

# **South African Tourism**

## **2015/16**

### **Annual Performance Plan**



**Foreword by the Minister**

Our destination marketing organisation, South African Tourism, is a critical cog in the machine that enables us to grow the tourism economy and create new job opportunities.

The outcomes to be achieved by SA Tourism are guided by the National Development Plan and the National Tourism Sector Strategy. In delivering on these outcomes, partnerships with the private sector, communities, provinces, municipalities and national government are pivotal. Of the total approved budget of just under R1.1 billion in 2015/16, the private sector contributes just over R100 million.

Together, we are building an inclusive, highly competitive and sustainable tourism sector. We are determined to become one of the top 20 tourism destinations in the world by 2020. We are confident that this Annual Performance Plan, and the underlying Strategic Plan, will focus SA Tourism's efforts to ensure that tourism's total revenue contribution to the South African economy will grow to R107 billion during the 2015/16 financial year. SA Tourism is targeting 7% growth in international tourist arrivals and 8% growth in domestic holiday trips during 2015/16.

To achieve these targets, SA Tourism is tasked with implementing a marketing strategy and maintaining brand awareness of South Africa as a destination. SA Tourism has adopted a marketing approach that balances the focus on domestic, regional African and long-haul overseas source markets, and investment in a portfolio of both mature and emerging markets. SA Tourism is also continuously improving, re-energising and expanding the portfolio of experiences marketed, including leisure, business and events tourism offerings. In doing so, they continuously innovate how different marketing channels are used, with increasing investment in social media and mobile technologies.

To ensure that we grow our share of the global convention and events tourism market, the National Convention Bureau and its Meetings Africa trade show play important catalytic roles. INDABA continues to facilitate market access, and has established itself as a cutting-edge pan-African trade show.

To enhance our offering to tourists and improve their experiences, quality assurance through a credible grading system represents another important area of work residing under SA Tourism. The target is to grow the number of graded accommodation establishments by 7% in 2015/16.

The increase in the domestic marketing budget of SA Tourism clearly indicates our government's commitment to grow domestic tourism as the backbone of our tourism industry. Likewise, the ring-fenced investment in growing the African regional market responds to the fast growing middle class with increasing travel propensity on our own continent.

The tourism sector operates in a dynamic and forever changing environment, including technological change, evolving consumer preferences and shifting source markets. Continual change in the operating and market environment requires us to regularly review the effectiveness of our organisational structures to deliver against their mandates. To this end, a Panel of Experts will review SA Tourism's institutional alignment and strategic focus in the context of the broader public and private sector landscape for tourism marketing and tourism sector governance.

I thank the Board of SA Tourism and its members drawn from the private sector for their tireless commitment that drives us towards the inclusive and sustainable future we all seek for this sector.



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**Minister of Tourism**

**Derek Hanekom, MP**

**Official sign-off**

**It is hereby certified that this Annual Performance Plan:**

- Was developed by management of the SA Tourism and approved by its Board, in line with the basic minimum requirements issued by the National Treasury as the framework for Strategic Plans and Annual Performance Plans;
- Takes into account all the relevant policies, legislation and other mandates applicable to operations of SA Tourism; and
- Accurately reflects the strategic outcome-orientated goals and objectives which SA Tourism will endeavour to achieve over the period 2015/16 to 2019/20.

**Tom Bouwer**  
**Chief Financial Officer**

Signature: 

**Sthembiso Dlamini**  
**Chief Operating Officer**

Signature: 

**Thulani Nzima**  
**Chief Executive Officer**

Signature: 

**Zwelibanzi Mntambo**  
**Chairperson of the Board**

Signature: 

**Derek Hanekom, MP**  
**Minister of Tourism**

Signature: 

**TABLE OF CONTENTS**

Part A: Strategic Overview .....	6
1. Updated Situational Analysis .....	6
2. Revisions to Legislative and other Mandates .....	7
PART B: Programmes and Sub-Programmes .....	7
3. Overview of the 2015/16 Budget and MTEF Estimates .....	7
3.1. Programmes and Sub-Programmes .....	8
3.1.1. Overview of 2015/16 Budget and MTEF Estimates .....	8
3.1.1.1. Revenue and Expenditure Estimates .....	8
3.1.1.2. Relating Expenditure Trends to Strategic Outcome-Orientated Goals .....	9
PART B: PROGRAMME AND SUB-PROGRAMME PLANS .....	11
4. Annual Performance Indicators and Quarterly Targets (2015/16) .....	11
5. Breakdown of Budget per Objective .....	13
6. Exchange rates .....	15
7. SA Tourism Materiality and Significance Framework for the 2015/16 financial year .....	16
8. Definitions and Acronyms .....	23

## **Part A: Strategic Overview**

### **1. Updated Situational Analysis**

For 2015, UNWTO forecasts international tourist arrivals to grow between 3% and 4%. By region growth is expected to be stronger in Asia and the Pacific at 4% to 5% and the Americas from 4% to 5%, followed by Europe at 3% to 4%. Arrivals are expected to increase by 3% to 5% in Africa and by 2% to 5% in the Middle East.

Given this optimistic view of leisure tourism amidst the fragile global economic recovery combined with the thriving business events' industry – SA Tourism remains confident about its likely 2015/16 performance.

The Market Access programme developed by the National Department of Tourism will also facilitate improved market access to South African tourism products through supported participation in trade shows such as the World Trade Market (WTM), International Travel Bureau (ITB), Incentive Travel, Meetings & Events (IMEX), and European Incentive & Business Travel & Meetings Exhibition (EIBTM) – among others.

SA Tourism's continued plans to position INDABA and Meetings Africa as Pan-African shows, while improving their status to feature on international calendar events, points to its positive outlook for the coming year.

The focus on the African market, combined with SA Tourism's strategies aimed at intensifying marketing and engagement with trade, media and other stakeholders, is evident of the positive outlook on Africa growth. SA Tourism will continue its long-term commitment to these markets through the establishment of marketing hubs. In addition to the West Africa Hub that was launched in 2013, SA Tourism will reconfirm and grow its presence in both East Africa and Central Africa, using Kenya and Angola as its respective bases.

## **2. Revisions to Legislative and other Mandates**

In 2015/16, SA Tourism will also implement the Tourism Act, 2014 (Act No. 3 of 2014), and does not anticipate any further changes in legislation or its statutory mandate.

## **PART B: Programmes and Sub-Programmes**

### **3. Overview of the 2015/16 Budget and MTEF Estimates**

Part B outlines SA Tourism's Annual Performance Plan and Budget over the MTEF period. This section includes the following:

- Overview of the Revenue and Expenditure Estimates;
- Expenditure as it relates to Strategic Outcome-Orientated Goals;
- Annual performance indicators and quarterly targets for 2015/16; and
- Budget breakdown per objective.

### 3.1. Programmes and Sub-Programmes

#### 3.1.1. Overview of 2015/16 Budget and MTEF Estimates

##### 3.1.1.1. Revenue and Expenditure Estimates

Revenue		2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
					ENE Estimate	Adjustment	Approved			
Rand (thousand)		Audited (R'000)	Audited (R'000)	Audited (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Estimate (R'000)
1	Government grant	668 613	754 954	846 333	876 309	3 700	880 009	977 712	1 024 847	1 076 089
2	TOMSA levies	98 169	111 970	131 289	82 000	22 000	104 000	104 000	104 000	104 000
3	Indaba & Meetings Africa	37 868	50 013	59 438	48 694		48 694	51 323	54 044	56 746
4	Grading fees <sup>†</sup>	5 284	3 252	1 520	14 668		14 668	18 925	19 871	20 864
5	Sundry revenue	19 045	50 318	57 610	20 567	27 150	47 717	21 595	22 675	23 809
<b>Total</b>		<b>828 979</b>	<b>970 507</b>	<b>1 096 190</b>	<b>1 042 238</b>	<b>52 850</b>	<b>1 095 088</b>	<b>1 173 555</b>	<b>1 225 437</b>	<b>1 281 508</b>

<sup>†</sup> Only the net grading revenue after the deduction of assessor fees was disclosed in the audited Annual Financial Statements for 2011/12, 2012/13 and 2013/14 respectively. Net grading fees for 2013/14 were R1 520 250, after deduction of assessor fees of R10 393 618.

This means an average grading/membership fee of R2 132 was earned, per establishment, during 2013/14.



### 3.1.1.2. Relating Expenditure Trends to Strategic Outcome-Orientated Goals

The above budget and MTEF allocations contribute to the realisation of SA Tourism's Strategic Outcome-Orientated Goals as follows:

Strategic Objectives	Description	Strategic Outcome-Orientated Goals
Objective 1: Contribute to the growth of international tourist arrivals in South Africa	<p>3.2.1 Market South Africa in such a way that:</p> <p>3.2.1.1 annual international tourist arrivals to South Africa increase to 10 977 407 in 2015/16;</p> <p>3.2.1.2 the roll-out of aggressive marketing activities in Africa be undertaken for which funding has been ring-fenced. Also facilitate setting up of five marketing offices in key African markets by 2020 to support the creation of consistent and above-average growth in tourist arrivals.</p>	Funding of marketing activities
Objective 2: Contribute to the growth of domestic tourism in South Africa	<p>3.2.2 Promote a culture of domestic tourism:</p> <p>3.2.2.1 To increase the number of holiday trips to: 2 841 209 in 2015/16;</p>	Funding of domestic marketing
Objective 3: Grow tourism revenue	3.2.3 Market South Africa in such a way that we attract the types of tourists that will ensure that the revenue contribution (TTFDS+TDDS) to the South African economy is R107,4 billion in 2015/16;	Funding of marketing activities
Objective 4: Improve brand awareness of South Africa as a tourist destination	3.2.4 Market South Africa in such a way that South Africa becomes the most preferred tourism brand by obtaining at least an average brand awareness percentage of 80% in all the markets where brand tracking is done in 2015/16;	Funding of global media campaign
Objective 5: Provide quality assurance for tourism products	3.2.5 Deliver on the quality experience expected by the international and domestic tourist, by increasing the number of graded accommodation establishments by 7% per annum and having at least 6 493 graded accommodation establishments in South Africa in 2015/16;	Funding of all costs related to the grading of accommodation establishments

Strategic Objectives	Description	Strategic Outcome-Orientated Goals
Objective 6: Increase number of business events in South Africa	3.2.6 Grow South Africa's business events' industry to 87 business events in 2015/16.	Funding of Convention Bureau

**PART B: PROGRAMME AND SUB-PROGRAMME PLANS****4. Annual Performance Indicators and Quarterly Targets (2015/16)**

KEY PERFORMANCE INDICATOR	AUDITED OUTCOME/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	TARGET		FORECASTS				
	2011/12	2012/13	2013/14			2015/16		2016/17		2017/18		
Number of international tourist arrivals achieved	8 339 354	9 188 368	9 616 964	4.7%	10 263 393	6.7%	10 977 407	7.0%	11 540 685	5.1%	12 020 928	4.2%
Number of domestic holiday trips achieved	3 900 000	2 900 000	3 100 000	6.9%	2 624 214	-15.3%	2 841 209	8.3%	3 059 764	7.7%	3 278 319	7.1%
Total revenue achieved (billion rand)	R91.3	R 96.0	R 94.6	-4.0%	R 101.8	7.6%	R 107.4	5.5%	R 112.7	5.0%	R 117.5	4.2%
TTFDS (billion rand)	R 71	R 74.2	R 70.3	-5.3%	R 78.6	11.8%	R 83.1	5.7%	R 87.4	5.2%	R 91.0	4.1%
TDDS (billion rand)	R 20.3	R 21.8	R 24.3	11.5%	R 23.2	24.3%	R 24.3	4.5%	R 25.3	4.5%	R 26.5	4.5%
Brand awareness achieved (%)	77% (Feb 2012)	81% (Feb 2013)	79% (2013 average)		80%		80%		80%		80%	
Number of graded accommodation establishment members achieved	4 886	6 022	5 587	-7.2%	7 088	26.9%	6 493	-8.4%	6 948	7.0%	7 643	10.0%
*Number of business events achieved in South Africa	N/A	52 587 (delegates)	118	-	71	-39%	87	22.5%	118	35%	125	5.9%

*\*The ICCA audited baseline for number of business events hosted in South Africa in 2013/14 was 118. However, setting the target for 2015/16 and beyond, SANCBC considered the number of secured events, the bidding pipeline of likely events, the four year lead time and the 65% success rate of bids submitted.*

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2015/16	QUARTERLY TARGET 2015/16			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Contribute to growth of international tourist arrivals in South Africa	Number of tourist arrivals achieved	Quarterly	10 977 407	2 774 016	2 479 742	2 706 572	3 017 077
Contribute to growth of domestic tourism in South Africa	Number of domestic holiday trips achieved (millions)	Quarterly	2 841 209	688 778	430 486	688 778	1 033 167
Grow tourism revenue (billion Rands)	Total revenue achieved	Quarterly	R 107.4	R 24.9	R 24.1	R 27.1	R 31.3
	TTFDS	Quarterly	R 83.1	R 21.0	R 18.8	R 20.5	R 22.8
	TDDS	Quarterly	R 24.3	R 3.9	R 5.3	R 6.6	R 8.5
Improve South Africa brand awareness as a tourist destination	Brand awareness achieved (%)	Annual	80%	-	-	-	-
Provide quality assurance for tourism products	Number of graded accommodation establishments achieved	Quarterly	6 493	1 623	1 623	1 623	1 624
Increase the number of business events in South Africa	Number of business events achieved in South Africa	Quarterly	87	-	-	-	-

### 5. Breakdown of Budget per Objective

Name of the Objective	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
				ENE Estimate	Adjustment	Approved			
	Audited (R'000)	Audited (R'000)	Audited (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Estimate
1. Administration <sup>2</sup>	143 054	105 465	140 631	111 160	0	111 160	117 385	123 841	130 033
2. Contribute to growth of international tourist arrivals in South Africa	223 734	268 375	277 294	299 611	24 925	324 536	312 149	325 211	338 871

<sup>2</sup> The inclusion of administration as one of the public entity's objectives was requested by National Treasury during the completion of the 2014/15 budget. Estimate of National Expenditure database. This is used to capture only the information relating to the Administration Objective of the entity. The Administration objective should include the following:

- (i) Entity Management, which includes the salary, allowances and other support costs of the Board and the CEO and the management of the CEO's Office and the Board.
- (ii) Corporate Services that includes all costs related to staff in the Human Resources, Legal Services, Communications, Information Technology and Other support services (based on the entity's decision).
- (iii) Finance Administration includes all costs related to staff in Finance, including the CFO and the management of the Office of the Chief Financial Officer.
- (iv) Internal Audit Unit's reporting channel for the Head of Internal Audit is the Audit and Risk Committee. Administratively, the Head: Internal Audit reports to the Chief Operating Officer.
- (v) Office Accommodation includes activities and costs relating to the provision of office accommodation functions for the entity. Where office accommodation functions relating to other specific objectives of the entity can be identified, they should be assigned to the relevant objective.

Source: Guidelines on Budget Programmes (National Treasury, 2010, content amended to suit public entities).

Annual Performance Plan – 2015/16

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Name of the Objective		2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
					ENE Estimate	Adjustment	Approved			
		Audited (R'000)	Audited (R'000)	Audited (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Budget (R'000)	Estimate
3	Contribute to growth of domestic tourism in South Africa	23 452	45 113	46 372	43 672	-	43 672	143 800	149 000	156 450
4	Grow tourism revenue	223 734	268 375	277 294	299 611	24 925	324 536	312 149	325 211	338 871
5	Improve brand awareness of South Africa as a tourist destination	224 258	245 850	225 158	201 200	-	201 200	205 947	218 303	229 218
6	Provide quality assurance for tourism products	25 061	3 252	37 889	41 171	3 000	44 171	48 425	49 871	52 364
7	Contribute to number of business events in South Africa		43 216	51 982	45 813	-	45 813	33 700	34 000	35 700
<b>Total</b>		<b>863 293</b>	<b>979 646</b>	<b>1 057 203</b>	<b>1 042 238</b>	<b>52 850</b>	<b>1 095 088</b>	<b>1 173 555</b>	<b>1 225 437</b>	<b>1 281 508</b>

## 6. Exchange rates

Currency	Budgeted average exchange rate for 2015/16 financial year – January 2015 rates
US(\$ ) 1 =	12.33
Euro (€) =	14.67
GBP (£) =	18.66
AUD (\$) =	9.84
ZAR 1 = JPY(¥)	9.59
CNY 1 =	0.52
INR 1 =	0.22

## **7. SA Tourism Materiality and Significance Framework for the 2015/16 financial year**

### **7.1. Introduction**

In terms of Treasury Regulations (Section 28.3.1) issued in terms of the PFMA, the accounting authority of SA Tourism must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority.

In terms of Treasury Regulations (Section 28.2.1), any material losses through criminal conduct and any irregular and fruitless and wasteful expenditure must be disclosed as a note in the annual financial statements of the public entity.

In terms of Treasury Regulations (Section 30.1.3(e)), the strategic plan must include the materiality/significant framework, which is referred to in Treasury Regulations 28.3.1.

The specific sections of the PFMA that are relevant for the purposes of materiality are Section 50(1), Section 55(2), Section 61(1)(c), and Section 66(1), and, with reference to significance – Section 54(2).

ISA (International Statements Auditing) 320 (paragraph 3) and the Framework for the Preparation and Presentation of Financial Statements per IFRS (paragraph 30), defines material as follows:

‘Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. This materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have, if it is to be useful.’

The Oxford Dictionary defines ‘significant’ as being extensive or important enough to merit attention. In the development of the framework the quantitative and qualitative aspects are considered.



## 7.2. Factors Considered in Developing the Materiality Framework

### 7.2.1. Nature of the Business

The objective of SA Tourism is to ensure that South Africa becomes the preferred tourism destination in the world – thus maximising the economic potential of tourism in the country and for its people. SA Tourism has offices in countries across the world, including the UK and the USA. New offices were opened in Nigeria and Brazil in 2014.

In terms of funding, SA Tourism has concluded an MOU with the Tourism Business Council of South Africa (TBCSA). The objective of the MOU is the provision of funding for the marketing of South Africa in certain markets identified by SA Tourism through research. Funds contributed into this operation are used solely for that purpose.

### 7.2.2. Materiality Level 2015/16

The basis for calculating Materiality as per the Practice Note on Applications under Section 54 of the PFMA no. 1 of 1999 (as amended) by public entities, issued on the 13 July 2006 is as follows:

Element	% range to be applied against rand values	Audited 2013/14 Annual Financial Statements (R)	SA Tourism's % utilised	Calculated Materiality (R)
<i>Total Assets</i>	1% – 2%	408 969 351	2%	81 793 870
<i>Total Revenue</i>	0.5% – 1%	977 622 391	0.75%	7 332 168
<i>Surplus</i>	2% – 5%	49 380 969	5%	2 469 048

### 7.2.3. Control and Inherent Risks

The following factors were examined in determining the materiality percentage:

- Technical competence (qualifications), skills and experience of staff engaged in the decision-making processes, including the governance structure;
- Structure of the Audit and Risk Committee with reference to the King III Report on Corporate Governance;

- Establishment of an independent internal audit function that reports directly to the Audit and Risk Committee of the Board;
- Annual risk assessment;
- Three-year internal audit plan;
- Appropriate approvals framework (Delegation of Authority);
- A well-structured procurement policy incorporating the relevant legislation;
- The implementation of a Performance-Management System at SA Tourism; and
- SA Tourism's external audits performed by the Auditor-General.

Over the years, SA Tourism has received unqualified audit reports from the Auditor-General. Approximately 87% of its total revenue is received as government grants. SA Tourism is not only accountable to government, but must also ensure that better information is provided on what taxpayers are getting for their taxes. Therefore, Total Revenue has been selected as the most appropriate indicator for calculating materiality.

#### **7.2.4. Quantitative Factors Considered**

The level of a material deviation is assessed at 0.75% of Total Revenue amounting to R7 332 168 – unless otherwise indicated. Different levels of materiality can be used. The decision to use 0.75% is based on the fact that the total assets of SA Tourism are not considered to be an indicator of performance. The biggest source of income for SA Tourism is grants received from the government. The revenue component forms a basis for the materiality calculation.

#### **7.2.5. Qualitative Factors Considered**

Materiality does not only relate to the size of the elements of the financial statements. Mis-statements that are large – individually or in aggregate – may affect a reasonable user's judgment. Mis-statements may also be material on qualitative grounds. We have considered the following qualitative factors:

- Material infringement of legislation that governs SA Tourism;
- Any transaction entered into which could result in reputational risk to SA Tourism;
- Changes in key personnel and departure of key executives; and
- Application of new, or changes in, accounting policy.

**7.3. PFMA and Treasury Regulation 28.3.1**

<b>Treasury Regulation 28.3.1</b>		
<p>'For purposes of "material" [sections 55(2) of the Act] and "significant" [section 54(2) of the Act], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority.'</p> <p>Sections 50(1) and 66(1) (c) of the Act are also considered to be applicable, and have been taken into consideration:</p>		
<b>Link to PFMA</b>		<b>Materiality</b>
Section 50 (1)	<p>(1) The accounting authority for a public entity must -</p> <p>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 influence the decision or actions of the executive authority or that legislature.</p>	Both the qualitative and quantitative, as referred to in part 3 above.
Section 55 (2)	<p>The annual report and financial statements referred to by PFMA Subsection 55 (1)(d) must –</p> <p>include particulars of –</p> <p>(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(ii) any criminal or disciplinary steps taken as a consequence of such losses</p>	<p>Part 3 defines the quantitative and qualitative aspects that are considered for the purpose of this section.</p> <p>Losses incurred due to criminal</p>

	or irregular expenditure or fruitless and wasteful expenditure	conduct by employees at a senior management level
Section 54 (2)	<p>(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction</p> <p>(i) establishment or participation in the establishment of a company;</p> <p>(ii) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement</p> <p>(iii) acquisition or disposal of a significant shareholding in a company</p> <p>(iv) acquisition or disposal of a significant asset</p> <p>(v) commencement or cessation of a significant business activity; and</p> <p>(vi) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>	<p>All transactions to be approved by Executive Authority and Treasury to be informed.</p> <p>All transactions to be approved by Executive Authority and Treasury to be informed.</p> <p>All transactions to be approved by Executive Authority and Treasury to be informed.</p> <p>Acquisitions or disposals greater than the materiality outlined above or other smaller value considering all the qualitative factors above.</p> <p>All transactions to be approved by Executive Authority and Treasury to be informed.</p> <p>All transactions to be approved by Executive Authority and Treasury to be informed.</p>
Section 61(1)(c)	1. The report of an auditor appointed in terms of section 58(1)(b) must be	

	<p>addressed to the executive authority responsible for the public entity concerned and must state separately in respect of each of the following matters whether in the auditor's opinion –</p> <p>the transactions that had come to the auditor's attention during auditing were in all material respects in accordance with the mandatory functions of the public entity determined by law or otherwise.</p>	<p>The level of a material deviation is assessed at 0.75% of Total Revenue, amounting to R7 332 168, unless otherwise indicated.</p>
Section 66 (1)	<p>2. An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction –</p> <p>3. is authorised by this Act; and</p> <p>4. in the case of public entities, is also authorised by other legislation not in conflict with this Act; and</p> <p>(c) in the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial</p>	<p>100% compliance with the Act within the ambit as set by this clause. Full disclosure will be required for all transactions.</p>

	<p>Governments Act, 1996 (Act No 48 of 1996); and</p> <p>(d) is approved by the Minister of Finance and may not exceed a limit determined in advance by the Minister of Finance in consultation with the national executive authority; and</p> <p>(e) Such debt must be repaid within 30 days of the end of the financial year and the request must contain a detailed cash flow indicating how the debt will be repaid within the prescribed period.</p>	
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## 8. Definitions and Acronyms

### Definitions

**Activities** are the processes or actions that use a range of inputs to produce the desired outputs and, ultimately, outcomes. In essence, activities describe ‘what we do’.

**Annual Performance Plan** is a plan that sets out what SA Tourism intends doing in the forthcoming financial year and during the MTEF – to implement its Strategic Plan.

**Annual Report** is a report that provides information on the performance of SA Tourism in the preceding financial year for the purposes of oversight.

**Audit** is an examination of records or financial accounts to check their accuracy and conformity with norms and criteria set out in advance. An internal audit is an assessment of internal controls undertaken by a unit reporting to management, while an external audit is conducted by an independent organisation.

**Baseline** is the current level of performance that the institution aims to improve. The initial step in setting performance targets is to identify the baseline, which, in most instances, is the level of performance recorded in the year prior to the planning period.

**Deputy Minister** refers to the Deputy Minister of Tourism.

**Evaluation** is the systematic and objective assessment of an ongoing or completed programme, project or policy, and its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development of efficiency, effectiveness, impact and sustainability. Evaluation provides information that is credible and useful – enabling the incorporation of lessons learned into decision-making processes.

**Impact** is positive and negative, primary and secondary, long-term and short-term effects produced by a development intervention or as the result of achieving specific outcomes such as reducing poverty and creating jobs.

**Indicator** is a quantitative or qualitative tool that provides reliable means to measure achievement of programme performance against the stated output, and helps to assess the performance of SA Tourism.

**Input** is all the resources that contribute to the production and delivery of outputs. Inputs are 'what we use to do the work'. They include finances, personnel, equipment, and buildings.

**Minister** refers to the Minister of Tourism.

**Monitoring** is to a continuous process of collecting and analysing data to compare how well a plan, programme, project or policy is being implemented against the expected results. It is a function that uses systematic collection of data on specified indicators to provide management and stakeholders with information on progress and the achievement of objectives.

**Outcome** means the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives, as set out in its plans. Outcomes are 'what we wish to achieve'.

**Output** means the final products or goods and services produced for delivery by SA Tourism. Outputs may be defined as 'what we produce or deliver'.

**Performance** means the degree to which a development intervention operates according to specified criteria, standards or guidelines, or achieves results in accordance with stated goals or plans.

**Performance Indicator** is a variable that allows the verification of changes or shows results relative to what was planned.

**Performance Information** in the public sector is used as a generic term for non-financial information about government services and activities. In addition, 'performance indicator' and 'performance measure' are sometimes used interchangeably. The policy will use the term 'performance indicators'.

**Performance Standards** are the standard expresses the minimum acceptable level of performance that is generally expected.



**Quarterly Report** is a report that provides progress updates on the implementation of SA Tourism's Annual Performance Plan in the previous quarter – with particular reference to monitoring delivery against performance targets.

**South African Tourism** is the South African Tourism Board as defined in the Tourism Act, 2014 (Act No. 3 of 2014)

**South African Tourism** refers to the destination marketing organisation of the South African Tourism Board.

**Strategic Objective** states clearly what the SA Tourism intends to do (or produce) in order to achieve its strategic goals.

**Strategic Outcome-Orientated Goals** identify areas of organisational performance that are critical to the achievement of SA Tourism's strategic objectives.

**Strategic Plan** is a plan that sets out SA Tourism's priorities, programmes and project plans for a five-year period, as approved by the Board and the Minister of Tourism, within the scope of available resources.

**Target** means an expected level of performance or improvement required in the future.

**Validity** means the extent to which the data-collection strategies and instruments measure what they purport to measure.

**Tourism Act** means the Tourism, 2014 (Act No. 3 of 2014)

## **Acronyms**

AGSA – Auditor-General of South Africa

APP – Annual Performance Plan

CCBO – Chief Convention Bureau Officer

CEO – Chief Executive Officer

CFO – Chief Financial Officer

COO – Chief Operating Officer

CPIX – Consumer Price Index

CQAO – Chief Quality Assurance Officer

DG – Director-General of the NDT

DIRCO – Department of International Relations and Co-operation

DMC – Destination Management Companies

DTGS – Domestic Tourism Growth Strategy

EIBTM - European Incentive & Business Travel & Meetings Exhibition

EME – Exempted Micro Enterprise

ENE – Estimates of National Expenditure

EXCO – Executive Management Committee of SA Tourism

GDP – Gross Domestic Product

IMEX - Incentive Travel, Meetings & Exhibitions

ITB Berlin - International Travel Bureau

JMA – Joint Marketing Agreement

MOU – Memorandum of Understanding

MTEF – Medium Term Expenditure Framework

MTSF – Medium Term Strategic Framework

NDP – National Development Plan

NDT – National Department of Tourism

NT – National Treasury

NTSS – National Tourism Sector Strategy

PFMA – Public Finance Management Act, 1999 (Act No. 1 of 1999)

PTA – Provincial Tourism Agencies

ROI – Return on Investment

ROPME – Risk, Organisational Planning, Monitoring and Evaluation

SA Tourism – South African Tourism

SANCB – South African National Convention Bureau

SAPS – South African Police Services

SONA – State of the Nation Address

SRU – Strategic Research Unit

TBCSA – Tourism Business Council of South Africa

TDDS – Total Domestic Direct Spend

TGCSA – Tourism Grading Council of South Africa

TOMSA – Tourism Marketing South Africa

TTFDS – Total Tourist Foreign Direct Spend

UK - United Kingdom

UNWTO – United Nations World Travel Organisation

USA - United States of America

VFM – Value for Money

VFR – Visiting Friends and Relatives