



It's Possible

South African Tourism

(hereinafter referred to as SA Tourism)

Updated 5-year Strategic Plan

effective 2012/13

Official Sign off

It is hereby certified that this Strategic Plan and 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 2012/13 to 2016/17.

JN Van der Walt
Chief Financial Officer

Signature: _____

T Nzima
Chief Executive Officer

Signature: _____

Approved by SA Tourism's Accounting Authority on 14 February 2012 and approved on its behalf:

Approved by:
J Mabuza as Board Chairperson

Signature: _____

Approved by SA Tourism's Executive Authority on _____ :

Minister M van Schalkwyk

Signature: Marthinus van Schalkwyk



MAINTENANCE REPORT

DATE: 10/10/2023

TIME: 10:30 AM

LOCATION: 101-102

DESCRIPTION: 101-102

REMARKS: 101-102

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PART A - STRATEGIC OVERVIEW

1 VISION OF SA TOURISM

For South Africa (SA) to be the preferred tourist destination in the world, in order to maximise the economic potential of tourism for our country and its people.

2 MISSION OF SA TOURISM

To develop and implement a world-class international & domestic tourism marketing strategy for SA while also implementing a world-class grading system of tourism-related products in South Africa. In pursuance of this SA Tourism will :

- Facilitate the strategic alignment of the provinces and industry in support of the global marketing of tourism in SA
- Remove all obstacles to tourism growth
- Build a tourist friendly nation
- Ensure that tourism benefits all South Africans

3 VALUES OF SA TOURISM



We unconditionally respect our organisation's people, its purpose and its assets.

Living this respect with integrity translates into an authentic caring for South Africa and each other, a feeling of responsibility, and the acceptance of accountability for the outcomes of our actions.

Our team pushes the boundaries of excellence in everything we do.

Governance @ SAT



4.1 CONSTITUTIONAL MANDATES

We have to account to the executive authority namely the National Department of Tourism and the Minister of Tourism for the government grants we receive from them to fulfill our mandate. In terms of Section 92 of the Constitution, the Minister of Tourism who is responsible for the power and functions of the executive assigned to him by the President is ultimately responsible for the National Department of Tourism. He also has to provide Parliament with full and regular reports concerning South African Tourism. These reports are submitted by South African Tourism to the National Department of Tourism.

4.2 LEGISLATIVE AND EXTERNAL POLICY MANDATES

4.2.1 Tourism Act No. 72 of 1993 as amended

To promote tourism by encouraging person to undertake travels to and in the Republic, and with a view thereto to take measures in order to attempt to ensure that services which are rendered and facilities which are made available to tourists comply with the highest attainable standards.

4.2.2 Public Finance Management Act (PFMA) No 1 of 1999

The key responsibilities from the PFMA requires SA Tourism to ensure that all revenue, expenditure, assets and liabilities of the entity are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the organisation; and to provide for matters connected therewith. As per section 40 of the PFMA South African Tourism's controlling body is the Board of South African Tourism (i.e. the accounting authority). The fiduciary duties of the accounting authority, as per section 50 of the PFMA, are outlined below:

- exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;
- act with fidelity, honesty, integrity and in the best interests of the public entity in managing the financial affairs of the public entity;

- on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature; and
- seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

4.2.3 Treasury Regulations effective 9 April 2001 issued in terms of the PFMA

The key responsibilities from Treasury Regulation's requires SA Tourism to manage our budget preparation process; exercise control over the implementation of the annual budget, promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities. The audit committee plays an imperative role in an organisation, and as per Treasury Regulation No. 27 the audit committee of SA Tourism amongst, reviews the following:

- the effectiveness of the internal control systems;
- the effectiveness of internal audit;
- the risk areas of the entity's operations to be covered in the scope of internal and external audits;
- the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- any accounting and auditing concerns identified as a result of internal and external audits;
- the entity's compliance with legal and regulatory provisions;
- the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and
- where relevant, the independence and objectivity of the external auditors.

4.2.4 Other legislation and external policy mandates

- Minimum Information Security Standards (MISS)
- National Vetting Strategy
- Human Resources Development Strategy
- Senior Management Services Framework Handbook
- Gender Framework
- National Archives directives
- Government Communication Framework
- Government Corporate Identity Guidelines
- International Relations Strategy
- South African Foreign Policy
- Guidelines on Protocol and Etiquette
- National Treasury Guidelines
- Institute of International Auditors Standards

4.3 INTERNAL POLICY MANDATES

Name of Policy	Key Responsibility
Information Technology Strategy effective 1 April 2010 (approved 1 Oct 2009)	Managing Business Information Systems and ensure that computer systems are secure.
Health and Safety Policy	As per legal requirement - outlines duties and responsibilities and references to Health and Safety related document - policies and procedures.
Executive committee terms of reference	Executive committee of SA Tourism's responsibilities
Management committee terms of reference	Management committee of SA Tourism's responsibilities
Board Code of Conduct	Based on 7 Governing principles, Disciplinary, transparency, independence, accountability, responsibility, Fairness, social responsibility, signed by each Board member
Corporate Governance Policy	Based on King 3, Code of Good Practices and Conduct - aimed at the Board and Exco, reporting requirements, functions and powers delegated by the Board
Delegation of Authority	Functions and duties delegated by the Board
Health and Safety Incident Reporting Procedure	As per Health & Safety requirements
Business Continuity Plan	How the business will operate when there is a crises
Supply Chain Management Policy	Procurement as required by National Treasury
Subsistence and Travel Policy	Subsistence and Travel requirements in line with Supply Chain Policy
Information Technology Policy	Ensure that SA Tourism's systems are managed correctly and secure
Performance Information Framework	Reporting in line with Treasury Requirements
General Human Resources Policy	Based on the Labour Relations Act
Foreign Service Dispensation Policy	Management of transferred overseas staff
Remuneration Policy	Remuneration of staff policy
Leave Policy	Based on Labour Relations Act
Performance Bonus Policy	Clearly explains performance review which leads to performance bonus
Finance policy - General	Based on PFMA, Treasury Regulations and SA GRAP

4.4 RELEVANT COURT RULINGS

None

4.5 PLANNED POLICY INITIATIVES

None

5 SITUATIONAL ANALYSIS

5.1 PERFORMANCE ENVIRONMENT

5.1.1 South African Tourism Board, hereinafter referred to as SAT, was established in terms of section (2) of the Tourism Act, 1999 (Act No. 72 of 1993) as amended, with the aim of stimulating sustainable international and domestic demand for South African Tourism experiences as well as to institute measures aimed at the maintenance and enhancement of the standards of facilities and services hired out, or made available to tourists.

5.1.2 South African Tourism therefore competes in a fiercely-competitive global environment to attract tourists to South Africa.

5.1.3 In terms of funding, South African Tourism is involved in a joint operation with one private sector partner, TBCSA. The objective of the joint operation is to market South Africa in certain markets identified by South African Tourism through research. Funds contributed into this operation are used solely for international marketing activities.

Given its limited resources, most notably financial, South African 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:

- 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)

5.1.4 For South African Tourism's purposes, markets have been classified as follows:

5.1.4.1 Core markets: These markets are very attractive and have easier access from a tourism-marketing point of view, deliver the "bread & butter" in terms of tourism for South Africa and approximately 60% of organisation's effort (in terms of human capital and budget) is deployed in these markets.

5.1.4.2 Investment markets: These markets are also very attractive, but more difficult to access from a tourism-marketing point of view. Given the potential of these markets, it is of great importance for South African Tourism to invest in these markets, ahead of the future returns. Approximately 20% of the organisation's effort (in terms of human capital and budget) is deployed in these markets.

5.1.4.3 Tactical markets: These markets are less attractive, but very easy to access from a tourism-marketing point of view. Approximately 15% of the organisation's effort (in terms of human capital and budget) is deployed in these markets.

5.1.4.4 Watch-list markets: These markets are less attractive and more difficult to do from a tourism-marketing point of view. However, limited exploratory marketing, largely in conjunction with South Africa's overseas missions and tour operators, is to be undertaken by South African Tourism in these markets as they might grow into future, more prominent markets for South Africa from a tourism point of view. Approximately 5% of the organisation's effort (in terms of human capital and budget) is deployed against these markets.

5.1.5 South African Tourism promotes South Africa generically in terms of its unique selling points as an all-season, year-round preferred tourist destination, utilising marketing initiatives that are guided by the Tourism Growth Strategy. The strategy incorporates three key market portfolios namely:

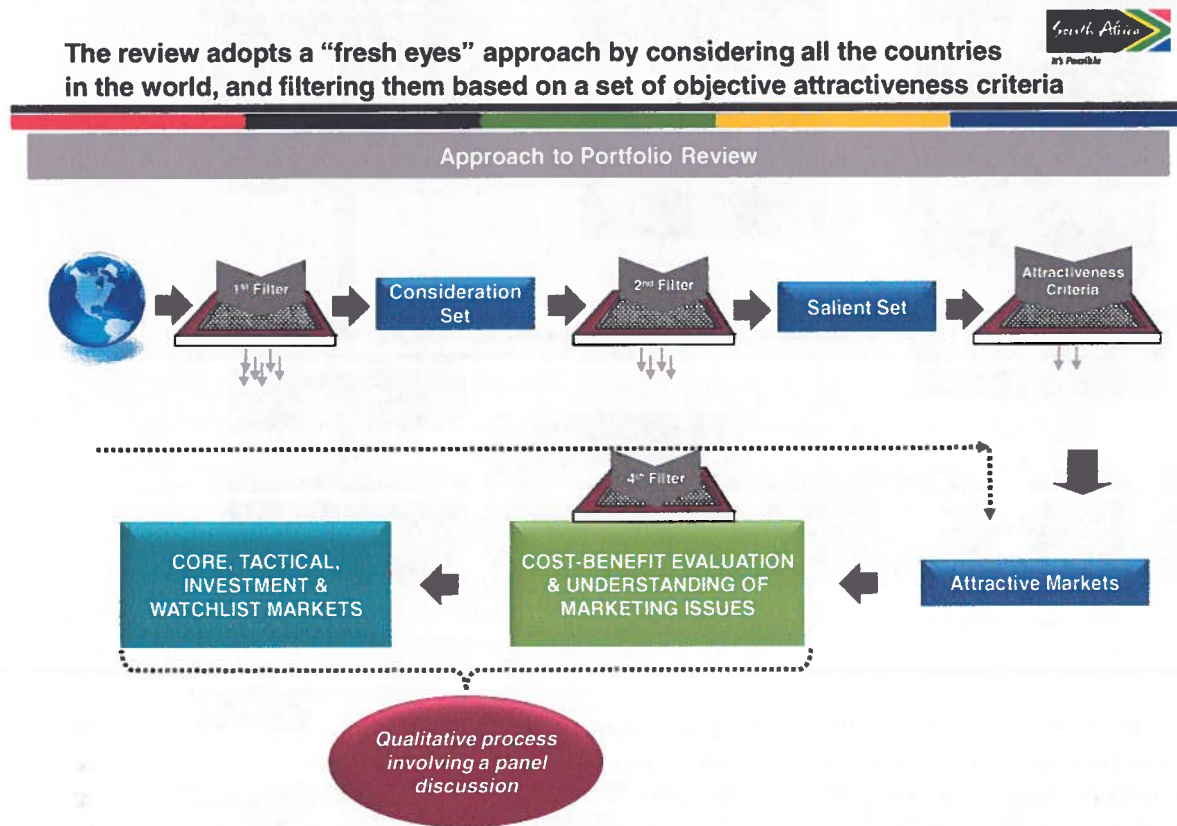
5.1.5.1 Africa and Domestic;

5.1.5.2 Americas, Asia and Australasia;

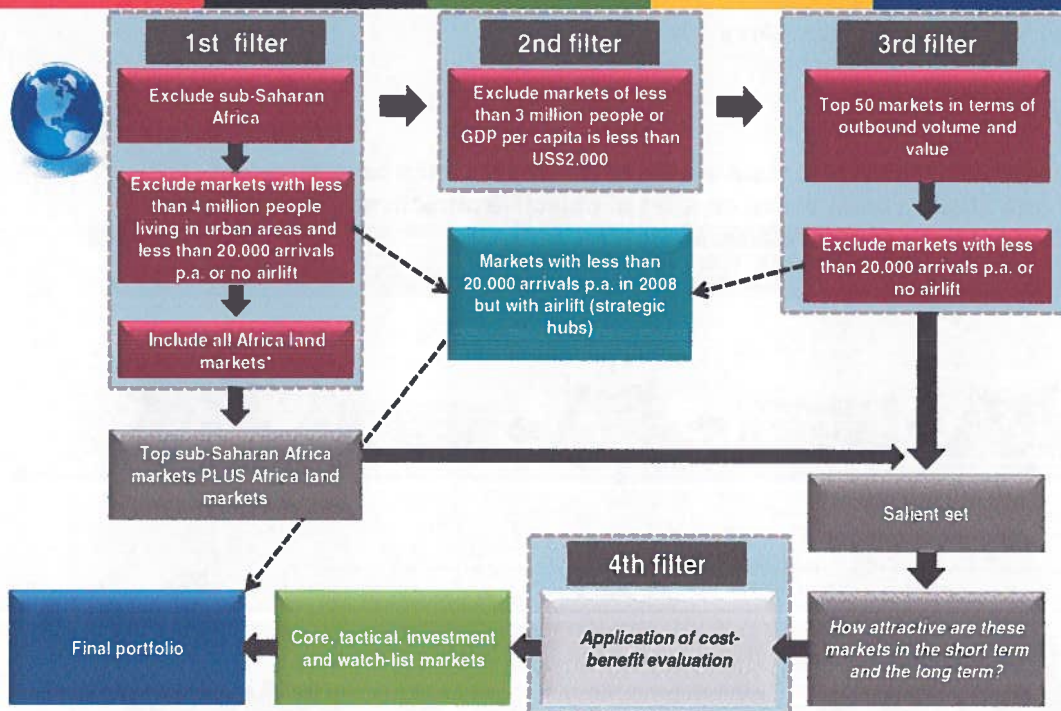
5.1.5.3 Europe & the UK

- 5.1.6 Each portfolio is headed by a regional director tasked with developing and implementing marketing strategies, an approach which serves to optimise the efficiency and strategic marketing activities in specific market segments.
- 5.1.7 South African Tourism's overall marketing strategy promotes South Africa's scenic beauty, diverse wildlife, eco-tourism and variety of cultures and heritage. We also work to engender a travel culture amongst South Africans and to develop South Africa's potential as a big event destination.
- 5.1.8 South African Tourism's international marketing approach differs slightly in its scope: it is more focused, more cost-effective and more customer driven. We persistently undertake to 'play smarter' in the increasingly competitive global tourism market by adopting, amongst other initiatives, ongoing segmentation research into key spend and volume markets that highlight areas where South African Tourism's marketing efforts will reap the greatest returns. As a result, the organisation has also embarked on an aggressive e-Business Tourism Growth Strategy that includes fully-fledged research, a CRM unit and call centre and a website: www.southafrica.net. South African Tourism also participates in major travel shows; co-ordinates advertising, public relations and direct mailing campaigns; and holds educational work sessions with the international partners of South Africa's travel industry. Furthermore, the organisation is active in promoting South Africa as a destination for Business Tourism through its National Conventions Bureau unit that works closely with sector representatives both abroad and in South Africa.
- 5.1.9 South African Tourism also works with South Africa's embassies and consulates all over the world to encourage tourism to South Africa. Good corporate governance is essentially about effective leadership. It requires leadership that is able to integrate decision-making, strategy and sustainability. It also calls for an inclusive and collaborative approach with stakeholders, founded on the need for effective dialogue and engagement.
- 5.1.10 South African Tourism views good corporate governance practice as integral to good performance. We at South African Tourism are committed to promoting sustainable confidence in our conduct, both as an organisation and as a corporate citizen. While the Board oversees the overall process and structure of corporate governance, each business unit and every employee worldwide within the organisation is responsible for promoting good corporate governance practices. In formulating our governance framework, we apply leading corporate governance practices pragmatically so as to:
 - 5.1.10.1 Exercise effective review and monitoring of our activities.
 - 5.1.10.2 Enhance the world market's perception of us.
 - 5.1.10.3 Identify and mitigate significant risks, including reputational risk.
 - 5.1.10.4 Promote informed and sound decision making.
 - 5.1.10.5 Protect our brand.
 - 5.1.10.6 Secure the trust and confidence of all stakeholders.
 - 5.1.10.7 Lead to effectiveness, efficiency, responsibility and accountability.
 - 5.1.10.8 Facilitate legal and regulatory compliance.
 - 5.1.10.9 Ensure sustainable business practices, including social and environmental activities.
 - 5.1.10.10 Disclose the necessary information to enable all stakeholders to make a meaningful analysis of our actions.
 - 5.1.10.11 Our values and philosophies are the framework against which we measure our behaviour, practices and activities.
 - 5.1.10.12 Our values require directors and employees to behave with integrity, consistently and uncompromisingly displaying moral strength and conduct which promotes trust.
 - 5.1.10.13 Sound corporate governance is implicit in our values, culture, processes, functions and organisational structures and is designed to formalise oversight of, and ensure the values remain embedded within all our operations and processes.

5.1.11 South African Tourism selects its markets every 3 years taking into consideration the latest marketing intelligence. This process is referred to as the Portfolio Review process. Like with previous Portfolio Review processes, South African Tourism adopted the following process during the 4th Portfolio Review process which indicates the markets on which SA Tourism will focus for the following 3 years effective 1 April 2011:



Key steps of the Portfolio Review Process



*Africa land markets are markets where more than 60% of arrivals to SA arrive by land.

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The results of the evaluation will illustrate the suggested core, tactical, investment and watch-list markets within each region



5

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The 4th Portfolio Review process that took place during July/ August 2009 and the outcomes was implemented in full during April 2011



		2002 – 2004	2005 – 2007	2008 – 2010	2011-2014
4 th Portfolio					
Responsibility	Country Manager	Africa & Middle East	UK & Americas	Asia & Australasia	Europe
	Regional Director	Core Markets Angola Botswana Kenya Nigeria South Africa*	USA*	Australia* India	France* Germany Netherlands UK*
	Stakeholder Manager	Investment Markets DRC Mozambique	Brazil Canada	China (incl. Hong Kong) Japan	Belgium Italy Sweden
	Global Channel Manager	Tactical Markets Lesotho Swaziland		New Zealand	Ireland
		Watch-list Markets Malawi Namibia Zambia Zimbabwe	Argentina	Republic of Korea	Austria Denmark Portugal Spain Switzerland
		Strategic Importance Bahrain, Oman, Qatar, Saudi Arabia			
		Strategic Air Links/Hubs Egypt, Ethiopia, Ghana, Mauritius, Tanzania, Senegal, UAE		Malaysia Singapore	

*Indicates Business Tourism Hubs

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5.2 ORGANISATIONAL ENVIRONMENT

5.2.1 In order to properly execute its Strategic Plan, South African Tourism will have, effective 1 April 2012, 16 business units, each with its own Business Unit Annual Resource Plan and reporting to a Business Unit Manager. These 16 Business Units are:

- 5.2.1.1 Office of the CEO/COO (this Business Unit, which includes Internal Audit and Administration, is headed by both the CEO and COO)
- 5.2.1.2 Finance (headed by the Chief Financial Officer)
- 5.2.1.3 Research (headed by the General Manager Research)
- 5.2.1.4 Human Resources (headed by the General Manager: Human Resources)
- 5.2.1.5 Business Information Systems (headed by the General Manager: Business Information Management Systems)
- 5.2.1.6 PR and Communication (headed by the Global Manager: Communication)
- 5.2.1.7 E-Marketing (headed by the Global Manager: E-Marketing)
- 5.2.1.8 Central Marketing (this Business Unit, which includes Global Brand, Channel & Agency Management, is headed by the Chief Marketing Officer)
- 5.2.1.9 Product (headed by Global Manager: Product)
- 5.2.1.10 Africa and Domestic Portfolio (headed by the Regional Director: Africa)
- 5.2.1.11 Americas, Asia and Australasia Portfolio (headed by the Regional Director: Americas, Asia and Australasia)
- 5.2.1.12 Europe & the UK Portfolio (headed by the Regional Director: Europe)
- 5.2.1.13 Tourism Grading Council of South Africa (headed by their Chief Quality Assurance Officer (CQAO))
- 5.2.1.14 Watchlist Markets (headed by the Global Manager: Watchlist Markets)

- 5.2.1.15 National Conventions Bureau (headed by the Executive Manager: Conventions Bureau); this Business Unit will incorporate SA Tourism's Business Tourism Business Unit which will cease to exist on 31 March 2012)
- 5.2.1.16 Domestic Tourism (headed by the General Manager: Domestic Tourism); this Business Unit will incorporate components of SA Tourism's Events Business Unit which will cease to exist on 31 March 2012)
- 5.2.2 South African Tourism has four categories of employment:
- 5.2.2.1 Senior management (consisting of all Exco members);
- 5.2.2.2 Middle management (consisting of all MANCO members who are also appointed business unit managers, country managers, the Manager: Finance at Head Office and the and the Manager: Global Advertising at Head Office)
- 5.2.2.3 Junior management Any other person working for SAT who has got the title of "manager", as part of his designation on SAT's approved organogram in SAT's Delegation of Authority as well as the Contracts Attorney.
- 5.2.2.4 General Staff (consisting of all staff members not indicated above)

5.3 DESCRIPTION OF SA TOURISM'S STRATEGIC PLANNING, ANNUAL PERFORMANCE PLANNING- AND BUDGETING, SETTING KPA'S AND TARGETS FOR PERFORMANCE INFORMATION AND PERFORMANCE MANAGEMENT PROCESS

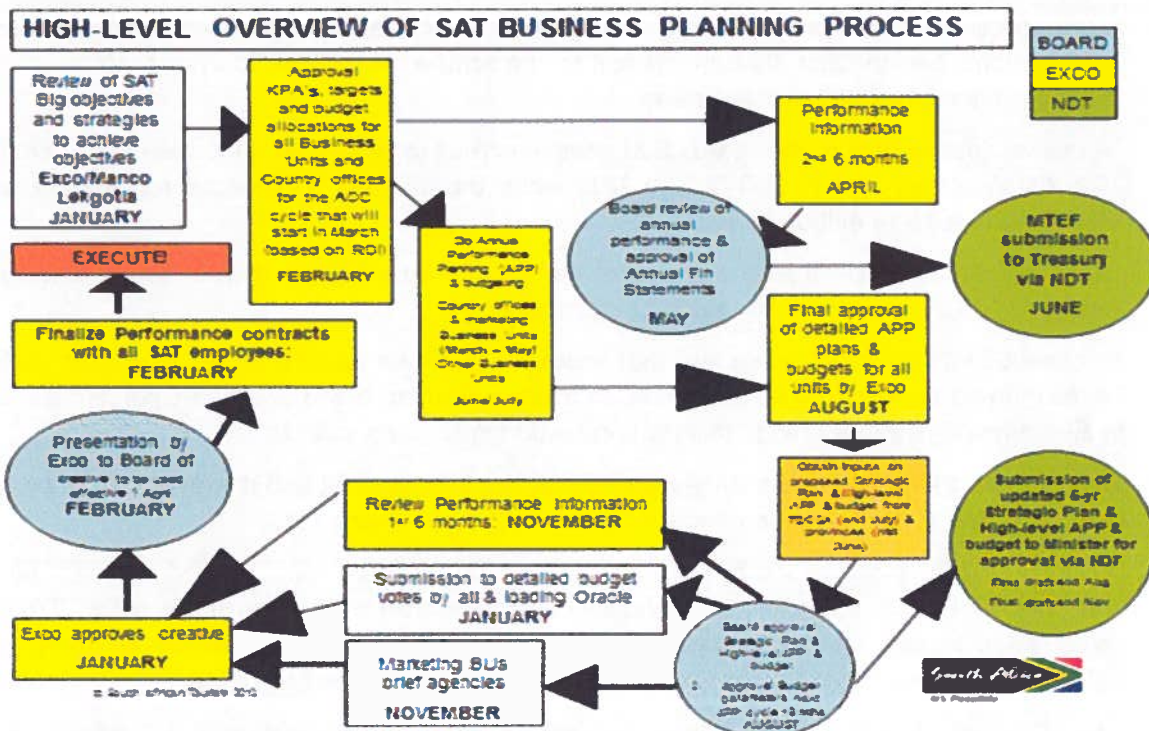
Although South African Tourism's Strategic Planning and Annual Performance Planning process, which includes budgeting and the formulation of organisational-, Business Unit- and Country office KPA's and targets, has been aligned with National Treasury's "Framework for Strategic Plans and Annual Performance Plans" document issued during August 2010, the Board resolved on 21 September 2011 that it is critical to bring provinces in earlier during this process to get alignment and also share with them final Annual Performance Plans for all marketing Business Units once the Executive Authority (Minister) has approved SAT's consolidated updated 5 year Strategic Plan and Annual Performance Plan. For that reason, critical dates in this process are as follows:

Nr	Action	Responsible designation	Deadline & other notes
5.3.1	Formulate, based on latest stats, potential arrivals, spend and brand awareness figures for the next calendar year & forward to Exco for consideration	SRU	Second week of January
5.3.2	Update SAT's Risk Register with everybody's input & forward to Exco for consideration	Chief Operating Officer	Second week of January
5.3.3	Approve updated Risk Register, budget parameters and budget allocations for all Business Units and Country offices for the next financial year (based on SAT's 2 formulas)	Exco	Last week of January
5.3.4	Approve updated Risk Register, budget parameters and budget allocations for all Business Units and Country offices for the next financial year (based on SAT's 2 formulas)	Board	Third week of February
5.3.5	Distribution of all Board-approved budget parameters and budget allocations for all Business Units and Country offices for the next financial year (based on SAT's 2 formulas) to all Business Unit Managers and Country Managers for using in their Annual Performance Planning and budgeting process that kicked off in the 4 th week of February	CFO	Fourth week of February

Nr	Action	Responsible designation	Deadline & other notes
5.3.6	Business Unit, Sub Business Unit & Country office Annual Performance planning including budgeting for the next financial year	All Business Units led by its respective Exco members and assisted by SRU	Fourth week of February - first week of May
5.3.7	Deadline for the finalization of the 1 st draft updated 5-year Strategic Plan & distribution to Exco	Chief Operating Officer	First week of March
5.3.8	Update 1 st draft updated 5-year Strategic Plan in line with Exco input & distribution to Manco for inputs	Chief Operating Officer	Second week of March
5.3.9	Consideration by Exco of Manco inputs received on updated 5-year Strategic Plan & final approval by Exco of it	Exco	Fourth week of March
5.3.10	Formal <u>review</u> of the last 6 months of the financial year and look at the proposed actions in terms of non-financial and financial variances approved by Exco a week earlier (when they approved the business units/country offices and consolidated SAT non-financial and financial Performance Information report of all Business Units and Country offices for the period 1 October - 31 March), i.e. how they impact on current Business Unit, Sub Business Unit & Country office Annual Performance planning including budgeting for the next financial year (see par 5.3.6 above)	Exco/Manco/Country Managers	First week of May
5.3.11	Presentation of all draft Business Unit, Sub Business Unit and Country office proposed Annual Performance Plans and budgets to Manco	Manco	Second & third week of May
5.3.12	Presentation of all draft Business Unit, Sub Business Unit and Country office proposed Annual Performance Plans and budgets to Manco	Exco	Fourth week of May & first week of June
5.3.13	Presentation of all high-level consolidated marketing-related Annual Performance Plans and budgets to provinces & receive inputs	Exco	Second week of June
5.3.14	<u>Consideration</u> of inputs received from provinces on the Annual Performance Plan including budgets and consolidated SA Tourism KPA's & targets for the next financial year for Performance Information audit- and Annual Performance Bonus purposes & update accordingly	Exco (consideration) CFO (update)	Third week of June
5.3.15	<u>Distribute</u> 1 st draft updated 5-year Strategic Plan, Annual Performance Plan including budgets and consolidated SA Tourism KPA's & targets for the next financial year for Performance Information audit- and Annual Performance Bonus purposes to the TBCSA & invite inputs	Chief Operating Officer	Distribute 1 July & receive inputs no later than 1 August
5.3.16	<u>Consideration of inputs</u> received from the TBCSA, consulting Manco on it where applicable & updating the 1 st draft updated 5-year Strategic Plan, Annual Performance Plan including budgets and consolidated SA Tourism KPA's & targets for the next financial year for Performance Information audit- and Annual Performance Bonus purposes to the TBCSA & invite inputs	Exco	First week of August

Nr	Action	Responsible designation	Deadline & other notes
5.3.17	<u>Final approval</u> of 1 st draft updated 5-year Strategic Plan, Annual Performance Plan including budgets and consolidated SA Tourism KPA's & targets for the next financial year for Performance Information audit- and Annual Performance Bonus purposes	Board of SA Tourism	Third week of August every year
5.3.18	<u>Submission</u> of the 1 st Board-approved draft updated 5-year Strategic Plan, Annual Performance Plan including budgets and consolidated SA Tourism KPA's & targets for the next financial year for Performance Information audit- and Annual Performance Bonus purposes <u>to the Executive Authority via NDT and National Treasury</u>	Chief Operating Officer	31 August
5.3.19	Formal <u>review</u> of the first 6 months of the financial year and look at the proposed action in terms of non-financial and financial variances approved by Exco a week earlier (when they approved the business units/country offices and consolidated SAT non-financial and financial Performance Information report of all Business Units and Country offices for the period 1 April - 30 September	Exco/Manco/Country Managers	Last week of October
5.3.20	<u>Update</u> 1 st Board-approved draft updated 5-year Strategic Plan, Annual Performance Plan including budgets and consolidated SA Tourism KPA's & targets for the next financial year in line with comments received from the Executive Authority	CFO	September - November
5.3.21	<u>Submission</u> of the 2 nd Board-approved draft updated 5-year Strategic Plan, Annual Performance Plan including budgets and consolidated SA Tourism KPA's & targets for the next financial year for Performance Information audit- and Annual Performance Bonus purposes <u>to the Executive Authority via NDT and National Treasury</u>	CFO	30 November
5.3.22	<u>Loading</u> of approved detailed Business Unit- and Country Office budgets into Oracle	All Business Unit Managers (submit to the Management Accountant)	31 January
5.3.23	<u>Preparation and submission</u> of proposed employee Performance Contracts for the next financial year to Exco	All Business Unit Managers	15 February
5.3.24	<u>Finalise</u> proposed employee Performance Contracts for the next financial year in line with Exco comments, <u>sign</u> contract between line manager and employee and submit to HR	All line Managers	28 February

5.4 SA Tourism's Strategic Planning process



6 STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

6.1 STRATEGIC OUTCOMES ORIENTATED GOALS

As per Treasury's "Framework for Strategic Plans and Annual Performance Plans" document issued during August 2010 (hereinafter referred to as FSPAP), are defined as those areas of institutional performance that are critical to the achievement of the mission of the institution and therefore focus on impacts and outcomes (par 5.3.4 on page 13 of the FSPAP). In terms of this document however, in the column below a short title should be indicated for the Strategic outcome orientated goal against the column "Strategic Outcome Orientated Goal" while the full Strategic outcome orientated goal should be written out in full and comply with the SMART principles in the "Goal statement" column. Strategic objectives differs from Strategic outcomes orientated goals in that they clearly state, per programme, what the institution intends doing or producing to achieve its Strategic outcomes orientated goals (par 5.3.6 on page 13 of the FSPAP). A programme is a functional division, aligned to the main areas of service delivery responsibility within the entity's mandate, created within the context of the budget of the entity (par 5.3.5 on page 13 of the FSPAP).

6.2 SOUTH AFRICAN TOURISM'S MISSION

"To develop and implement a world-class international & domestic tourism marketing strategy for SA while also implementing a world-class grading system of tourism-related products in South Africa." In pursuance of this SA Tourism will:

- Facilitate the strategic alignment of the provinces and industry in support of the global marketing of tourism in SA
- Remove all obstacles to tourism growth
- Build a tourist friendly nation
- Ensure that tourism benefits all South Africans".

6.3 STRATEGIC OUTCOMES ORIENTATED GOALS

South African Tourism has identified 6 strategic outcomes orientated goals which identify areas of organisational performance that are critical to the achievement of SA Tourism's mission. These 6 strategic outcomes orientated goals are:

- 6.3.1 To market South Africa in such a way that annual arrivals to South Africa increase to 12 068 030 by 2015 (NTSS target) and 15 000 000 by 2020 while the number of domestic tourists per annum should increase to 16 million by 2015;
- 6.3.2 To market South Africa in such a way that the average spend per arrival in South Africa are at least R 12 536 per person during the 2012 calendar year;
- 6.3.3 To market South Africa in such a way that South Africa moves towards becoming a most preferred Tourism Brand by obtaining at least have an average positive brand awareness percentage of 79% in all the markets where Brand Tracking is done during November 2012;
- 6.3.4 To deliver on the quality experience expected by the international and domestic tourist by having at least graded 6 172 tourism products in South Africa by 31 March 2013;
- 6.3.5 To continuously improve South African Tourism's internal policies, procedures and business processes so that it supports the spending of no less than 98% or no more than 102% of its consolidated annual approved budget as well as the achievement of clean annual audit reports (allowed as per the PFMA; any shortfall will be funded from retained earnings);
- 6.3.6 To continuously improve South African Tourism's internal communication and a culture of staff members living the values of the organisation so that it can reduce its average annual turnover rate to no more than 10% while achieving an average score of at least 3,3 in the Deloitte Best-Company-to-Work-for survey that will take place during June/July 2012.

In addition to the above, the following Board resolutions of 21 September 2011 should be taken into consideration:

- (i) Russia, in the context of BRICS countries, can only become a market for South Africa if it passes through all of the filters in South African Tourism's next Portfolio Review process which will confirm SAT's new markets effective 1 April 2014;
- (ii) Within the unfavorable economic climate that is expected to persist in Europe and the USA over the next 2 - 3 years, South African Tourism will continue to develop, when doing its next updated 5 year Strategic Plan and 2013/14 Annual Performance Plan, and implement, once approved, break-through strategies and tactics that will grow our current market share in markets like the UK in particular;
- (iii) While SAT should never stop at building its brand in markets where SA already has high positive brand awareness levels and while the trade's primary responsibility is to convert positive brand awareness to sales, SA Tourism's tactics in such mature markets should be more around assisting the Top 20 trade in Europe and the USA (i.e. SAT's should spend the overwhelming majority of the time of its office staff in offices like the UK to visit all of the outbound trade there regularly and make sure that they are at all times 100% aware of SA) to convert positive brand awareness to tourist arrivals;
- (iv) SAT will shortly do a comprehensive study on how SA is competing with important competitors like Australia, Brazil and Thailand from a value-for-money point of view and present it at the next Board meeting in February 2012;
- (v) With the world moving more towards an emerging middle class, both the trade and South African Tourism should increasingly fine-tune its strategies and tactics;

- 1.v.1 To get more 4- and upper 3 star SA products packaged and listed in the brochures of overseas outbound trade and not just 5-star high-end products; this will not undermine SA's reputation from a quality value-for-money destination point of view;
 - 1.v.2 To get more overseas trade (such as Dertour's 6 000 travel agents) and journalists to visit our 4- and upper 3 star SA products and not just 5-star high-end products (research has shown that it is only once they have visited that they realize that we are not as expensive and that we are actually an excellent value-for-money destination);
 - 1.v.3 To educate, via our Fundi programme, more overseas trade on our 4- and upper 3 star SA product platform;
 - 1.v.4 So that more 4- and 3-star SA products can attend Indaba, WTM, ITB and SAT's overseas trade workshops in different countries;
 - 1.v.5 So that the outbound trade can be incentivized and equipped more to sell SA packages easier (e.g. by throwing in an equal number of free nights for the number of nights purchased and not reducing the overall price, providing some incentive to sell more 4- and 3-star products where the commissions are lower, etc.);
- (vi) The Top 20 trade partners per market (that are currently selling our competing long-haul competitors and not necessarily South Africa) must be identified and full details of this must be shared at the next Marketing Committee meeting;
 - (vii) Concerning Domestic Tourism, SAT and the trade in SA must focus more, with its various marketing activities, on the emerging middle class in South Africa;
 - (viii) An important part of the Domestic Tourism strategy, that SAT is currently developing and which it will present at its next Board meeting, is the teach South Africans to travel more and include some of the key components of American states' and Brazil's very successful Domestic Tourism strategies;
 - (ix) NDT will provide more strategic leadership to Provincial Tourism authorities and persuade them (like Tourism Kwazulu-Natal) not to do any overseas marketing activities and rather do more marketing in bigger metropolitan areas (including opening offices in places like Gauteng);
 - (x) At the next Board meeting (approximately 6 months after the September 2011 Board Lekgotla), a follow-up discussion will be held with the TBCSA and TOMSA representatives to review Exco's progress on all the items mentioned above;

6.4 STRATEGIC OUTCOMES ORIENTATED GOALS STATEMENTS

South African Tourism's Strategic Outcome Orientated Goals with relevant goal statements under each of the Strategic Outcome Orientated Goals can be summarised as follows:

Strategic Outcome Oriented Goal 1		To market South Africa in such a way that annual arrivals to South Africa increase to 12 068 030 by 2015 and 15 000 000 by 2020 while the number of domestic tourists per annum should increase to 16 million by 2015.						
Goal statement 1	<p>Through the execution of its Strategic Plan and 2012/13 Annual Performance Plan, which includes the National Convention Bureau which should be fully functional by 1 April 2012, the following arrivals should be achieved on the way to achieving the stated Strategic Outcome Orientated :</p> <p>2011 calendar year arrival target: 11 504 920 (1% increase over 2010 actual arrivals) (which will be achieved through the execution of the 2011/12 Annual Performance Plan for Performance Information purposes)</p> <p>2012 calendar year arrival target: 11 922 201 (3% increase over 2011 target) (which will be achieved through the execution of the 2012/13 Annual Performance Plan for Performance Information purposes)</p> <p>At its September 2011 Board meeting the Board agreed that SAT must include tourist targets as well. Not having adequate data points (every 5 years, 1 year projected) to set these tourist targets, the following must be noted:</p> <ul style="list-style-type: none">• The tourist arrival target is estimated using the annual average incidence of tourist arrivals within the visitor arrivals for 2009 and 2010.• This method of estimation is not reliable as the number of tourist arriving each month is variable.• The data on tourist arrivals is an estimation only and not targets. <table><tr><td></td><td>Arrival</td><td>Tourist</td></tr><tr><td>2012/13</td><td>11,922,202</td><td>8,460,226</td></tr></table> <p>Historic arrival targets and actual arrivals were as follows:</p> <p>2008 calendar year arrival target: 9 699 365 (6.2% increase over 2007)</p> <p>2008 actual arrivals: 9 591 828 (5.5% increase over 2007)</p> <p>2009 calendar year arrival target: 9 824 858 (3.6% increase over 2008)</p> <p>2009 actual arrivals: 9 933 966 (3,6% increase over 2008 actual)</p> <p>2010 actual arrivals: 11 395 700 (14,7% increase over 2009 actual)</p> <p>Furthermore, Domestic Tourism will be promoted in such a way during the 2012/13 financial year that we have at least 14,44 million domestic tourists travelling in South Africa during the 2012 calendar year (the target for the 2011 calendar year, to be achieved through the execution of the 2011/12 Annual Performance Plan, is 13,92 million domestic tourists).</p>			Arrival	Tourist	2012/13	11,922,202	8,460,226
	Arrival	Tourist						
2012/13	11,922,202	8,460,226						
Strategic Outcome Oriented Goal 2		To market South Africa in such a way that the average spend per arrival in South Africa are at least R 12 536 per person during the 2012 calendar year.						
Goal statement 2	<p>Through the execution of its Strategic Plan and Annual Performance Plan, the following spend per person should be achieved on average for every person arriving in South Africa:</p>							

	CURRENCY	2011	2012
Africa - Air			
Angola	USD	4,421	4,639
DRC	USD	3,460	3,634
Kenya	USD	2,814	2,957
Nigeria	USD	5,502	5,886
Africa - Land			
Botswana	ZAR	2,845	3,004
Lesotho	ZAR	5,583	5,898
Malawi	ZAR	9,349	9,928
Mozambique	ZAR	12,068	12,744
Namibia	ZAR	6,061	6,401
Swaziland	ZAR	13,127	13,823
Zambia	ZAR	8,706	9,194
Zimbabwe	ZAR	6,757	6,748
Americas			
Brazil	REAL	9,487	10,084
Canada	CANADIAN DOLLAR	6,086	6,317
USA	USD	5,674	5,874
Asia & Australasia			
Australia	AUZ DOLLAR	6,531	6,812
China	RMB	44,136	45,814
India	RUPEE	195,101	212,883
Japan	YEN	634,229	652,622
Europe			
France	EURO	3,384	3,506
Germany	EURO	2,912	3,013
Italy	EURO	3,446	3,498
Netherlands	EURO	3,149	3,257
Sweden	EURO	3,341	3,468
UK	POUND	2,424	2,513

2012/13 is the 1st year of using the NITS measurement. Prior to 2012/13 TFDS was used. TFDS = the total amount spent directly in South Africa by all foreign arrivals including amounts spent on goods for resale and capital investments.

NITS = Net Inbound Tourist Spend (Total foreign Direct Spend less Capital Expenditure plus Prepaid Spend less commission.

Historic spend per person targets and actual spend were as follows:
 2008 calendar year target: R 7 300 per person (Total R 70,8 billion)
 2008 actual: R 8 100 per person (Total R 83,4 billion)
 2009 calendar year target: R 8 300 per person (Total R109,2 billion)
 2009 actual: R 8 400 per person (Total R 79,4 billion)
 2010 actual: R8 900 per person

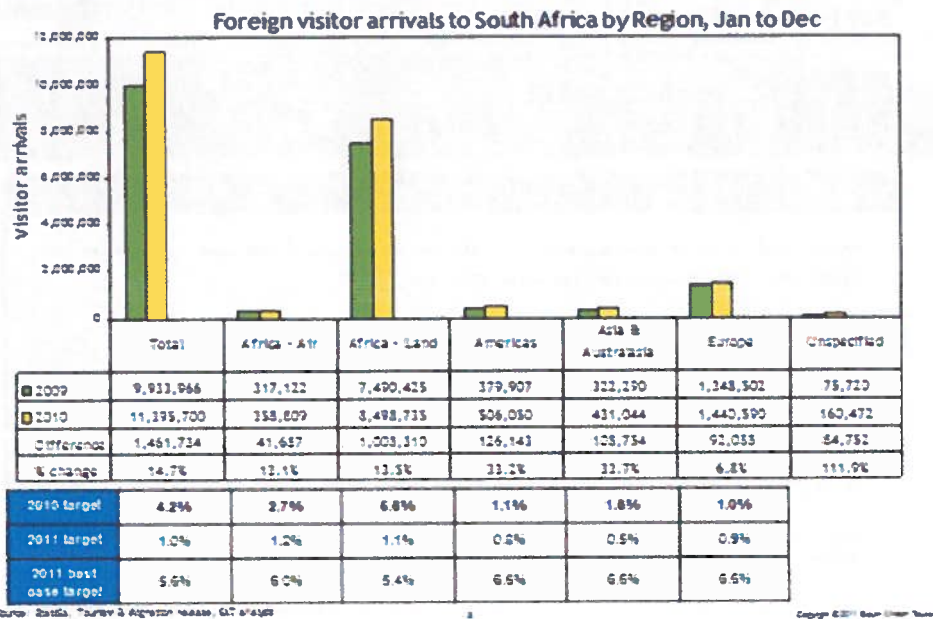
Strategic Outcome Oriented Goal 3

To market South Africa in such a way that South Africa moves towards becoming a most preferred Tourism Brand by obtaining at least have an average brand awareness percentage of 79% in all the markets where Brand Tracking is done during November 2012.

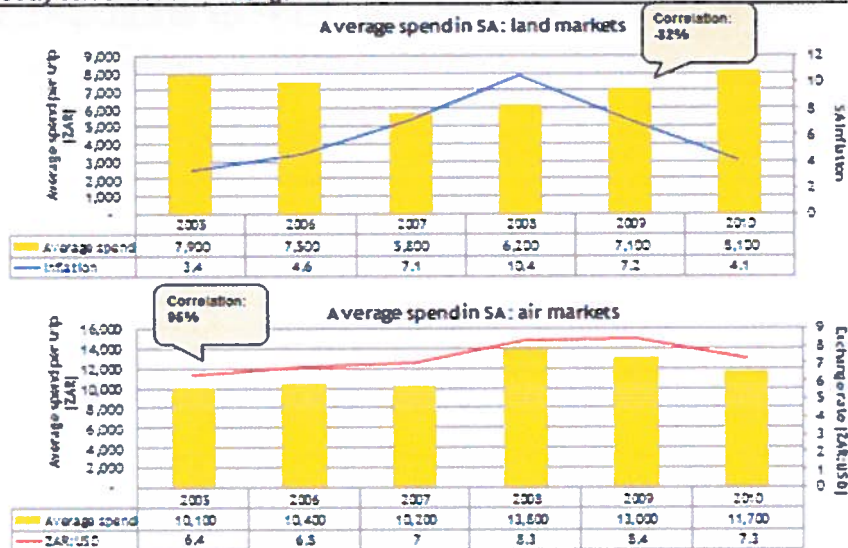
Goal statement 3	<p>Through the execution of its Strategic Plan and Annual Performance Plan, South Africa should become one of the most preferred Tourism Brand by 2014 as measured by the criteria of 1. Brand Knowledge, 2. Brand Journey and 3. Conversion of positive brand awareness to sales.</p> <p>In terms of measurements, this means that South African Tourism should obtain an average brand awareness of South Africa percentage of at least 79% in all the markets where it conducts its Brand Tracking survey.</p>
Strategic Outcome Oriented Goal 4	To deliver on the quality experience expected by the international and domestic tourist by having at least graded 6 172 tourism products in South Africa by 31 March 2013.
Goal statement 4	Through the execution of its Strategic Plan and Annual Performance Plan, South African Tourism should have graded between 6 172 total graded establishments in South Africa by 31 March 2013.
Strategic Outcome Oriented Goal 5	To continuously improve South African Tourism's internal policies, procedures and business processes so that it supports the spending of no less than 98% or no more than 102% of its consolidated annual approved budget as well as the achievement of clean annual audit reports.
Goal statement 5	<p>For South African Tourism to achieve, through, amongst others, the continuous improvement of its internal policies and procedures and the vigorous compliance with its policies and procedures by employees,:</p> <ul style="list-style-type: none"> - 11th consecutive unqualified annual external audit report; - to spend at least 98% or 102% of our 2012/13 annual budget included in the Annual Performance Plan for 2012/13.
Strategic Outcome Oriented Goal 6	To continuously improve South African Tourism's internal communication and a culture of staff members living the values of the organisation so that it can reduce its average annual staff turnover rate to no more than 10% while achieving an average score of at least 3,3 in the Deloitte Best-Company-to-Work-for survey that will take place during June/July 2012.
Goal statement 6	<p>For South African Tourism to continuously improve its internal communication and a culture of staff members living the values of the organisation so that it can achieve:</p> <ul style="list-style-type: none"> - an average annual turnover rate of 10% during the 2012/13 financial year; - an average score of at least between 3,3 in the Deloitte Best-Company-to-Work-for survey that will take place during June/July 2012;

The following graphs around the above provide more perspective on Strategic Outcome Orientated Goals number 1 and 2:

The 2010 target of 4.2% was exceeded as foreign visitor arrivals grew by 14.7%.



Average spend per trip in land markets has an inverse correlation to SA inflation, i.e. has inflation goes up, spend comes down. Average spend per trip in air markets is directly correlated to exchange rates




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The following information and graphs, derived from the latest 2011 Brand Tracking conducted during February and November 2011, provide more perspective on Strategic Outcome Orientated Goal number 3:

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It's Possible


Key Findings (1/2)

Highlights

- Brand tracking done twice a year and measures brand knowledge (a key brand attribute for which we are known (consumer job) And Brand Journey which measures conversion (consumer and trade job).
- Globally, South Africa's closure ratio continues to improve further in 2011
 - In 2011, global closure ratio improved to 1 in 2.19, as compared to 1 in 2.65 in 2010. Our target is 1 in 2.9.
 - This improvement in closure ratio was seen across both, Core Markets and Investment Markets
 - While the Core Markets' closure ratio improved to 1 in 2.10 (compared to 1 in 2.56 in 2010), Investment Markets' closure ratio reached 1 in 3.26 (compared to 1 in 3.76 in 2010)
 - The improvement in closure ratio was mainly driven by significantly higher ratios in USA, France, Germany and UK. This improvement indicates that better work is being done in the channel to close the deal.
- Between 2010-2011, while South Africa's Awareness has not changed in the global summary, the scores for Positivity and Short-term Consideration improved marginally. We met the Awareness global target but are still behind on positivity by 3% (40 vs 37)
- In 2011, South Africa's Brand Performance improved in markets, including USA, Netherlands, Kenya and Nigeria, while in UK, France and Brazil, the performance declined considerably, compared to 2010B

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Key Findings (2/2)

Highlights

- Brand Knowledge:
 - Compared to 2010, South Africa's ranking on brand knowledge attributes improved in seven markets - Netherlands, USA, India, Australia, Germany, Kenya and Nigeria
 - However, the rankings dropped slightly in China and UK
 - South Africa continues to be strongly perceived as a destination offering an Adventurous and Wildlife Experience and emerges as a leader on these attributes in most markets
 - In 2011, South Africa's ranking improved on three key functional attributes, where it has always ranked very low - Welcoming People, Safety and Security, and Value for Money
- Brand Journey:
 - Among the key Brand Journey attributes, Consideration (Long-term and Short-term), Future Information Seeking, and Visitation to South Africa improved in 2011
 - Markets where South Africa's Brand Journey scores have improved considerably are USA, Kenya, Nigeria, and China
 - In France, UK, and Brazil, South Africa has witnessed a slight decline in Brand Journey scores
 - In comparison to key competitors, South Africa continues to be rated below average on most of the Brand Journey measures, except in four markets (Netherlands, Germany, Kenya and Nigeria)
 - In 2011, South Africa's competitive position improved in Netherlands and Nigeria, however in Germany, it witnessed a slight decline

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Conversion – Global Target (2008-11)

The closure ratio improved for both core markets and investment markets in 2011, as compared to 2010

Market	2008		2009		2010		2011	
	Closure Ratio	Rank	Closure Ratio	Rank	Closure Ratio	Rank	Closure Ratio	Rank
Netherlands	1 in 3.44	7	1 in 3.27	6	1 in 2.96	5	1 in 2.65	6
Germany	1 in 2.17	8	1 in 2.21	7	1 in 2.14	8	1 in 1.87	6
UK	1 in 2.16	7	1 in 2.40	7	1 in 2.24	8	1 in 1.94	3
France	1 in 3.44	8	1 in 3.90	8	1 in 3.57	8	1 in 3.18	8
USA	1 in 3.67	9	1 in 3.57	10	1 in 3.14	10	1 in 2.28	5
India	1 in 1.91	8	1 in 2.05	8	1 in 1.63	6	1 in 1.53	6
Australia	1 in 3.40	8	1 in 2.79	8	1 in 2.82	7	1 in 2.81	7
Kenya	1 in 1.24	1	1 in 1.06	4	1 in 1.30	2	1 in 1.61	3
Nigeria	1 in 2.09	5	1 in 1.39	8	1 in 1.77	6	1 in 1.74	2

Significantly below Average for 12 destinations (at 95% confidence level)

Market	2008		2009		2010		2011	
	Closure Ratio	Rank	Closure Ratio	Rank	Closure Ratio	Rank	Closure Ratio	Rank
Italy	1 in 3.44	7	1 in 4.09	8	1 in 3.93	6	1 in 3.67	8
China	1 in 2.10	8	1 in 2.44	6	1 in 3.45	7	1 in 3.07	6
Japan	1 in 6.35	9	1 in 4.77	9	1 in 4.44	8	1 in 4.43	9
Brazil	NA	NA	NA	NA	1 in 3.21	7	1 in 2.94	8

Significantly below Average for 12 destinations (at 95% confidence level)

Core Markets
1 in 2.76 (2008)
1 in 2.86 (2009)
1 in 2.66 (2010)
1 in 2.19 (2011)

Global Closure Ratio
1 in 2.76 (2008)
1 in 2.86 (2009)
1 in 2.86 (2010)
1 in 2.19 (2011)

Investment Markets
1 in 2.76 (2008)
1 in 3.12 (2009)
1 in 2.78 (2010)
1 in 3.28 (2011)

Note: Global closure ratios weighted according to marketing spend in market. Closure Ratio = Visits in Past 12 Months / Sight Info in the Past.
Core Markets' score does not include Kenya and Nigeria for 2008 to 2010. Investment Markets' score does not include the Brazil market for 2010.
Source: SATBrandTracker Feb-08 through Nov-11 (merged for each year)

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Knowledge of the Brand – SA Rank Versus All Destinations (2011)

Between 2010 and 2011, South Africa's rankings improved in seven markets, most notably in Netherlands, India and Nigeria, while in China, the rankings have declined slightly in 2011

Ranking (out of 10) of The SA Brand Relative to Competitors Along Key Brand Attributes – 2011

Metric	Netherlands	Germany	UK	France	USA	India	Australia	Kenya	Nigeria	Italy	China	Japan	Brazil
Memorable	4	3	6	9	5	6	4	2	4	4	9	8	8
Adventurous	1 ★	2	3	3	3	1 ★	1 ★	1 ★	4	2	2	2	1 ★
Natural Wildlife Experience	1 ★	4	2	2	3	1 ★	1 ★	1 ★	2	3	2	3	1 ★
Welcoming People You Can Interact With	6	8	9	8	5	6	7	3	4	7	9	9	5
A Wide Variety of Experiences	3	3	5	5	5	4	5	5	4	4	8	9	6
Breathtaking	1 ★	2	3	7	4	2	4	3	5	2	2	6	3
Enriching	4	4	7	8	7	4	8	3	5	4	10 ✗	6	6
Unique	2	4	6	7	8	2	5	5	5	5	8	4	2
An Authentic Travel Experience	3	6	7	5	4	2	6	5	5	3	9	5	2
Value for Money	4	8	7	9	7	4	8	1 ★	5	9	10 ✗	10 ✗	9
Safety & Security	8	10 ✗	10 ✗	8	5	8	9	10 ✗	8	7	10 ✗	10 ✗	9

Significantly Above Average for 10 destinations (at 95% confidence level)

When SA is ranked highest amongst competitors

Significantly Below Average for 10 destinations (at 95% confidence level)

When SA is ranked lowest amongst competitors

Note: For ranking purposes, if there are more than 10 destinations in survey, the following destinations are removed from rankings: USA followed by Italy and France.
Source: SATBrandTracker Feb-11 and Nov-11

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Knowledge of the Brand – SA Rank Versus Direct Competitors (2011)

South Africa's rankings improved significantly in Netherlands, India, Kenya and Nigeria, as compared to 2010; whereas in China, it witnessed a decline

Ranking (out of 5) of The SA Brand Relative to Direct Competitors Along Key Brand Attributes – 2011

Metric	Netherlands	Germany	UK	France	USA	India	Australia	Kenya	Nigeria	Italy	China	Japan	Brazil
Memorable	1 ★	2	3	4	3	1 ★	2	1 ★	1 ★	2	4	3	4
Adventurous	1 ★	2	3	3	3	1 ★	1 ★	1 ★	1 ★	2	2	2	1 ★
Natural Wildlife Experience	1 ★	3	2	2	3	1 ★	1 ★	1 ★	1 ★	3	2	3	1 ★
Welcoming People You Can Interact With	4	4	5 ✗	5 ✗	4	2	4	4	1 ★	3	5 ✗	5 ✗	3
A Wide Variety of Experiences	2	2	2	2	3	2	2	3	1 ★	2	4	5 ✗	4
Breathtaking	1 ★	2	3	3	3	1 ★	2	1 ★	1 ★	2	2	3	4
Enriching	2	2	5 ✗	3	3	1 ★	4	1 ★	1 ★	2	5 ✗	3	3
Unique	1 ★	2	4	3	4	1 ★	2	2	1 ★	2	4	2	2
An Authentic Travel Experience	2	4	5 ✗	2	3	1 ★	3	2	1 ★	2	4	2	2
Value for Money	2	4	2	4	4	2	5 ✗	1 ★	1 ★	4	5 ✗	5 ✗	4
Safety & Security	3	5 ✗	5 ✗	4	3	3	5 ✗	5 ✗	3	3	5 ✗	5 ✗	4

★ Significantly Above Average for 10 destinations (p < 25% confidence level)

★ When SA is rated highest amongst competitors

✗ Significantly Below Average for 10 destinations (p < 25% confidence level)

✗ When SA is rated lowest amongst competitors

Note: Competitor set includes Australia, Thailand, Kenya, Brazil to produce ranking out of 5. If any of the above are not included in survey, India or China is used as destinations. For India market, Egypt and for Brazil market, France are used as additional destinations for ranking purposes.

Source: SAT Brand Tracker Feb-11 and Nov-11

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SA Brand Journey – Global Target (2008-11)

Compared to 2010, South Africa's global scores on Positivity and Short-term Consideration have improved slightly in 2011

Global Targets

	Awareness	Positivity	Sought Info in the Past	Likely to Visit in Next 18 Months
2008 Actual	76%	37%	22%	11%
2009 Actual	79%	38%	21%	11%
2010 Actual	79%	38%	22%	10%
2011 Actual	79%	37%	22%	12%

Note: In 2011, Core Markets weighted according to relative investment spend – Australia = 7.3%, France = 1.5%, Germany = 15.2%, India = 7.5%, Netherlands = 9.5%, UK = 20.2%, USA = 21.4%, Kenya = 2.7%, Nigeria = 2.7%; Investment Markets weighted according to – China = 35.9%, Italy = 25.3%, Japan = 11.6% and Brazil = 23.7%; Global Average, weighted according to investment spend – Core = 90%, Investment = 10%. All rating questions have been analyzed using the 2 box approach.

Source: SAT Brand Tracker Feb-08 through Nov-11 (repeated for each year)

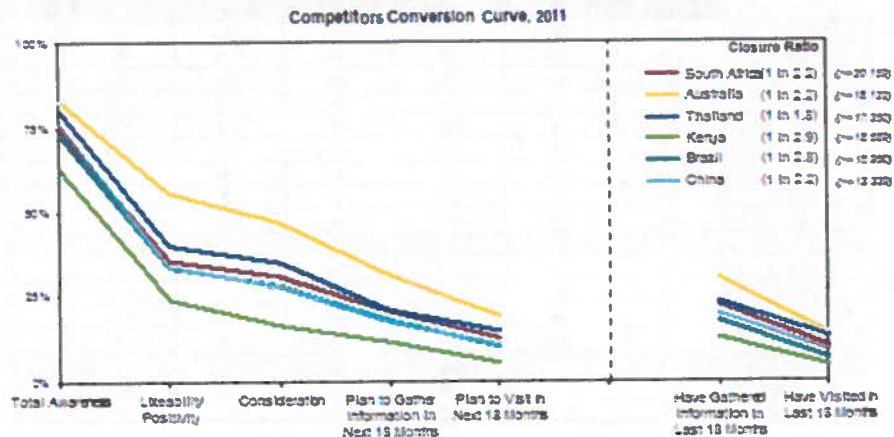
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Conversion Curve – SA Versus Competitor Markets (2011)

In comparison to its key competitors, especially Australia and Thailand, South Africa lags behind on all aspects of the conversion curve



Note: Scores for each destination have been calculated using the weighted average methodology (as per the sample sizes in each market). Kenya, Nigeria and Brazil markets also considered for 2011. Closure Ratio = Visited in Past 12 Months / Bought trip in the Past 12 Months. 2011 analysis is based on 13 markets, whereas the analysis for the period of 2009-2010 is based on 10 markets, hence the results are not completely comparable.

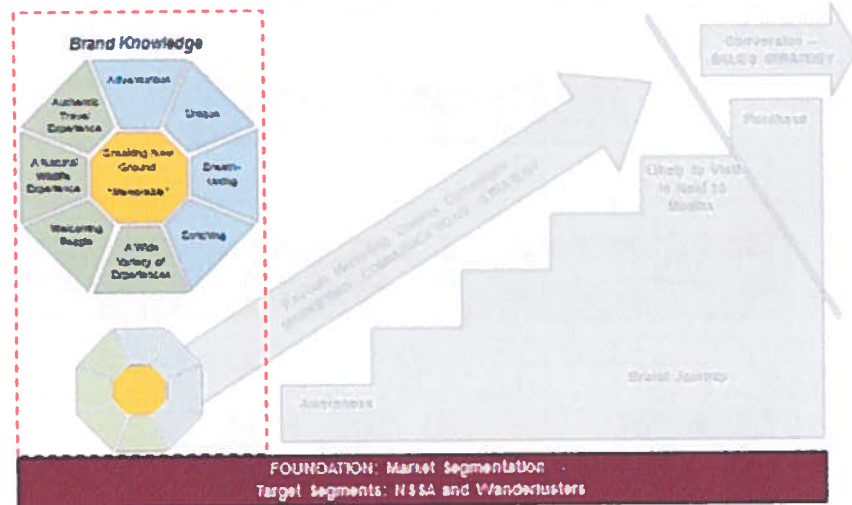
Source: SAT Brand Tracker Feb-11 and Nov-11

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Setting Targets – Brand Knowledge

Targets are first set for Knowledge of the SA Brand – these relate to nine key attributes that represent what the SA brand stands for globally



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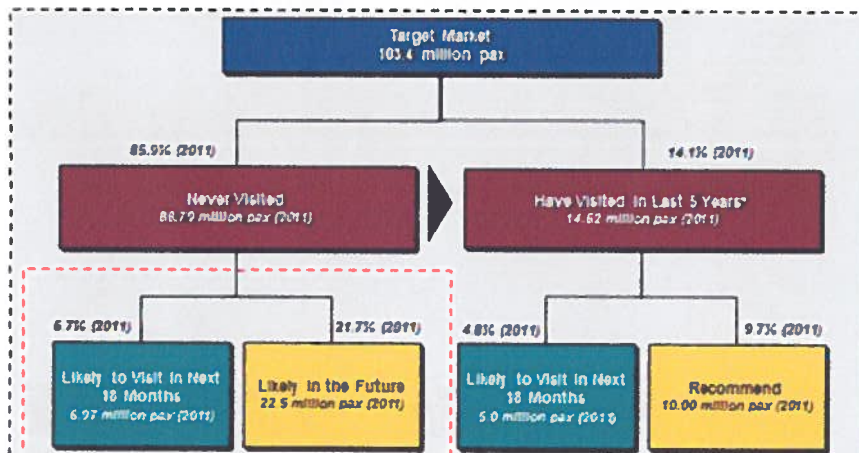
Key Brand Journey Metrics (2011)

	Total Awareness	Positivity	Likely to Visit in Future	Likely to Book Info	Bought Info	Plan to Visit in Next 18 Months	Visited Recently
Australia	82%	27%	23%	10%	13%	6%	5%
France	77%	36%	25%	18%	17%	9%	5%
Germany	69%	35%	26%	14%	17%	8%	9%
India	64%	40%	34%	39%	34%	24%	21%
Netherlands	87%	42%	32%	18%	27%	10%	9%
UK	91%	35%	35%	15%	20%	12%	10%
USA	82%	40%	30%	21%	21%	12%	9%
Kenya	72%	44%	51%	35%	45%	31%	22%
Nigeria	77%	47%	60%	41%	34%	32%	19%
China	75%	29%	26%	29%	33%	18%	11%
Japan	26%	8%	13%	3%	5%	1%	1%
Italy	73%	44%	33%	26%	29%	13%	7%
Brazil	63%	31%	23%	21%	20%	8%	7%
Core Markets ¹	80%	37%	31%	20%	21%	12%	10%
Investment Markets	67%	31%	30%	23%	25%	12%	8%

Note: Core Markets weighted according to relative investment spend - Australia = 7.3%, France = 13%, Germany = 15.2%, India = 7.6%, Netherlands = 9.9%, UK = 20.2%, USA = 21.4%, Kenya = 2.7%, Nigeria = 2.7%. Investment Markets weighted according to - China = 36.9%, Italy = 25.8%, Japan = 11.6% and Brazil = 23.7%. All rating questions have been analyzed using top 2 box approach.
Source: SAT Brand Tracker Feb-11 and Nov-11

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Size of Opportunity – 2011

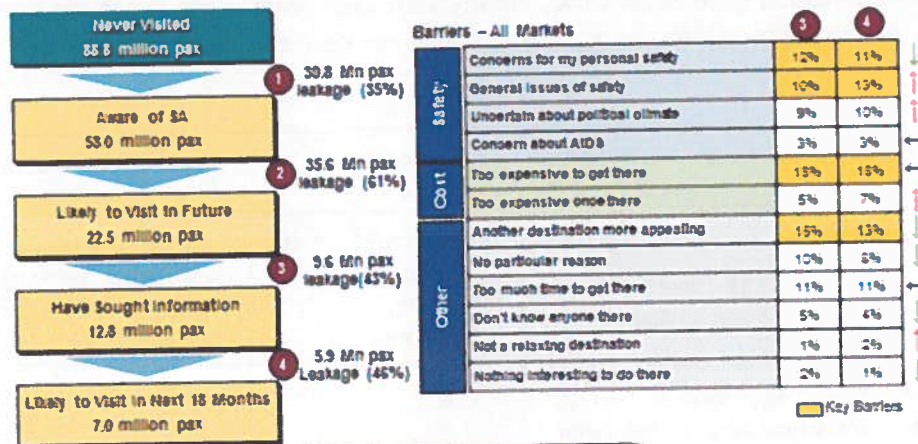


Note: * Excludes visitors in both the past 18 months and last 5 years (2011 and 2010) who visited SATS markets, who remain in SATS for the period of 2010-2011 is based on 10 markets, hence the results are not completely comparable. Also in 2011, we are using the target market sizes as the base instead of the sizes of the focus segments.
Based on all respondents: 2011 (n=20,199). All percentages are of the total Focus Segments size.
Source: SAT Brand Tracker Feb-11 through Nov-11 (merged for each year)

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Leakage at Stages of the Brand Journey (2011)

There was a significant reduction at leakage point 4, however, the leakage at point 1 increased considerably in 2011



Reduce Leakage Points 3 and 4 followed by Point 2

Note: Based on all respondents (n=20,123). All market sizes are for the "non-visited" category in 2011. Market sizes are based on 13 markets, whereas the analysis for the period of 2010-2011 is based on 12 markets. Hence the figures are not completely comparable. Also in 2011, we are using the larger market sizes as the base instead of the sizes of the "non-visited" category. Source: SAIT BrandTracker™ and NCA.

PART B - STRATEGIC OBJECTIVES

7 PROGRAMME

As already indicated, a programme is a functional division, aligned to the main areas of service delivery responsibility within the entity's mandate, created within the context of the budget of the entity (par 5.3.5 on page 13 of the FSPAP). Strategic objectives differs from Strategic outcomes orientated goals in that they clearly state, per programme, what the institution intends doing or producing to achieve its Strategic outcomes orientated goals (par 5.3.6 on page 13 of the FSPAP).

South African Tourism's 6 Strategic orientated goals	SAT Programme created	Strategic objectives
<p>8.1 To market South Africa in such a way:</p> <p>8.1.1 that annual arrivals to South Africa increase to 12 068 030 by 2015 and 15 000 000 by 2020;</p> <p>8.1.2 that the roll-out of aggressive marketing activities in Africa, for which funding has been ring-fenced, and the operation of 2 Country Offices in Luanda, Angola and Lagos, Nigeria by 31 March 2012 support the creation of consistent above-average growth in tourist arrivals from the African continent in terms of tourist arrivals to South Africa (as illustrated in the table below);</p> <p>8.1.3 that the number of domestic tourists per annum should increase to 16 million by 2015;</p> <p>8.2 To market South Africa in such a way that the average spend per arrival in South Africa are at least R 12 536 per person during the 2012 calendar year;</p>	Programme 1: International Portfolios marketing	Invest only in applicable marketing projects in selected markets to deliver volume and value.
8.3 To market South Africa in such a way that South Africa moves towards becoming a most preferred Tourism Brand by obtaining at least have an average positive brand awareness percentage of 79% in all the markets where Brand Tracking is done.	Programme 2: Head Office Marketing Business Units	Convince consumers, through appropriate engagement with stakeholders and delivering on the tourists' expectations when visiting, that SA can be trusted to deliver memorable quality experiences (appropriate media platforms will be used)
8.4 To deliver on the quality experience expected by the international and domestic tourist by having at least graded 6 172 tourism products in South Africa by 31 March 2013.	Programme 3: Tourism Grading Council of South Africa (TGCSA)	Convince consumers, through the application of implemented world-class grading criteria and grading software, through the execution of world-class grading and through appropriate engagement with prospective clients via assessors and appropriate media platforms, that they should grade their tourism products

South African Tourism's 6 Strategic orientated goals	SAT Programme created	Strategic objectives
8.5 To continuously improve South African Tourism's internal policies, procedures and business processes so that it supports the spending of no less than 98% or no more than 102% of its consolidated annual approved budget as well as the achievement of clean annual audit reports	Programme 4: Head Office Finance	Continuously improve internal policies, procedures and business processes and ensure vigorous compliance with it by its employees on a continuous basis.
8.6 To continuously improve South African Tourism's: 8.6.1 internal communication and a culture of staff members living the values of the organisation so that it can reduce its average annual staff turnover rate to no more than 10% while achieving an average score of at least 3,3 in the Deloitte Best-Company-to-Work-for survey that will take place during June/July 2012; 8.6.2 support-, sales- and marketing activities of its National Convention Bureau (NCB) Business Unit so that tourist arrivals can be increased through the hosting of more events (with NCB's bid support and following up on 60 leads that need to be created per annum) and delegate boosting.	Programme 5: Head Office Support and National Conventions Bureau marketing, sales and support	Continuously improve internal communication and promote a culture of staff members living the values of the organisation. Ensure that the activities of the National Conventions Bureau prioritise the supporting of innovative bids to attract meetings, incentives, conference and exhibitions to South Africa

Growth required in arrivals from Africa

	2009 Actual	2010 Actual	2011 Stretch Target	% growth over 2010	2012 Target	% growth over 2011	% growth over 2010	2013 P	% growth over 2012	2014P	% growth over 2013	2015P	% growth over 2014
Africa - Air	317,122	358,809	363,348	1.3%	377,642	3.9%	5.2%	385,225	2.0%	392,713	1.9%	400,270	1.9%
Angola	39,207	39,587	42,509	7.5%	45,548	7.1%	15.1%	47,421	4.1%	49,300	4.0%	51,486	4.4%
DRC	31,998	32,099	34,359	7.0%	36,912	7.4%	15.0%	41,272	11.8%	45,686	10.7%	48,771	6.8%
Kenya	28,196	32,129	32,726	1.9%	34,119	4.3%	6.2%	34,799	2.0%	35,669	2.5%	36,451	2.2%
Nigeria	45,527	49,520	53,756	8.6%	55,559	3.4%	12.2%	56,228	1.2%	56,553	0.6%	58,057	2.7%
Other Air	172,194	205,504	199,998	-2.7%	205,504	2.8%	0.0%	205,504	0.0%	205,504	0.0%	205,504	0.0%
Africa - Land	7,490,425	8,498,735	8,649,396	1.8%	8,959,083	3.6%	5.4%	9,312,060	3.9%	9,580,773	2.9%	9,881,328	3.1%
Botswana	836,072	829,928	829,928	0.0%	858,315	3.4%	3.4%	866,688	1.0%	889,555	2.6%	900,940	1.3%
Lesotho	2,098,278	2,679,106	2,719,293	1.5%	2,875,433	5.7%	7.3%	3,082,726	7.2%	3,090,018	0.2%	3,097,311	0.2%
Malawi	152,358	137,062	137,062	0.0%	148,949	8.7%	8.7%	149,642	0.5%	150,336	0.5%	151,029	0.5%
Mozambique	1,361,133	1,329,590	1,382,774	4.0%	1,537,567	11.2%	15.6%	1,660,922	8.0%	1,885,970	13.5%	2,154,340	14.2%
Namibia	216,698	226,697	226,697	0.0%	226,697	0.0%	0.0%	227,117	0.2%	227,327	0.1%	227,537	0.1%
Swaziland	1,087,739	1,038,047	1,053,618	1.5%	1,041,161	-1.2%	0.3%	1,043,804	0.3%	1,046,682	0.3%	1,049,561	0.3%
Zambia	164,276	172,315	172,315	0.0%	176,628	2.5%	2.5%	177,533	0.5%	178,439	0.5%	179,345	0.5%
Zimbabwe	1,573,871	2,085,990	2,127,710	2.0%	2,094,334	-1.6%	0.4%	2,103,627	0.4%	2,112,446	0.4%	2,121,265	0.4%

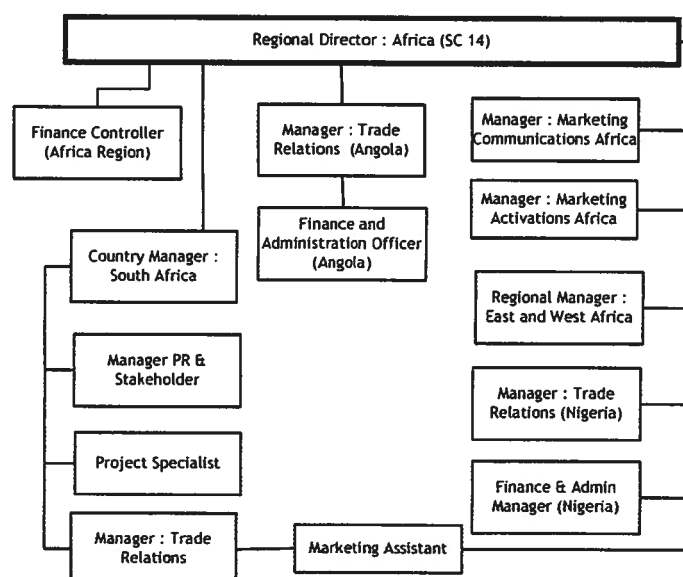
Programme 1: International Portfolios

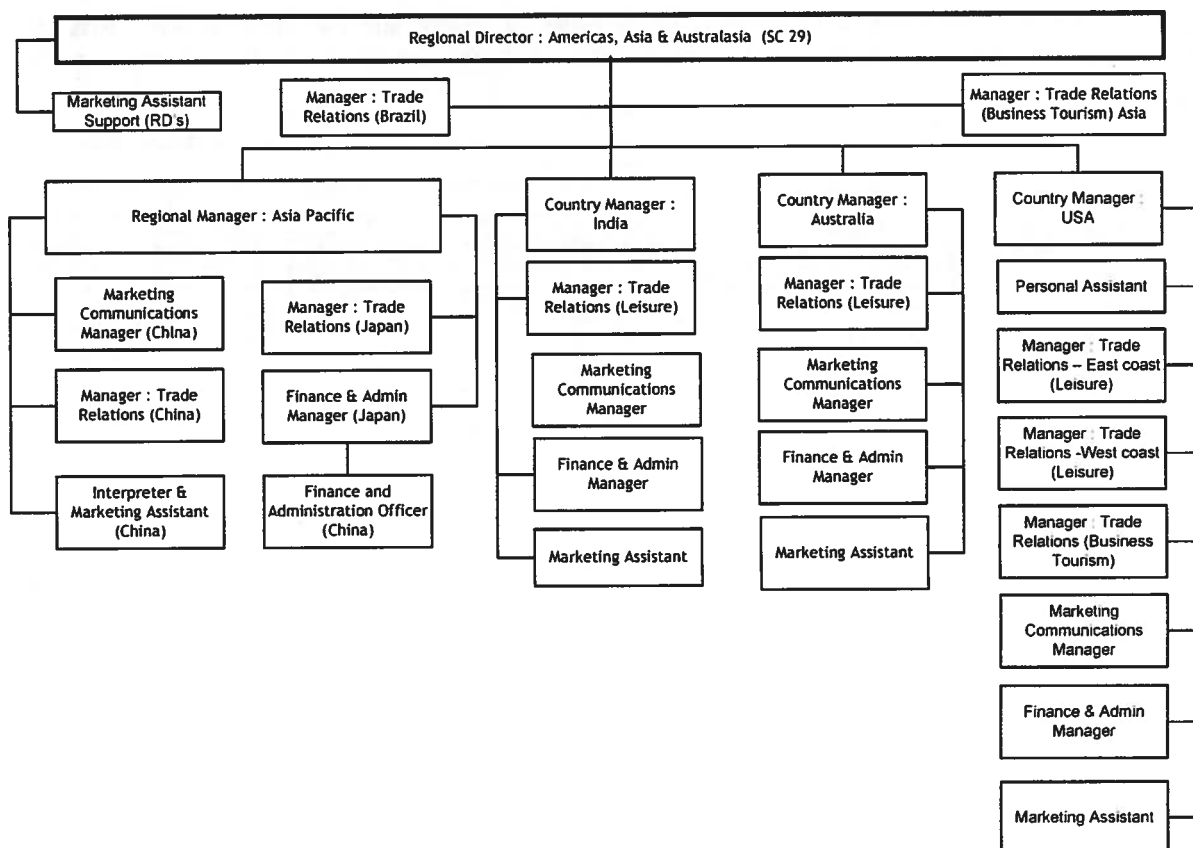
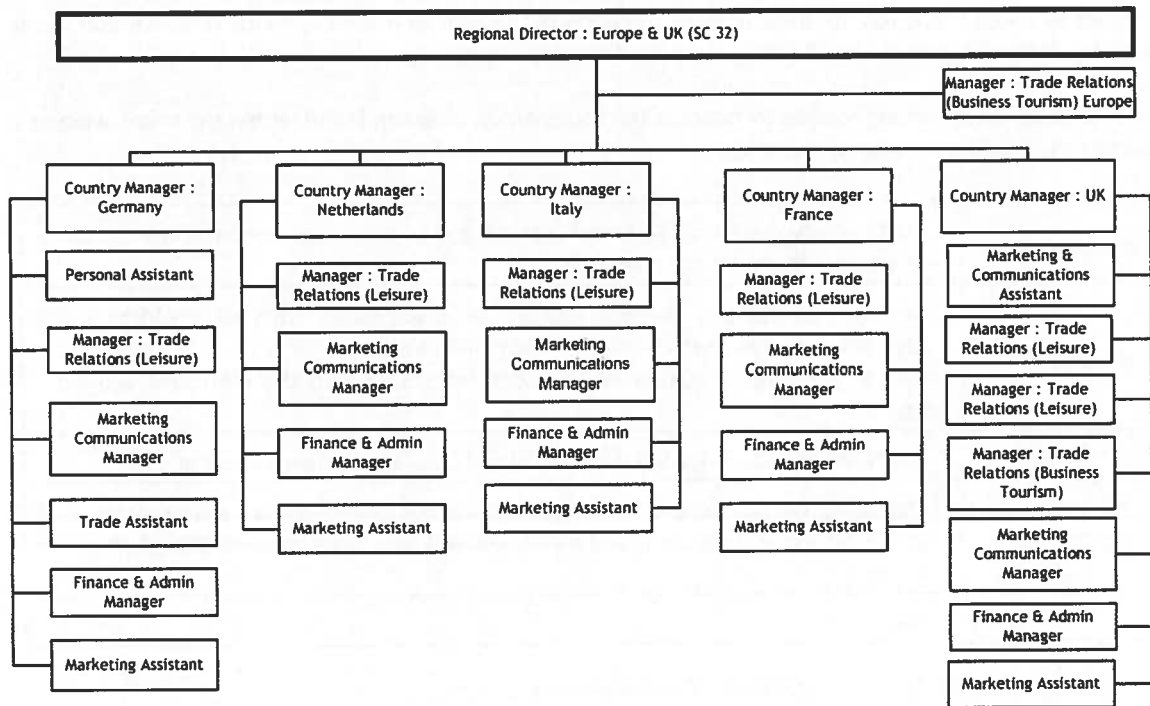
Purpose: To increase total arrivals and spend into the country by marketing South Africa internationally.

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:	<p>To market South Africa in such a way:</p> <p>(i) that annual arrivals to South Africa increase to 12 068 030 by 2015 and 15 000 000 by 2020;</p> <p>(ii) that the roll-out of aggressive marketing activities in Africa, for which funding has been ring-fenced, and the operation of 2 Country Offices in Luanda, Angola and Lagos, Nigeria by 31 March 2012 support the creation of consistent above-average growth in tourist arrivals from the African continent in terms of tourist arrivals to South Africa (as illustrated in the table below);</p> <p>(iii) that the number of domestic tourists per annum should increase to 16 million by 2015;</p> <p>(iv) that we attract the types of tourist that will on average spend R 12 536 per arrival in South Africa and through pre-payments during the 2012 calendar year.</p>
Baseline:	<p>Calendar year 2009 actual arrivals: 9 933 966</p> <p>2010 actual arrivals: 11 395 700 (14,7% increase over 2009 actual)</p> <p>Actual average spend per arrival in 2010 was R 11 646.</p>
Justification:	The more arrivals that visit South Africa, the more money will be spent which effectively increases GDP of the country.
Links:	None

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. Please note that the establishment of the new Domestic Tourism Business Unit will affect the structure for the Africa Portfolio indicated above. Although this will not affect headcount, Exco will review and approve a revised structure in due course.





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.

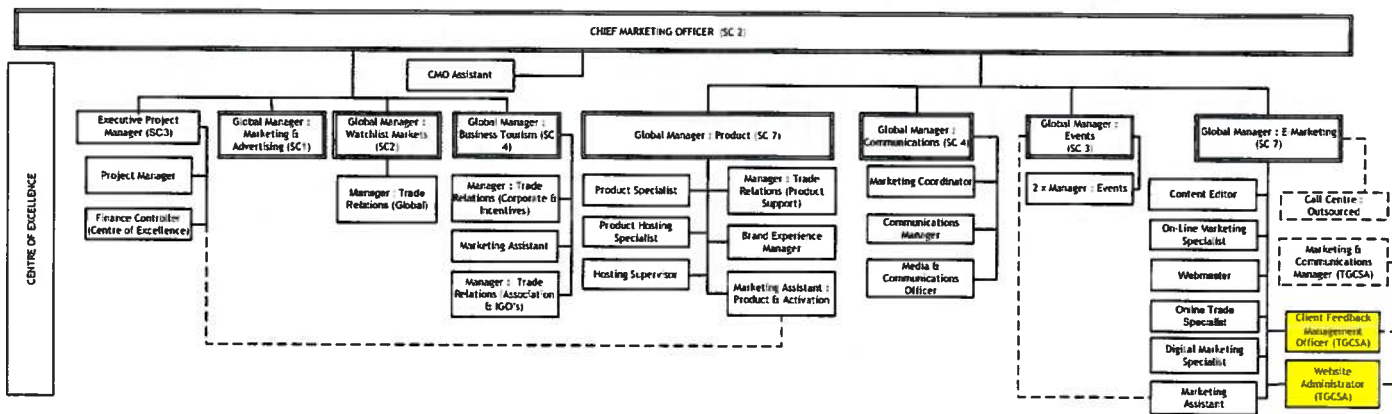
Description: Head Office Marketing focuses on building the South African tourism Brand within the country brand by focusing on leisure, business tourism and events.

Strategic objective 1	Continuously re-affirm the brand promise and to encourage people within South Africa to explore all the provinces.
Objective statement:	Convince consumers, through appropriate engagement with stakeholders and delivering on the tourists' expectations when visiting, that SA can be trusted to deliver memorable quality experiences (appropriate media platforms will be used)
Baseline:	South Africa had, following the 2010 World Cup, a brand awareness of 79%.
Justification:	This objective will make South Africa more attractive to visitors and result in increased spend. Positive brand awareness will over time translate into more arrivals.
Links:	None

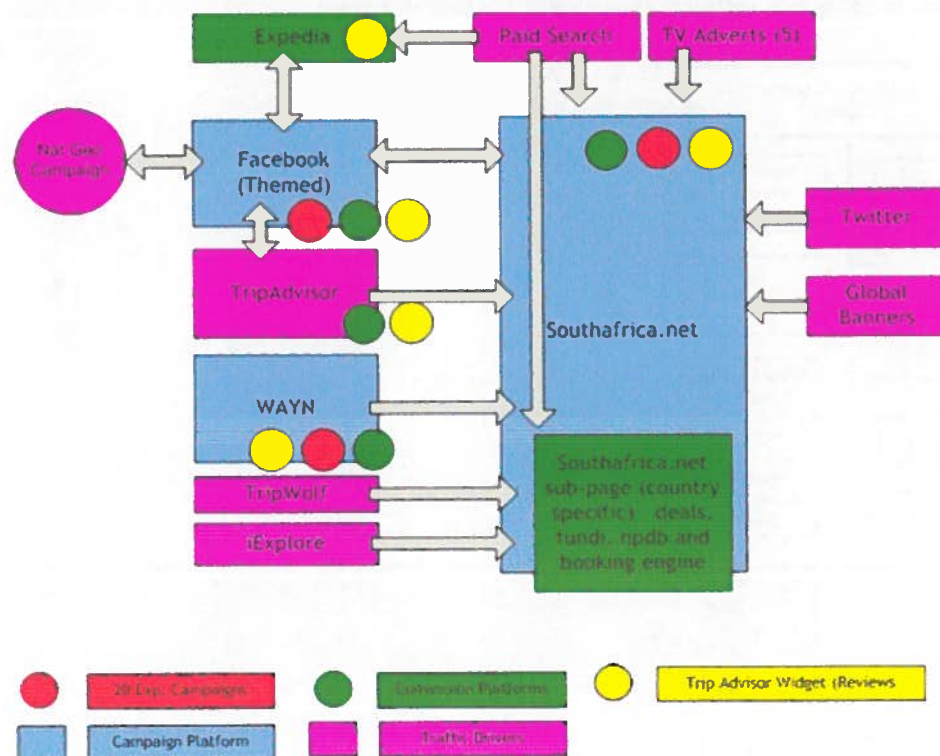
The following units which all report directly to the Chief Marketing Officer:

1. Central Marketing, Advertising and Marketing Management
2. PR & Communication, including Stakeholder Management
3. E- marketing
4. Product Management
5. Watchlist markets

Please note that the closure of the Events Business Unit and Business Tourism Business Unit on 31 March 2012 will result in changes to the current organizational structure indicated above. Exco will shortly finalise changes to these changes.



Our global Campaign of 20 Experiences in 10 Days has the following integrated online model:



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 3: Tourism Grading Council of South Africa (TGCSA)

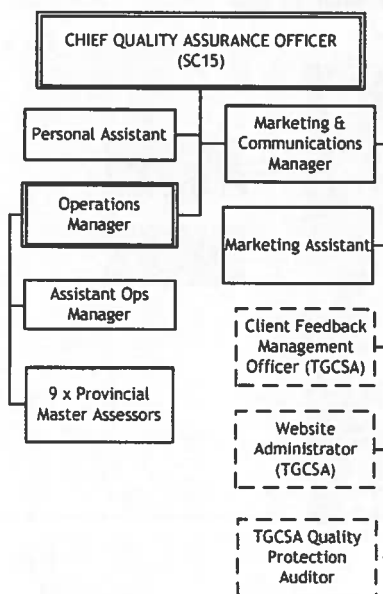
Purpose: Establish a recognizable and credible, globally bench-marked system of quality assurance for accommodation and MESE experiences which can be relied upon by visitors when making their choice of establishment

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	Convince consumers, through the application of implemented world-class grading criteria and grading software, through the execution of world-class gradings and through appropriate engagement with prospective clients via assessors and appropriate media platforms, that they should grade their tourism products
Objective statement:	Through the execution of its Strategic Plan and Annual Performance Plan, South African Tourism should have graded between 6 172 total graded establishments in South Africa by 31 March 2013.
Baseline:	5 932 graded establishments as at 31 March 2011
Justification:	This objective will result in the marketing through word-of-mouth of the quality experience offered in South Africa. More graded establishments will enhance customer satisfaction and this will lead to more positive word-of-mouth and thus arrivals in future.
Links:	None

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 that are graded by the TGCSA

Non-Hotel Accommodation establishments
1. Backpacker & Hostelling
2. Bed & Breakfast
3. Caravan & Camping
4. Country House
5. Guest House
6. Lodge
7. Self Catering
8. Hotel establishments
9. MESE establishments

Programme 4: 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:	Continuously improve internal policies, procedures and business processes and ensure vigorous compliance with it by its employees on a continuous basis.
Objective statement:	For South African Tourism to achieve, thru, amongst others, the continuous improvement of its internal policies and procedures and the vigorous compliance with its policies and procedures by employees,; 11th consecutive unqualified annual external audit report; to spend at least 98% or 102% of our 2012/13 annual budget included in the Annual Performance Plan for 2012/13. Continuously improve internal policies, procedures and business processes and ensure vigorous compliance with it by its employees on a continuous basis.
Baseline:	Unqualified annual external audit report
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.

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

Financial Management (reporting to the Manager Finance)

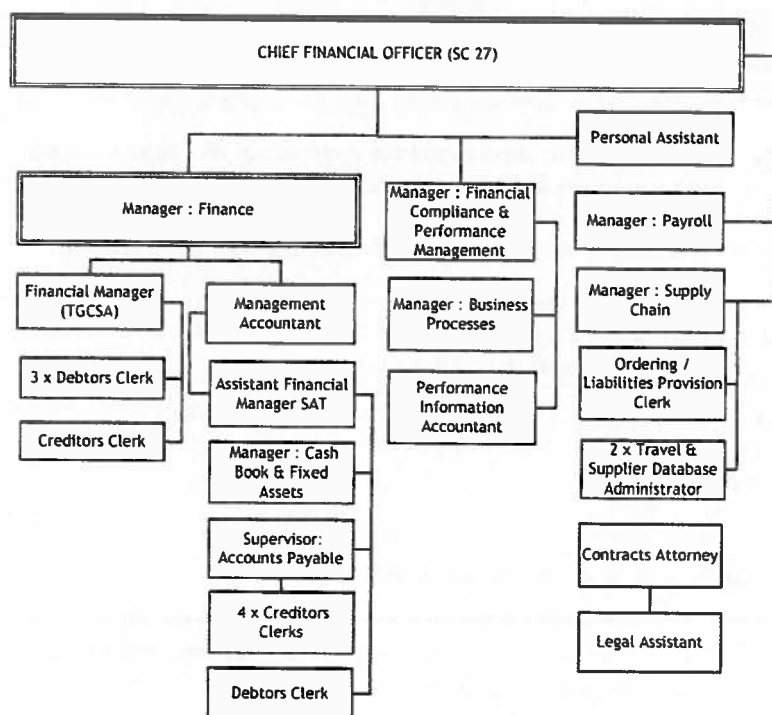
Financial Management TGCSA Business Unit (reporting to the Manager Finance)

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.

Programme 5: Head Office Support

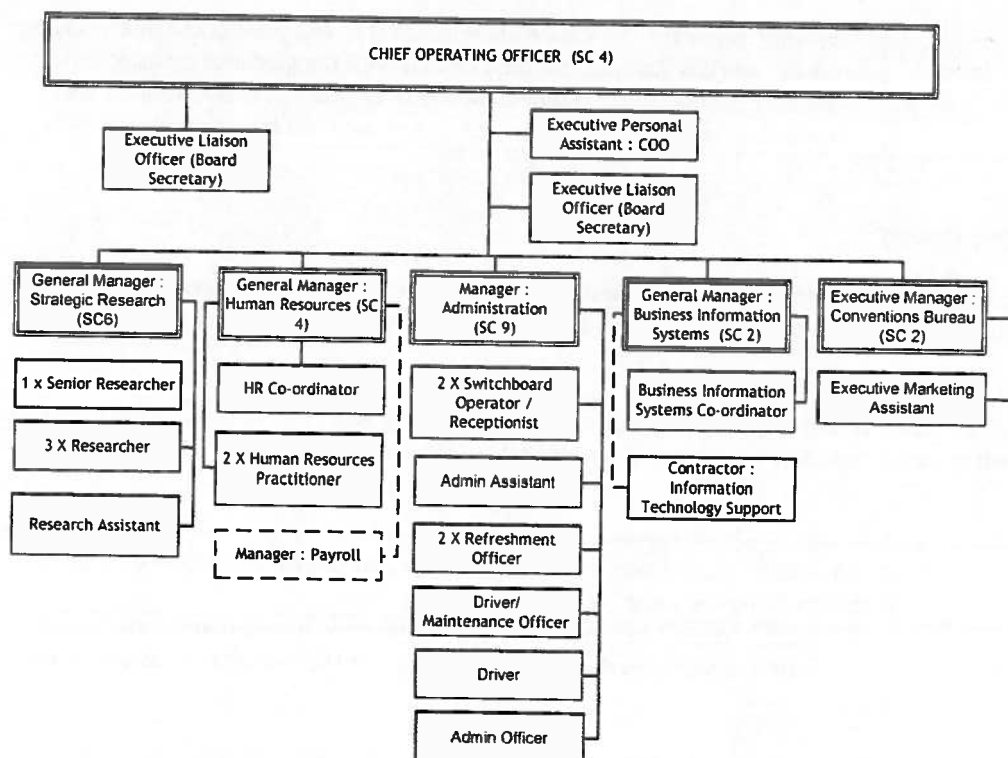
Purpose: The business units that fall under operations are designed to drive the machinery of marketing forward. The units falling under operations are there to provide support in the form of systems, people and infrastructure to the organisation.

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:	Continuously improve internal communication and promote a culture of staff members living the values of the organisation.
Objective statement:	<p>(i) For South African Tourism to continuously improve its internal communication and a culture of staff members living the values of the organisation so that it can achieve:</p> <ul style="list-style-type: none"> - an average annual turnover rate of 10% during the 2012/13 financial year; - an average score of between 3,3 in the Deloitte Best-Company-to-Work-for survey that will take place during June/July 2012; <p>(ii) For South African Tourism to ensure that the activities of the National Convention Bureau prioritise the supporting of innovative bids to attract meetings, incentives, conference and exhibitions to South Africa (we need to amplify South Africa's unique features as a venue for meetings, incentives, conferences and exhibitions)</p>
Baseline:	Overall score of 3,39 in 2010
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.

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)
Conventions Bureau (reporting to the Executive Manager Conventions Bureau)



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 an information management system (Market Source) to enable more effective, data driven decision making within the company. The focus on information dissemination and updating of marketing reference booklets on key markets are some of the core functionalities performed by this unit.
Conventions Bureau	The objective of the National Conventions Bureau is to establish a world-class South Africa National Conventions Bureau (NCB) which will facilitate a national level bidding process, business events support for provincial government, regional / international clients, provide a platform for industry alliance, capture and provide relevant, timely and measurable event, economic, industry and market intelligence and lobby for South Africa's international image in order to increase the value of visitor impacts and deliver to South African's tourism goals.

8 RESOURCES CONSIDERATIONS

The objective of this section is to discuss the resourcing issues considered by South African Tourism when it developed its strategic objectives:

Expenditure trends in the programme's budget and how these can be expected to evolve over the 5-year period

In terms of its 5 programmes identified, expenditure is expected to grow by CPIX except for the International Portfolios and Head Office Marketing programmes where more expenditure will be incurred on emerging economies and domestic marketing.

Changes to SAT's non-financial resources during the 2012/13 financial year

SA Tourism's current staff complement of 184 is expected to increase by 3 staff members to 187 during the 2012/13 financial year:

Increase required for Nigeria office staff	2
Increase required for Brazil office staff	3
Planned decrease as a result of Japan office closure*	<u>(2)</u>
Net change in staff complement	3

* = as this is no longer happening, we will approach the Board at the May 2012 meeting for the approval of an additional headcount of 2.

Please also note that the organograms indicated above have not been updated yet in terms of the movement of certain designations which the Board approved on 14 February 2012. These changes will however not affect SA Tourism's total headcount.

In terms of the required skill set of staff members, no changes are foreseen.

In terms of time allocation/management of marketing staff members and considering SA Tourism's Board-approved market prioritization, marketing staff members will continue to spend the following proportion of total available time on the different types of markets: Core markets: 60%, Investment markets: 20%, Tactical markets: 15% and Watch-list markets: 5%.

In terms of maximizing available time of all SAT managers, the following serves mentioning:
SAT will continue to encourage short to-the-point meetings preferably not exceeding 3 hours;
SAT will continue to encourage staff members to rather attend to e-mails after 13h00 every day (and not during the mornings when productivity is at its optimum);
SAT will continue to enforce the following management routines (where proper minutes should be kept available for audit-inspection purposes):

- An Exco meeting twice a month
- A Manco meeting twice a month
- A Country Office meeting twice a month
- A Business Unit meeting twice a month

In terms of systems, no change is foreseen at this stage to SA Tourism's 3 primary systems (Oracle, EPM Project Management and the QIT Grading Backoffice system) except for the implementation/loading of regular updates/patches.

No changes are foreseen in terms of South African Tourism's infrastructure at Head Office except for the extension of the underground basement parking. In terms of SA Tourism's 11 country offices, the plan is to increase it by 2 until no later than 31 March 2013 (see above).

In terms of Business Units, SAT's current 17 business units will decrease to 16 with the closure of the Business Tourism- and Events Business Units on 31 March 2012 and the establishment of the Domestic Tourism Business Unit on 1 April 2012. Details of these Business Units have been indicated in par 5.2 of this document.

The effect of previous MTEF budget cuts of R 50,4 million, R 53,4 million and R 57,0 million over the 2010/11, 2011/12 and 2012/13 financial years, which were fully accommodated in SA Tourism's previous Annual Performance Plans and forced it to reduce the budgets of some of its Business Units in order to fund its expansion in Africa and prevent staff cuts, was neutralized by Treasury's confirmation in December 2011 that SA Tourism's budget would be increased by R 218 million over the next 3 financial years to fund growth in Africa.

8.1 RISK MANAGEMENT

Rank	Risk and description of risk	Mitigating controls	Programmes Affected
1	Perceptions around Safety and Security that may affect arrivals of potential tourists to South Africa	<p>1. Given the fact that the impact of crime can substantially undermine the expected outcomes of overseas marketing activities,:</p> <p>1.1 the Minister of Tourism, assisted by the CEO, should schedule two annual 2-day high-level meetings with the DG of NDT, Chairperson of SA Tourism's Board to discuss strategies around crime and review successes/failures. (Responsible person: CEO);</p> <p>1.2 a Broad-based PR strategy that will allow for certain messages about South Africa to be promoted during certain weeks</p>	<p>International Portfolios</p> <p>Head Office Marketing</p> <p>Head Office Finance</p> <p>Head Office Support</p> <p>TGCSA</p>
2	Exchange rate risk	<p>Controls to set off a Rand that is too strong against other currencies (resulting in SA holidays becoming too expensive and potential tourists going to other less-expensive destinations) include:</p> <p>1. Continuously reminding tourism products in SA to price their products competitively (versus other products in competing destinations);</p> <p>2. Continuously reminding tourism products in South Africa to offer added value to tourists including small freebies and exceptional service levels;</p> <p>3. Addressing perceptions that potential tourists have about South Africa being too expensive;</p> <p>4. Lobby the trade to market more 3-star packages (and not only focus on 4- and 5-star products)</p>	<p>International Portfolios</p> <p>Head Office Marketing</p> <p>Head Office Finance</p>

B2. INTERNAL RISKS

Rank	Risks	Controls	Programmes Affected
1.	Business continuity/going concern including disaster recovery	<p>1 Apply for funding upfront from Treasury and transfer the bulk of in-market expenditures overseas early in financial year (Responsible person: CFO).</p> <p>2. Ensure off-site back - ups (Responsible person: Manager IT).</p> <p>3. Ensure sufficient insurance is in place (Responsible person: Country Finance Managers (for country offices) and Manager Administration (for Head Office) .</p> <p>4. Meet SAT objectives so that Government continues to fund SA Tourism's operations (Responsible persons: All managers within SA Tourism).</p>	<p>International Portfolios</p> <p>Head Office Marketing</p> <p>Head Office Finance</p> <p>Head Office Support</p> <p>TGCSA</p>
2.	Human Resource Risk	<p>1. Pay market -related remuneration (to attract the correct skills and retain talent/key/high-performing individuals (Responsible person: General Manager: HR);</p> <p>2. Continue to award performance (Responsible persons: EXCO Moderation Panel and General Manager: HR);</p> <p>3. Identify the names of possible successors for top 10 key positions in SA Tourism (Responsible persons: Board Chairperson, CEO and other EXCO members);</p> <p>4. Renew the contracts of employees with whom the company wants to continue 12 months before expiry (Responsible person: EXCO).</p>	<p>International Portfolios</p> <p>Head Office Marketing</p> <p>Head Office Finance</p> <p>Head Office Support</p> <p>TGCSA</p>
3.	Contract management and Compliance Risk	<p>1. Legal should use SAT template for most contracts or carefully consider proposed contracts received from potential suppliers. Service level agreements should stipulate penalties for non performing contractors (Responsible persons: All managers within SA Tourism).</p> <p>2. All contracts to be signed per DOA (Responsible persons: All managers within SA Tourism).</p> <p>3. Monitor compliance with DOA, policies and Procedures (Responsible persons: Internal Audit and all other managers within SA Tourism).</p> <p>4. Monitor execution of all projects as planned and within budget (Responsible persons: All managers within SA Tourism).</p>	<p>International Portfolios</p> <p>Head Office Marketing</p> <p>Head Office Finance</p> <p>Head Office Support</p> <p>TGCSA</p>

PART C : LINKS TO OTHER PLANS

9 LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

None

All of South African Tourism's KPA's are linked to Governments' 12 outcomes and the NTSS (National Tourism Sector Strategy).

10 CONDITIONAL GRANTS

Not applicable

11 PUBLIC ENTITIES

Not applicable

12 PUBLIC-PRIVATE PARTNERSHIPS

Not applicable