



*It's Possible*

# **FINAL 2011/12 ANNUAL PERFORMANCE PLAN AND UPDATED 5-YEAR STRATEGIC PLAN**

**08/03/2011**

# South African Tourism

## Annual Performance Plan for 2011/12

### Official Sign off

It is hereby certified that this Strategic Plan and Annual Performance Plan (also referred to as an Annual Resource Plan):

1. was developed by the management of the South African Tourism under guidance of National Department of Tourism and taking into consideration Treasury "Framework for Strategic Plans and Annual Resource Plans" issued during August 2010;
2. takes into account all the relevant policies, legislation and other mandates for which the South African Tourism is responsible;
3. accurately reflects the strategic outcome oriented goals and objectives which South African Tourism will endeavour to achieve over the period 2011/12 to 2015/16.

JN Van der Walt  
Chief Financial Officer

Signature: \_\_\_\_\_

T January-Mclean  
Chief Executive Officer

Signature: \_\_\_\_\_

Approved by SA Tourism's Accounting Authority on 22 September 2010 (see attached)

Approved by:  
Executive Authority

Signature: \_\_\_\_\_

*Matthias van Sebally*

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## PART A: STRATEGIC OVERVIEW

### 1 UPDATED SITUATIONAL ANALYSIS

#### 1.1 PERFORMANCE

Refer to the strategic plan

#### 1.2 ORGANISATIONAL ENVIRONMENT

Refer to the strategic plan

### 2 REVISIONS TO LEGISLATIVE AND OTHER MANDATES

Refer to the strategic plan

### 3 OVERVIEW OF 2010/11 BUDGET AND MTEF ESTIMATES

#### 3.1 EXPENDITURE ESTIMATES

Table Y.1 South African Tourism

Name of the Programmes	Audited outcome			Estimated Outcome 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R Thousand							
Major Programmes	633 304	733 997	853 391	795 509	840 193	881 598	929 042
1 International Portfolios	360 833	382 483	405 431	367 617	386 004	409 180	436 240
2 Head Office Marketing	135 206	215 806	293 728	249 211	267 042	275 193	279 497
3 Head Office Support	76 027	70 795	85 424	105 745	109 834	115 274	126 437
4 Head Office Finance	29 730	31 514	33 405	35 409	37 534	39 786	42 173
5 Tourism Grading Council of South Africa	31 508	33 399	35 403	37 527	39 779	42 165	44 695
Other Objectives	-	-	-	-	-	-	-
None	-	-	-	-	-	-	-
Total	633 304	733 997	853 391	795 509	840 193	881 598	929 042

Economic classification							
Current payments	633 307	743 790	853 493	780 313	830 010	871 939	912 048
Compensation of employees	95 270	110 913	111 459	117 810	123 279	129 566	135 526
Goods and Services							
of which:							
Advertising	255	288	245	386	408	429	449
Agency and support / outsourced services	-	-	-	-	-	-	-
Assets less than R5 000	356	401	651	537	569	598	625
Audit costs	2 456	2 765	2 738	3 710	3 925	4 125	4 315
Bank Charges	380	428	607	575	608	639	668
Board Costs	-	-	70	-	-	-	-
Bursaries (employees)	131	147	84	197	209	219	229
Catering: internal activities	859	967	832	1 297	1 373	1 443	1 509
Communication	3 751	4 224	3 458	5 667	5 995	6 301	6 591
Computer services	3 673	4 136	5 121	5 549	5 871	6 170	6 454
Consultants	4 252	4 788	981	6 424	6 796	7 143	7 471
Contractors	-	-	-	-	-	-	-
Entertainment	175	198	558	265	280	295	308
Inventory	-	-	-	-	-	-	-
Lease payments	9 411	10 597	10 425	14 218	15 042	15 810	16 537
Legal fees	2 985	3 362	1 381	4 510	4 772	5 015	5 246
Printing and Publication	-	-	665	-	-	-	-
Repairs and maintenance	2 377	2 677	6 976	3 591	3 800	3 993	4 177
Research and development	915	1 030	-	1 382	1 462	1 537	1 608
Training and staff development	1 316	1 481	1 685	1 988	2 103	2 210	2 312
Travel and subsistence	18 304	20 611	19 082	27 653	29 257	30 749	32 163
Utilities	1 715	1 931	2 032	2 591	2 741	2 881	3 013
Venues and facilities	-	-	-	-	-	-	-
Other operating costs	35 347	39 803	56 371	53 402	56 499	59 380	62 112
Bad debts	388	437	575	586	620	652	682
Marketing Costs	439 286	494 656	608 307	500 446	535 241	561 980	590 464
Depreciation and amortisation	4 147	8 639	14 799	16 597	17 593	18 649	16 873
Losses from	3	9 792	51	-	-	-	-
Sale of fixed assets	3	1 044	-	-	-	-	-
Impairments and Adjustments to Fair Value	-	-	51	-	-	-	-
Adjustments to Fair value of financial assets	-	-	-	-	-	-	-
Impairments to non-financial assets	-	-	51	-	-	-	-
Other	-	8 748	-	-	-	-	-
Interest, dividends and rent on land	5 552	9 729	4 238	10 932	11 566	12 156	12 715

### 3.2 RELATING EXPENDITURE TRENDS TO STRATEGIC OUTCOME ORIENTED GOALS

Strategic Outcomes Oriented goals	
Arrivals Statistics, Spend Statistics and Brand Awareness	Close to 70% of funding received is utilised for marketing costs, which greatly contributes to our objective of achieving targeted total arrivals and average spend per arrival, additional funding received in the 09/10 fiscal, greatly assisted in the enhancement of our marketing activities to achieve maximum awareness of Brand South Africa before and after the 2010 Soccer World Cup, decreased funding has greatly impacted on our ability to market in certain strategic markets.
Best Tourism Organisation	SA Tourism's overheads allocation is effectively utilised towards the target of SA Tourism to be the best tourism organisation, decreased funding over the next MTEF period has required SA Tourism to potentially consider alternative resource cutting measures, which negatively impacts on the existing skills and affects our goal to be the best tourism organisation as measured by most credible award committees in our chosen markets.

## PART B: PROGRAMME AND SUB-PROGRAMME PLANS

### 4 PROGRAMME

#### 4.1 STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2011/12

Strategic objective		Audited/actual performance			Estimated performance	Medium term targets		
		2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14
4.1.1	Invest only in selected markets to deliver the following:							
	Total arrivals	9 090 994	9 591 828	9 933 966	10 193 585	10 295 520	10 398 475	10 502 460
	Average spend inside SA per arrivals	R 7 000	R 8 100	R 8 400	R 8 700	R 9 222	R 9 775	R 10 300
	Average spend per land arrival	R 5 800	R 6 200	R 7 100	R 7 100	R 7 500	R 7 900	R 8 400
	Average spend per air arrival	R 10 200	R 13 800	R 13 000	R 14 200	R 15 000	R 15 900	R 16 800
4.1.2	Convince consumers that SA can be trusted to deliver memorable experiences							

	As measured by the percentage of global brand awareness	75%	76%	79%	77%	78%	79%	79%
	As measured by the percentage of brand positivity	38%	37%	38%	40%	41%	42%	42%
4.1.3	Energize and Empower the organisation to innovate and achieve excellence:							
	As measured by number of clean or satisfactory audit reports received	14	9	15	15	15	16	15
	As measured by SA Tourism's ranking in the small entities category on the Annual Deloitte Best-Company-to-Work-for survey	73	45	46	44	35	27	20
4.1.4	Engage stakeholder to deliver quality visitor experiences that re-affirm the brand promise:							
	As measured by the total number of graded establishments as at the end of SA Tourism's financial year that has been graded to offer quality visitor experiences	6 400	6 940	8 196	8 288	8 288	9 117	10 029

The abovementioned table cannot be completed because it is not possible to express South African Tourism's actual performance and targets per strategic objective.

#### 4.2 PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2011/12

Programme performance indicator		Audited/actual performance			Estimated performance	Medium term targets		
		2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14
4.2.1	Arrivals and spend of arrivals from International Portfolios							
4.2.2	Arrivals and							

	spend of arrivals resulting from Head Office marketing							
4.2.3	Head Office finance							
4.2.4	Head Office support							
4.2.5	Grading council							

The abovementioned table cannot be completed in the abovementioned format (see par 4.3 below for more details).

### 4.3 QUARTERLY TARGETS FOR 2011/12

#### Programme 1: International Portfolios

Purpose: To increase total arrivals and spend into the country by marketing South Africa internationally.

Description: SA Tourism has adopted and rolled out a Tourism Marketing Growth Strategy based on in-depth segmentation research and focus groups conducted around the world. This Tourism Marketing Growth Strategy was approved by the Cabinet and focuses its marketing activities on specific segments of tourists in particular markets namely those that are most likely to come to South Africa; and whose value for South Africa will be the highest taking into consideration the size of the segment (value is calculated as the days spent in South Africa multiplied by the amount spent per day).

Strategic objective:	Invest only in selected markets to deliver volume and value
Objective statement:	To create awareness of South Africa as a world class tourist destination by attracting 10 295 520 visitors
Baseline:	Calendar year 2009 actual arrivals: 9 933 966
Justification:	The more arrivals that visit South Africa, the more money will be spent which effectively increases GDP of the country.
Links:	For every 16 tourists visiting South Africa one job is created which thus decreases the unemployment rate of the country.

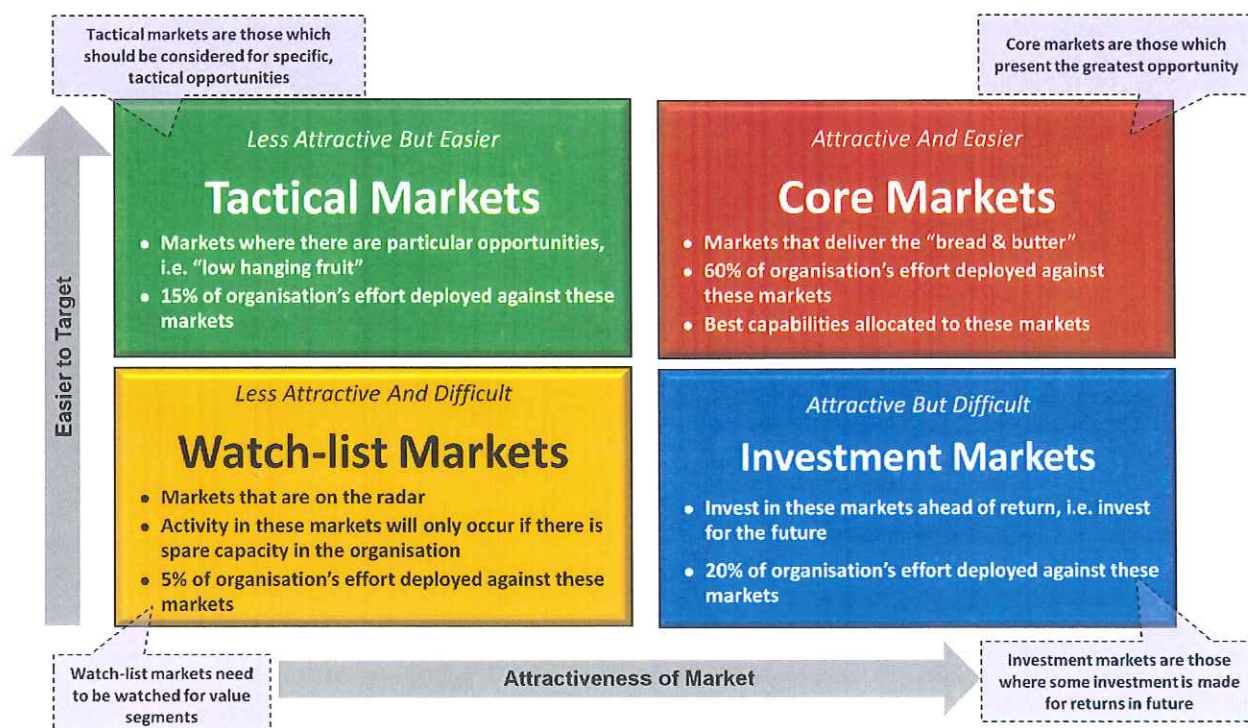


## SA Tourism's markets for the next 3 years effective 1 April 2011

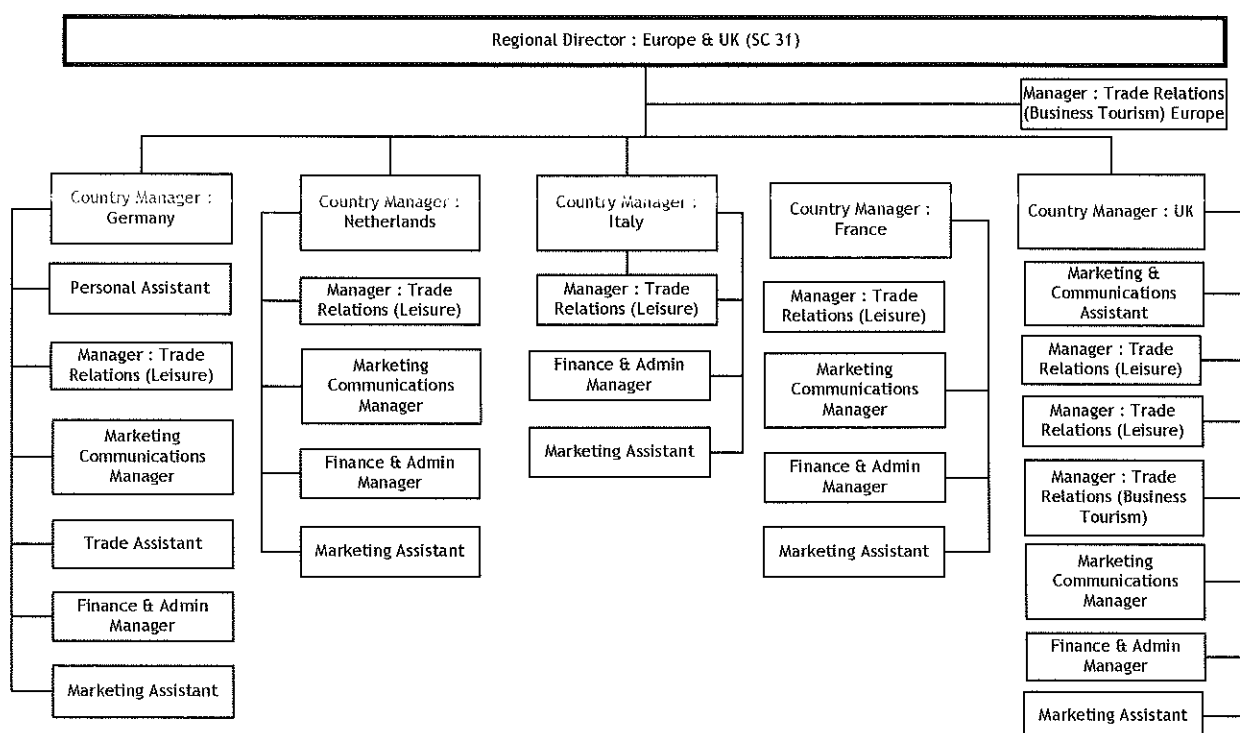
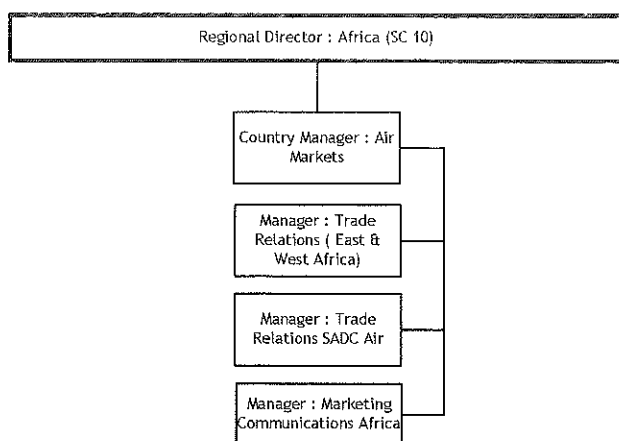
Responsibility		AFRICA	AMERICAS & the UK	ASIA & AUSTRALASIA	EUROPE
Regional Director	Country Manager	<b>CORE MARKETS</b> Angola Botswana DRC Kenya Nigeria South Africa	USA UK	Australia India	France Germany Netherlands
		<b>INVESTMENT MARKETS</b> Mozambique	Brazil Canada	China (including Hong Kong) Japan	Belgium Italy Sweden
		<b>TACTICAL MARKETS</b> Lesotho Swaziland	Ireland	New Zealand	
		<b>WATCH-LIST MARKETS</b> Malawi Namibia Zambia Zimbabwe	Argentina	Republic of Korea	Austria Denmark Portugal Switzerland Spain
Stakeholder Manager		<b>STRATEGIC IMPORTANCE</b> Bahrain, Oman, Qatar, Saudi Arabia			
		<b>STRATEGIC LINKS/HUBS</b> Egypt, Ethiopia, Senegal, UAE, Israel, Turkey, Ghana, Tanzania, Uganda Mauritius		Malaysia Singapore	Greece

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South African Tourism is structured into three international portfolios consisting of 10 country offices (see structure below), which is ultimately controlled by the Chief Marketing Officer (each country with a country manager who reports to the regional director of that portfolio), to execute activities in the above markets.



### Programme Performance Indicators

Programme Performance Indicator	Audited outcome /Actual			Medium-term targets			
	Audited performance			Estimated Performance			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total number of arrivals in South Africa	9 090 881	9 591 828	9 933 966	10 193 585	10 295 520	10 398 475	10 502 460
Land markets	6 626 731	7 087 452	7 490 425	7 834 324	7 912 667	7 991 793	7 452 532
Air markets	2 464 150	2 504 376	2 443 541	2 359 261	2 382 853	2 406 681	3 049 927

Number of joint marketing agreements	101	103	122	105	107	108	109
Number of trade contacts	11 550	12 128	31 367	12 483	13 107	13 762	14 450
Closure ratio	1 : 2.91	1 : 2.75	1 : 2.88	1 : 2.9	1 : 2.9	1 : 2.9	1 : 2.9

Quarterly targets 2011/12

Quarterly targets for programme performance indicators identified above:

Program me Performance Indicator	Report ing period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th
Number of foreign visitor arrivals in South Africa	Quarte rly	10,295,520	2,637,875	2,351,623	2,503,075	2,802,947
Land markets	Quarte rly	7,918,876	1,978,790	1,851,011	1,940,213	2,148,862
Air markets	Quarte rly	2,376,644	659,085	500,612	562,862	654,086
Closure ratio	Biannu al	1 : 2.9	1 : 2.9		1 : 2.9	

### Programme 2: Head Office Marketing

**Purpose:** To act as a supporting tool for international and domestic regions to make the South African Brand visible and to encourage people within South Africa to explore all the provinces.

**Description:** Head Office Marketing focuses on building the South African tourism Brand within the country brand by focusing on leisure, business tourism and events.

Strategic objective 1	Engage stakeholders to deliver quality visitor experiences that re-affirm the brand promise
Objective statement:	To encourage people, amongst others through the creation of a world-class Conventions Bureau as a separate focal unit of South African Tourism as early as practically possible after 1 April 2011, to visit South Africa by hosting exhibitions, workshops and other events.
Baseline:	<p>Exhibitor numbers at Indaba: 1 813</p> <p>Product trained per annum: 100</p> <p>Current entries for ETEYA: 203</p> <p>Current entries for Welcome Awards: 1 406</p> <p>Although there is no current baseline for the Conventions Bureau, specific KPA's for this new focal unit, for which the COO and Executive Manager Conventions Bureau (who will also be an Exco member) will be responsible, include (i) the establishment of the vocal unit as soon as possible after 1 April 2011 and as soon</p>

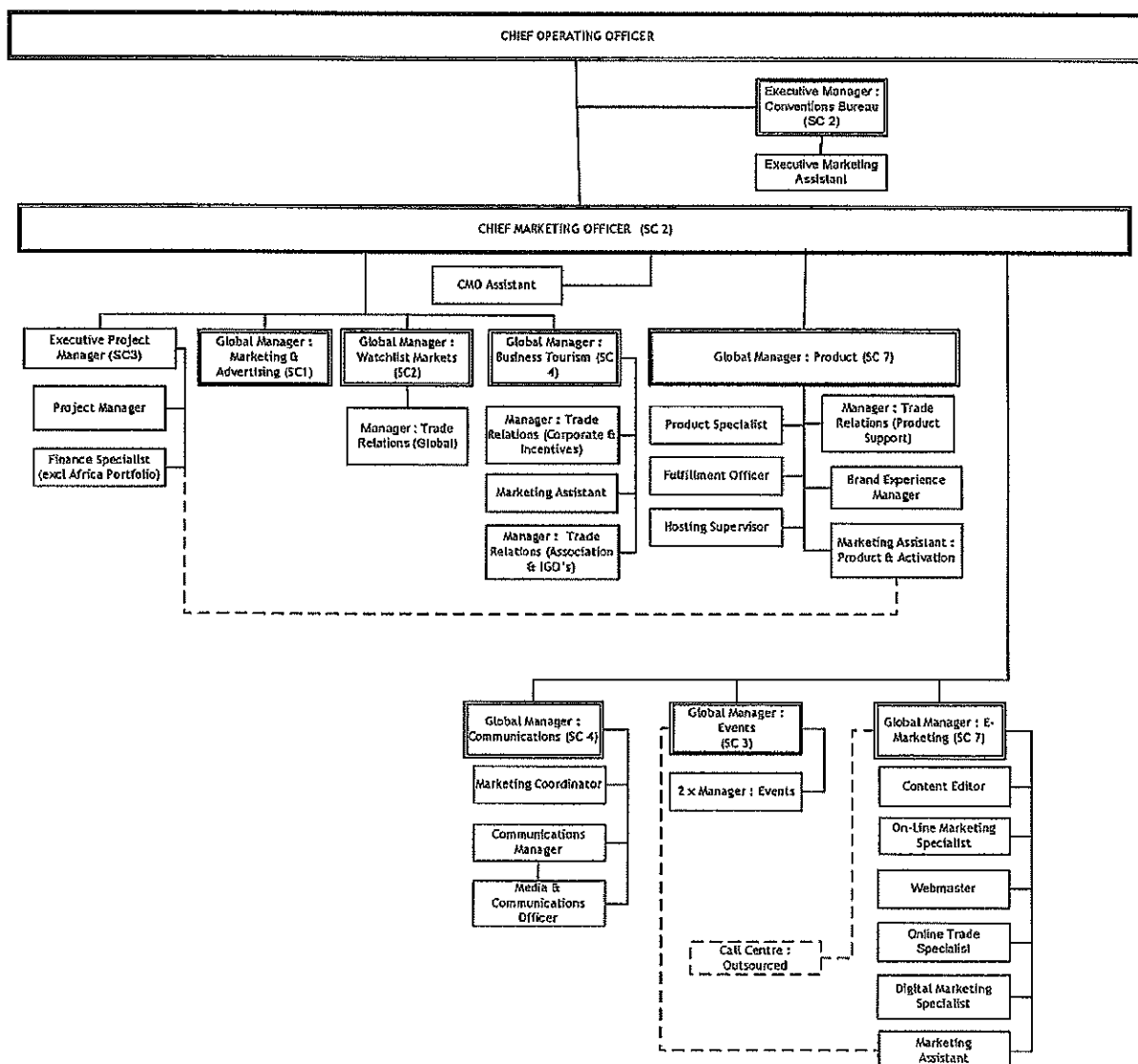
	as the Executive Manager has been appointed to head it, (ii) the appointment of this Executive Manager and (iii) the compilation of a detailed 3-year Business Plan & Budget for the Conventions Bureau.
Justification:	This objective will make South Africa more attractive to visitors and result in increased spend
Links:	Total arrivals and average spend per arrival have a direct impact on GDP contribution and job creation. The targets have been set for 2015 on both of these: R 65.72 billion rand direct GDP contribution by 2015 and 640 000 direct jobs in 2015 calendar year

Head Office Marketing is made up of the following business units:

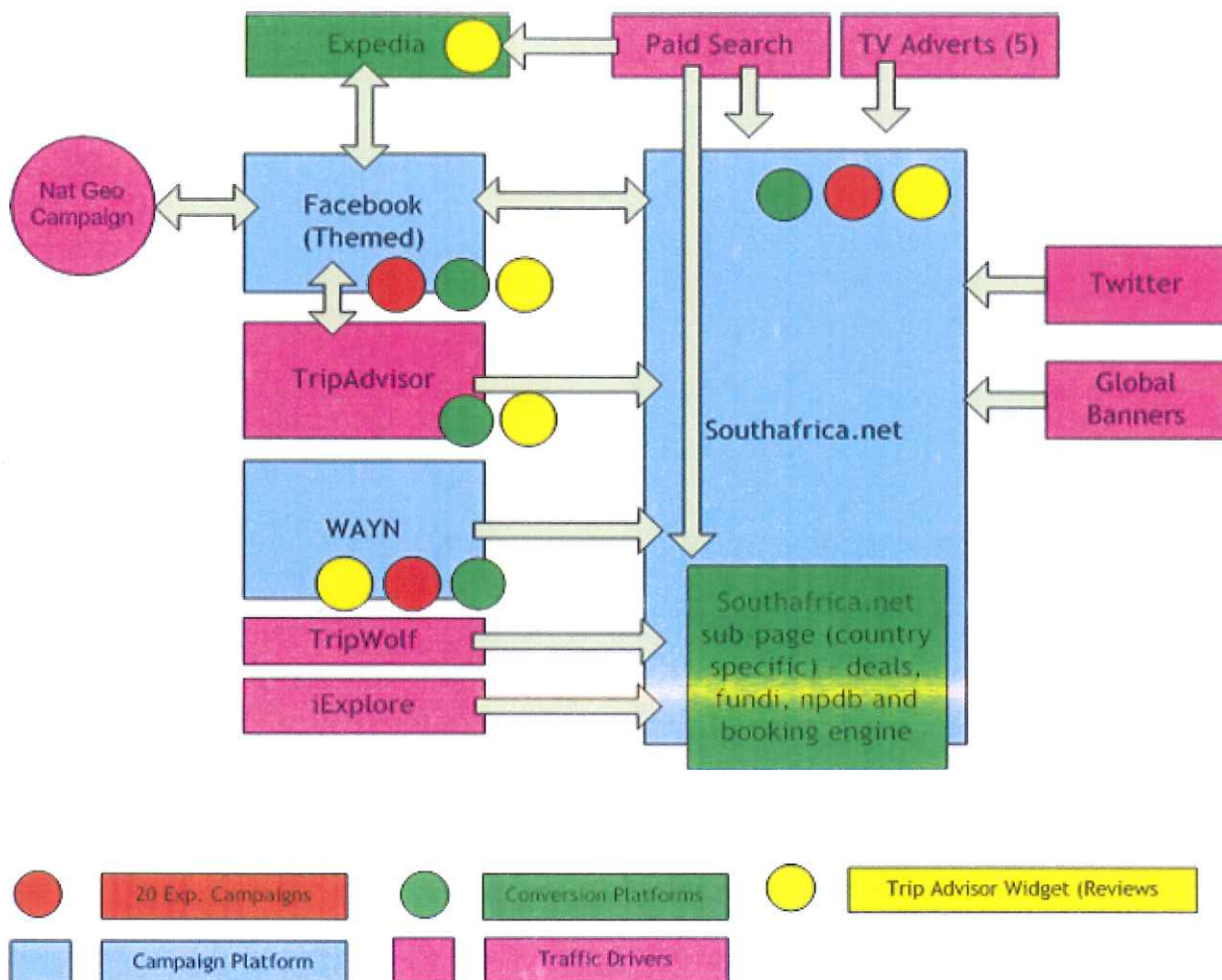
1. Conventions Bureau (reporting directly to the COO)

The following units which all report directly to the Chief Marketing Officer:

2. Central Marketing, Advertising and Marketing Management
3. PR & Communication, including Stakeholder Management
4. E- marketing
5. Events
6. Product Management
7. Business Tourism
8. Domestic Portfolio



Global Campaign - 20 Experiences, 10 Days - Integrated online model



Additional supporting Strategic objective	Work the distribution channel to promote SA
Objective statement:	Negotiate with multinationals and other trade partners in packaging and promoting quality experiences of South Africa
Baseline:	International trade at Indaba: 1 583 Global JMAs signed: 5 International buyers at Meetings Africa: 120
Justification:	This objective will make South Africa more attractive to visitors and result in increased spend
Links:	Total arrivals and average spend per arrival have a direct impact on GDP contribution and job creation. The targets have been set for 2015 on both of these: R 65.72 billion rand direct GDP contribution by 2015 and 640 000 direct jobs in 2015 calendar year



# Programme Performance Indicators

Performance Indicator	Audited outcome /Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
No of International Trade at Indaba	1 697	1 934	1 801	1 583	1 630	1 679	1 730
No of Global JMAs signed (online and offline)	1	3	3	3	5	5	5
No of International Buyers at Meetings Africa	100	104	115	120	123	127	131

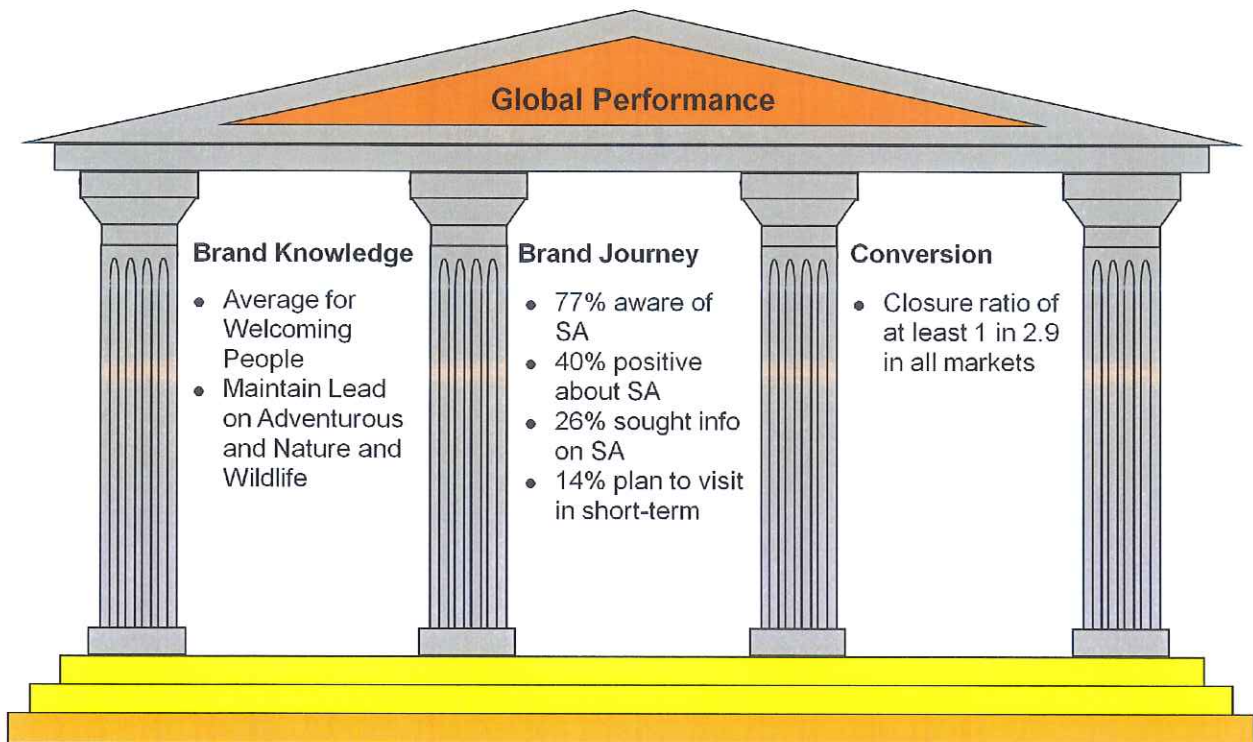
## Quarterly targets for 2011/12

Programme Performance Indicators	Reporting period	Annual target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
No of International Trade at Indaba	Annual	1 630				
No of Global JMAs signed (online and offline)	Quarterly	5	1	1	1	2
No of International Buyers at Meetings Africa	Biannual	123				

Strategic Objective 2:	Convince consumers that SA can be trusted to deliver memorable experiences
Objective statement:	To build global brand awareness and positivity towards SA by 2% annually
Baseline:	Current brand awareness in 2009 is at 79% ( last available figure) Positivity is at 38% in 2009 (last available figure) No of consumers reached: 1 billion No of website visits to Southafrica.net Positive/neutral coverage: 80% Positive/neutral coverage value:
Justification:	Global awareness and positivity have a direct correlation to improve consideration of SA as a preferred tourism destination and to actual visit. This will impact on

	arrivals.
Links:	Total arrivals and average spend per arrival have a direct impact on GDP contribution and job creation. The targets have been set for 2015 on both of these: R 65.72 billion rand direct GDP contribution by 2015 and 640 000 direct jobs in 2015 calendar year

Globally, each market should aim to achieve a minimum level of performance along 1. Brand Knowledge, 2. Brand Journey and 3. Conversion . Markets that exceed this level must try to maintain their higher performance



# Programme Performance Indicators

Performance Indicator	Audited outcome / Actual performance				Estimated Performance	Medium-term targets	
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Percentage of global brand awareness	75%	76%	79%	77%	78%	79%	79%
Percentage of brand positivity	38%	37%	38%	40%	41%	42%	42%
Global reach	600 million	600 million	1,208 billion	1 billion	1 billion	1 billion	1 billion
Website visits	1 676 540	1 806 650	2 277 338	2 505 072	2 755 579	3 031 137	3 334 250
Positive/neutral coverage		86%	90%	80%	80%	80%	80%
Positive/neutral coverage value (R'mil)	92,0	46,1	60,5	63,5	66,7	70,0	77,0

Performance Indicator	Audited outcome / Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Percentage of global brand awareness	75%	76%	79%	77%	78%	79%	79%
Percentage of brand positivity	38%	37%	38%	40%	41%	42%	42%
Global reach	600 million	600 million	1,208 billion	1 billion	1 billion	1 billion	1 billion
Website visits	1 676 540	1 806 650	2 277 338	2 505 072	2 755 579	3 031 137	3 334 250
Positive/neutral coverage		86%	90%	80%	80%	80%	80%
Positive/neutral coverage value (R'mil)	92,0	46,1	60,5	63,5	66,7	70,0	77,0



### Quarterly targets for 2011/12

	Programme Performance Indicators	Reporting period	Annual target	Quarterly targets			
			2011/12	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
3.1	Percentage of global brand awareness	Biannual	78%	78%			78%
3.2	Percentage of brand positivity	Biannual	41%	41%			41%
3.3	Global reach	Quarterly	1 000 000 000	250 000 000	250 000 000	250 000 000	250 000 000
3.4	Website visits	Quarterly	2 755 579	688 895	688 895	688 895	688 895
3.5	Positive/neutral coverage	Quarterly	80%	80%	80%	80%	80%
3.6	Positive/neutral coverage value	Quarterly	R66 652 123	R16 663 031	R16 663 031	R16 663 031	R16 663 031

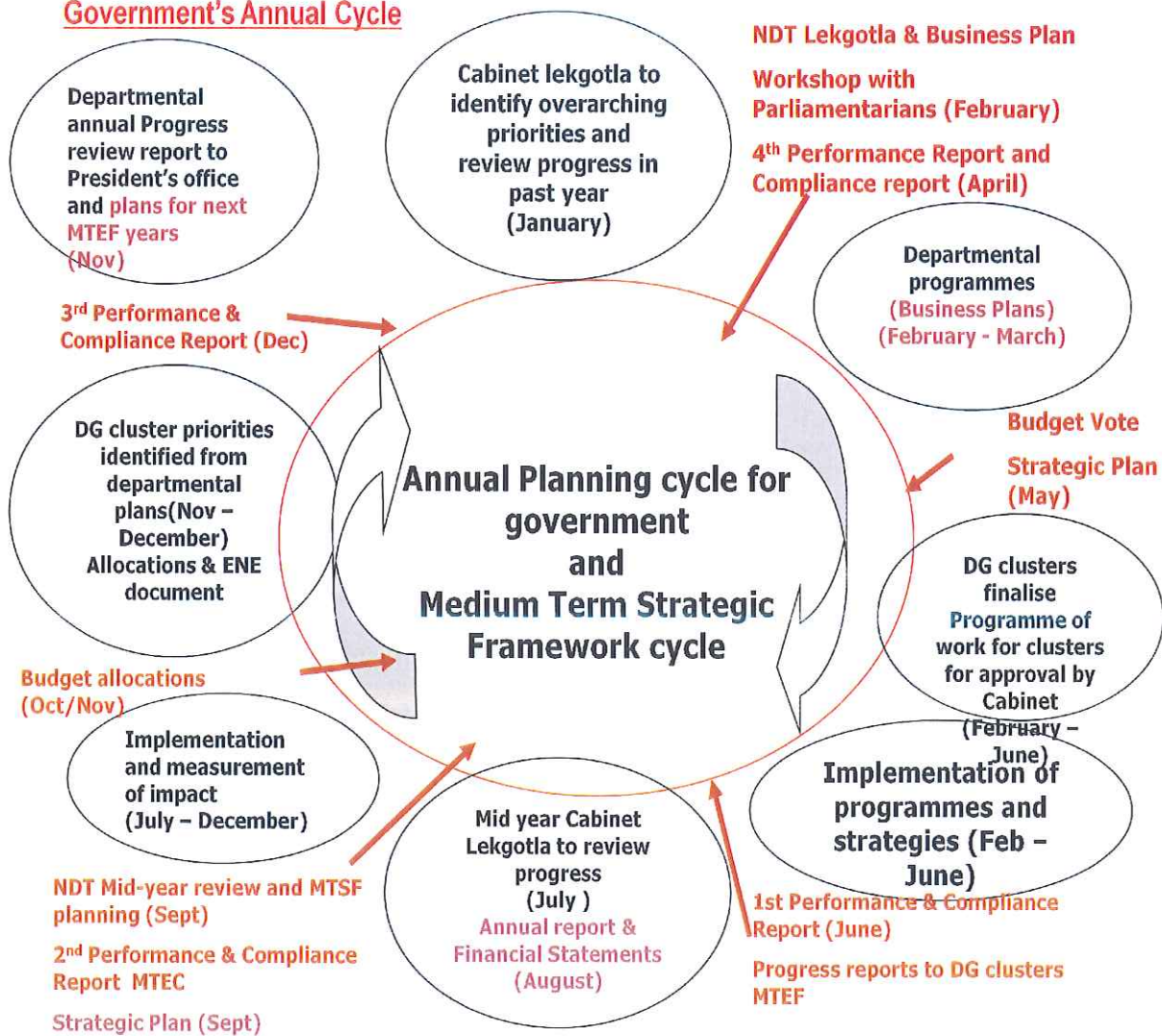
### **Programme 3: Head Office Finance**

**Purpose:** To achieve unqualified clean external and internal audit reports and the provision of real time accurate financial information and support for operations are core drivers for the finance unit.

**Description:** An overview of governments annual cycle largely incorporating the finance unit is outlined below:

Strategic objective:	Energize and Empower the organisation to innovate and achieve excellence
Objective statement:	To be an effective and efficient financial management unit by ensuring compliance with statutory regulations; providing reliable and fair financial results and also establishing and maintaining cost-effective measures across all units in the organization.
Baseline:	2009/10 Actual External Audit Reports : 3 2009/10 Actual Internal Audit Reports : 5
Justification:	The objective will contribute to achieving “clean” audit reports, which will thus ensure that public funds are administered effectively.
Links:	Appropriate management of public funds, ensures alignment with government’s key priorities and continued delivery to the electorate, i.e. what gets measured gets done.

## Government's Annual Cycle



The Finance Business Unit falls under the Chief Financial Officer and consists of the following sub units:

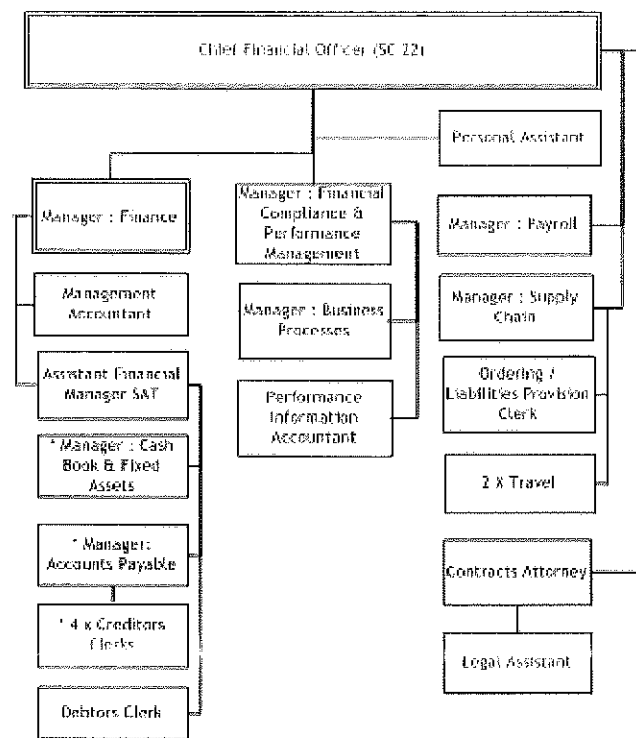
Financial Management (reporting to the Manager Finance)

Financial Compliance-, Performance Information- and Business Process Management (reporting to the Manager Financial Compliance and Performance Management)

Supply Chain Management (reporting to the Manager Supply Chain)

Payroll Management (reporting to the Manager Payroll)

Legal (reporting to the Contracts Attorney)



Sub business unit of finance	Overview
Financial Management (reporting to the Manager Finance)	This unit's primary responsibility is the accurate and timely recording of all financial transactions within the organisation and the real-time reporting of all financial information to all Business Unit Managers in the organisation for decision-making.
Financial Compliance-, Performance Information- and Business Process Management (reporting to the Manager Financial Compliance and Performance Management)	This unit has ensured that the organization has a fair and equitable system for measuring performance and created dedicated business processes to ensure that the performance of the organization, across all its business units, country offices and its human resources are monitored internally on a continuous basis and that when an external audit opinion is expressed at the end of every financial year, SA Tourism has met its objectives, achieved its targets and addressed any deficiencies, variances or shortcomings that have been identified. SA Tourism's commitment and vigorous compliance with all applicable financial legislations: including SA GRAP, IFRS; PFMA and National Treasury Regulations has ensured that we have achieved exceptional internal and external audit results.
Supply Chain Management (reporting to the Manager Supply Chain)	This unit is the custodian of the entire procurement process within SA Tourism and ensures that all procurement of SA Tourism takes place within the ambit of SA Tourism's Supply Chain policy. The Supply Chain unit makes sure that challenges related to logistics and procurement has appropriate and practical solutions. It also ensures that everything moves as smoothly as possible by co-coordinating and collaborating with stakeholders, partners, service providers, and customers to integrate supply and demand within and across the organisation.
Payroll Management (reporting to the Manager Payroll)	South African Tourism continued to run a world-class payroll system and paid all employees timeously.
Legal (reporting to the Contracts Attorney)	The legal department ensures that SA Tourism effectively complies with statutory and regulatory requirements and conducts its affairs in line with legislation. It caters for any potential risk that may be associated with both local and cross border transactions and advises on ways to minimize or remove those risks. SA Tourism enters into commercial agreements with a multitude of service providers worldwide, so it is imperative that we have the legal acumen to negotiate agreements that will protect our interests and reduce our risks globally. We believe that with the guidance on attorneys who have specialized in intellectual property globally, registration of our intellectual property within the relevant classes will be executed precisely.

Strategic objective:	Energize and Empower the organisation to innovate and achieve excellence
Objective statement:	To be an effective and efficient financial management unit by ensuring compliance with statutory regulations; providing reliable and fair financial results and also establishing and maintaining cost-effective measures across all units in the organization.
Baseline:	2009/10 Actual External Audit Reports : 3 2009/10 Actual Internal Audit Reports : 5
Justification:	The objective will contribute to achieving "clean" audit reports, which will thus ensure that public funds are administered effectively.
Links:	Appropriate management of public funds, ensures alignment with government's key priorities and continued delivery to the electorate, i.e. what gets measured gets done.

#### Programme Performance Indicators

Programme Performance Indicator	Audited outcome / Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Number of audit reports	14	9	15	15	15	16	15
Unqualified external audit reports	2	2	2	2	2	2	2
Satisfactory internal audit reports	12	7	12	12	12	13	12
Number of quarterly reports	4	4	4	4	4	4	4
Number of contracts approved	180	190	200	220	230	230	230
Number of marketing collateral lists	4	4	4	4	4	4	4

#### Quarterly targets 2011/12

Quarterly targets for programme performance indicators identified above:

Programme Performance Indicator	Reporting period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th

Number of audit reports	Annual	15	15			
Unqualified external audit reports	Annual	3	3			
Satisfactory internal audit reports	Annual	12	12			
Number of quarterly reports	Quarterly	4	1	1	1	1
Number of contracts approved	Quarterly	220	55	55	55	55
Number of marketing collateral lists	Quarterly	12	3	3	3	3

#### **Programme 4: Head Office Support**

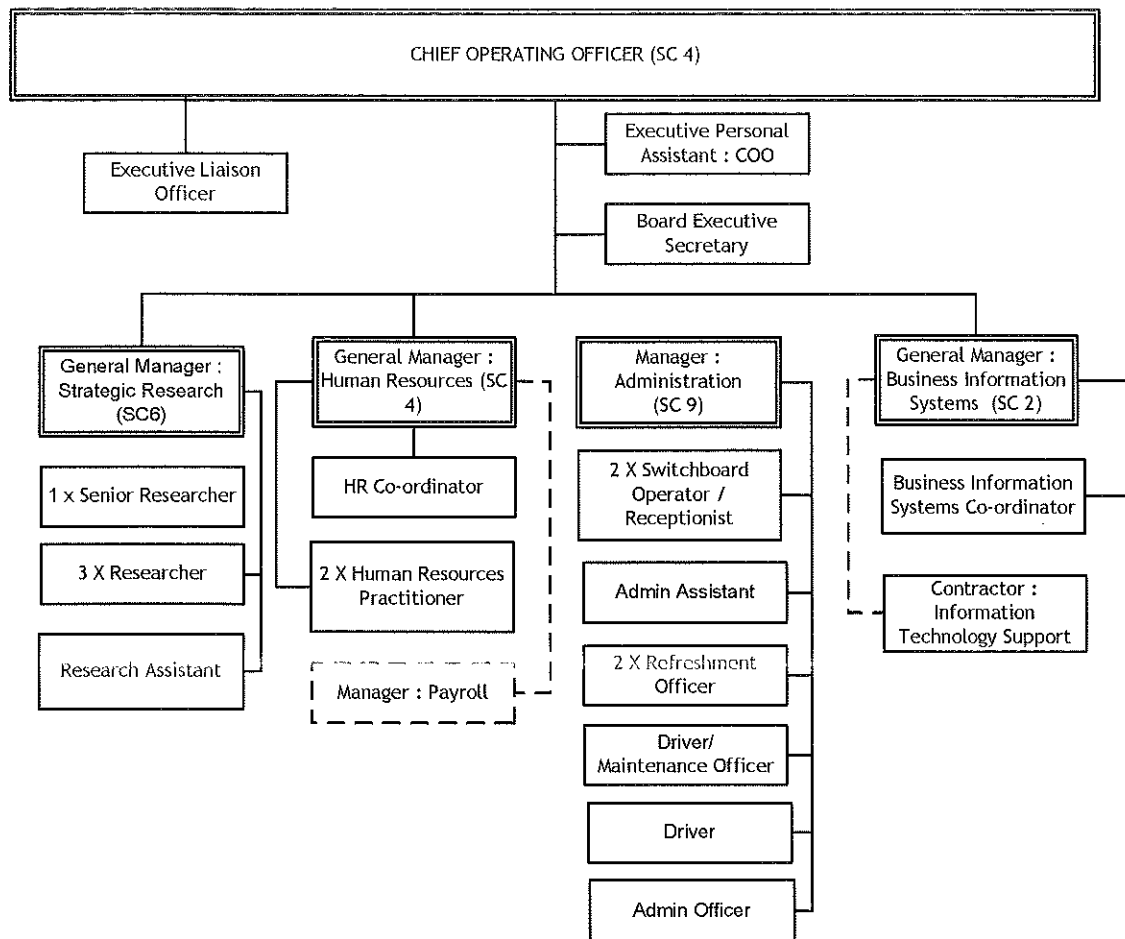
**Purpose:** The business units that fall under operations are the machines that are designed to drive the machinery of marketing forward. The units falling under operations are there to provide support in the form of systems, people and infrastructure to the organisation.

**Description:** This Operations Business Unit falls under the Chief Operating Officer and consists of some business units and sub business units which needs to support Marketing Business Units in the execution of their Annual Performance Plans.

Strategic objective:	Energize and Empower the organisation to innovate and achieve excellence
Objective statement:	To improve our rank and become a “Deloitte top 20 best company to work for “ in the small company category
Baseline:	2009/10 Actual Rank :46 in the small company category
Justification:	People and systems are assets of the company. By ensuring you have satisfied staff and adequate systems the organization will undoubtedly achieve all round excellence.
Links:	Happy employees ensure alignment with government’s key priorities and continued delivery to the electorate, i.e. what gets measured gets done.

**Description:** The Operations Business Unit falls under the Chief Operating Officer and consists of the following business units:

Human Resources (reporting to the General Manager: HR)  
Administration (reporting to the Manager: Administration)  
Business Information Systems (reporting to General Manager :BIS)  
Research (reporting to the General manager: Research)



Business units	Overview
Human Resources	This unit recognizes that human capital is the most valuable asset in an organisation and it invests in people. People are a competitive advantage and one of the core functions of this unit is to grow and nurture staff. Keys functions of this unit are new appointments, promotions, terminations, labour relations and performance management of the organisation.
Administration	The unit's core function is to integrate processes within South African Tourism that maintain and develop the services that support and improve the effectiveness of the organizations' primary activities and also the safeguarding of the entity's assets.
Business Information Systems	IT is the back bone of SA Tourism's core business. IT enables our internal processes and management systems and is a means to communicate cost effectively with millions of people across our key markets. However the processes and platforms need to be in place to operate efficiently. The global trend is to bring in the best service providers to manage these and have stringent service level agreements in place to manage expectations, policies; procedures and performance properly.
Research	This unit is responsible for providing information to enable more effective, data driven decision making within the organisation. The focus on information dissemination and routine reporting on performance of the tourism sector in SA are some of the core functionalities performed by this unit.

Strategic objective:	Energize and Empower the organisation to innovate and achieve excellence
Objective statement:	To improve our rank and become a “Deloitte top 20 best company to work for “ in the small company category
Baseline:	2009/10 Actual Rank :46 in the small company category
Justification:	People and systems are assets of the company. By ensuring you have satisfied staff and adequate systems the organization will undoubtedly achieve all round excellence.
Links:	Happy employees ensures alignment with government's key priorities and continued delivery to the electorate, i.e. what gets measured gets done.

#### Programme Performance Indicator

Programme Performance Indicator	Audited outcome /Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Marketing staff retained	82%	92%	94%	90%	90%	90%	90%
Supporting staff retained		97%	96%	85%	85%	85%	85%
Ranking on Deloitte Best Company to Work for Survey	73	45	46	44	35	27	20
Asset counts	2	2	2	2	2	2	2
Breaches in contracts for maintenance	0	0	0	1	1	1	1
Number of reports	18	18	19	16	16	16	16
Number of visits to research website	10	20	15	11 000	13 000	15 000	17 000
Percentage of systems uptime	99%	99%	99%	99%	99%	99%	99%

#### Quarterly targets for 2011/12

Programme Performance Indicators	Reporting period	Annual target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Marketing staff retained	Quarterly	90%	90%	90%	90%	90%
Supporting staff retained	Quarterly	85%	85%	85%	85%	85%
Ranking on Deloitte Best Company to Work for Survey	Annual	35				
Asset counts	Biannual	2		1		1
Breaches in contracts for maintenance	Quarterly	1	0	0	0	1
Number of reports	Quarterly	16	4	4	4	4
Number of visits to research website	Quarterly	13 000	3 250	3 250	3 250	3 250
Percentage of systems uptime	Quarterly	99%	99%	99%	99%	99%

#### **Programme 5: Tourism Grading Council of South Africa (TGCSA)**

**Purpose:** Establish a recognizable and credible, globally bench-marked system of quality assurance for accommodation and MESE experiences which can be relied upon by visitors when making their choice of establishment

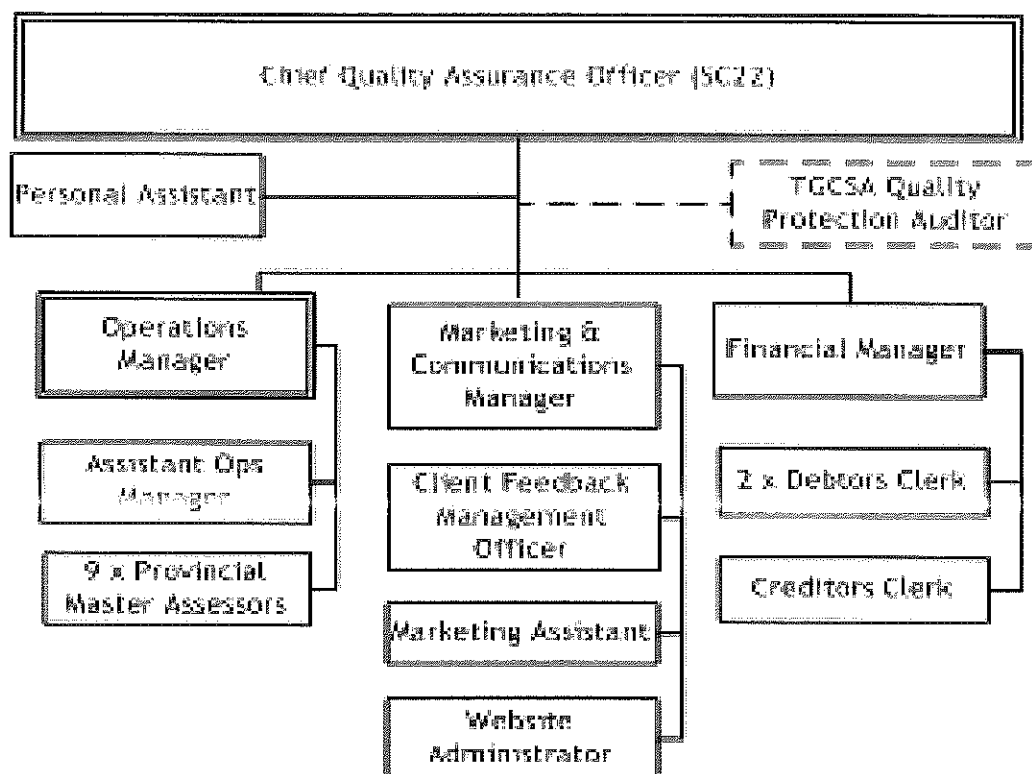
**Description:** The Tourism Grading Council of South Africa (TGCSA) is a dynamic organisation that ensures the standard of quality of accommodation and conference venues, (Meetings, Exhibitions and Special Events (MESE) throughout South Africa. This is achieved by literally "*putting the stars where they belong*". TGCSA provides a rigorous framework and process for the grading and implementation of its star grading system.

Strategic objective	Engage stakeholder to deliver quality visitor experiences that re-affirm the brand promise
Objective statement:	To increase the number of graded establishments by 10%, by using world class grading criteria
Baseline:	No of current graded establishments: 8 196 No of cancellations: 1 389 No of establishments using illegal stars: 30 (reported) No of breaches by PMAs and assessors: Nil (PMA's) and 2 (Assessors)
Justification:	This objective will result in the marketing through word-of-mouth of the quality experience offered in South Africa
Links:	Tourism arrivals and spend have a direct impact on GDP contribution and job creation. The targets have been set for 2015 on both of these - 65.72 billion rand GDP contribution by 2015 and 746 000 jobs in 2015 calendar year

The Tourism Grading Council ensures that a process of quality assurance is continuously sought across tourism facilities and services offered to the consumer. This process is a collaborative one, with as much



voluntary participation as is possible, from all businesses seeking to showcase their products in this vibrant industry. The Grading Council also seeks to **increase consumer confidence** and involvement in the grading process through its feedback system. In doing so it enhances the value of the overall system.



#### Types of establishments

Non-Hotel Accommodation
Backpacker & Hostelling
Bed & Breakfast
Caravan & Camping
Country House
Guest House
Lodge

Self Catering
Non-Hotel Accommodation Total
Hotel Total
Accommodation Grand Total
MESE Total (Business Tourism)
Grand Total Graded Properties

#### Programme Performance Indicators

Performance Indicator	Audited performance outcome /Actual			Estimated Performance 2010/11	Medium-term targets		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Total graded properties	6 400	6 940	8 196	8 288	8 288	9 117	10 029
Total renewals	4 742	5 132	6 007	7 007	7 007	7 708	8 478
Total new gradings	958	658	1 808	1 635	1 635	1 799	1 978
Cancellations	579	782	1389	4	4	4	4
Breaches by assessors	31	27	16	5	5	5	5

#### Quarterly targets for 2011/12

Programme Performance Indicators	Reporting period	Annual target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Total graded properties	Quarterly	8 288	2 072	2 072	2 072	2 072
Total renewals	Quarterly	7 007	1 752	1 752	1 752	1 751
Total new gradings	Quarterly	1 281	320	320	320	321
Cancellations	Quarterly	4	1	1	1	1
Breaches by assessors	Quarterly	5	1	1	1	5

#### 4.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Name of the Programmes		Audited outcome			Estimated Outcome	Medium-term estimate		
R Thousand		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	Major Programmes	633 304	733 997	853 391	795 509	840 193	881 598	929 042
1	International Portfolios	360 833	382 483	405 431	367 617	386 004	409 180	436 240
2	Head Office	135 206	215 806	293 728	249 211	267 042	275 193	279 497
3	Marketing Head Office	76 027	70 795	85 424	105 745	109 834	115 274	126 437
4	Support Head Office	29 730	31 514	33 405	35 409	37 534	39 786	42 173
5	Finance	31 508	33 399	35 403	37 527	39 779	42 165	44 695
	Tourism Grading Council of South Africa	-	-	-	-	-	-	-
	Other Objectives	-	-	-	-	-	-	-
	None	-	-	-	-	-	-	-
Total		633 304	733 997	853 391	795 509	840 193	881 598	929 042

Funding of total expenditure:

Name of the Programme		Medium-term estimate		
R Thousand		20011/12	2012/13	2013/14
	From Government MTEF allocation	668 613	701 803	740 402
	From TOMSA levies	76 000	78 000	80 000
	From Grading fees	25 917	30 219	35 236
	Indaba & Meetings Africa revenue	26 500	27 500	28 500
	Interest received	7 500	7 700	7 800
	Sundry revenue	35 663	36 376	37 104
Total Revenue that agrees to final ENE submission		840 193	881 598	929 042

## Performance and Expenditure Trends

### Programme: International Portfolios

#### Programme Performance Indicators

Programme Performance Indicator	Audited outcome /Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of arrivals in South Africa	9 090 881	9 591 828	9 933 966	10 193 585	10 295 520	10 398 475	10 502 460
Land arrivals	6 626 731	7 087 452	7 490 425	7 834 324	7 912 667	7 991 793	7 452 532
Air arrivals	2 464 150	2 504 376	2 443 541	2 359 261	2 382 853	2 406 681	3 049 927
Number of joint marketing agreements	101	103	122	105	107	108	109
Number of trade contacts	11 550	12 128	31 367	12 483	13 107	13 762	14 450
Closure ratio	1 : 2.91	1 : 2.75	1 : 2.88	1 : 2.9	1 : 2.8	1 : 2.8	1 : 2.8

Strategic objective	Invest only in selected markets to deliver volume and value
Impact of budget allocation on Targets	With additional funding in the past SAT has ensured that funds are channeled to specific market segments so as to increase exposure of Brand South Africa and gain maximum arrivals and spend. With the additional funding we were able to enter into more joint marketing agreements Increased Research will ensure that funds allocated Increased Research will ensure that funds allocated are directed to select markets that will provide volume and value.

#### Strategic Objective:

#### Programme: Head Office Marketing

Performance Indicator	Audited outcome /Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
No of exhibitors at Indaba	1 755	1 725	1 578	1 813	1 813	1 813	1 813
No of product trained per annum	-	1 317	500	100	100	100	100
No of industry/provincial conferences per annum	2	2	2	2	2	2	2
No of ETEYA entries	45	151	203	213	224	235	246
No of Welcome entries	196	486	1 406	1 476	1 550	1 627	1 708

Strategic objective	Invest only in selected markets to deliver volume and value
Impact of budget allocation on Targets	Engage stakeholder to deliver quality visitor experience that re-affirm the brand promise. With increased funding SA Tourism has been able to empower and engage with industry stakeholders , the opposite is also true in that with less funding we are less likely to achieve maximum targets.  SAT aims to engage the best and leading marketing agencies, stakeholders of Brand South Africa, to ensure that our strategic objectives are met

#### Programme : Head Office Support

Programme Performance Indicator	Audited outcome /Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Marketing staff retained	82%	92%	94%	90%	90%	90%	90%
Supporting staff retained		97%	96%	85%	85%	85%	85%
Ranking on Deloitte Best Company to Work for Survey	73	45	46	44	35	27	20
Asset counts	2	2	2	2	2	2	2
Breaches in contracts for maintenance	0	0	0	1	1	1	1
Number of reports	18	18	19	16	16	16	16
Number of hits on research website	10	20	15	20	25	25	25
Percentage of systems uptime	99%	99%	99%	99%	99%	99%	99%

Strategic objective	Energise and empower the organisation to innovate and achieve excellence.
Impact of budget allocation on Targets	<p>With the correct resources and infrastructure, SA Tourism will be able to source and empower existing skills to achieve excellence as measured by the Tourism Sector industry nationally and abroad, over the years we have as an organisation been able to maintain and increase our levels of excellence.</p> <p>Decreased funding compel strategic restructuring and thereby missing the opportunity to effectively market in certain market segments.</p>

Programme: Head Office Finance

Programme Performance Indicator	Audited outcome /Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of audit reports	14	9	15	15	15	16	15
Unqualified external audit reports	2	2	2	2	2	2	2
Satisfactory internal audit reports	12	7	12	12	12	13	12
Number of quarterly reports	4	4	4	4	4	4	4
Number of contracts approved	180	190	200	220	230	230	230
Number of marketing collateral lists	4	4	4	4	4	4	4

Strategic objective	Energise and empower the organisation to innovate and achieve excellence.
Impact of budget allocation on Targets	<p>With the correct resources and infrastructure, SA Tourism will be able to source and empower existing skills to achieve excellence in amongst others, the number of unqualified audit reports.</p> <p>Decreased funding compel strategic restructuring and thereby missing the opportunity to effectively engage necessary resources.</p>

Programme: Tourism Grading Council of South Africa

Performance Indicator	Audited outcome /Actual performance			Estimated Performance	Medium-term targets		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total graded properties	6 400	6 940	8 196	8 288	8 288	9 117	10 029
• Total renewals	4 742	5 132	6 007	7 007	7 007	7 708	8 478
• Total new gradings	958	658	1 808	1 635	1 635	1 799	1 978
Cancellations	579	782	1389	4	4	4	4
Breaches by assessors	31	27	16	5	5	5	5

Strategic objective	Energise and empower the organisation to innovate and achieve excellence.
Impact of budget allocation on Targets	<p>Engage Stakeholder to deliver quality visitor experiences that re-affirm the brand promise.</p> <p>Increased funding has made possible the establishment of the Grading Criteria and reliable resources, ensuring that maximum establishments are graded and hence achieving targeted superior graded establishments in South Africa. Additional allocations have impacted positively in that quality establishments are graded and are deservingly awarded stars.</p>

## **PART C: LINKS TO OTHER PLANS**

### **LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS**

Not applicable

Materiality framework (see attached)

### **5    CONDITIONAL GRANTS**

Not applicable

### **6    PUBLIC ENTITIES**

Not applicable

### **7    PUBLIC-PRIVATE PARTNERSHIPS**

Not applicable