, incentives, conferences and exhibitions (MICE). The SANCB assists the business events industry in submitting bids for MICE events to be hosted in South Africa. Through its bid support programme, the SANCB provides financial and non-financial support for qualifying

business events, based on criteria developed with the local industry.

For FY2023/24, the SANCB sourced and submitted 95 bids for international business events to be hosted in South Africa between 2024 and 2032. The 95 bid submissions have a combined estimated economic value of R1 554 496 000 and can potentially attract 60 040 international and regional delegates to South Africa between 2024 and 2032.

Thus far, South Africa has won 19 of the bids submitted for this fiscal. These secured business meetings/conferences will contribute R84 192 000 to South Africa's economy between 2024 and 2025 and attract 3 055 international and regional delegates. Through the SANCB, South African Tourism invested R5 737 057 in bid submissions through its bid support programme, to attract business events linked with the national government's development priorities. The secured conferences will also contribute to the regional spread of business events as they will be hosted in Johannesburg, Tshwane, Ekurhuleni, Cape Town, Sun City, Parys, Skukuza, and Potchefstroom.

As part of lead generation activities, the SANCB business unit hosted eight workshops at academic institutions across South Africa to target academics affiliated with associations for future bidding opportunities.

Academic Institution	Workshop Date
Nelson Mandela University	28 th July 2023
Rhodes University	2 nd August 2023
University of Johannesburg	11 th August 2023
Cape Peninsula University of Technology	16 th August 2023
University of Cape Town	17 th August 2023
University of Mpumalanga	14 th September 2023
University of the Free State	15 th November 2023
University of Pretoria	11 th March 2024

Through these engagements, the SANCB generated 15 qualified leads for international and regional association conferences with a combined economic value of R419 million.

Through the SANCB, South African Tourism executed the Business-to-Business (B2B) global and domestic campaigns. The campaigns aimed to position South Africa’s exceptional people, places and ways.



The leads generated from all business development activities contributed towards a pipeline that can be converted into future business for the destination.

The SANCB hosted students from various academic institutions at the Future Leaders Forum, established to encourage students to learn about careers in the business events industry. The shortlisted candidates competed against one other, with the winner securing a coveted spot at the IMEX Frankfurt international challenge. Here, the South African student competes for the coveted prize of being the overall winner. The winner for the FY2023/24 Future Leaders Forum was Ms. Hlolohelo Zwane from the Tshwane North College, who later won the global Future Leaders Forum at IMEX Frankfurt 2024.

In driving geographic spread during the fiscal year, the SANCB assisted five organisations in hosting their conferences in villages, towns, and small dorpias (VTSD) across South Africa. The following conferences were held:

Conference Name	VTSD	Estimated Economic Impact	Dates
Tourism Investment Forum Africa	Upington, Northern Cape	R1 920 000	7 th to 9 th June 2023
Southern African Association for the Conference Industry (SAACI) Congress	Addo, Eastern Cape	R640 000	30 th July to 1 st August 2023

Council of Events Professionals Africa (CEPA) Garden Route Workshop	Mossel Bay, Western Cape	R256 000	28 th to 29 th September 2023
An Introduction to Radio Presenting Workshop	Mossel Bay, Western Cape	R192 000	11 th to 13 th December 2023
Southern Africa's Township and Village Tourism Expo (SATOVITO)	Krugersdorp, Gauteng	R800 000	25 th to 26 th January 2024

The Africa's Travel Indaba (ATI) trade show took place at the Inkosi Albert Luthuli International Convention Centre (Durban ICC) from 9th to 11th May 2023, preceded by a Business Opportunities Networking Day (BONday) on 8th May 2023. The positioning for ATI 2023 was "Africa's Excellence, Endless Opportunities," supported by the theme of "Unlimited Africa." The event was attended by global and continental travel and tourism stakeholders such as tour operators, hotels and other accommodation establishments, airlines, destination marketing agencies, and government stakeholders, attracting 8 688 industry stakeholders. The target for exhibiting companies was set at 900 but was exceeded, reaching 1 033 exhibiting companies. The show registered a total of 1 143 buyers in attendance. The Department of Tourism hosted 120 SMME products at the Hidden Gems Pavilion.

An Airlines Pavilion was introduced at ATI for the first time, with eight airlines participating. Twenty-two African countries attended the show. A total of 23 196 meetings were confirmed between buyers and exhibitors

The SANCB hosted Meetings Africa, Africa's premier business events trade exhibition at the Sandton Convention Centre from 27th to 28th February 2024, with the educational business opportunity day setting the tone on 26th February. The show was strategically positioned under the theme "Africa's Success Built on Quality Connections". Meetings Africa demonstrated a significant growth in attendance from international, regional and local delegates, with 3 480 recorded for this year's edition. Growth was evident as the show reached full capacity on the exhibition floor. Final sales rendered the exhibition entirely sold out, with 382 main and sharing exhibitors participating, exceeding the original target of 350, and the stretched target of 370. The show generated a total of 13 447 meetings scheduled, of which 8 150 were confirmed, compared to the 7 060 meetings confirmed in 2023. Twenty-two African countries participated in the show, including South Africa as the host, Eswatini, Kenya, Togo, Egypt, Uganda, Malawi, Tanzania, Nigeria, Zambia, Senegal, Mozambique, Rwanda, Seychelles, Ghana, Namibia, Mauritius, Zimbabwe, Ethiopia, Botswana, Angola and Cote D'Voire. Twenty-five SMMEs participated in the Development Zone, funded and managed by the Department of Tourism. This number was complimented by 29 SMME products that attended of their own accord. Nine airlines exhibited, eight of which formed part of the Airlines Pavilion, with South African Airways exhibiting independently.

South African Tourism further facilitated participation at global strategic tradeshows, which presented an opportunity for South African products to have access to and transact with, various international buyers:



1. Arabian Travel Market, Dubai was held from 1st to 4th May 2023. Twenty products attended the show, which included five SMMEs. The total number of meetings that were reported through the post-survey is estimated at 3 000, with just over 800 leads generated over the four days. The exhibitors in the pavilion anticipate a 55% average growth from Middle Eastern markets resulting from this year's business transactions at the show, compared to previous years.



2. IMEX Frankfurt 2023, Europe's most prominent global business events trade show, took place in Frankfurt, Germany, from 23rd to 25th May 2023 at the Messe Frankfurt Exhibition Centre. The destination was represented by 14 prominent MICE products with 479 meetings reported by these products with buyers, resulting in 153 leads for potential business events to be hosted in South Africa in the near future.



3. The SANCB, in partnership with 20 industry MICE products, showcased the destination at IMEX America from 17th to 19th October 2023 at the Mandalay Bay Convention Centre in Las Vegas. Over the course of three days, the stand sharers on the pavilion held 496 meetings with buyers, resulting in 168 leads for potential business events to be hosted in South Africa over the next two to five years.



4. World Travel Market London, held in London, United Kingdom, took place from 6th to 8th November 2023 under the theme, *“Travel has the power to expand opportunity, strengthen economies, widen employment and create new futures. You have the power to change travel. And travel has the power to change the world.”* Twenty-six South African tourism sector partners participated in this globally acclaimed show. The total number of meetings was estimated at around 1 000, with about 500 leads generated over the three days.



5. IBTM World, Barcelona, took place from 28th to 30th November 2023. This tradeshow allowed the global business events industry to engage with trade buyers from various markets worldwide. There were 344 recorded meetings with buyers, resulting in 82 leads for potential business events to be hosted in South Africa over the next two to five years.



6. ITB, Berlin took place from 5th to 7th March 2024. SA Tourism partnered with 64 tourism industry partners at this leading global platform; this number has surpassed the pre-COVID record number of industry participation. The total also included 14 SMMEs, which has grown by four additional products compared to 2023. The post-survey conducted on meetings estimated 1 471 meetings and 550 leads.

Outcome	Output	Output Indicator	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement	Deviation from Planned Target to Actual Achievement	Reasons for Deviation
			2021/2022	2022/2023	2023/2024	2023/2024	2023/2024	
Increase the tourism sector's contribution to inclusive economic growth	B2B brand campaign	Number of B2B brand campaigns implemented	1 Domestic B2B Campaign implemented	1 Domestic B2B Campaign implemented	1 Domestic B2B Campaign implemented	1 Domestic B2B Campaign was implemented.	None.	None required.
			1 Global B2B Campaign implemented	1 Global B2B Campaign implemented	1 Global B2B Campaign implemented	1 Global B2B Campaign was implemented, including additional activities.	4 additional sector stories were achieved.	Optimal planning and timeous implementation.
	Business events bidding platform	Number of bid submissions	81 bid submissions	93 bid submissions	93 bid submissions	Submitted 95 bids.	2 additional bids were submitted.	The pipeline of leads generated was successfully converted into bid submissions.
		Number of business events hosted in VTSDs	3 business events piloted in VTSDs	5 business events hosted in VTSDs	5 business events hosted in VTSDs	Hosted 5 business events in VTSDs.	None.	None required.
		Number of business events bidding impact reports	N/A	New indicator	4 business events bidding impact reports	4 business events bidding impact reports were produced.	None.	None required.
	Strategic platforms	Africa's Travel Indaba hosted	No Africa's Travel Indaba in 2021	Hosted Africa's Travel Indaba	Hosting of Africa's Travel Indaba 2023 Reimagined	Hosted Africa's Travel Indaba 2023 Reimagined.	None.	None required.
		Meetings Africa hosted	Hosting of Meetings Africa 2022	Hosted Meetings Africa 2022	Hosting of Meetings Africa 2024 Reimagined	Hosted Meetings Africa 2024 Reimagined.	None.	None required.
		Number of international strategic platforms participated in	N/A	New indicator	6 international strategic platforms participated in	Participated in 6 international strategic platforms.	None.	None required.

Strategy to Overcome Areas of Under-Performance

Target	Mitigating Action/s
There was no under-performance for this Programme.	

Programme 5: Tourist Experience

Overview of the Programme

The purpose of the Tourist Experience Programme is to ensure the delivery of quality assured tourist / visitor experiences, which are diverse, unique, and enriched.

The Tourist Experience Programme includes the following business units:

Business Unit	Purpose
Quality Assurance and Development	To grow the number of graded properties across South Africa, which will improve overall perceptions of South Africa as a quality destination that offers a diverse, unique, and enriched variety of products and price points for tourists.
Visitor Experience	To enable the travel trade and associated partners to deliver world-class, warm, friendly, and efficient services to tourists from the ports of entry to the various tourism value touch points; and To recognise and celebrate tourism businesses for tourism excellence, for their contribution to South Africa's global competitiveness, and for growing tourism's contribution towards GDP and job creation.
Brand Experience	To seek new offerings, products, and operators to package in exciting itineraries for the use of South African Tourism hosting needs; and To enable inclusive growth through itineraries that incorporate emerging /transformed businesses, encourage geographic spread across the country, and address the misperceptions associated with seasonal travel.

In contributing towards the South African Tourism impact of *'tourism in South Africa grows and increasingly contributes to GDP, job creation, inclusive economic participation, and is enjoyed by all South*

Africans’, this programme delivers against the following outcome and five-year targets in the approved Five-Year Strategic Plan 2020 - 2025:

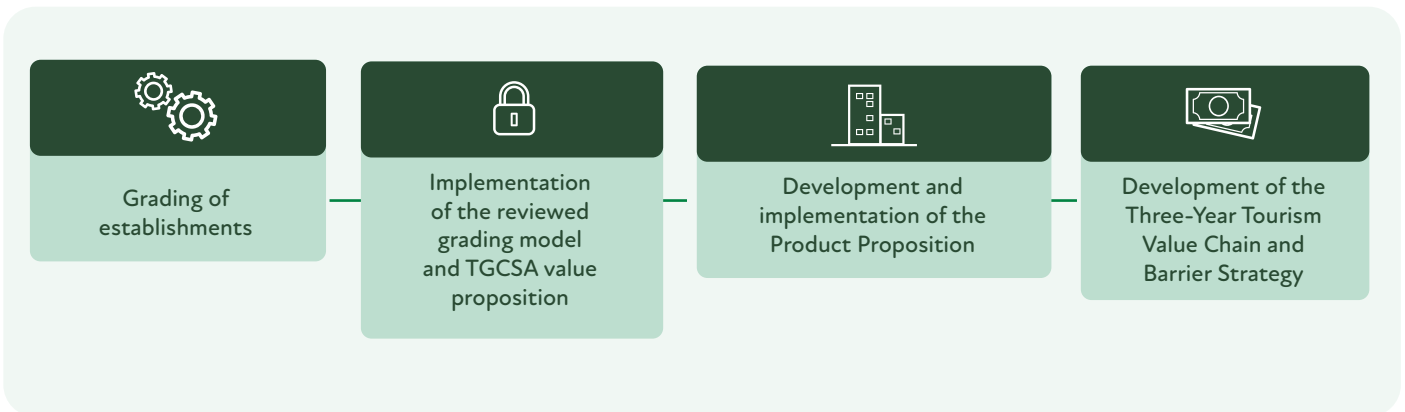
Institutional Outcome	Sub-Outcome	Outcome Indicator	Baseline (2019/20)	Five-Year Target (2024/25)
1. Increase the tourism sector’s contribution to inclusive economic growth	Demand fulfilment	Seasonality of tourist arrivals	1.3%	1.0%
		Geographic spread of international tourist arrivals	20.0%	13.9%
		Geographic spread of domestic tourist arrivals	8.0%	8.0%
		Number of SMME businesses supported	182	1 096 (Cumulative 2020/21-2024/25 through both Business Events platforms and Visitor Experience events and hosting itineraries)

Outcomes, Outputs, Output Indicators, Targets & Actual Achievement

In its endeavours to increase the tourism sector’s contribution to inclusive economic growth and rejuvenate supply, the Tourist Experience Programme focused on three main areas:

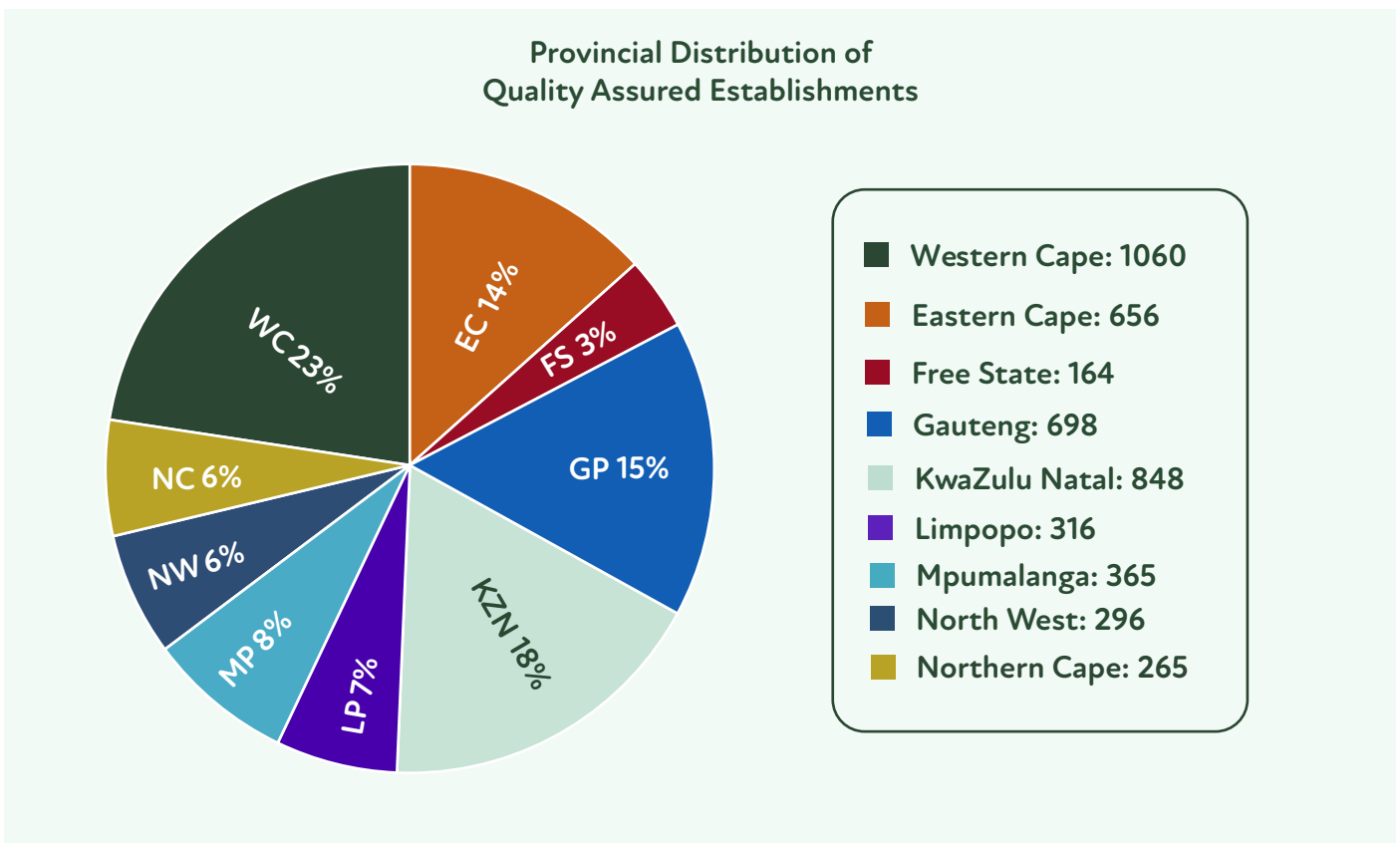


In delivering on these key focus areas, the initiatives for the year under review included:



Grading of Establishments

Against the annual target of 5 462 graded establishments, the Tourism Grading Council of South Africa (TGCSA) located within South African Tourism, quality assured 4 668 graded establishments. The illustration below depicts the provincial distribution of the quality-assured establishments, with most members located within the Western Cape followed by KwaZulu-Natal, and Gauteng:



The under-performance in other provinces is largely due to a significant number of establishments not renewing their grading memberships because of the high cost of grading fees.

The Tourism Grading Support Programme (TGSP), part of the broader Tourism Incentive Programme (TIP), was initially launched as a pilot phase on 10th March 2015, by the Department of Tourism (DT). The objective was to encourage more accommodation and meetings, exhibitions, and special events (MESE) establishments to obtain and maintain their grading under the star grading system of the TGCSA. The DT and the TGCSA agreed to transfer the administration of the TGSP from the DT to the TGCSA with effect from 1st February 2017. This change aimed to address challenges related to the poor uptake of the rebate-based programme during the pilot phase and to incorporate the financial support offered by the programme into a structured discount system that would form part of the standard tourism grading of the TGCSA. This would facilitate a streamlined administration process and more impactful achievement of the programme objectives.

In the absence of an agreement between the DT and the TGCSA at the onset of the fiscal year, some members did not renew their membership. By mid-December 2023, the TGSP was renewed, which will encourage an increase in grading in FY2024/25. At the end of March 2024, the TGSP funded a total of 798 members to the value of R3 501 046.00.

Since the implementation of the Universal Accessibility (UA) Minimum Requirements of Entry (MERs) and the UA grading criteria in 2015, South Africa has approximately 106 UA-approved properties. All properties (new and renewals) on the TGCSA membership database have been assessed for UA to ascertain their state of readiness in line with the respective criteria.

There has been false advertising by establishments claiming to be star graded. Addressing illegal advertising thus demands a multifaceted approach. In a bid to ensure quality protection, South African Tourism continued to diligently integrate control measures to enforce compliance with relevant legislation, including the Tourism Act and the Consumer Protection Act. The participation at ATI underscores the entity's proactive stance, where expert panellists from esteemed organisations like the National Human Rights Commission of South Africa (NHRCSA) and National Consumer Commission (NCC) were featured. The panel discussions shed light on pivotal issues, including racism and inclusivity, emphasising established protocols for lodging complaints via the Department of Tourism, the NHRCSA, and the NCC. South African Tourism's commitment to excellence remains unwavering as it navigates challenges and pioneers innovative solutions, ensuring the sustained integrity and growth of operations in the tourism industry.

The accredited Grading Assessors are responsible for applying the globally competitive grading criteria, to ensure consistency in the experiences provided by the accommodation sector across South Africa. Furthermore, the TGCSA provides a rigorous framework and processes used by assessors for the quality assurance of accommodation establishments and venues, ensuring the country's international competitiveness as a tourism destination of choice. A compulsory five-day training focusing on Grade an

Establishment unit standard accredited by CATHSSETA saw 20 new assessor candidates being trained with 18 appointed as accredited assessors.

Quality Assurance Workshops created awareness on the importance of quality assurance in promoting the recovery and development of the tourism sector. The TGCSA conducted six quality assurance workshops in the Eastern Cape (Kouga Local Municipality), and KwaZulu-Natal Umhlabuyalingana, KwaDukuza, Amajuba, iLembe Municipality, and Umlazi Community Tourism Organisation.

The TGCSA's grading criteria for tourism products was introduced in 2002, and has undergone periodic reviews since then. The process to review and revise the grading system started in 2008 and is a legislative requirement that takes place every three years to ensure ongoing global competitiveness and relevance. The grading criteria review commenced in FY2023/24 and is still underway. The TGCSA diligently continues to review the grading system and standards to ensure they remain relevant, globally benchmarked, and abreast of technological developments affecting the sector, including the tourist and guest experience.

The Basic Qualification Verification (BQV) Programme, implemented by the TGCSA, focuses specifically on supporting homestays and other emerging tourism products in Villages, Towns, and Small Dorpies (VTSDs). It is a structured development programme designed to enable tourism accommodation products that do not meet the core requirements for grading to access trade with the support of the tourism sector and provides access to funding opportunities within the sector. This ensures that these products can develop their offerings to meet core requirements for formal grading over time. The programme allows participants to be part of the BQV Programme for a maximum of two years, after which they are encouraged to apply for a full star grading assessment.

The programme was launched in 2021 with the Eastern Cape as the pilot province, training 15 unemployed graduates to assist with the pilot. In the year under review, the project was rolled out to KwaZulu-Natal, with 29 graduates trained to facilitate the assessment of the products. The programme concluded on 30th November 2023, achieving 210 product assessments against a target of 208.

Implementation of the Reviewed Grading Model & TGCSA Value Proposition

The review of the grading model served to identify key operational changes for the modernisation of the TGCSA. This was underpinned by a communications programme to position the TGCSA as the quality assurance provider to the tourism sector. Various platforms, like ATI, were leveraged to execute the communications programme throughout the fiscal. The TGCSA summer campaign was launched in December 2023 and ended on 31st March 2024. The campaign was predominantly a digital and social media campaign promoted on all South African Tourism owned platforms and included season readiness welcome training for the sector. Campaign data indicated that the LinkedIn platform performed much

better compared to X (formerly known as Twitter) and other online platforms used for the campaign. LinkedIn's professional networking environment made the content resonate more effectively with its audience due to factors such as audience relevance, engagement metrics, content format and tone, and targeting and segmentation.

Brand Experience: Product Proposition and Hosting

Sustainable product and experience content was created through the Brand Experience division, including innovative itineraries for the destination. A total of 24 sustainable content stories including the CEO's destination sustainability messages were amplified across South African Tourism's social platforms.

A sustainability survey was initiated to obtain a dipstick view of product owners' understanding of sustainability, its practices, and whether sustainability performance is measured among tourism product owners, namely, Attractions and Experiences, Accommodation Providers, and Tour Operators. The study was administered via an online survey. The main respondents were South African product owners. A total of 69 responses were received, with only 29 responses being 100% complete. Forty-eight percent of the respondents were from Experiences and Attractions, 41% from Accommodation, and 10% from Tour Operators. Some of the highlights from the survey included the following:

- **69% of products or services** have specific targets or indicators used to monitor and improve sustainability over time; and
- **97% of product owners** encourage and promote environmentally friendly practices to tourists/customers.

Although the dipstick survey provided an indication of the understanding of sustainability practices, it is recommended that it be expanded to a more robust sample size in the future. The Brand Experience business unit engaged with 58 products and experiences during the financial year. A total of 44 hosting's were conducted.

Market Access

Speed marketing is a market access platform created to provide tourism businesses (products) with an opportunity to interact and forge business relationships with local and international buyers. These include tour operators and destination management companies (DMCs) who package and sell the destination, or have interest in doing so. Products are given the opportunity to market themselves using a presentation or traditional meeting set-up. Africa's Travel Indaba saw the successful delivery of thematic speed marketing sessions, as follows:

**Day 01**

Scenic Beauty with
223 attendants

**Day 02**

Township & nightlife with
203 attendants

**Day 03**

Wildlife & safari with
154 attendants

At Meetings Africa, 20 South African products presented their offerings to 100 international buyers and media. Three Provincial (destination) Speed Marketing sessions were rolled out including North West in partnership with North West Tourism, Free State in collaboration with Free State Tourism and Sho't Left and Limpopo in partnership with Limpopo Tourism Authority.

The TGCSA participated in the FY2023/24 Careers Expo and National Tourism Careers Expo (NTCE), a collaborative effort between the Department of Tourism, the Culture, Arts, Tourism, Hospitality and Sport Education Training Authority (CATHSSETA), and the Gauteng Department of Economic Development, represented by the Gauteng Tourism Authority (GTA).

Development of the Three-Year Tourism Value Chain & Barrier Strategy

A three-year tourism value chain and barrier strategy was developed during the year under review. Its aim is to enhance the overall competitiveness and sustainability of the destination's tourism sector. The value chain approach considers tourism as a comprehensive system of interconnected activities and stakeholders that contribute to developing and delivering tourism products and experiences. The strategy was developed and approved in Quarter 2, and the roadmap was developed in Quarter 4. Multiple barriers were identified, supported by a series of mitigating activities designed to address these barriers along the tourism value chain.

“ An Inclusivity Pledge was launched at the SATSA Annual Conference, to communicate the necessity for South Africa's commitment to inclusivity.

The goal and strategic priorities of South African Tourism's three-year tourism value chain and barrier strategy to be implemented over the next three years and driven by an annual roadmap, are:



Welcome Programme

The Welcome Programme seeks to inspire and educate South African tourism role-players and ordinary South Africans to exceed tourist expectations through warm, authentic interactions and the delivery of excellent customer service. The ‘Make Someone’s Day’ initiative, an extension of the Welcome Programme, aimed to highlight the importance of trade in the tourism value chain. Based on insights from various touchpoints in the tourism value chain, it became apparent that frontline staff need to understand their impact on the visitor experience. Thus, through a series of welcome training initiatives and activations, the Welcome Programme endeavoured to positively influence the visitor experience at key tourism value chain touchpoints. In this reporting period, activities included updating the Welcome training modules, activation support for airline launches, Africa’s Travel Indaba welcome activations, Meetings Africa welcome activations, inclusivity activation at Parliament, BRICS welcome activation, cruise tourism welcome training, and welcome training with products within the tourism value chain. A total of 108 frontline officials were trained during this reporting period.

An Inclusivity Pledge was launched at the SATSA Annual Conference in the year under review to communicate the necessity for South Africa’s commitment to inclusivity. After the launch of the Inclusivity Pledge, South African Tourism supported the Department of Tourism in developing a Tourism Professionalisation Strategy, that provides actionable strategies tailored to the unique challenges faced by tourism professionals and the sector at large.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviation
Increase the tourism sector's contribution to inclusive economic growth	Quality assured visitor services	Number of graded establishments	3 605	4 959	5 462	4 668	The achievement was 794 lower than the planned target.	The Tourism Grading Support Programme was renewed on 14 th December 2023. Between April and December 2023 there was no incentive for grading of properties.
		Reviewed grading model and TGCSA Value Proposition implemented	New indicator	New indicator	Implementation of 2023/24 milestones in the grading model and TGCSA Value Proposition Roadmap	The 2023/24 milestones in the grading model and TGCSA Value Proposition Roadmap were implemented.	None.	None required.
	Destination proposition enhancement	Product proposition implemented	N/A	New indicator	Product proposition developed	The product proposition was developed.	None.	None required.
					Product Proposition Roadmap implemented	The product proposition roadmap was implemented.	None.	None required.
	Quality Assurance in Tourism Value Chain	Three-Year Tourism Value Chain and Barrier Strategy implemented	N/A	New indicator	Three-Year Tourism Value Chain Strategy developed	The Three-Year Tourism Value Chain Strategy was developed and approved.	None.	None required.
					Three-Year Tourism Value Chain Strategy Roadmap developed	The Three-Year Tourism Value Chain Strategy Roadmap was developed.	None.	None required.

Strategy to Overcome Areas of Under-Performance

Target	Mitigating Action/s
5 462 graded establishments	The renewed Tourism Grading Support Programme will encourage grading in the new fiscal.

Linking Performance with Budgets

Programme	2022/2023			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Corporate Support	158 094	208 884	(50 790)	207 525	204 025	3 500
Programme 2: Business Enablement	84 621	70 202	14 419	71 529	69 968	1 561
Programme 3: Leisure Tourism Marketing	1 069 287	935 194	134 093	876 138	915 290	(39 152)
Programme 4: Business Events	92 222	286 325	(194 103)	227 194	213 737	13 457
Programme 5: Tourist Experience	51 354	59 915	(8 561)	92 448	92 448	-
Total	1 455 578	1 560 520	(104 942)	1 474 834	1 495 468	(20 634)

Revenue Collection

Sources of Revenue	2022/2023			2023/2024		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grants & Subsidies	1 329 206	1 329 206	-	1 344 672	1 289 739	54 933
Sundry Income	61 146	115 072	(53 926)	62 908	138 078	(75 170)
Grading Income	12 826	25 057	12 231	13 210	15 233	(2 023)
Voluntary TOMSA Levies (TBCA)	52 400	115 440	(63 040)	53 972	133 544	(79 572)
Total	1 455 578	1 584 775	(135 610)	1 474 834	1 576 594	(101 832)

Capital Investment

Infrastructure Projects	2022/2023			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
None	-	-	-	-	-	-
Total	-	-	-	-	-	-



Part C

Governance

Renewed Connections: Chasing Growth

Introduction

Corporate Governance is an important cornerstone in ensuring that a public entity is appropriately managed in discharging its mandate. South African Tourism aspires to the highest standards of Corporate Governance. In so doing, the entity tables reports with various oversight bodies, including Parliament's Portfolio Committee on Tourism, the Shareholder as the Executive Authority, and the South African Tourism Board as the Accounting Authority.

Portfolio Committees

In terms of Section 92 of the Constitution, the Minister of Tourism is responsible for the tourism portfolio, including any public entity within the portfolio. The Minister is accountable to Parliament and must provide Parliament with full and regular reports on matters under her portfolio.

Thus, the Portfolio Committee on Tourism exercised oversight over South African Tourism during the reporting period, where the entity, through its Shareholder, tabled the following:

Date	Subject Matter
9 th May 2023	Tourism Statistics Steering Committee Meeting: South African Tourism presented Domestic Tourism Results for 2019 to 2021
23 rd May 2023	Pre-Presidential Imbizo Tourism Stakeholder Engagement in the Western Cape: South African Tourism presented its key programmes
24 th May 2023	Trade, Tourism, Investment and Security (TTIS) Committee Meeting: South African Tourism presented SANCB initiatives
13 th June 2023	Ministerial Marketing Workshop: South African Tourism presented on its destination marketing analytics, insights, and initiatives

South African Tourism aspires to the highest standards of corporate governance.

5 th September 2023	MIPTECH Meeting: South African Tourism presented the outcomes from the Ministerial Marketing Workshop
19 th September 2023	National Air Access Meeting: South African Tourism participated at the inaugural meeting with discussions focusing on key source markets and key programmes in support of the national air access structure
17 th October 2023	Pre-Presidential Imbizo Tourism Stakeholder Engagement, in the Eastern Cape: South African Tourism presented its key programmes
31 st October 2023	Tourism Development and Governance Working Group (TDGW) Meeting: South African Tourism presented a report on the collaboration with TBCSA
14 th November 2023	TTIS Committee Meeting: South African Tourism presented the Brand Tracker Report
20 th February 2024	National Tourism Stakeholder Forum (NTSF) Meeting: South African Tourism presented the Tourism Performance Report
20 th March 2024	FY23/24 Quarter 3 Performance Report

The Portfolio Committee on Tourism approved the Quarterly Performance Reports, the FY2023/24 APP, and the Financial Year 2022/23 Annual Report. Concerns raised consistently included the appointment of the South African Tourism Board, the filling of vacant executive management positions, and the lack of progress on meeting the target in relation to people with disabilities. By the end of the fiscal, the Minister of Tourism had appointed a Board and several vacancies at the executive management level had been filled, including the CEO, CFO and Chief Strategy Officer (CSO). South African Tourism also met the annual target for people with disabilities by the end of the fiscal.

South African Tourism also presented the FY2023/24 APP to the Select Committee on Trade and Industry, Economic Development, Small Business, Tourism, Employment and Labour, on 18th April 2023.

Executive Authority

South African Tourism's sole Shareholder and Executive Authority (EA) is the Minister of Tourism, with the powers of the Shareholder articulated in the PFMA. In line with legislative requirements, South African Tourism submitted a number of compliance documents to the Shareholder:

Date	Subject Matter
30 th April 2023	FY22/23 Quarter 4 Performance Report
31 st May 2023	Draft FY22/23 Annual Report
30 th July 2023	FY23/24 Quarter 1 Performance Report
13 th September 2023	Final Draft FY22/23 Annual Report
30 th October 2023	FY23/24 Quarter 2 Performance Report
30 th October 2023	Draft FY24/25 Annual Performance Plan
30 th October 2023	FY23/24 Quarter 3 Performance Report
30 th October 2023	Final Draft FY24/25 Annual Performance Plan

South African Tourism attended the following meetings with the Department of Tourism:

Date	Subject Matter
21 st April 2023	Tourism Statistics Steering Committee Meeting: South African Tourism presented Domestic Tourism Results for 2019 to 2021
18 th May 2023	Pre-Presidential Imbizo Tourism Stakeholder Engagement in the Western Cape: South African Tourism presented its key programmes
22 nd June 2023	Trade, Tourism, Investment and Security (TTIS) Committee Meeting: South African Tourism presented SANCB initiatives
21 st July 2023	Ministerial Marketing Workshop: South African Tourism presented on its destination marketing analytics, insights, and initiatives
31 st July 2023	MIPTECH Meeting: South African Tourism presented the outcomes from the Ministerial Marketing Workshop
7 th August 2023	National Air Access Meeting: South African Tourism participated at the inaugural meeting with discussions focusing on key source markets and key programmes in support of the national air access structure
10 th August 2023	Pre-Presidential Imbizo Tourism Stakeholder Engagement, in the Eastern Cape: South African Tourism presented its key programmes

11 th – 12 th September 2023	Tourism Development and Governance Working Group (TDGW) Meeting: South African Tourism presented a report on the collaboration with TBCSA
13 th September 2023	TTIS Committee Meeting: South African Tourism presented the Brand Tracker Report
20 th September 2023	National Tourism Stakeholder Forum (NTSF) Meeting: South African Tourism presented the Tourism Performance Report
24 th October 2023	BRICS Tourism Ministers Meeting and Action Plan Signing Ceremony: South African Tourism considered key action points in relation to destination marketing
11 th & 19 th October 2023	Department of Tourism's Strategic Planning Session: South African Tourism presented its plans for the 30 Years of Democracy and the proposed tourism grading model
16 th November 2023	Tourism Stakeholder Outreach, in Mpumalanga: South African Tourism presented its key programmes
30 th November 2023	Tourism Stakeholder Outreach, in KwaZulu-Natal: South African Tourism presented its key programmes
14 th February 2024	Inaugural Tourism Masterplan Steering Committee Meeting: Terms of Reference for the Committee
15 th February 2024	TDGW Meeting: South African Tourism presented the FY24/25 APP
20 th February 2024	TTIS Committee Meeting: South African Tourism presented its state of readiness for Meetings Africa 2024
22 nd February 2024	Department of Tourism's Management Lekgotla: South African Tourism presented a report on the entity's commitments linked to the MTSF 2019 – 2024, future prospects for growth and the entity's medium-term targets
29 th February 2024	NTSF Meeting: South African Tourism presented FY24/25 APP

Some of the main areas of focus for the EA during the year under review included bringing stability within the entity, improving corporate governance and internal controls, and ensuring an optimal approach to destination marketing between the public and private sectors.

The Tourism Act, 2014, provides for the existence and functions of the South African Tourism Board, including the mandate, composition, appointment, and remuneration of members of the Board. Through the Board, the Minister ensures that the entity's legislative mandate is implemented. Several changes were instituted by the EA in relation to the South African Tourism Board during the reporting period:



The South African Tourism Board was dissolved on 21st April 2023.



A Board was appointed with effect from 21st April 2023 until 28th February 2024.



A new South African Tourism Board was appointed with effect from 8th March 2024.

Accounting Authority / Board

The Board discharges its roles, responsibilities and fiduciary duties in respect of South African Tourism as outlined in the Tourism Act, the PFMA, Treasury Regulations, applicable laws and governance prescripts. The Board, at all times, ensures that the interests of the shareholder are promoted and protected. As the Accounting Authority, the Board ensures that the resources of the entity are properly managed for the intended purpose. The Board bears full and ultimate accountability to the Minister in relation to the affairs of the entity.

The Board Charter is subject to the provisions of the Tourism Act No. 3 of 2014, the PFMA and any other applicable law and/or regulation. The South African Tourism Board also adheres to the Governance Protocol, which governs the relationship between the Minister of Tourism and the Board, to facilitate the Board’s compliance with the relevant laws and prescripts and corporate governance principles.

The South African Tourism Board is committed to good governance as espoused in King IV, in terms of ethical and effective leadership to achieve the core governance outcomes of an ethical culture, good performance and effective control.

The South African Tourism Board Charter sets out the:



Role of the Chairperson



Attendance of Board members



Frequency of meetings



System of delegation to Management and the Board Committees



Quorum requirements



Induction and training of the Board

As per the Board Charter, the Board consists of a minimum of nine, and a maximum of 13, non-executive directors, who were appointed by the Minister of Tourism. The CEO and the CFO are executive members of the Board.

The roles and responsibilities of the Board are to:



Act as the focal point and custodian of good corporate governance by steering South African Tourism's strategic direction, approving policy and planning that give effect to that direction, overseeing and monitoring the implementation and execution by Management through reporting and disclosures



Lead ethically and effectively by cultivating the characteristics of integrity, competence, fairness, transparency, accountability, and responsibility



Govern the ethics of the organisation by approving and overseeing the implementation of codes of conduct and ethics policies



Provide high-level input to management with the setting of strategic objectives for the organisation and the determination of high-level marketing strategy, taking into consideration the latest market intelligence, research, and appropriate risk parameters



Monitor compliance with the PFMA, Treasury Regulations, the Tourism Act, and other relevant legislation and regulations that are applicable to business in general and considering adherence to best practice



Govern risk, information and technology in a way that supports the organisation in setting and achieving its strategic objectives



Ensure that the evaluation of its performance, committees, the Chairperson and individual members, supports continued improvement in its performance and effectiveness



Ensure that the organisation remunerates fairly, responsibly, and transparently in order to promote the achievement of strategic objectives and outcomes by approving the remuneration policies of the organisation in line with the provisions of the Tourism Act



Ensure that the preparation of annual financial statements fairly presents the results of South African Tourism, and obtaining assurance that the information contained in the annual financial statements is accurate



Ensure that there is access to professional and independent advice and support to the Board and its Committees

The Board effectively discharged its role and responsibilities in the year under review. Key deliverables in this regard include:



Creating a level of stability in the entity with the appointments of the CEO, CFO, CMO and CSO



Providing strategic direction for the Financial Year 2024/25 Annual Performance Plan which was approved and tabled in Parliament



Monitoring financial and non-financial performance resulting in the timeous submission of Quarterly Performance Reports to the Shareholder and Parliament



Undertaking a strategic risk assessment



Improving the policy environment, as well as the internal control and audit environment

Board & Committee Composition & Meetings

The South African Tourism Board established Board Committees and delegated powers to these Committees, whilst discharging its own responsibilities. Each Committee operates in accordance with an approved Terms of Reference and/or Charter. The following Board Committees were operational during the reporting period:

Audit and Risk Committee (ARCO)

The Committee is appointed by the Board to assist them in fulfilling their fiduciary duties, as well as to advise them about discharging their duties with regard to the operation of adequate systems and financial controls, corporate accountability, and the associated risks in terms of management assurance and financial reporting.

The Committee assists the Board with oversight of:

1. The implementation of an effective policy and plan for risk management that will enhance the organisation's ability to achieve its strategic objectives;
2. The review of financial information and ensuring the integrity of the annual financial statements;

<p>Audit and Risk Committee (ARCO) cont.</p>	<ol style="list-style-type: none"> 3. The performance of the internal and external audit functions; 4. Management’s responsibilities to ensure that an effective system of controls is in place; 5. Monitor the operation of adequate systems, including the deliverables as included in the Annual Performance Plan; and 6. The implementation of the organisation’s IT policies, IT strategy and the overall IT architecture, that will enhance the organisation’s ability to achieve its strategic objectives.
<p>Human Capital and Remuneration Committee (HCREMCO)</p>	<p>The Committee is appointed by the Board to assist them in fulfilling their fiduciary duties, as well as to advise them, among others about discharging their duties with regard to oversight on human capital and remuneration of the organisation, reviewing and monitoring broad human capital strategies to ensure that South African Tourism is able to attract, retain, and develop the best possible talent to support the organisation, oversee and report on the entity’s organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships.</p>
<p>Marketing and Commercial Committee (MARCOM)</p>	<p>The Committee is appointed by the Board to assist them in fulfilling their fiduciary duties, as well as to advise them about discharging their duties with regard to oversight on SA Tourism’s branding, marketing and communications strategies and activities, assess the effectiveness of the business events strategy, and propose changes and/or amendments where necessary.</p>
<p>Tourism Grading Council of South Africa Committee (TGCSA Awards)</p>	<p>The Committee is appointed by the Board to assist them in fulfilling their fiduciary duties, as well as to discharge the duties of the Tourism Grading Council of South Africa (TGCSA) as assigned to the Board by the Minister of Tourism.</p>



Each Committee operates in accordance with an approved Terms of Reference and/or Charter.

The following tables outlines the composition of the South African Tourism Board, its Board Committees, and the number of meetings attended during the financial year:

Name	Designation	Date Appointed	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	Number of Meetings Attended
Tim Harris	Board Chairperson	16 th May 2023	Masters in Economics Bachelor of Arts in English Literature	Tourism and Economic Promotion	Cape Town Chapter of YPO.	None	20
Kholeka Zama	Member	16 th May 2023	B Com Accounting B Compt. Hons (CTA)	Chartered Accountant	None	None	26
Zweli Mntambo	Member	16 th May 2023	Blur. LLB (UNW) LL.M (Yale)	Management	Eyesizwe Mining Exxaro Ltd	None	14
Nonkqubela Silulwane	Shareholder Representative	16 th May 2023	Masters of Science (MSc) degree -Physical Oceanography, University of Cape Town. 1998: Bachelor of Science Honours (BSc Hons) degree- Marine Science, University of the Western Cape 1997: Bachelor of Science (BSc) degree, University of the Western Cape	Research Management Economic Development	None	None	0
Uveshnee Pillay	Shareholder Representative	14 th August 2023	ND: Tourism Management MBA - Tourism	Tourism	None	None	12
Sanet Botha	Member	16 th May 2023	BA(Law) LLB (UCT)	Law	None	None	2
Mohamed Bhayat	Member	16 th May 2023	B Com Accounting (UKN) B Com (Honours) (UKZN) Accounting	Chartered Accountant	None	None	1
Makhosazana Khanyile	Board Chairperson	8 th March 2024	MBA Postgraduate Diploma: Management Practice Bachelor of Arts Diploma: International Journalism	Media and Marketing	None	None	2
Advocate Lizelle Jordaan (nee Haskins)	Member	8 th March 2024	LLB,LLM: Corporate Law Higher Diploma: Tax Practice Corporate Governance Certificate Commercial Mediator	Law	NEC Member: Pan African Bar Association of South Africa (PABASA) NEC Member: National Association of Democratic Lawyers (NADEL)	None	2

Name	Designation	Date Appointed	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	Number of Meetings Attended
Dr. Gregory Davids	Member	8 th March 2024	B.A., Public Administration B.A., (Hon) Development Administration Master's Degree Public Administration International Education: Train The Trainer Programme Certificate International Finance And Economics, (International Institute Public Administration France – Paris) 2000/01 Harvard University –Boston, United States (Harvard South African Fellow) Harvard Business School (2000-01) 2009 : Philosophiae Doctor: University Of Western Cape 2012 : Harvard University Governance For Non-Profit Boards 2022: IODSA- Analysis Of Cashflows Statements And Balance Sheets Corporate Governance	Academic and Management	Overberg Water Board	None	2
Dr. Mzolisi Toni	Member	8 th March 2024	Diploma in Health Education Diploma in Social Development Certificate Course in Community Organising Career Development Fellowship Community Organising, Programme Certificate Course in Community Adult Education Certificate in OD and Strategic Management Certificate in Human Resource Management Certificate in Business Counselling Course Certificate in Management Development Advanced Training for Leadership And Skills BDS Training Programme Certificate in Mainstreaming and Empowerment of Disabled People Masters in Philosophy in Disability Doctor of Social Science (Honoris Causa).	Disability, Community and Organisational Development	None	Human Capital and Remuneration Committee TGCSA AWARDS Committee	2
Professor Stella Bvuma	Member	8th March 2024	PhD-IT, M-Tech-IT, B-Tech-IT a ND-IT	Information Technology	SITA Board	Audit and Risk Committee Human Capital and Remuneration Committee	2

Name	Designation	Date Appointed	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	Number of Meetings Attended
Professor Rajesh Mahabeer	Member	8th March 2024	CA(SA) FCMA CGMA FCA (England & Wales) BFP FCCA CIA FIIASA M.Inst.D SARIPA INSOL MBA (Derby) MCom (UKZN) Post Grad Dip Acc (UKZN) N Dip Cost Acc (DUT) PhD (Candidate) (WITS)	Finance, Auditing, Corporate Governance, Risk Management, Audit Forensics, Ethics and Legal Compliance	Office of Health Standards Compliance Onderstepoort Biological Products Central University of Technology REPSSI	Audit and Risk Committee Human Capital and Remuneration Committee	2
Ikaneng Pilane	Member	8th March 2024	Masters in Public Development and Management	Tourism	SATSA Mpumalanga Tourism Think Tank Kruger Lowveld Ehlanzeni District Development Model Nkangala Economic Development Agency	Marketing and Commercial Committee TGCSA AWARDS Committee	1
Ayanda Mazibuko	Member	8th March 2024	Hospitality Leadership Short Course Management Development Hospitality Management	Tourism	Board Member: Cape Town Tourism	TGCSA AWARDS Committee Marketing and Commercial Committee	1
Nqabomzi Haya	Member	8th March 2024	MBA: In progress Post-Graduate Diploma in Management Practice Chartered Management (CIMA) - Operational level BCom. Statistics	Management, Marketing	None	Marketing and Commercial Committee Human Capital and Remuneration Committee	1

Name	Designation	Date Appointed	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	Number of Meetings Attended
Maija de Rijk-Uys	Member	8 th March 2024	UNISA B. Compt Honours	Tourism	Board Member of Go2Africa	TGCSA AWARDS Committee Marketing and Commercial Committee	2
Uveshnee Pillay	Member	8 th March 2024	ND: Tourism Management MBA - Tourism	Tourism	None	TGCSA AWARDS Committee Human Capital and Remuneration Committee	1
Nomasonto Ndlovu	Executive Member	1 st July 2022	Bachelor of Social Science, University of Natal, GIBS Executive Leadership Development Programme	Management	None	None	0
Nombulelo Guliwe	Chief Executive Officer	1 st March 2024	Bachelor Honours Degree in Accounting (CTA)	Chartered Accountant	None	None	1
Talib Sadik	Chief Financial Officer	1 st April 2024	University of Natal Advanced Diploma: Accounting KPMG CA (SA) - Chartered Accountant University of Natal Bachelor of Commerce	Chartered Accountant	None	None	1

Board Committee meetings held during the reporting period:

Committee	Number of Meetings Held	Number of Members	Name of Members
Audit and Risk Committee (ARCO)	3	3	<ul style="list-style-type: none"> o Kholeka Zama o Sanet Botha o Uveshnee Pillay
Human Capital and Remuneration Committee (HCRemCo)	3	1	<ul style="list-style-type: none"> o Kholeka Zama
Marketing and Commercial Committee (MarCom)	3	1	<ul style="list-style-type: none"> o Zweli Mntambo
Tourism Grading Council of South Africa Committee (TGCSA Awards)	3	3	<ul style="list-style-type: none"> o Tim Harris o Zweli Mntambo o Uveshnee Pillay

Remuneration of Board Members

*Figures in Rand

Name	Remuneration	Travel and Accommodation	Other allowance	Other reimbursements	Total
Board					
Tim Harris	102 258	9 823.37	0	0	195 081.37
Kholeka Zama	76 988	6252.58	0	0	83 240.58
Zweli Mntambo	0	0	0	0	0
Nonkqubela Silulwane	0	0	0	0	0
Uveshnee Pillay (Shareholder Representative)	0	0	0	0	0
Sanet Botha	26 980	0	0	0	26 980.00
Mohamed Bhayat	5 396	0	0	0	5 396.00
Permanent Board					
Makhosazana Khanyile	8 892	9 589.58	0	0	18 481.58
Advocate Lizelle Jordaan	7 784	7 839.58	0	0	15 623.58
Dr. Gregory Davids	5 396	0	0	0	5 396
Dr. Mzolisi Toni	5 396	0	0	0	5 396
Professor Stella Bvuma	5 396	0	0	0	5 396

Professor Rajesh Mahabeer	5 396	7 839.58	0	0	13 235.58
Ikaneng Pilane	5 396	16 418.20	0	0	21 814.20
Ayanda Mazibuko	5 396	7 839.58	0	0	13 235.58
Nqabomzi Haya	5 396	9 589.58	0	0	14 985.58
Maija de Rijk-Uys	5 396	0	0	0	5 396
Uveshnee Pillay	5 396	9 589.58	0	0	14 985.58

Whilst the total board expenses have been audited, there is a limitation on the non-financial information (number of board meetings) for the South African Tourism Board that was dissolved during May 2023

Risk Management

In Financial Year 2022/23, South African Tourism determined its risk maturity at level 3, an improvement from level 2 in FY2021/22. Maturity level 2 indicates that some functions appear effective; however, there are major deficiencies in the process, with significant gaps that need to be closed. Maturity level 3 indicates that the entity has clearly defined enterprise risk management processes with room for improvement. The entity did not determine the maturity level in FY2023/24 due to a lack of human resources within the risk management function. However, the following achievements were made during the year under review with strategic guidance from ExCo and ARCO:

- Quarterly reporting to ExCo, the ARCO, and the Board on progress made with regards to enterprise-wide risk management;
- Identification of emerging risks for presentation to the entity's governance structures;
- Monitoring the implementation of the FY2023/24 Strategic and Operational Risk Registers;
- Review of the Combined Assurance Framework;
- Annual review of the Enterprise Risk Management Framework;
- Annual review of the Risk Appetite and Tolerance Framework, including the Risk Appetite Statements, Thresholds and Key Risk Indicators;
- Determination of strategic risks for FY2024/25;
- Training for the entity's Risk Champions on enterprise risk management; and
- Training on ethics for the entity.

It is envisaged that sufficient capacity for the risk and compliance function will be obtained in the next fiscal to progress the entity from risk maturity level 3 to 4.

Internal Audit

Internal Audit is an independent and objective provider of assurance and consulting services established within South African Tourism to evaluate the adequacy and effectiveness of governance, risk management and internal control systems to contribute to the realisation of organisational objectives.

The National Treasury Internal Audit Framework requires Internal Audit to assess and make recommendations for the improvement of governance, risk management and internal controls.

In terms of King IV, Internal Audit is required to provide the Board of South African Tourism with a written assessment regarding the effectiveness of the system of internal control and risk management.

Internal Audit, as the internal control unit at South African Tourism, performed the following work during the year under review:

Part B: Internal Audit work completed

- United States of America (New York) – Country Office Review
- Germany (Frankfurt) – Country Office Review
- Human Capital Audit – Hire To Retire Processes
- Human Capital Audit – Payroll and Leave Management
- Governance, Risk Management and Compliance Review
- Hosting Management Audit
- ICT Audit- Licences Review
- ICT Governance Audit – Cyber Security (Follow -up)
- ICT Business Continuity Management Review
- Contract Management, MOU's and Partnership Agreements Review
- Campaigns and Projects Review
- Africa Travel Indaba 2023 Audit
- Meetings Africa 2024 Audit
- Tourism Grading Council South Africa (TGCSA) Grading Process Audit
- Contract Management Audit
- Assets Management Audit
- Performance Information Audit for Quarters 1 – 4 and the FY23/24 Annual Performance Report
- Supply Chain Management Review
- Trade platforms System – Post Implementation Review

- Corrective action tracking for Quarters 1 - 4

In addition, the following investigations / reviews were executed and completed by Internal Audit during the period under review and have been considered in determining the overall opinion except for the investigations that are still in progress:

- Corruption - Alleged Kick-Back From Tender
- Unethical conduct – Improper Relationship With Suppliers
- Unethical conduct – Alleged Abuse Of Power And Nepotism
- SCM probity Assessments
- Assessments of Fruitless, Wasteful & Irregular Expenditure
- Human Capital Leave Pay-Out Reviews

Overall Opinion

Based on the results of the audit engagements, consultancy services rendered, and reports considered on governance, risk management and internal controls (financial and non-financial), the overall Internal Audit opinion is that in all significant respects, South African Tourism's control environment requires improvement. Limited reliance can be placed on the adequacy and effectiveness of internal controls. Governance, Risk Management and Compliance requires urgent attention.

With the exception of confirmed cases of irregular expenditure reported to Management and the Board via the Audit and Risk Committee, as well as the ongoing investigation into whistleblower reports, South African Tourism's Internal Audit has not identified any significant breakdowns in control design that might have led to organisational losses during the review period up to the date of this report. Internal Audit considered and consolidated the effects of the above deliverables to formulate overall assessments covering the adequacy and effectiveness of governance, risk management and internal control systems.

Audit & Risk Committee

The Audit and Risk Committee is constituted as a statutory committee in respect of its duties under sections 76(4)(d) and 77 of the PFMA and as a committee of the Board for all other duties assigned to it by the Board. The Committee operates under written terms of reference, which are reviewed and approved by the Board, to ensure that the Committee adequately addresses its membership, authority, and responsibility. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members regarding their fiduciary duties, as they must exercise due care and judgment in accordance with their statutory obligations. The Committee does not assume the functions

of Management, which remain the responsibility of the Senior Management of South African Tourism. The Committee has an independent role, acting as an overseer and making recommendations to the Board for its consideration and approval.

During the year under review, the Committee convened meetings as required. The Committee ensured oversight over the following during FY2023/24:

- FY2022/23 Annual Report;
- FY2023/24 Annual Procurement Plan;
- Quarterly Financial and Non-Financial Performance Reports;
- Quarterly Internal Audit Reports;
- Quarterly Risk Management Reports;
- Quarterly ICT & DigiTech Reports;
- Quarterly updates on the entity's Litigation and Contingency Liability Register;
- Budget Optimisation Policy;
- Procurement by Other Means and PPPFA Policy;
- Management Report for FY2022/23 from the Auditor-General
- Annual Performance Plan for FY2024/25; and
- Recommendations from the Bid Adjudication Committee.

The below table discloses the composition of, and meetings held by, the Audit and Risk Committee:

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	Number of meetings attended
21st April 2023 until 28th February 2024						
Kholeka Zama	<ul style="list-style-type: none"> o B Com Accounting o B Compt. Hons (CTA) 	External	N/A	16 th May 2023	7 th March 2024	3
Sanet Botha	<ul style="list-style-type: none"> o BA(Law) LLB (UCT) 	External	N/A	16 th May 2023	7 th March 2024	2
Mohamed Bhayat	<ul style="list-style-type: none"> o B Com Accounting (UKN) o B Com (Honours) (UKZN) Accounting 	External	N/A	16 th May 2023	7 th March 2024	1
8th March 2024 to date						
Professor Rajesh Mahabeer	<ul style="list-style-type: none"> o CA (SA) o FCA o BFP 	External	N/A	8 th March 2024	-	1

Professor Rajesh Mahabeer	<ul style="list-style-type: none"> o FCCA o FCMA o GGMA o CIA FIIASA SARIPA INTOL MBA o MCOM o PGDA (Cost ACC) o P.H.D (Candidate) 	External	N/A	8 th March 2024	-	1
Advocate Lizelle Jordaan	<ul style="list-style-type: none"> o LLB,LLM: Corporate Law o Higher Diploma: Tax Practice o Corporate Governance Certificate o Mediator 	External	N/A	8 th March 2024	-	1
Dr. Gregory Davids	<ul style="list-style-type: none"> o B.A., Public Administration o B.A., (Hon) Development Administration o Master's Degree Public Administration o International Education: Train The Trainer Programme o Certificate International Finance And Economics, (International Institute Public Administration France – Paris) o 2000/01 Harvard University –Boston, United States (Harvard South African Fellow) o Harvard Business School (2000-01) o 2009 : Philosophiae Doctor: University Of Western Cape o 2012 : Harvard University Governance For Non- Profit Boards o 2022: IODSA- Analysis Of Cashflows Statements And Balance Sheets o Corporate Governance 	External	N/A	8 th March 2024	-	1
Professor Stella Bvuma	<ul style="list-style-type: none"> o Director School of Consumer Intelligence and Information Systems (SCiIS) o Applied Information Systems o Information and Knowledge Management and Marketing o Technopreneur ship Centre & Centre for Applied Data Science 	External	N/A	8 th March 2024	-	1

Audit & Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2024.

Audit and Risk Committee Responsibilities

The Audit & Risk Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit & Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

Effectiveness of Internal Controls

The purpose of the annual assessment is to inform the Executive Management and Board of South African Tourism regarding the assessed effectiveness of the governance, risk management and system of internal controls for reporting purposes.

For the financial year under review, Internal Audit executed approved audits as per the coverage plan. This included the following business areas:

- United States of America (New York) – country office review
- Germany (Frankfurt) – country office review
- Human Capital Audit – hire to retire processes
- Human Capital Audit – Payroll and Leave management
- Governance, Risk Management and Compliance review
- Hosting Management Audit
- ICT Audit- Licences Review
- ICT Governance Audit – Cyber Security (Follow -up)
- ICT Business Continuity Management Review
- Contract Management, MOU's and Partnership Agreements review
- Campaigns and Projects Review
- Africa Travel Indaba 2023 Audit
- Meetings Africa 2024 Audit
- Tourism Grading Council South Africa (TGCSA) grading process audit
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- Assets Management Audit
- Performance Information Audit for quarters 1 – 4 and the FY23/24 Annual Performance Report
- Supply Chain Management Review

- Trade platforms System – Post Implementation Review
- Corrective action tracking for quarters 1 - 4

In addition, the following investigations/reviews were executed and completed by Internal Audit during the period under review and have been considered in determining the overall opinion except for the investigations that are still in progress.

- Corruption - Alleged kick-back from tender
- Unethical conduct – Improper relationship with suppliers
- Unethical conduct – Alleged abuse of power and nepotism
- SCM probity assessments
- Assessments of fruitless, wasteful & irregular expenditure
- Human Capital leave pay-out reviews

Overall Opinion

Based on the results of the audit engagements, consultancy services rendered, and reports considered on governance, risk management and internal controls (financial and non-financial), the overall Internal Audit opinion is that in all significant respects, South African Tourism's control environment requires improvement. Limited reliance can be placed on the adequacy and effectiveness of internal controls. Governance, Risk Management and Compliance requires urgent attention.

With the exception of confirmed cases of irregular expenditure reported to Management and the Board via the Audit and Risk Committee, as well as the ongoing investigation into whistleblower reports, South African Tourism's Internal Audit has not identified any significant breakdowns in control design that might have led to organisational losses during the review period up to the date of this report. Internal Audit considered and consolidated the effects of the above deliverables to formulate overall assessments covering the adequacy and effectiveness of governance, risk management and internal control systems.

In-year management and monthly/quarterly report

The public entity has submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

South African Tourism Management is focussing on improving the controls and discipline across the entity, including improving organisational culture, addressing weaknesses in enterprise-wide IT systems, and software used for compiling AFS.

Operation Clean Audit (OPCA) has been strengthened through frequent meetings, timeously addressing the issues and root causes identified by both External and Internal Audit.

Material Irregularity finding

South African Tourism has withheld an equivalent amount of funds owed to the affected external party until the matter is successfully resolved.

Action against the individuals involved will begin upon completion of the ongoing investigation by the entity. South African Tourism has strengthened controls relating to prepayments, and instilled discipline around securing evidence of work completed.. All prepayments will require Management and Board approvals and within 30 days from receipt of value, written declaration will be made to the finance division, confirming receipt of value received by South African Tourism.

Auditor’s Report

We have reviewed the public entity’s implementation plan for audit issues raised in the prior year and are satisfied that the matters have been adequately resolved, with a 91% achievement rate. However, this represents a regression compared to the previous year.

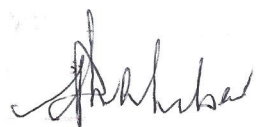
Output	Output Indicators	2023/24 Annual Target	Quarterly Targets & Progress			
			Q4 January - March 2024	Progress as at 31 st March 2024	Reason for Potential Variance by end of Quarter 4	Mitigating Action/s
2.1 Internal control	Percentage implementation of valid internal and external audit recommendations	100% implementation of valid audit recommendations	Q4 - 100% implementation of valid audit recommendations 91% closed actions	Total of 97% actions are tracked. 91% actions are closed, 9% actions are overdue. 0% actions are ready for audit. 0% actions are in progress. 0% actions are open.	<ul style="list-style-type: none"> • 9% overdue • 0% of open actions, due date not yet passed. • 0% of actions are in-progress 	Management to implement corrective measures before it becomes overdue.

The Audit Committee concurs and accepts the conclusions of the External Auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor.

Management’s approach to addressing the audit findings involves reviewing the entire organisational

design and coordination within the Finance Business Unit at South African Tourism. In reviewing the AGSA findings, Management observed that the root causes of the issues extend beyond those identified by AGSA. At a high level, the common causes include human resources capacity and skills gaps, shortcomings in policies and procedures, system challenges related to the reliability, design, and functionality of the current Oracle system, a lack of accountability not addressed through performance management, and insufficient leadership from the finance department in managing South African Tourism's financial operations.

The comprehensive plan to address the audit findings will include several key initiatives across three categories: immediate interventions, short-term interventions, and long-term interventions. These initiatives will involve drafting and implementing policies and procedures at both head office and country offices; reviewing and upgrading the Oracle system (with the first upgrade already completed); evaluating business processes within the business unit and country offices; reviewing the annual financial statements and ensuring alignment with GRAP standards; completing performance management and finalising contracts for all staff members; conducting an asset count and addressing the findings from this exercise; and developing a reporting framework for daily, weekly, monthly, quarterly, and year-end reporting.



Mr Rajesh Mahabeer
Chairperson of the Audit Committee
South African Tourism
(31 July 2024)

Compliance with Laws & Regulations

South African Tourism has in place a compliance universe which records a list of laws and regulations applicable to the entity, together with its compliance obligations and sanctions for non-compliance. The implementation thereof is monitored, and non-compliance is reported to the entity's governance and oversight structures.

The Global Policy Framework was approved and implemented effective from 1st July 2023, and guides the entity on the process that should be followed when reviewing policies.

Fraud & Corruption

For the year under review, there was one case of alleged corruption, which is completed, and two cases of alleged unethical conduct, which have also been concluded.

Minimising Conflict of Interest

South African Tourism has several measures in place to detect and address any potential conflict of interest. During onboarding, new employees and Board members are required to declare outside interests on a standardised form that is managed by Human Capital. The declaration of outside interests is managed annually. Employees and Board members are also required to declare any changes in terms of their status from time to time. Conflict screening is conducted annually for all officials through the implementation of an externally managed cross-check system. No conflicts were identified. Other measures include the standard bidding document (SBD) reviews, and National Treasury Central Supplier Database and Bid Committee declarations during procurement phases. Lastly, the AGSA, as part of its audit, reviews conflicts of interest on a yearly basis through the use of the computer-assisted audit techniques (CAAT), and no conflict was identified in this process.

Code of Conduct

South African Tourism's policy serves to provide a framework for acceptable behaviour of all employees. This Code of Conduct is built on our internal core values and is a vital component in ensuring that we instil the desired organisational behaviour. The organisation's Disciplinary Code ensures the consistent and fair management of misconduct and where required, corrective action is taken.

Occupational Health, Safety & Environmental Issues

The South African Tourism Board is vested with the responsibility of ensuring that all employees work in a safe and healthy environment. This requires giving assurance to various stakeholders that South African Tourism conducts its business in compliance with the occupational health and safety (OHS) standards and requirements, as prescribed in the Occupational Health and Safety Act (Act No. 85 of 1993).

South African Tourism has Health and Safety representatives, first-aiders, firefighters and health and safety committees as required by the Occupational Health and Safety Act. Selected employees representing different business units, completed training in firefighting, first-aid and emergency evacuation. These nominated employees have the relevant certifications, enabling them to perform emergency procedures if and when necessary.

South African Tourism also conducted due diligence on its OHS standards and requirements at its head office in South Africa and in the countries where it operates. All recommendations will be implemented, and risks mitigated. Compliance on OHS is aimed at:



Providing and maintaining a healthy and safe workplace for all employees, employees and visitors



Conducting activities in an environmentally friendly manner to ensure the health and safety of people in the vicinity of the entity



Preventing personal injury and protecting the health of employees and others on the premises



Identifying, documenting and maintaining processes within specified safety criteria, and documenting the methods of control for those processes that have been identified to conform with the requirements of the OHS Act



Ensuring that all employees, at every level and in every function, are aware of their responsibility for their own health and safety and that of others;



Ensuring that employees who advise on occupational health, safety and environmental matters are appropriately qualified, trained and accredited



Demonstrating South African Tourism's active involvement and commitment in relation to OHS within its scope of operations

There were no occupational health, safety and environment incidences or accidents at either the Head Office or the regional offices during the year under review.

Company / Board Secretary

The role of the Company Secretary is to provide support to the South African Tourism Board and its Committees and to advise the Board individually and collectively on their fiduciary duties. In addition, the Company Secretary must advise the Board on relevant laws and regulations applicable to the organisation. The Board and its Committees may seek independent advice on any matter they deem fit or that may be required within the organisation's policies. The Company Secretary also has the responsibility of ensuring that the Board has complete and timely access to South African Tourism's information, reports, and records necessary for the Board to discharge its fiduciary duties. The annual workplans for the Board and its Committees set out the activities that the Board must perform on an annual basis. While the Company Secretary is not a member of the Board or its Committees, the Company Secretary serves as the Secretary to the Board and its Committees.

Social Responsibility

South African Tourism is dedicated to advancing the social and economic advancement of South Africa by leveraging the tourism sector's capacity for inclusive growth. The primary focus lies in initiatives that empower previously disadvantaged communities, particularly those in townships and rural areas across South Africa. Aligned with both the National Development Plan and Sustainable Development Goals, the entity's efforts aim to foster sustainable progress.

In partnership with the Nelson Mandela Foundation, South African Tourism provided several schools and communities in need with essential supplies such as sanitary pads and winter blankets. This assistance sought to contribute to the well-being of recipients, supporting our commitment to inclusive growth and social progress.

Collaborating closely with stakeholders, including SATOVITO and the National Council for and of Persons with Disabilities, South African Tourism facilitated the distribution of wheelchairs to underserved communities.

Through its SMME development programmes, South African Tourism supported the delivery of breakfast nutrition packs to Bogatsu Primary School in Tlokweg Village, North West Province. By investing in education and nutrition the entity seeks to contribute to the holistic development of communities, laying the foundation for future prosperity.

These initiatives underscore South African Tourism's commitment to driving positive change and

fostering a more equitable and prosperous South Africa through the transformative power of tourism.

B-BBEE Compliance Performance Information

In accordance with compliance to the Broad-Based Economic Empowerment (B-BBEE) requirements of the Broad-Based Economic Empowerment Act of 2013, and as determined by the Department of Trade, Industry and Competition, South African Tourism may report as follows:

Has South African Tourism applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to South African Tourism as no such activity was undertaken.
Developing and implementing a preferential procurement policy?	Yes	South African Tourism's procurement policy includes preferential procurement.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to South African Tourism.
Developing criteria for entering into partnerships with the private sector?	Yes	South African Tourism's partnership policy includes criteria for considering partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to South African Tourism.



Part D

Human Resource Management

Renewed Connections: Chasing Growth

Introduction

In building an inspiring and energised organisation, as well as improving operational efficiency, South African Tourism continued to ensure that all its actions, at both organisational and employee levels, were geared towards meeting its defined goals. This could only be achieved by ensuring that South African Tourism and its employees clearly understood their roles in achieving these goals. In this regard, a number of initiatives were undertaken during the period under review.

Human Capital Strategy

South African Tourism continued to implement its revised Human Capital Strategy. The implementation of a new Human Capital Information System (HCIS), namely Smart HR, marked a significant advancement in the entity's efforts to enhance operational capabilities and efficiency. South African Tourism's Human Capital strategic intent was to ensure data integrity which was instrumental in assessing the principles used to guide key components within the HCIS.

Employee Engagement

Employee engagement positively contributes to staff morale, productivity, and a sense of belonging. South African Tourism seeks to promote open communication at all levels. Against the annual target of 3.13, the staff engagement survey result was 2.61, an increase from 2.3 in Financial Year 2022/23.

Employee Wellness

Employee wellness continued to be a focus area during Financial Year 2023/24, with concerted efforts to raise awareness around it. An annual wellness day was held in September 2023 where employees were presented with various wellness offerings. To enhance our service offering, South African Tourism contracted an

“South African Tourism continued to ensure that all its actions, at both an organisational and employee levels, were geared towards meeting its defined goals.”

occupational therapist to assist employees with health assessments and work integration.

Workforce Metrics & Equity

South African Tourism is on track with the submitted Employment Equity Plan through targeted recruitment drives. A new Employment Equity Plan will be finalised in 2024.

Key achievements in relation to employment equity targets include women representing 66% of the workforce against a target of 60%, and maintaining 79% of black people (Africans, Coloureds and Indians) across all occupational levels against a target of 60%. The employment of youth was achieved through the appointment of 21 interns placed in various business units to gain workplace experience.

In an effort to foster an inclusive workplace, South African Tourism was able to end the fiscal with 2% of people with disabilities. This positive development may be attributed to the proactive dissemination of disability information and a dedicated engagement with employees who expressed a willingness to declare their disabilities.

A moratorium on vacancies stalled the filling of vacancies, while attrition incrementally increased the number of vacancies by the end of the fiscal. A total of three fixed-term contractors were appointed to ensure business continuity. The organisation concluded the financial year with 34 vacancies, resulting in 17% vacancy rate for the reporting period. With an increase in resignations in March 2024, labour turnover for the year was 10%.

Employee Performance Management Framework

South African Tourism identified the need to reignite a culture of high performance. Efforts were focused on increasing awareness of policy provisions and compliance with the process. The online system was reviewed to align with business needs, aiming to ensure that the organisation's operations match its deliverables, right down to individual objectives.

The system facilitates the efficient management of standardised, high-quality data and information to support better decision-making across the business.

The performance management system is supported by a set of principles and behaviours based on the organisation's values. There was a decrease in performance review engagement at various times during the fiscal year, and it is anticipated that the revamped system will begin to improve the level of engagement around performance management.

Human Capital Compliance Review

In Financial Year 2023/24, Human Capital continued to maintain a database of Human Capital related legislation and reviewed four policies to address identified gaps, namely the General Human Capital Policy, the Grievance Procedure, the Disciplinary Policy and Code, and the International Hub Head Policy.

Plans for Financial Year 2024/25

The new fiscal will see a focus on several critical areas, including the organisational development assessment process, implementation of action plans to address low employee engagement levels, amplifying awareness around disability, and implementing a leadership development programme for women in senior roles. Efforts to resolve audit findings and non-compliance will remain a priority.

Human Resource Oversight Statistics

Personnel Cost by Programme

Programme	Expenditure (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % Of Total Expenditure (R'000)	Number of Employees	Average Personnel Cost per Employee (R'000)
Programme 1: Corporate Support	197 495	50 199	25.4	47	1 068
Programme 2: Business Enablement	69 004	22 995	33.3	18	1 277
Programme 3: Leisure Tourism Marketing	948 158	42 938	4.5	65	660
Programme 4: Business Events	241 745	16 458	6.8	16	1 028
Programme 5: Tourist Experience	86 871	17 109	19.6	19	900
Total	1 543 273	149 701	89.7	165	907*

The personnel expenditure and the number of employees are calculated as of the end of March 2024, whereas the ratio of personnel expenditure to total expenditure cost includes the total cost for the entire financial year.

* The average personnel cost is determined by the headcount at the end of the financial period, not the entire period due to staff terminations and new hires.

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of Personnel Expenditure to Total Personnel Cost (R'000)	Number of Employees	Average Personnel Cost per Employee (R'000)
Top Management	10 145	6.8	4	2 536
Senior Management	34 155	22.8	17	2 009
Professional qualified	70 661	47.2	73	967
Skilled	32 303	21.6	62	521
Semi-skilled	2 434	1.6	9	270
Unskilled	0	0	0	0
Total	149 701	100.0	165	907**

Performance Rewards

No performance rewards were effected throughout the reporting year.

Training Costs

Programme / Activity / Objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	Number of employees trained	Average training cost per employee
Programme 1: Corporate Support	50 199	80	0.1	31	2
Programme 2: Business Enablement	22 995	29	0.1	8	3
Programme 3: Leisure Tourism Marketing	42 938	27	0.1	26	1
Programme 4: Business Events	16 458	0	0.0	0	0
Programme 5: Tourist Experience	17 109	6	0.	7	1
Total	149 701	142	0.4	72	2

**The average personnel cost is determined by the headcount at the end of the financial period, not the entire period due to staff terminations and new hires.

Employment & Vacancies

Programme	2022/2023 Number of Employees	2023/2024 Approved Posts	2023/2024 Number of Employees	2023/2024 Vacancies	% of Vacancies
Programme 1: Corporate Support	48	52	47	8	15.4
Programme 2: Business Enablement	16	18	18	0	0
Programme 3: Leisure Tourism Marketing	74	94	65	25	26.6
Programme 4: Business Events	16	17	16	1	5.8
Programme 5: Tourist Experience	22	21	19	0	0
Total	176	202	165	34	16.8

Level	2022/2023 Number of Employees	2023/2024 Approved Posts	2023/2024 Number of Employees	2023/2024 Vacancies	% of Vacancies
Top Management	4	7	4	2	28.5
Senior Management	14	25	17	3	12.0
Professional qualified	82	89	73	22	24.7
Skilled	63	67	62	4	5.9
Semi-skilled	13	14	9	3	21.4
Unskilled	0	0	0	0	0
Total	176	202	165	34	16.8

South African Tourism has 168 employees (165 permanent and 3 fixed-term). With a staff establishment of 202 positions, there are 34 vacancies when including fixed-term contracts and 37 vacancies when only considering permanent staff.

Employment Changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	4	3	2	5
Senior Management	14	3	3	14
Professional qualified	82	3	9	76
Skilled	63	1	6	58
Semi-skilled	13	0	1	12
Unskilled	0	0	0	0
Total	176	10	21	165

Reasons for Staff Leaving

Reason	Number	% of Total Number of Staff Leaving
Death	1	4.8
Resignation	14	66.6
Dismissal	1	4.8
Retirement	2	9.5
Ill health	0	0
Expiry of contract	2	9.5
Other	1	4.8
Total	21	100.00

Labour Relations: Misconduct & Disciplinary Action

Nature of disciplinary Action	Number
Verbal Warning	5
Written Warning	4
Final Written warning	1
Dismissal	1

Equity Target & Employment Equity Status

Levels	Male									
	African		Coloured		Indian		White		Non-SA*	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	
Top Management	1	2	0	0	1	0	0	0	0	0
Senior Management	5	3	1	1	0	2	1	1	1	0
Professional qualified	20	24	0	0	0	2	2	2	2	7
Skilled	8	12	1	1	1	1	1	1	2	4
Semi-skilled	3	3	0	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0	0	0
Total	37	44	2	3	2	5	4	5	5	11

Levels	Female									
	African		Coloured		Indian		White		Chinese	Non-SA
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Current
Top Management	2	3	0	0	0	1	0	1	0	0
Senior Management	6	3	2	2	1	1	0	1	1	0
Professional qualified	26	28	4	5	3	1	2	3	0	9
Skilled	27	27	4	4	3	2	2	3	0	11
Semi-skilled	6	6	0	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0	0	0
Total	67	67	10	12	7	5	4	8	1	20

* Non-SA refers to those non-South African SA Tourism employees based in the country offices.

Levels	Persons with Disability			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	1	0	1	0
Professional qualified	0	1	0	1
Skilled	0	0	1	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	1	1	2	1

Remuneration for Executive Management

Surname	Name	Date engaged	Date terminated	Basic salary	13 th cheque	Performance bonus	Other earnings	Total company contribution	Total cost
Mthethwa	Siyabonga	1 st March 2024	-	R190 104.82	-	-	R4 250.00	R11 787.36	R206 142.18
Guliwe	Nombulelo	1 st March 2024	-	R213 854.13	-	-	R5 000.00	R13 238.83	R232 092.96
Sadik	Talib	11 th March 2024	-	R141 594.03	-	-	R2 941.85	R11 781.79	R156 317.67
Ndlovu	Nomasonto	1 st July 2022	-	R2 365 372.84	-	-	R267 739.92	R149 068.96	R2 782 181.72
Khumalo	Themba	1 st September 2019	5 th May 2023	R261 640.49	-	-	R275 354.06	R27 401.01	R564 395.56
Auret	Bronwen	1 st February 2018	-	R1 964 716.99	-	-	R431 440.92	R138 905.43	R2 535 063.34
Total				R5 137 283.30	-	-	R986 726.75	R352 183.38	R6 476 193.43



Part E

PFMA Compliance Report

Renewed Connections: Chasing Growth

Report of the Auditor-General to Parliament on South African Tourism

Report on the Audit of the Financial Statements

Qualified Opinion

1. I have audited the financial statements of South African Tourism set out on pages 167 to 208, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of South African Tourism as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for Qualified Opinion

Payables from Exchange Transactions

3. I was unable to obtain sufficient appropriate audit evidence for trade payables and accrued liabilities included in payables from exchange transactions due to a lack of proper record keeping and reconciliation of control accounts. I was unable to confirm these trade payables by alternative means. Consequently, I was unable to determine whether any further adjustments to Payables from exchange transactions stated at R333 905 080 (2023: R317 770 772) in note 15 to the financial statements were necessary.

**South African
Tourism
aspires to
the highest
standards
of corporate
governance.**

Marketing Expenditure

4. The public entity recognised marketing expenditure using purchase orders instead of actual invoices from suppliers, which constitute departure from GRAP 1, Presentation of financial statements.

Consequently, I was unable to determine whether any further adjustments to marketing expenditure stated at R1 069 438 922 (2023: R1 152 923 767) in note 23 to the financial statements were necessary.

Cash Flow Statement

5. Net cash flows from operating activities was not correctly prepared and disclosed as required by Standards of GRAP 2, cash flow statements. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R124 177 696 in the financial statements were necessary.

Cash and Cash Equivalents

6. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents as the balance did not agree to the general ledger and bank reconciliations were not adequately prepared to reconcile differences between the 31 March 2024 bank statements and underlying records. I was unable to confirm cash and cash equivalents by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to cash and cash equivalents stated at R570 225 286 in the financial statements.

Context for Opinion

7. 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.

8. 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.

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

Responsibilities of the Accounting Authority for the Financial Statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. 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 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

12. 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.

13. 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 152, forms part of our auditor's report.

Report on the Annual Performance Report

14. 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 the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

15. I selected the following material performance indicators related to Programme 3: Leisure tourism marketing, Programme 4: Business events and Programme 5: Tourist experience presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Global Tourism Brand Campaign Implemented

- Number of localised brand campaigns implemented in support of the Global Tourism Brand Campaign
- Number of regional seasonal campaigns implemented
- Number of domestic seasonal campaigns implemented
- Number of distribution channel initiatives implemented in market
- Global Trade Programme implemented
- Annual Global Advocacy Programme implemented
- Number of quarterly tourism economic impact communication activities
- Number of B2B brand campaign implemented
- Number of bid submissions
- Number of business events hosted in VTSDs
- Number of business events bidding impact reports
- Africa's Travel Indaba Hosted
- Meetings Africa hosted
- Number of international strategic platforms participated in
- Number of graded establishments
- Reviewed grading model and TGCSA Value Proposition implemented
- Production proposition implemented
- Three- Year Tourism Value Chain Strategy and Roadmap

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

17. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the 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 presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

19. I did not identify any material findings on the reported performance information for the selected indicators.

Other Matter

20. I draw attention to the matter below.

Achievement of Planned Targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.

22. The table that follows provides information on the achievement of planned targets that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 60 to 98.

Programme 5: Tourist Experience

Targets achieved: 83%

Budget spent: 81%

Key indicator not achieved	Planned target	Reported achievement
Number of graded establishments	5462	4668

Report on Compliance with Legislation

23. 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 entity's compliance with legislation.

24. 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.

25. 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 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.

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

Annual Financial Statements and Annual Report

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

28. Material misstatements of property, plant and equipment and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Expenditure Management

29. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 37 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by failure to follow a procurement process in terms of the Treasury transcripts to invite competitive bids.

Other Information in the Annual Report

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

31. 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.

32. 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 material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal Control Deficiencies

34. 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.

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

36. Management did not implement adequate internal controls to ensure the preparation of accurate financial statements as numerous material misstatements were identified that resulted in the modification of the auditor's opinion.

37. Senior management did not establish and implement sufficient procedures to prevent the occurrence of irregular expenditure.

Material Irregularities

38. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material Irregularities in Progress

39. I identified a material irregularity during the audit and notified the accounting authority, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting authority was not yet due. This material irregularity will be included in next year's auditor's report.

Other Reports

40. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

41. There were various investigations taking place which relate to allegations of misappropriation of the public entity's assets at the request of the previous interim board, covering the period 1 April 2022 to 31 March 2024. The outcomes of the investigations were not finalised at the time of this report.

Auditor-General

Pretoria

31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the Auditor's Report

The annexure includes the following:

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

Auditor-General's Responsibility for the Audit

Professional Judgement and Professional Scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the 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 entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the 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 an 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
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	CIDB Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No.1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No.03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No.11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No.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 No.12 of 2004

Section 34(1)

Irregular, Fruitless and Wasteful Expenditure and Material Losses

Irregular Expenditure

a. Reconciliation of Irregular Expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	61 842	51 935
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	24 205	9 907
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	86 047	61 842

Following determination, R 9.9m was paid for services rendered not in the scope of the contract, was found to be irregular. The procurement process followed was not compliant with the Public Finance Management Act section 51 (1) (a) (i), 51 (1) (b) (ii) PFMA SCM Instruction no. 2 of 2021/22 paragraph 3.3.1. Furthermore, the following transactions: R7.4m for facilitation of rights during a rugby event, R3.8m for a golf event, and R2.5m paid to a rugby association, were found to be irregular expenditure due to contract entered to by the entity without following procurement processes.

Reconciling Notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	24 205	9 907
Total	24 205	9 907

b. Details of Irregular Expenditure (under assessment, determination, and investigation)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	9 907
Irregular expenditure under investigation	9 977	-
Total	9 977	9 907

c. Details of Irregular Expenditure Condoned

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure condoned	-	-
Total	-	-

d. Details of irregular expenditure removed (not condoned)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e. Details of Irregular Expenditure Recoverable

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure recovered	-	-
Total	-	-

f. Details of Irregular Expenditure Written off (irrecoverable)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure written off	-	-
Total	-	-

Additional Disclosure Relating to Inter-institutional Arrangements**g. Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)**

Description

Total

h. Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2023/2024 R'000	2022/2023 R'000
Total		

i. Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

Fruitless And Wasteful Expenditure

a. Reconciliation of fruitless and wasteful expenditure

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	6 403	978
Adjustment to opening balance	-	4 188
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	12	1 237
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	6 415	6 403

Reconciling Notes

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure that was under assessment	-	395
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	395

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

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	843
Fruitless and wasteful expenditure under investigation	-	-
Total	-	843

c. Details of Fruitless and Wasteful Expenditure Recoverable

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

d. Details of Fruitless and Wasteful Expenditure not Recoverable and Written off

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

e. Details of Disciplinary or Criminal Steps Taken as a Result of Fruitless and Wasteful Expenditure

Disciplinary steps taken

Additional disclosure relating to material losses in terms of PFMA section 55(2)(b)(i) & (iii)

a. Details of Material Losses through Criminal Conduct

Material losses through criminal conduct	2023/2024 R'000	2022/2023 R'000
Theft		
Other material losses		
Less: Recovered		
Less: Not recovered and written off		
Total		

b. Details of Other Material Losses

Nature of other material losses	2023/2024 R'000	2022/2023 R'000
(Group major categories, but list material items)		
Total		

c. Other Material Losses Recoverable

Nature of losses	2023/2024 R'000	2022/2023 R'000
(Group major categories, but list material items)		
Total		

d. Other Material Losses not Recoverable and Written off

Nature of losses	2023/2024 R'000	2022/2023 R'000
(Group major categories, but list material items)		
Total		

Late and/or Non-Payment of Suppliers

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

Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Imex frankfurt 2023 space and participation fee	Regent Exhibition Ltd	Single Source	N/A	4 192
Microsoft licensing renewal	Microsoft	Sole Source	N/A	17 985
Internation Golf Travel Market 2023 Participation Space	RX Global	Single Source	N/A	2 014
Routes World Exhibition 2023	Informa markets (UK) limited	Single Source	N/A	1 010
South African Rugby Union (SARU)	South African Rugby Union (SARU)	Single Source	N/A	4 025
Siya Kolisi as our Global Brand Ambassador	Kolisi Investment Proprietary Limited	Single Source	N/A	4 950
WTM 2023 Stand Build	Gielissen Interiors Exhibitions Events	Multi Source	N/A	3 829
Virtuoso 2023 Participation Fee	Virtuoso	Single Source	N/A	1 958
IMEX America 2023	Teamwork Marketing Solutions	Multi Source	N/A	3 944
IBTM World 2023	IBTM World 2023	Multi Source	N/A	3 199
ATM 2023	Top Gear Promotions/Arena Group	Multi Source	N/A	1 867

North America Marketing Campaign Partnership	TourRadar GMBH	Single Source	N/A	1 709
ITB Berlin 2024 Stand Build	Gielissen Interiors Exhibitions Events	Multi Source	N/A	6 251
ITB Berlin 2024 Participation Fees	Virtuoso	Single Source	N/A	1 842
Communication Platform and Trade Media	TaConnect	Single Source	N/A	1 255
Total				60 000

Contract Variations and Expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Australia Office Lease extension	117 York Street (Pty) Limited	Expansion	N/A	12 327	N/A	3 967
Japan Office Lease extension	Akasaka	Expansion	N/A	3 179	N/A	2 119
Total				15 506		6 086



Part F

Financial Information

Renewed Connections: Chasing Growth

Index

The reports and statements set out below comprise the Annual Financial Statements presented to Parliament:

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South African Tourism

Financial Statements for the year ended 31st March 2024

Members' Responsibilities and Approval

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

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable

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The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP)

circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The members have reviewed the entity's cash flow forecast for the year to 31st March 2025 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Department of Tourism for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's financial statements. The financial statements have been examined by the entity's external auditors and their report is presented on page 167.

The financial statements set out on page 167, which have been prepared on the going concern basis, were approved by the members on 31st July 2024 and were signed on its behalf by:



Member

Board Chairperson

Statement of Financial Position as at 31 March 2024

*Figures in Rand

	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	9	38 436 914	78 533 838
Receivables from non-exchange transactions	10	133 543 522	115 440 622
Staff advances	7	215 963	115 760
Cash and cash equivalents	11	570 225 286	447 916 725
		742 421 685	642 006 945
Non-Current Assets			
Property, plant and equipment	3	65 573 656	74 008 874
Intangible assets	4	6 528 441	6 551 106
		72 102 097	80 559 980
Total Assets		814 523 782	722 566 925
Liabilities			
Current Liabilities			
Finance lease obligation	13	14 428	13 762
Operating lease liability	5	332 522	1 452 495
Payables from exchange transactions	15	333 905 080	317 770 772
Income received in advance		-	34 383
Provisions	14	7 885 853	7 885 853
Employee Benefit Obligations	6	1 318 000	1 318 000
		343 455 883	328 475 265
Non-Current Liabilities			
Employee Benefit Obligation	6	28 902 000	25 319 000
Total Liabilities		372 357 883	353 794 265
Net Assets		442 165 899	368 772 660
Reserves			
Revaluation reserve	12	44 381 978	52 114 555
Accumulated surplus		397 783 921	316 658 105
Total Net Assets		442 165 899	368 772 660

Statement of Financial Performance

*Figures in Rand

	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Sundry Income	16	124 613 656	97 465 828
Grading Revenue	18	15 232 515	25 056 960
Interest received	19	13 465 468	17 605 796
Total revenue from exchange transactions		153 311 639	140 128 584
Revenue from non-exchange transactions			
Transfer revenue			
Government grants		1 289 739 000	1 329 206 000
Voluntary TOMSA levies		133 543 522	115 440 622
Total revenue from non-exchange transactions		1 423 282 522	1 444 646 622
Total revenue	16	1 576 594 161	1 584 775 206
Expenditure			
Employee related costs	20	(234 579 029)	(221 859 668)
Administration and management fees	21	(92 004 265)	(107 107 194)
Depreciation and amortisation	22	(6 149 719)	(10 222 234)
Finance costs	24	(3 671)	(3 502)
Lease rentals on operating lease	17	(16 096 278)	(22 361 233)
Debt Impairment	25	241 466	(1 005 874)
Travel Expenses		(18 983 146)	(34 514 189)
Loss on disposal of assets		(7 424)	(122 593)
Loss on foreign exchange		(36 119 688)	(19 807 340)
Marketing expenses	23	(1 069 438 922)	(1 152 923 767)
Auditors Remuneration	27	(11 330 213)	(8 183 112)
Grading expenses	18	(10 997 456)	(17 314 922)
Total expenditure		(1 495 468 345)	(1 595 425 628)
Surplus (deficit) for the year		81 125 816	(10 650 422)

Statement of Changes in Net Assets

*Figures in Rand

	Revaluation Reserve	Accumulated Surplus	Total Net Assets
Balance at 01 April 2022	52 114 555	171 883 130	223 997 685
Items recognised directly in net assets	-	7 997 958	7 997 958
Net income (losses) recognised directly in net assets	-	-	-
Deficit for the year	-	(10 650 421)	(10 650 421)
Opening balance as previously reported	52 114 555	169 230 667	221 345 222
Adjustments			
Correction of errors 33	-	147 427 438	147 427 438
Restated* Balance at 01 April 2023 as restated*	52 114 555	316 658 105	368 772 660
Surplus for the year	-	81 125 816	81 125 816
Changes in revaluation	(7 732 577)	-	(7 732 577)
Total changes	(7 732 577)	81 125 816	73 393 239
Balance at 31 March 2024	44 381 978	397 783 921	442 165 899
Note(s)	12		

Cash Flow Statement

*Figures in Rand

	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		52 609 533	119 720 599
Grants		1 289 739 000	1 329 206 000
Interest income		12 343 392	17 605 796
TOMSA levy		115 440 622	-
		1 470 132 547	1 466 532 395
Payments			
Employee costs		(228 656 852)	(221 859 668)
Suppliers		(1 117 297 999)	(1 428 016 414)
		(1 345 954 851)	(1 649 876 082)
Net cash flows from operating activities	29	124 177 696	(183 343 687)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(3 585 543)	(14 304 536)
Proceeds from sale of property, plant and equipment	3	8 614	8 160
Purchase of other intangible assets	4	(1 872 200)	(1 399 700)
Other cash item		-	(8 139)
		(5 449 129)	(15 704 215)
Cash flows from financing activities			
Finance lease payments		(3 006)	(77 103)
Post retirement healthcare benefit		3 583 000	-
		3 579 994	(77 103)
Net increase/(decrease) in cash and cash equivalents		122 308 561	(199 125 005)
Cash and cash equivalents at the beginning of the year		447 916 725	647 041 730
Cash and cash equivalents at the end of the year	11	570 225 286	447 916 725

Significant Accounting Policies

1. Significant Accounting Policies

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

1.1 Basis of Preparation

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

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

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

These accounting policies are consistent with the previous period.

1.2 Presentation Currency

These financial statements are presented in South African Rand, which is the functional currency of South African Tourism.

1.3 Going Concern Assumption

These financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Significant Judgements and Sources of Estimation Uncertainty

In preparing the financial statements, management

is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include: Provisions and extension of useful life in line with GRAP 17.

Trade Receivables

South African Tourism assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, South African Tourism makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Effective Interest Rate

South African Tourism uses an appropriate interest rate, taking into account guidance provided in the standards and applying professional judgement specific to circumstances to discount future cashflows.

Depreciation and Amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets is determined with reference to the useful lives of the underlying items. The useful lives of assets are based on management's estimation of the assets condition, including expected condition at the end of period of use, its current use as well as expected future use.

Significant judgement was applied in determining the extended useful lives of fixed assets. Individual useful lives are reviewed with sufficient regularity and adjusted through depreciation catchup method where necessary.

Pension and Other Post-Employment Benefits

Post-employment pension benefits offered

by South African Tourism take the form of a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund, resulting in no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Provisions

Provisions are measured at present value of estimated future outflows required to settle the obligation unless the impact of timing is immaterial. In determining the best estimate of the future settlement amount Management has considered weighting of all the possible outcomes by their associated possibilities.

Post-Retirement Benefits

Post-employment pension benefits offered by South African Tourism take the form of a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund, resulting in no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality

corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles in order to assess and determine possible impairment. The measurement of receivables is derived after consideration of the allowance for doubtful debts. Trade receivables over 90 days are provided for, as significant days outstanding are deemed to be an indicator of impairment. The exception to this are government entities due to past payment trend analysis.

Accounting by Principals and Agent

The entity makes assessments on whether it is the principal or agent in principal-agent relationships. The existence of principal vs agent arrangements are evaluated in terms of GRAP 109, judgement is applied in relation to South African Tourism's mandate for purposes of concluding if the entity is an agent. Judgement is applied in relation to industry norm for purposes of concluding if the entity is a principal.

1.5 Property, Plant and Equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

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

Property, plant and equipment is initially measured at cost.

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.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on

which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, buildings and artwork which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

South African Tourism has elected to adopt the asset management framework for recognition of minor assets. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that determined using fair value at the end of the reporting period.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus

or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

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

Item	Depreciation Method	Average Useful Life
Building	Straight-line	50 years
Furniture and Fixtures	Straight-line	4 - 40 years
Motor Vehicles	Straight-line	4 - 15 years
IT Equipment	Straight-line	3 - 20 years
Leasehold Improvements	Straight-line	Period of lease
Lift	Straight-line	5 - 50 years
Airconditioning	Straight-line	5 - 20 years
Leased Assets	Straight-line	Period of lease or shorter
Electrical Installation	Straight-line	5 - 20 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation

to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date 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.

The entity 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.

1.6 Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the

intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation Method	Average Useful Life
Patents, Trademarks and Marketing rights	Straight-line	20 years
Computer software, other	Straight-line	10 - 12 years
Website Cost	Straight-line	2 - 10 years

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 (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 Financial Instruments

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

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.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

A financial asset is:

- cash;
- a residual interest of another entity; or

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

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

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.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due. Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Classification

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

Class	Category
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at fair value

The entity 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
Finance lease liability	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost

Initial Recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial Measurement of Financial Assets and Financial Liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures all financial assets and

financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Subsequent Measurement of Financial Assets and Financial Liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Impairment and Uncollectibility of Financial Assets

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Impairment and Uncollectibility of Financial Assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a receivable or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred)

discounted at the financial asset's original effective interest rate unless the impact of discounting is immaterial. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

Significant financial difficulty, probability of bankruptcy, financial reorganisation, default or delinquency in payment (greater than 90 days) are all indicators of possible impairment.

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. Carrying amount is the amount at which an asset is recognised in the statement of financial position.

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

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.

Finance Leases - Lessee

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

The discount rate used in calculating the present

value of the minimum lease payments is the entity's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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 Cash and Cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less which are available on demand.

1.10 Impairment of Cash Generating Assets

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.11 Employee Benefits

Identification

Employee Benefits

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

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

Post employment benefits are employee benefits (other than termination benefits and short term employee benefits) that are payable after the completion of employment.

Other long term employee benefits are all employee benefits other than short term employee benefits, post employment benefits and termination benefits.

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

A constructive obligation is an obligation that derives from an entity's actions whereby through an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities. As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short Term Employee Benefits

Recognition and Measurement

All Short Term Employee Benefits

Short term employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services: (a) wages, salaries and social security contributions; (b) paid annual leave and paid sick leave; (c) bonus, incentive and performance related payments; and (d) non monetary benefits such as medical care, housing, cars and free or subsidised goods or services for current employees. An entity need not reclassify a short term employee benefit if the entity's expectations of the timing of settlement change temporarily. However, if the characteristics of the benefit change (such as a change from a non accumulating benefit to an accumulating benefit) or if a change in expectations of the timing of settlement is not temporary, then the entity considers whether the benefit still meets the definition of short term employee benefits.

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

(a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short Term Paid Absences

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs.

The entity measures the expected cost of

accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, Incentive and Performance Related Payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

- (a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and
- (b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

Post employment benefits: Distinction between defined contribution plans and defined benefit plans

Insured Benefits

The entity may pay insurance premiums to fund a post employment benefit plan. The entity treats such a plan as a defined contribution plan unless the entity will have (either directly or indirectly through the plan) a legal or constructive obligation either to:

- (a) pay the employee benefits directly when they fall due; or
- (b) pay further amounts if the insurer does not pay all future employee benefits relating to employee service in the current and prior reporting periods. If the entity retains such a legal or constructive obligation, the entity treats the plan as a defined benefit plan.

Post employment benefits: Defined contribution plans

Recognition and Measurement

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- (a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- (b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are discounted using the discount rate as specified.

1.12 Provisions

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.

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

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

The discount rate is a pre tax rate that reflects

current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;

- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 31.

1.13 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

benefit commitments are excluded.

1.14 Revenue from Exchange Transactions

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

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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.

Measurement

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

Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, Royalties and Dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or

similar distributions is recognised when:

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

Interest is recognised using the effective interest rate method.

1.15 Revenue from Non Exchange Transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non exchange transactions are transactions

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

Recognition

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

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

When, as a result of a non exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required-to-recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.16 Interest

Interest received is recognised as the interest accrues.

1.17 Accounting by Principals and Agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding Arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity,

then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.18 Translation of Foreign Currencies

Foreign Currency Transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.19 Comparative Figures

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

South African Tourism does not make its budget publicly available and is thus not required to disclose budget information in accordance with GRAP 24.

Material prior periods changes or errors, are dealt with in terms of applicable GRAP statement. Presentation and classification is consistent with previous financial year.

1.20 Unauthorised Expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and, where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Fruitless and Wasteful Expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Irregular Expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised

expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

(c) any provincial legislation providing for procurement procedures in that provincial government.

All expenditure relating to irregular expenditure is recognised as an expense in the surplus or deficit in the period that the expenditure was incurred.

The expenditure is classified in accordance with the

nature of the expense and where recovered it is subsequently accounted for as revenue in the surplus or deficit.

On 23rd December 2022, National Treasury issued Instruction No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3rd January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of irregular expenditure. Among the effects of this framework is that irregular expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 36 to the financial statements.

The movements in respect of irregular expenditure are no longer disclosed in the notes to the annual financial statements of South African Tourism. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of South African Tourism.

1.23 Segment Information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported

measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.24 Related Parties

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

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

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

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

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

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

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

parameters established by that reporting entity's legal mandate.

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

1.25 Events after Reporting Date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

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

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

The entity 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.

Notes to the Annual Financial Statements

*Figures in Rand

2. New Standards and Interpretations

2.1 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 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 103 (as revised): Heritage Assets	Effective date still to be determined by ASB	Unlikely there will be a material impact
GRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

3. Property, Plant and Equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	17 100 000	-	17 100 000	10 000 000	-	10 000 000
Buildings	33 147 145	(5 359 682)	27 787 463	58 477 211	(14 480 965)	43 996 246
Furniture and fixtures	16 588 076	(7 384 498)	9 203 578	16 616 492	(5 697 371)	10 919 121
Motor vehicles	1 854 552	(1 547 699)	306 853	1 854 552	(1 743 901)	110 651
Computer equipment	29 019 522	(18 127 191)	10 892 331	25 645 366	(17 067 663)	8 577 703
Leasehold improvements	3 194 360	(2 930 097)	264 263	3 194 360	(2 841 174)	353 186
Leased Assets	165 324	(146 156)	19 168	165 324	(113 357)	51 967
Total	101 068 979	(35 495 323)	65 573 656	115 953 305	(41 944 431)	74 008 874

Reconciliation of Property, Plant and Equipment - 2024

	Opening Balance	Additions	Disposals	Revaluations	Other Changes, Movements	Depreciation	Total
Land	10 000 000	-	-	7 100 000	-	-	17 100 000
Buildings	43 996 246	51 698	-	(23 200 000)	8 350 131	(1 410 612)	27 787 463
Furniture and fixtures	10 919 121	62 374	-	-	-	(1 777 917)	9 203 578
Motor vehicles	110 651	-	-	-	-	196 202	306 853
Computer equipment	8 577 702	3 471 471	(16 038)	-	-	(1 140 804)	10 892 331
Leasehold improvements	353 186	-	-	-	-	(88 923)	264 263
Leased Assets	51 967	-	-	-	-	(32 799)	19 168
	74 008 873	3 585 543	(16 038)	(16 100 000)	8 350 131	(4 254 853)	65 573 656

Reconciliation of Property, Plant and Equipment - 2023

	Opening Balance	Additions	Disposals	Depreciation	Total
Land	10 000 000	-	-	-	10 000 000
Buildings	45 656 314	725 194	(485 715)	(1 899 547)	43 996 246
Furniture and fixtures	2 021 890	9 726 440	(36 902)	(792 307)	10 919 121
Motor vehicles	326 247	-	-	(215 596)	110 651
Computer equipment	10 138 611	3 822 568	(1 337 278)	(4 046 199)	8 577 702
Leasehold improvements	413 178	-	-	(59 992)	353 186
Leased Assets	58 598	30 334	-	(36 965)	51 967
	68 614 838	14 304 536	(1 859 895)	(7 050 606)	74 008 873

Revaluations

The effective date of the revaluations was Monday, 01 July 2024. Revaluations were performed by independent valuer, Mr A. Steyn, Professional Valuer (Reg No: 6602/8), of Valuetec Property Valuations. Valuetec are not connected to South African Tourism.

The property is situated on 90 Protea Road, ERF 50, Chistlehurst, City of Johannesburg, Gauteng. Land and buildings are re valued independently every three years. The valuation was performed using the income capitalisation approach and the comparable sales approach as a cross reference by comparing similar properties comparable sales rate/m2 and by also taking into account the replacement value. These assumptions were based on current market conditions. The property is thus accounted for using the replacement value in line with GRAP 17.38.

The other changes relate to adjustments made for the revaluation of the land and buildings.

4. Intangible Assets

	2024			2023		
	Cost / Valuation	Accumulated Amortisation and Accumulated impairment	Carrying Value	Cost / Valuation	Accumulated Amortisation and Accumulated impairment	Carrying Value
Marketing rights	2 579 189	(2 491 636)	87 553	2 579 189	(2 573 689)	5 500
Computer software	22 633 601	(17 502 341)	5 131 260	20 761 401	(15 398 402)	5 362 999
Website costs	2 210 705	(1 817 661)	393 044	2 210 705	(2 058 769)	151 936
Other intangible costs	1 737 104	(820 520)	916 584	1 737 104	(706 433)	1 030 671
Total	29 160 599	(22 632 158)	6 528 441	27 288 399	(20 737 293)	6 551 106

Reconciliation of Intangible Assets - 2024

	Opening Balance	Additions	Amortisation	Total
Marketing rights	5 500	-	82 053	87 553
Computer software	5 362 999	1 872 200	(2 103 939)	5 131 260
Website costs	151 936	-	241 108	393 044
Other intangible assets	1 030 671	-	(114 087)	916 584
	6 551 106	1 872 200	(1 894 865)	6 528 441

Reconciliation of Intangible Assets - 2023

	Opening Balance	Additions	Other Changes, Movements	Amortisation	Total
Marketing rights	102 031	-	-	(96 531)	5 500
Computer software	10 797 370	383 185	(3 105 000)	(2 712 556)	5 362 999
Website costs	336 474	-	-	(184 538)	151 936
Other Intangible assets	192 157	1 016 515	-	(178 001)	1 030 671
	11 428 032	1 399 700	(3 105 000)	(3 171 626)	6 551 106

5. Operating Lease Asset (Liability)

	2024	2023
Current liabilities	332 522	1 452 495

Operating lease accrual is due to operating lease straight lining which mainly emanates from international office leases. A prior year adjustment has been made on the liability. Refer to note 33.

6. Employee Benefit Obligations

Defined Benefit Plans - General Information

Post Employment Health Care Benefits

South African Tourism provides post retirement health care benefits to its pensioners and eligible employees. These benefits are considered a defined benefit plan under GRAP 25. The plan is unfunded, meaning that the benefits are paid-directly-by South African Tourism as they become due.

Key Characteristics and Risks

Eligibility: Pensioners and eligible employees who were in service as of the reporting date are entitled to these benefits.

Benefit Structure: The benefits cover medical aid costs for eligible individuals.

Actuarial Valuation: The liability for post retirement health care benefits is determined annually by an independent actuary. The valuation considers factors such as expected future medical cost inflation, investment returns on plan assets (if any), staff turnover, and mortality rates.

Key Risks:

- **Longevity Risk:** The risk that beneficiaries live longer than expected, leading to higher than anticipated benefit payments.
- **Medical Cost Inflation Risk:** The risk that medical costs increase at a faster rate than assumed in the actuarial valuation.
- **Investment Risk:** If the plan were funded, there would be a risk that the returns on plan assets would be lower than expected. However, as this plan is unfunded, this risk is not applicable.

The amounts recognised in the statement of financial position are as follows:

The present value of the defined benefit obligation is recognized as a liability

	2024	2023
Present value of the defined benefit obligation - Current	1 318 000	1 318 000
Present value of the defined benefit obligation - Non-Current	28 902 000	25 319 000
	30 220 000	26 637 000

Net expense recognised in the statement of financial performance are as follows:

The following components of the net benefit expense are recognized in the statement of financial performance:

- **Service Cost:** The present value of benefits earned by employees during the year.
- **Net Interest Expense/Income:** The change in the PVDBO due to the passage of time.

- **Remeasurements:** Actuarial gains or losses, which arise due to changes in actuarial assumptions or experience adjustments.

	2024	2023
Service cost	1 608 000	1 318 000
Net interest on the net defined benefit liability (asset)	4 506 000	3 505 000

Impact on Future Cash Flows

The post retirement health care benefits plan will result in future cash outflows as benefits are paid to eligible beneficiaries. The timing and amount of these cash flows are uncertain and depend on various factors, including:

- The number of beneficiaries claiming benefits.
- The actual medical costs incurred by beneficiaries.
- The mortality experience of beneficiaries.

Reconciliation of defined Benefit obligation

	2024	2023
Opening balance	26 637 000	28 247 000
Current service cost	1 318 000	3 374 000
Interest cost	3 505 000	1 390 000
Actuarial (gain)/loss	738 000	(4 757 000)
Benefits paid	(1 978 000)	(1 617 000)
	30 220 000	26 637 000

Key Assumptions Used

The following are the key actuarial assumptions used in the valuation of the post retirement health care benefits as of 31st March 2024

Discount Rate: Yield curve

Medical Cost Inflation Rate: CPI + 3%

Retirement Age: 65 years

The nominal and real zero curves as at 28th March 2024 supplied by the JSE has been used to determine the discounted rates and CPI assumptions at each relevant time period.

Sensitivity Analysis

Medical Aid Inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees. The actuaries have tested the effect of a 1% p.a. change in the medical aid inflation assumption.

2024	1% point increase	1% point decrease
Total accrued liability	34 645 000	26 614 000
Interest cost	5 196 000	3 945 000
Service cost	1 958 000	1 332 000

2023	1% point increase	1% point decrease
Total accrued liability	30 764 000	23 301 000
Interest cost	4 073 000	3 046 000
Service cost	1 648 000	1 060 000

Mortality Rate

The actuaries have illustrated the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20% on the actual cost as follows.

2024	20% point increase	20% point decrease
Total accrued liability	27 380 000	33 828 000
Interest cost	4 069 000	5 062 000
Service cost	1 455 000	1 799 000

2023	20% point increase	20% point decrease
Total accrued liability	24 045 000	29 942 000
Interest cost	3 153 000	3 953 000
Service cost	1 181 000	1 488 000

Actuary

The valuation was conducted by ZAQ Consultants and Actuaries (Pty) Ltd. There is no conflict of interest.

7. Staff Advances

	2024	2023
Staff advances at year end	215 963	115 760

Staff advances consists of study loans and travel advances made to staff members. The advances are interest free and are repayable within 12 months.

8. Employee Benefit Obligation

It is the policy of South African Tourism to provide retirement benefits to all its employees through a number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

South African Tourism is under no obligation to cover any unfunded benefits.

South African Tourism has a defined contribution plan covering all its employees permanently employed within the republic. Retirement benefits are based on the growth of each member's investment. As at 31st March 2024, the value of South African Tourism retirement fund was R 153 395 844,50 (2023: R143 805

393,8).

9. Receivables from Exchange Transactions

	2024	2023
Trade receivables	21 822 172	15 254 469
Deposits	5 298 099	5 026 462
Prepaid expenses	11 316 643	58 252 907
	38 436 914	78 533 838

Trade receivables held by South African Tourism at 31st March 2024 amounted to R 21.8million (2023: R 15.3million). Short term receivables with no stated interest rate is measured at original invoice amount if the effect of discounting is immaterial. Accounts receivable discounting procedures were performed and the results were immaterial.

South African Tourism has provided fully all receivables over 90 days because historical experiences is such that receivables that are beyond 90 days are generally not recoverable except for government entities.

The creation and release of provision of impaired receivables have been included in operating expenses in surplus or deficit to the extent that they related to the current year. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Trade and Other Receivables Impaired

The amount of the provision was R 2 693 735 as of 31st March 2024 (2023: R 2 962 274).

The ageing of these receivables is as follows:

	2024	2023
90 - 180 days	-	774 163
180 - 360 days	780 814	92 852
361+ days	1 912 921	2 095 259
	2 693 735	2 962 274

Reconciliation of Provision for Impairment of Trade and other Receivables

	2024	2023
Opening balance	2 962 274	7 572 288
Provision for impairment	2 693 735	2 962 274
Amounts written off as uncollectible	(2 962 274)	(7 572 288)
	2 693 735	2 962 274

10. Receivables from Non-Exchange Transactions

	2024	2023
Other receivables from non-exchange TOMSA voluntary levies	133 543 522	115 440 622

The balance at year end for TOMSA levy contributions is due to South African Tourism, in terms of the memorandum of agreement between the two entities.

11. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	2024	2023
Cash on hand	68 886	73 929
Bank Balances	570 156 400	447 842 796
	570 225 286	447 916 725

12. Revaluation Reserve

Revaluation surplus relating to property, plant and equipment.

	2024	2023
Opening balance	52 114 555	52 114 555
Changes in revaluation	(7 732 577)	-
	44 381 978	52 114 555

13. Finance Lease Obligation

	2024	2023
Minimum lease payments due		
-within one year	14 428	14 050
Present value of minimum lease payments due		
-within one year	14 428	12 458

It is South African Tourism policy to lease certain equipment under finance leases.

The average lease term was 4 years and the average effective borrowing rate was 10%.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

14. Provisions

Reconciliation of Provisions - 2024

	Opening Balance	Total
Provision for withholding tax	7 885 853	7 885 853

Reconciliation of Provisions - 2023

	Opening Balance	Additions	Total
Provision for withholding tax	7 339 752	546 101	7 885 853

Provision for withholding tax relates to tax that may be payable to the South African Revenue Services in relation to a locally recruited employee in Angola.

15. Payables from exchange transactions

	2024	2023
Trade payables	101 399 952	116 904 413
Accrued liabilities	213 288 257	181 757 437
Accrued leave pay	19 216 871	19 108 921
	333 905 080	317 770 771

Payables from exchange transactions mainly comprises of current obligations that emanate from goods and services already delivered for marketing and operational expenditure.

16. Revenue

	2024	2023
Sundry income	124 613 656	97 465 828
Grading income	15 232 515	25 056 960
Interest received	13 465 468	17 605 796
Government grants & subsidies	1 289 739 000	1 329 206 000
Voluntary TOMSA levies	133 543 522	115 440 622
	1 576 594 161	1 584 775 206

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

Sundry income	124 613 656	97 465 828
Grading income	15 232 515	25 056 960
Interest received - investment	13 465 468	17 605 796
	153 311 639	140 128 584

Sundry income is mainly related to receipts from Exhibition income.

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government grants & subsidies	1 289 739 000	1 329 206 000
Voluntary TOMSA levies	133 543 522	115 440 622
	1 423 282 522	1 444 646 622

17. Lease Rentals on Operating Lease

	2024	2023
Premises		

Contractual amounts	15 631 145	21 906 758
Equipment		
Contingent amounts	465 133	454 475
	16 096 278	22 361 233

18. Grading income and expenses

	2024	2023
Grading revenue	15 232 515	25 056 960
Grading Expenses	(10 997 456)	(17 314 922)
	4 235 059	7 742 038

19. Investment Income

	2024	2023
Interest revenue		
Bank	13 465 468	17 605 796

20. Employee Related Costs

	2024	2023
Basic	174 041 680	167 285 727
Bonus	7 542	-
Medical aid - company contributions	2 069 817	2 471 653
UIF	1 067 527	347 842
SDL and staff training	1 911 461	2 080 579
Leave pay provision charge	2 437 046	2 073 726
Other short term costs	7 508	-
Defined contribution plans	10 449 460	10 047 397
Allowances	22 744 829	28 817 983
Social Insurance	7 328 002	5 433 890
Other employee related costs	12 514 157	3 300 871
	234 579 029	221 859 668

Bonus comprises solely employee optional structured 13th cheque. There were no performance related bonuses charge in the 2023/24 financial year.

Other employee related costs comprise of staff welfare, recruitment , relocation, staff surveys and related interventions.

21. Administrative Expenditure

	2024	2023
Administration and management fees - third party	91 396 343	102 177 966
	607 922	4 929 228
	92 004 265	107 107 194

Administrative expenditure comprises of mainly legal fees, IT support and licencing fees. Administration and management fees - related party relates to expenses incurred by the Accounting Authority of South

African Tourism.

22. Depreciation and Amortisation

	2024	2023
Property, plant and equipment	4 254 853	7 050 606
	1 894 866	3 171 627
	6 149 719	10 222 233

23. Marketing Expenses

	2024	2023
Marketing costs	1 069 438 922	1 152 923 767

Marketing expenses mainly consists of costs toward media placements, content generation and marketing activations for brand campaigns, digital marketing and stimulating domestic tourism. In the current year travel expenditure related to marketing costs have been reclassified on the statement of financial performance for presentation purposes. Travel expenses R 18 983 146 (2023: R 34 514 189).

24. Finance Costs

	2024	2023
Finance leases	3 671	3 502

25. Debt Impairment

	2024	2023
Bad debts written off	(241 466)	1 005 874

26. Travel Expenses

	2024	2023
Travel Expenses	18 983 146	34 514 189

27. Auditors' Remuneration

	2024	2023
Fees	11 330 213	8 183 112

28. Taxation

South African Tourism is exempt from income tax in terms of Section 10(1)(CA)(1) of Income Tax Act.

29. Cash Generated from (Used in) Operations

	2024	2023
Surplus (deficit)	81 125 816	(10 650 422)
Adjustments for:		
Depreciation and amortisation	6 149 719	10 222 234
Loss on sale of assets and liabilities	7 424	122 593
Loss on foreign exchange	36 119 688	-

Finance costs - Finance leases	3 671	3 502
Tomsa levy	(115 440 622)	-
Debt impairment	(241 466)	1 005 874
Movements in operating lease assets and accruals	1 119 973	2 048 309
Movements in provisions	3 583 000	(1 063 899)
Movement in Net Asset	73 393 239	7 997 956
Other non-cash items	-	3 105 000
Changes in working capital:		
Receivables from exchange transactions	40 096 924	(47 839 956)
Consumer debtors	-	(2 962 274)
Other receivables from non-exchange transactions	(18 102 900)	(56 601 854)
Movement in staff debtors	263 309	-
Payables from exchange transactions	16 134 304	(73 524 526)
Income received in advance	(34 383)	(15 206 224)
	124 177 696	(183 343 687)

30. Commitments

Authorised Capital Expenditure

	2024	2023
Already contracted for but not provided for		
• Intangible assets	2 876 591	10 900 000
Not yet contracted for and authorised by members		
• Property, plant and equipment	-	6 800 000
Total capital commitments		
Already contracted for but not provided for	2 876 591	10 900 000
Not yet contracted for and authorised by members	-	6 800 000
	2 876 591	17 700 000

Authorised Operational Expenditure

	2024	2023
Already contracted for but not provided for		
• Subvention funding	14 335 000	5 578 000
Total operational commitments		
Already contracted for but not provided for	14 335 000	5 578 000

Total Commitments

	2024	2023
Total commitments		
Authorised capital expenditure	2 876 591	17 700 000
Authorised operational expenditure	14 335 000	5 578 000
	17 211 591	23 278 000

This committed expenditure relates to intangible assets and marketing expenditure and will be financed by retained surpluses, and existing cash resources.

Operating Leases - as Lessee (Expense)

	2024	2023
Minimum lease payments due		
- within one year	7 820 423	21 969 253
- in second to fifth year inclusive	684 889	6 769 806
	8 505 312	28 739 059

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of four to ten years. No contingent rent is payable.

31. Contingencies

Litigation relates to labour related matters, tender administration matters and alleged breach of contract. The gross contingent liabilities are estimated to be R18 849 597, with gross contingent assets estimated to be R11 245 270. These cases are under the jurisdiction of the various courts and structures and had not been finalised by the close of the financial year. Subsequent to year end, there has not been any material developments concerning these cases. The following is the breakdown of the contingent matters by nature.

Contingent Liabilities

Labour matters:	R1 360 016
Tender Administration matters:	R6 630 471
Breach of contract matters:	R10 659 109

Contingent Assets

Tender Administration matters:	R10 130 269
Breach of contract matters:	R1 115 000

Cash Surplus

In terms of section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C may not retain cash surpluses that were realised in the previous financial year without obtaining the prior written approval of National Treasury. Instruction note No. 12 of 2020/21 issued by National Treasury provided a formula for the calculation of cash surpluses. Cash surpluses are based on cash and cash equivalents, plus receivables less current liabilities.

The surplus at year end amounts to R398 965 802 (2023: R313 531 720). Subsequent to the year end, an application will be lodged with National Treasury for the retention of surpluses.

	2024	2023
Cash Surplus		
Cash and cash equivalents	570 225 286	447 916 725
Add: Net receivables	172 196 399	194 090 260
Less: Current liabilities	(343 455 883)	(328 475 265)
	398 965 802	313 531 720

32. Related Parties

Related Party Transactions

South African Tourism is 100% controlled by the government as represented by the Department of Tourism. South African Tourism is a Schedule 3A public entity in terms of the Public Finance Management Act. During the financial year, South African Tourism received grant income of R1 289 000 000 (2023: R1 329 206 000). Related party relationships exist. However, all purchasing and selling transactions were concluded at arm's length. South African Tourism transacted with the above entities within the ambit of the national sphere of government.

Remuneration of Management

Management Class: Board Members

2024

	Board fees	Total
Name		
M Bhayat	5 396	5 396
S Botha	26 980	26 980
T Botha	64 144	64 144
T Harris	102 258	102 258
N Maphazi	18 886	18 886
N Mbulawa	29 678	29 678
O Mtati	26 604	26 604
N Mazwai	24 282	24 282
P Mhlongo	2 698	2 698
M Mabi	26 980	26 980
B Ngubo	29 678	29 678
E Rapodile	16 188	16 188
G Reddy	26 980	26 980
M Zakwe	59 028	59 028
C Zama	76 988	76 988
M Khanyile	8 892	8 892
L Jordaan	7 784	7 784
G Davids	5 396	5 396
M Toni	5 396	5 396
S Bvuma	5 396	5 396
R Mahabeer	5 396	5 396
I Pilane	5 396	5 396
A Mazibuko	5 396	5 396
N Haya	5 396	5 396
M de Rijk-Uys	5 396	5 396
U Pillay	5 396	5 396
	602 008	602 008

Whilst the total board expenses have been audited, there is a limitation on the non-financial information (number of board meetings) for the South African Tourism Board that was dissolved during May 2023

2023

	Board Fees	Total
Name		
T Botha	41 914	41 914
O Mtati	108 583	108 583
N Maphazi	149 734	149 734
A Mhlongo	81 018	81 018
N Mbulawa	139 680	139 680
N Mazwai	149 610	149 610
L Rapodile	74 438	74 438
M Mabi	26 980	26 980
N Silulwane	15 915	15 915
M Zakwe	189 266	189 266
G Reddy	26 980	26 980
M Ngubo	29 678	29 678
R Nadasen	25 269	25 269
E Duminy	146 610	146 610
R Anderson	39 285	39 285
J Kogl	34 047	34 047
P Ntombela	98 813	98 813
C Mahlali	21 585	21 585
M Gumbi	-	-
K Rivette Carnac	20 348	20 348
L Sangweni-Siddo	-	-
N Bhengu	-	-
M Constant	23 571	23 571
T Ikalafeng	61 014	61 014
Z Tshefu	20 952	20 952
G Serobe	-	-
	1 525 290	1 525 290

Management Class: Executive Management

2024

	Basic Salary	Other Earnings	Company Contribution	Total
Name				
N Guliwe Chief Executive Officer (engaged 1 March 2024)	213 854	5 000	13 239	232 093
S Mthethwa Chief Strategy Officer (engaged 1 March 2024)	190 105	4 250	11 787	206 142
T Sadik Chief Financial Officer (engaged 11 March 2024)	141 594	2 942	11 782	156 318
N Ndlovu Chief Operation Officer	2 365 373	267 740	149 069	2 782 182
T Khumalo Chief Marketing Officer (terminated 5 May 2023)	261 640	275 354	27 401	564 395
B Auret Chief Quality Assurance Officer	1 964 717	431 441	138 905	2 535 063
	5 137 283	986 727	352 183	6 476 193

2023

	Basic Salary	Other Earnings	Company Contribution	Total
Name				
B Auret Chief Quality Assurance Officer	1 326 609	38 250	105 479	1 470 338
N Ndlovu Chief Operating Officer	1 820 234	22 500	28 933	1 871 667

T Khumalo Chief Marketing Officer	3 109 561	51 000	126 625	3 287 186
N Guliwe Chief Financial Officer	2 403 331	25 000	95 775	2 524 106
S Dlamini Chief Operating Officer	38 401	-	-	38 401
S Ntshona Chief Executive Officer	10 694	-	-	10 694
	8 708 830	136 750	356 812	9 202 392

33. Prior Period Errors

Operating lease liability was incorrectly recognised in the prior year. The straight lined lease values were not appropriately considered.

Unmatched Purchase orders arising from prior periods resulted in overstatement of liabilities and marketing expenditure.

The correction of the error results in adjustments as follows:

	2024	2023
Statement of Financial Position		
Operating Lease Liability	-	4 245 945
Accounts Payables	-	143 181 493
Opening Accumulated Surplus	-	(147 427 439)

34. Financial Instruments

Liquidity Risk

South African Tourism's risk to liquidity is a result of the funds available to cover future commitments. South African Tourism manages liquidity risk through an ongoing review of future commitments and bank facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	333 905 080	-	-	-
Finance lease liability	14 428	-	-	-

At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	317 770 772	-	-	-
Finance lease liability	13 762	-	-	-

Credit Risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade receivables. South African Tourism only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party. South African Tourism's receivables are of a sundry nature and the credit risk is therefore limited. The credit risk is managed through periodic reviews of the level of bad debts. Accordingly, the entity has no significant concentration of credit risk.

Financial instruments exposed to credit risk at year end were as follows:

	2024	2023
Trade and other receivables at amortised cost	172 196 399	15 254 469

Cash and cash equivalents

570 225 286

447 916 725

Market Risk

Interest Rate Risk

As South African Tourism has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Foreign Exchange Risk

South African Tourism operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

South African Tourism does not hedge foreign exchange fluctuations.

The entity has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the entity's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Exchange rates used for conversion of foreign items were:

	2024	2023
GBP	23,87	22,1
JPY	0,12	0,13
EUR	20,41	19,46
USD	18,9	17,86
AUD	12,33	12,00
INR	0,23	0,22
CNY	2,62	2,61

South African Tourism reviews its foreign currency exposure, including commitments on an ongoing basis.

35. Going Concern

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

36. Events after the Reporting Date

The Accounting Authority is not aware of any matter or circumstance arising since the end of the financial year to the date of this report, in respect of matters that would require adjustments to or disclosure in the annual financial statements.

37. Irregular, Fruitless and Wasteful Expenditure

	2024	2023
Irregular expenditure	24 204 905	9 907 200

Fruitless and wasteful expenditure	4 200 418	1 237 217
Closing balance	38 282 529	11 144 417

*Refer to reconciling notes in the annual report

Following determination, R 9.9m was paid for services rendered not in the scope of the contract, was found to be irregular. The procurement process followed was not compliant with the Public Finance Management Act section 51 (1) (a) (i), 51 (1) (b) (ii) PFMA SCM Instruction no. 2 of 2021/22 paragraph 3.3.1. Furthermore, the following transactions: R7.4m for facilitation of rights during a rugby event, R3.8m for a golf event, and R2.5m paid to a rugby association, were found to be irregular expenditure due to contract entered to by the entity without following procurement processes.

R4.1m for the previous year but identified in the current year was determined to be fruitless and wasteful expenditure, following a service provider's inability to deliver as per contractual terms. Furthermore R12 079 identified in the current year, was also determined to be fruitless and wasteful expenditure due to supplier charging for VAT whilst not being a VAT vendor.

38. Segment Information

General Information

Identification of Segments

The entity is organised and reports to management on the basis of two major functional areas: Head Office and International branches. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives.

Segments were aggregated for reporting purposes. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated Segments

The entity operates in South Africa as well as in 11 countries. Segments were aggregated on the basis of a geographical area in which the marketing activities are executed.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Head office	Domestic marketing, quality assurance, NCB and support domestic and global marketing
International offices	International marketing

Segment Surplus or Deficit, Assets and Liabilities

2024

	Head Office	International Marketing	Total
Revenue			
Revenue from non-exchange transactions	1 423 282 522	-	1 423 282 522
Interest revenue	12 818 446	647 022	13 465 468
Sundry Income	122 685 493	1 928 163	124 613 656
Grading revenue	15 232 515	-	15 232 515
Total segment revenue	1 574 018 976	2 575 185	1 576 594 161
Entity's revenue			1 576 594 161
Expenditure			
Salaries and wages	167 001 354	67 577 675	234 579 029
Marketing expenditure	820 132 217	249 306 705	1 069 438 922
Travel Expenses	6 629 129	12 354 017	18 983 146
General expenses	90 840 586	45 506 974	136 347 560
Forex gain/(loss)	1 116 142	35 003 546	36 119 688
Total segment expenditure	1 085 719 428	409 748 917	1 495 468 345
Total segmental surplus/(deficit)	488 299 548	(407 173 732)	81 125 816
Assets			
Segment assets	645 591 507	168 932 275	814 523 782
Total assets as per Statement of financial Position			814 523 782
Liabilities			
Segment liabilities	279 723 298	92 634 585	372 357 883
Total liabilities as per Statement of financial Position			372 357 883

2023

	Head Office	International Marketing	Total
Revenue			
Revenue from non-exchange transactions	1 444 646 622	-	1 444 646 622
Interest revenue	17 387 235	218 561	17 605 796
Sundry income	96 216 964	1 248 863	97 465 827
Grading revenue	25 056 960	-	25 056 960
Total segment revenue	1 583 307 781	1 467 424	1 584 775 205
Entity's revenue			1 584 775 205
Expenditure			
Salaries and wages	152 752 980	69 106 687	221 859 667
Marketing expenses	859 299 859	293 623 908	1 152 923 767
General expenses	135 846 294	30 351 776	166 198 070
Travel Expenses	16 397 691	18 116 498	34 514 189
Forex gain/(loss)	3 607 136	16 200 204	19 807 340
Loss on disposal of assets	112 431	10 163	122 594

Total segment expenditure	1 168 016 391	427 409 236	1 595 425 627
Total segmental surplus/(deficit)	415 291 390	(425 941 812)	(10 650 422)
Assets			
Segment assets	499 931 575	222 635 350	722 566 925
Total assets as per Statement of Financial Position			722 566 925
Liabilities			
Segment liabilities	(105 572 843)	459 367 108	353 794 265
Total liabilities as per Statement of Financial Position			353 794 265

39. Accounting by Principals and Agents

The entity was a party to a principal agent arrangement(s).

Details of the arrangement(s) is/are as follows:

Management of Exhibitions

The Meetings Africa and Indaba are exhibitions owned by South African Tourism. Synergy Business Events was appointed to manage exhibitions on behalf of the organisation. Synergy Business Events collects revenue from exhibitors and pays all the exhibition related costs. The resulting residual is remitted to South African Tourism by Synergy Business Events in line with a binding agreement between the two entities.

Risk Identification and Assessment of Internal Controls

Both platforms are independently reviewed by both Internal and external auditors, further controls are governed by terms effected through the signed agreement between both parties.

Entity as Principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent

Synergy Business Events holds no resources or liabilities on behalf of South African Tourism. Amounts from participants that opted to defer their participation fees advanced to Synergy Business Events for exhibition purposes have been subsequently transferred to South African Tourism and recognised as Income received in advance.

Free Paid

	2024	2023
Management fees	11 381 354	10 275 983

Management fees are levied by the agent at 15%, in terms of contractual obligations.

Resource and/or cost implications for the entity if the principal agent arrangement is terminated

The agent is appointed on a fixed term basis in line with supply chain prescripts, and a bidding process for filling the vacancy is followed at the end of the fixed term.

B-BBEE Certificate



Broad Based Black Economic Empowerment Verification Certificate

THE SOUTH AFRICAN TOURISM

Registration Number	:	N/A
Vat No	:	N/A
Head office Address	:	South African Tourism, Bojanala House, 90 Protea Road, Bojanala House, 90 Protea Road, Chislehurst, Sandton 2196
Postal Address	:	Private Bag X10012, Sandton, 2146
Verification Standard Applied	:	Specialised Sector Scorecard (Gazette No: 38766)
Issue of the rating standard applied	:	Section 9 of the B-BBEE Act 46 of 2013
Scorecard Applied	:	Generic Scorecard (> R50 Million Annual Turnover)

Non Compliant Contributor to B-BBEE

Element	Element Weighting	Score
Management Control	20	14.76
Skills Development	25 + 5	10.93
Enterprise and Supplier Development	50 + 4	26.01
Socio-Economic Development	5	1.88
Overall Score	100 + 9	53.58

BEE Procurement Recognition Level	0%	Black Designated Group	0.00%
Black Ownership	0.00%	Black Youth	0.00%
Black Ownership (MFT)	N/A	Black Disabled	0.00%
Black Women Ownership	0.00%	Black Unemployed	0.00%
Empowering Supplier (Yes/No)	YES	Black People in Rural Areas	0.00%
Exclusion Principle	NO	Black Military Veterans	0.00%
Discounting Principle	YES	Participated in YES Initiative	NO
Designated Group Suppliers	NO	Achieved YES & 2.5% Absorption	NO
Black New Entrant	0.00%	Achieved 1.5 x YES & 5% Absorption	NO
		Achieved Double YES & 5% Absorption	NO

Financial Period Applied	31 March 2024	Expiry Date	29 September 2025
Date of Issue	30 September 2024	Period of validity	12 Months
Date of Re-Issue	N/A	Certificate Number –	B-BBEE: 01/EMP/100/11408/GEN/30092024

Empowerbee (Pty) Ltd is a SANAS Accredited Verification Agency. Empowerbee has assessed and verified the relevant B-BBEE elements of the above mentioned enterprise to provide an independent and impartial opinion, the B-BBEE status reflected in this Certificate has been determined in all material respects, in accordance with the BBBEE Codes. This Certificate and Scorecard Report has been determined on the basis of information provided to Empowerbee (Pty) Ltd and represents an independent and impartial opinion based on the verification completed by Empowerbee (Pty) Ltd.

Bhaveshen Padayachee CA (SA)
Technical Signatory



BVA199

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Document Date: 16 September 2024 Revision No: 02

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