

South African Tourism 2015-2020 Strategic Plan



Foreword by the Executive Authority

Tourism continues to show robust growth and contributes significantly to the South African economy. Through its direct and indirect impacts, the sector contributes over 9% to our country's GDP and supports over 1.4 million jobs.

The National Development Plan (NDP) offers a long-term perspective, vision and road map to South Africa and its people. Its implementation has been prioritised in the Medium Term Strategic Framework (MTSF) for the next five years. Priorities articulated in the MTSF are embodied in the plans and targets set by the tourism industry. This is underpinned by the National Tourism Sector Strategy (NTSS) and the Domestic Tourism Growth Strategy (DTGS) – among others. The evidence of the success of tourism strategies and plans will be an inclusive, highly competitive and sustainable tourism industry that contributes to job creation and economic growth.

The anticipated growth in domestic tourism combined with the building of a highly competitive tourism sector that attracts international tourist arrivals and international convention delegates to our country is expected to generate significant revenue – thus contributing to economic growth and poverty eradication. The successful delivery of the tourism sector's aspirations is largely dependent on collaborative efforts of both public and private sector strategic partners.

Given the rapidly changing business environment and tourism landscape, it is imperative to continuously review and evaluate our strategies, plans, institutional delivery framework as well as roles of different industry players to ensure accountability and effective delivery against our mandate.

Growing the leisure and business events industries presents us with great opportunities. Our combined efforts will result in a highly competitive destination, representative industry ownership, thriving small and medium enterprise (SMME) value chain and improved infrastructure. It is also important for South Africa's offering to carry a recognised stamp of quality.

Under the stewardship of the South African Tourism Board, South African Tourism (SA Tourism) will continue in the next five years to enhance its marketing efforts in emerging markets, to grow domestic tourism and also focus on defending and building brand awareness in the regional African market, while protecting growth in the traditional markets.

From a budget of R81 million in 1994, national government today invests some R1.6 billion in tourism growth and development. It is also important to note that the private sector's voluntary contribution to tourism marketing has grown significantly over the past 10 years, accounting for approximately 10% of the total SA Tourism budget in the next financial year.



Minister of Tourism

Derek Hanekom, MP

Introduction by the Chairperson of the Board

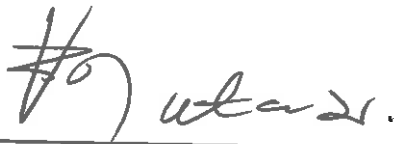
The South African Tourism (SA Tourism) Board has the responsibility to ensure that the organisation develops and approves a sound five-year Strategic Plan and Annual Performance Plan. This requires an informed and deep understanding of the micro- and macro-economic environment, in which SA Tourism actively markets South Africa as a preferred leisure and business events' destination. These plans are aligned to the National Development Plan (NDP) and the National Tourism Sector Strategy (NTSS) – thereby ensuring that SA Tourism contributes to the important objectives of job creation and economic growth.

According to the United Nations World Tourism Organisation (UNWTO), international tourism grew by 4.7% in 2014. This positive performance is believed by UNWTO to be an indication of consolidation of the tourism industry – thus providing development and economic opportunities. Following the recent global economic challenges, UNWTO revised its annual global tourism growth forecast by 3% to 4% in 2015 while 4% to 4.5% is estimated in the next five years. SA Tourism is responding to this challenge by investing in markets with expected high return on investment, and by tapping into the growth potential of emerging markets.

The success and growth of our tourism sector is a result of a collaboration of all the role-players in the sector. Government, the industry role-players and SA Tourism need to continue working together to sustain and enhance further growth and competitiveness. Sustaining positive growth in the number of tourist arrivals and the revenue generated in the ever-changing global and domestic environment is a constant challenge. Recently, our biggest challenge was the weakening South African Rand against a number of foreign currencies – which eroded SA Tourism's marketing budget in these markets. The reduction in the price of crude oil will, however, bring about positive benefits with respect to the cost of travel. The strategic focus is to retain and grow our gains. Accordingly, we have carefully selected our international market portfolio for the next three years.

Domestic tourism is receiving renewed focus – to ensure its increased contribution to tourism growth. In the past two years, domestic tourism has been under pressure as the economy grew sluggishly and unemployment figures continued to rise. We believe our current domestic campaign is working well and that it will soon deliver the desired results. The recovery of the economy is key to success in this area.

The Board is confident that this Strategic Plan will meet the objectives and mandate of SA Tourism. We look forward to working with government, the tourism industry, and all stakeholders to deliver the expected results.



Chairperson of the Board

Zwelibanzi Mntambo


Preamble by the Chief Executive Officer

SA Tourism is a Schedule 3A Public Entity, listed in terms of the Public Finance Management, 1999 (Act No. 1 of 1999), and it is accountable to the Minister of Tourism. In line with its mandate, SA Tourism receives funding for its operations from government. Therefore, it is imperative that we account for the allocated resources and demonstrate the plans which are intended to be implemented in order to achieve our mandate.

Our mandate bears a responsibility that is critical and challenging, and also exciting in that ordinary citizens can witness the impact of tourism. It is with this excitement that we engage with key stakeholders of the tourism sector, to enhance the gains of tourism and to foster the improvement of our marketing and planning initiatives. SA Tourism is supported by its committed employees – both locally and abroad – who optimise the usage of resources allocated to the organisation.

The main funding for marketing initiatives is received from government as a budget allocation through the Department of Tourism. To grow SA Tourism's market share, options are explored to maximise opportunities in markets where SA Tourism does not have marketing offices.

For compliance, the Strategic Plan of SA Tourism is in line with the guidelines documented in the framework issued by the National Treasury and the Medium Term Strategic Framework (MTSF) – which reflect government's outcome priorities. SA Tourism's short, medium and long-term planning initiatives are also informed by the Tourism Act, 2014 (Act No. 3 of 2014), the NTSS, and the Domestic Tourism Growth Strategy.



Chief Executive Officer
Thulani Nzima

Official sign-off**It is hereby certified that this Strategic Plan:**

- Was developed by the management of SA Tourism and approved by its Board in line with the basic minimum requirements issued by 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 the 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.

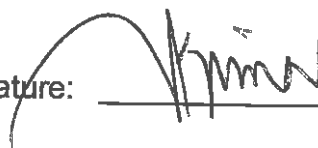
Tom Bouwer
Chief Financial Officer

Signature: 

Sthembiso Dlamini
Chief Operating Officer

Signature: 

Thulani Nzima
Chief Executive Officer

Signature: 

Zwelibanzi Mntambo
Chairperson of the Board

Signature: 

Derek Hanekom, MP
Minister: Tourism

Signature: 

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Part A: Strategic Overview

1. Vision

For South Africa to be one of the most preferred tourist destinations in the world and to maximise the economic potential of the tourism industry for our country and its people.

2. Mission

To develop and implement a world-class tourism marketing strategy for South Africa. In pursuance of this, SA Tourism will:

Develop and implement domestic, regional and international marketing strategies informed by research, information and knowledge-sharing;

Develop and implement a business events' strategy;

Implement and maintain a recognisable, credible and globally benchmarked system of quality assurance;

Facilitate strategic alignment of provinces and industry – in support of the marketing of tourism;

Continuously align efforts to support tourism growth; and

Ensure the efficient utilisation of resources in order to deliver against the tourism strategy.

3. Values

Our values are:

- Respect and recognition for our people;
- Acting with integrity;
- Caring for our employees;
- Responsibility and the acceptance of accountability for the outcomes of our actions; and
- Pushing the boundaries of excellence in everything we do.

4. Legislative and other Mandates

SA Tourism accounts to the Executive Authority and the Minister of Tourism. In terms of Section 92 of the Constitution, the Minister of Tourism is vested with the executive authority over the National Department of Tourism, and its entity. The Minister also has to report to Parliament on the performance of SA Tourism.

4.1. Tourism Act, 2014 (Act No. 3 of 2014)

The SA Tourism Board is a public entity, which is listed under Schedule 3A of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999). SA Tourism is a public entity established in terms of section 2 of the Tourism Act, 1993, (Act No. 72 of 1993) and continues to exist in terms of the Tourist Act, 2014.

The implementation of the Tourism Act, 2014 required an update to and realignment of the Strategic Plan and Annual Performance Plan, as well as other existing governance documents.

Chapter 3 of the Tourism Act, 2014 provides the following as functions of the SA Tourism Board:

Market South Africa as a domestic and international tourist destination;

- Market South African tourism products and facilities internationally and domestically;
- Develop and implement a marketing strategy for tourism that promotes the objectives of the Act, and the NTSS;
- Advise the Minister on any other matter relating to tourism marketing;
- With the approval of the Minister, establish a National Convention Bureau in order to market South Africa as a destination for business events by:
 - Coordinating bidding for international conventions;
 - Liaising with other organs of state and suitable bodies to promote South Africa as a destination for business events; and
 - Reporting to the Minister on the work performance of the National Convention Bureau.

The Board must perform any function imposed on it, in accordance with a policy directive of the Minister, and not in conflict with the Act. Additionally, Chapter 4 of the Tourism Act, 2014 provides the following as functions of the Grading Council:

- to implement and manage the national grading system for tourism, as contemplated in section 28, and
- the Council is, in this respect, accountable to the Minister for the proper implementation and management of the national grading system.

4.2. National Development Plan (NDP)

SA Tourism is entrusted with a critical mandate of contributing towards creating an environment for sustainable employment and inclusive economic growth through tourism. SA Tourism has specifically interrogated and aligned its role to the National Development Plan 2030.

4.3. National Tourism Sector Strategy (NTSS)

The NTSS was approved by Cabinet and launched in March 2011. It sets bold commitments for the tourism sector. The NTSS advocates the development of a Domestic Tourism Growth Strategy aimed at increasing domestic tourism's contribution to the economy. The achievement of the NTSS's objectives is dependent on a collaborative effort between government and the private sector.

4.4. Domestic Tourism Growth Strategy (DTGS)

The Domestic Tourism Growth Strategy (DTGS) outlines practical measures to address the lack of a tourism culture in South Africans – particularly from previously disadvantaged communities. The strategy is aimed at achieving set targets through education and awareness-raising across the country, as well as by promoting affordable and accessible travel and tourism opportunities.

5. Situational Analysis

The situational analysis considers competitor analysis and consumer insights – as well as future prospects at a global, regional and domestic tourism level. It also considers the organisational environment that affects SA Tourism's ability to deliver on its mandate in all three business focus areas – leisure tourism, business events, and quality assurance.

5.1. Performance Environment

5.1.1. Global Tourism in 2014

According to the United Nations World Tourism Organisation (UNWTO), the world's international tourist arrivals grew by 4.7% in 2014 – to reach 1.138 million arrivals. The growth was mainly driven by developed markets, where arrivals grew by 5.6%, while emerging markets grew by 3.6%. Global tourism expenditure reached an estimated US\$1.197 billion in 2014 – a US\$ 230 billion increase since 2008.

Demand for international tourism was strongest for destinations in Asia and the Pacific (+5.3%), Americas (+7.4%), and Middle East (+4.4%). The leading sub-regions were North America (+8.2%), South Asia (+7.1%), North East Asia (+7.1%), and North Europe (+6.9%).

Over the past three years, Germany and the USA remained the two largest outbound travel markets in the world. China's outbound travel in 2013 overtook that of the United Kingdom, improving its ranking to the third largest market. Russia also grew aggressively by 14.5%; however, the growth was insufficient to shift its ranking position.

5.1.2. Tourist Arrivals to South Africa in 2013

In 2013, there were 9 616 964 international tourist arrivals to South Africa – which represented an increase of 428 596 over the 9 188 368 tourist arrivals in 2012. South Africa's 4.7% growth was slightly below the global average growth of 5.0%.

The 4.7% growth was driven by growth in all regions. Africa land markets were the main contributors with 211 758 more tourists compared to the same period in 2012. Europe followed with 98 000 additional tourists. Africa air markets showed the fastest growth at 12.0%.

The share of first-time tourists increased from 13.6% in 2012 to 15.6% in 2013. This can be attributed to the growth of first-time tourists from air markets.

Tourists visiting South Africa 10 or more times have been consistently high in number. Approximately 73.5% were from land markets. In general, there has been a decrease in repeat visitors from air markets.

Leisure tourism, comprising visiting friends and relatives (VFR) and holiday and shopping for personal use, continues to be the major reason for travel to South Africa – accounting for over 63.1% of tourist arrivals. VFR continued to exceed holiday as the primary purpose for a visit to South Africa – as the holiday category's share declined from 18.7% in 2012 to 18.5% in 2013, and VFR share grew from 27.7% in 2012 to 30.4% in 2013. The travel for business purposes segment's share decreased from 28.7% in 2012 to 26.1% in 2013, and was driven by decreases from land and air markets.

The average length of stay of all foreign tourists increased from 7.8 nights in 2012 to 8.7 nights in 2013. The length of stay for air arrivals remained stable at five nights in 2013. The most common length of stay for tourists from land markets also remained constant, at one night, in 2013.

The average number of provinces visited by all foreign tourists decreased from 1.15 in 2012 to 1.14 in 2013. Tourists from land markets visited an average of 1.03 provinces in 2013, while those from air markets visited, on average, 1.38 provinces. Gauteng and the Western Cape are by far the most popular provinces among foreign tourists, and account for 57.9% of total bed nights spent in the country.

Compared to other destinations, South Africa maintained its 33rd ranking in 2013 according to the Global Competitiveness Index. In Africa, South Africa is the 3rd most visited country, after Morocco and Egypt.

5.1.3. Competitor Analysis

According to the 2013 Brand Tracker Survey results, South Africa sustained its brand ranking over the past three years compared to the brand attributes of 13 of its rival destinations. The competitors are Australia, Thailand, Brazil, Kenya and the USA.

Although South Africa experienced a slight decline in brand awareness and brand positivity in 2012, and in relation to being sought out and considered as a tourism destination, South Africa's ranking remained unchanged.

As in previous years, in 2013 South Africa continued to be strongly perceived as being a destination offering 'adventurous' and a 'natural wildlife experience' – and remains dominant on these attributes in most markets. Furthermore, its ranking improved on the following attributes compared to its competitors: 'variety of experiences', 'breath-taking' and 'welcoming people'.

The global closure ratio improved from 1:2.27 (in 2012) to 1:2.14 (in 2013). While the closure ratio in core markets improved from 1:2.20 (in 2012) to 1:2.06 (in 2013), it declined slightly in the investment markets from 1:3.00 (in 2012) to 1:3.07 (in 2013).

While South Africa performed better than other competitors in most attributes, key competitors like Australia and Thailand are still ahead of South Africa – especially on brand awareness, brand positivity and destination under consideration.

Among its core markets, South Africa's conversion curve has improved in India, Nigeria and Germany, but has declined in Australia, France and the UK. In India, there has been a noticeable improvement in the closure ratio and likeability. In investment markets, South Africa's conversion curve remained consistent – with a slight dip in positivity.

5.1.4. Global Consumer Insights

Recent consumer insights show that consumers are increasingly looking for affordable and authentic travel experiences. There is a growing preference for sustainable and ethically produced products and offerings, though there is very limited commitment to pay a premium for such products.

The use of internet and social media has shortened the purchase-decision process, by enabling value-seeking consumers to collect information, read reviews, compare prices, and buy products and services online. Furthermore, group-discount websites such as Groupon gave rise to a trend of instant purchase by driving consumers to collaborate online and extract discount deals.

With 50.5% of the world's population now urban (estimated to be 70% by 2050), people are increasingly becoming addicted to the 'here and now', experiences, choice and freedom, flexibility and rawness, unrestricted opportunity, and the hunt for the next new experience. The global traveller of today is seeking real and authentic experiences that allow them to tell unique and life-changing stories.

5.1.5. Future Prospects

According to the 2014 UNWTO Tourism Barometer, international tourist arrivals will reach 1.6 billion by 2020 – driving an estimated annual growth of 4% to 4.5%.

Despite the decline in long-haul travel as a result of the cautionary economic recovery, UNWTO is optimistic that long-haul travel will grow faster at 5.4% per annum – compared to the 3.8% predicted growth of inter-regional travel. However, intra-regional (short-haul) will account for 75% of the total international arrivals in absolute terms (i.e. 1.2 billion).

East Asia and the Pacific, the Middle East and Africa, are forecasted to grow at over 5% (i.e. at 6.5%, 6.7% and 5.5% respectively), compared to the world average of 4.1%.

The market share of East Asia and the Pacific will almost double from 14.4% to 25.4% compared to the modest growth from 18.1% to 19.3% in the USA, and a drop from 59.7% to 45.9% in Europe.

According to the International Monetary Fund (IMF), global growth forecast for 2015/16, cautions that the boost from lower crude oil prices would be offset by blurred economic prospects for China, Russia, the Euro-zone, Japan and oil producing countries. IMF forecasts that the world economy would expand by 3.5% in 2015 and 3.7% in 2016, picking up from 3.3% in 2014 but lower than its previous estimates.

The World Bank also revised its growth forecast for global growth to 3% from the 3.4% forecast made in June 2014, warning that the world economy is overly dependent on the single engine of the US recovery. The global economic recovery remains rather fragile and uneven (or with "strong and complex cross currents").

Economic growth from emerging markets (4.3%) as a group is projected at nearly double that of advanced economies (2.4%) in 2015 (UN-DESA; IMF). Despite the projected positive growth, Brazil, Russia, India and China have shown a decline.

Europe is out of the doldrums it faced during the 2012 Euro-zone crisis, but with instability in its relationship with Russia, uncertainty in Greece and slowing demand from China, the European growth prospects for 2015 remain subdued (IMF: 1.2%). A number of European countries are still teetering on the brink of recession. Italy is expected to contract in 2015, France has stagnated and the recovery in Spain, Ireland and Portugal remain fragile. Fortunately, one of our key tourism source markets, the UK, seems set for more robust growth in 2015, while Germany also seems relatively strong.

In 2015, the USA economy seems poised to lead growth from the advanced economies (IMF: 3.6% in 2015).

In Africa growth is set to continue in 2015. GDP growth is expected to accelerate from 3.5% in 2014 to 4.6% in 2015 (UN-DESA).

5.1.6. Regional Africa

In 2014, Africa attracted approximately 1.3 million additional arrivals (2.3%); reaching a new record of 56 million arrivals. This performance reflects only 5% of the world's tourist arrivals recorded by UNWTO. Tourist arrivals to South Africa, from Africa air markets, was 455 462 in 2013 – a 12% increase from 2012. Africa land markets grew by 3.4% from 6.3 million in 2012 to 6.6 million in 2013.

Consumer insights show that the preferences and needs of consumers from Africa visiting South Africa are diverse. Following the 5th portfolio review process, the African market was segmented into four hubs, considering proximity, similarity in consumer behaviour and preferences. The hubs are West Africa, East Africa, Central Africa and the Southern African Development Community (SADC).

5.1.7. Domestic Tourism Landscape

The household debt-to-income ratio increased from 76% in 2013 to 78.5% in 2014; this large consumer debt was characterised by payment defaults and consumers under debt review. High food and fuel prices, high electricity tariffs, and high interest rates have also put domestic consumers under pressure.

Furthermore, non-affordability remains the main constraint to travel and it increased in 2013 due to South Africa's high unemployment rate – which is at 24.1%. Dislike for travel among South Africans has decreased.

VFR dominates the reasons for domestic travel at 70%, followed by holiday travel that accounts for 11%, and business travel estimated at 8%. Two thirds of travellers are from Gauteng (44%) and KwaZulu-Natal (22%). KwaZulu-Natal continues to be the largest recipient of domestic tourism.

In the Domestic Survey conducted by SA Tourism, one of the reasons cited for non-travel are the perceived high prices associated with travel domestically compared to international travel.

5.1.8. Business Events Landscape

Due to the changes in the business events' landscape, competitors such as China and the Asian Tigers (Hong Kong, Singapore, South Korea, and Taiwan) are now entering the market. However, the competitiveness of cities like Bangkok, Istanbul, Cairo and Nairobi has been impacted by recent events.

South Africa's prominence as the main entry point to the continent remains strong. However, Nigeria, Ghana and Angola are fast growing their competitiveness. The decline in ranking of OR Tambo International Airport to number 3 in Africa – overtaken by Nigeria – is one factor that has a negative impact on our relative standing.

In the business events' landscape, subvention is still a critical factor in the bidding process for international business events, and it impacts on the destination's competitiveness.

5.1.9. Quality Assurance in Tourism

Recent market insights and trends, amongst others, are:

- In terms of media platforms, a dramatic increase in online consumer reviews puts pressure on product owners to ensure service excellence and high quality tourism offerings.
- According to the UNWTO Report on Online Guest Reviews and Hotel Classification Systems, consumer reviews are complementing the quality grading programmes of some countries. Abu Dhabi was the first country to integrate consumer reviews with quality assurance.

5.2. Organisational Environment

5.2.1. Business Focus Areas

Depicted in Figure 1 (below) are SA Tourism's business focus areas:

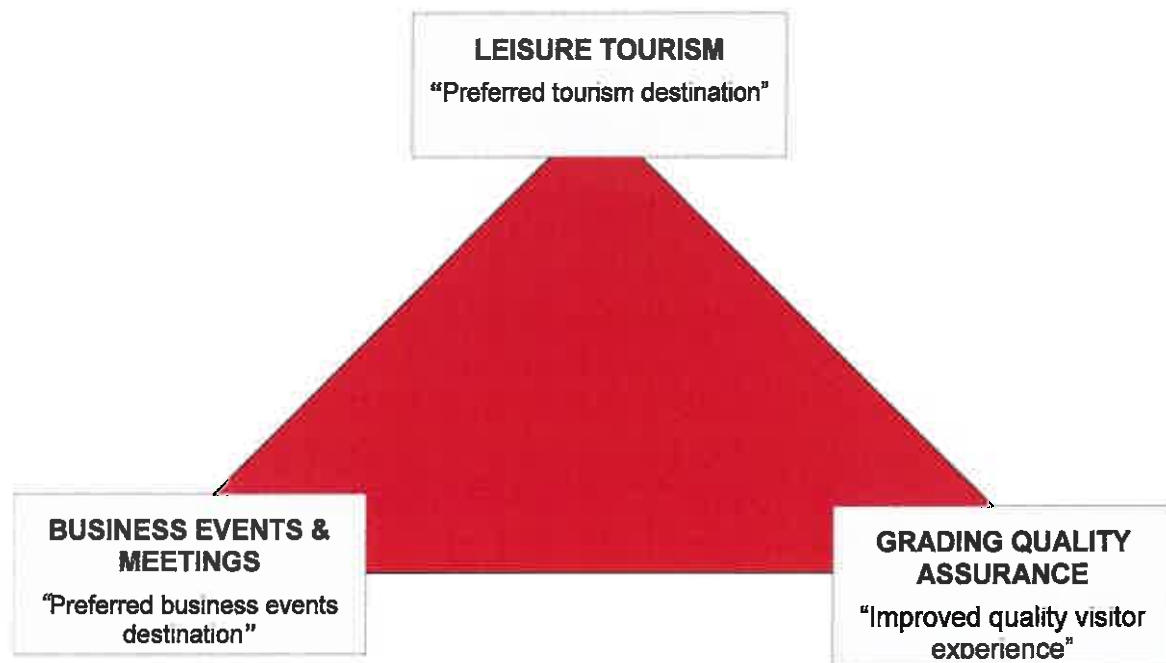


Figure 1: SA Tourism's Business Focus Areas

Leisure Tourism

While leisure tourism opportunities put South Africa on the world map, the tourism leisure market is diverse through its product offerings. This requires unique and structured marketing initiatives and strategies. In this regard, SA Tourism's marketing efforts have global, African air market, domestic, and SADC regional market focus.

By building South Africa's brand awareness and positivity, we build medium and long-term

demand for tourist arrivals to South Africa. Tourism contributes to the creation of direct jobs – in line with the aspirations of the NDP. This, in turn, contributes positively to economic growth.

Business Events and Meetings

This business focus area of SA Tourism markets South Africa as a preferred business events and meetings destination. SA Tourism – through its National Convention Bureau (SANCB) and in collaboration with Provincial Convention Bureaus – seeks to increase the size of South Africa's business events' industry. This industry contributes to job creation, skills development, innovation, building the knowledge economy, and Gross Domestic Product.

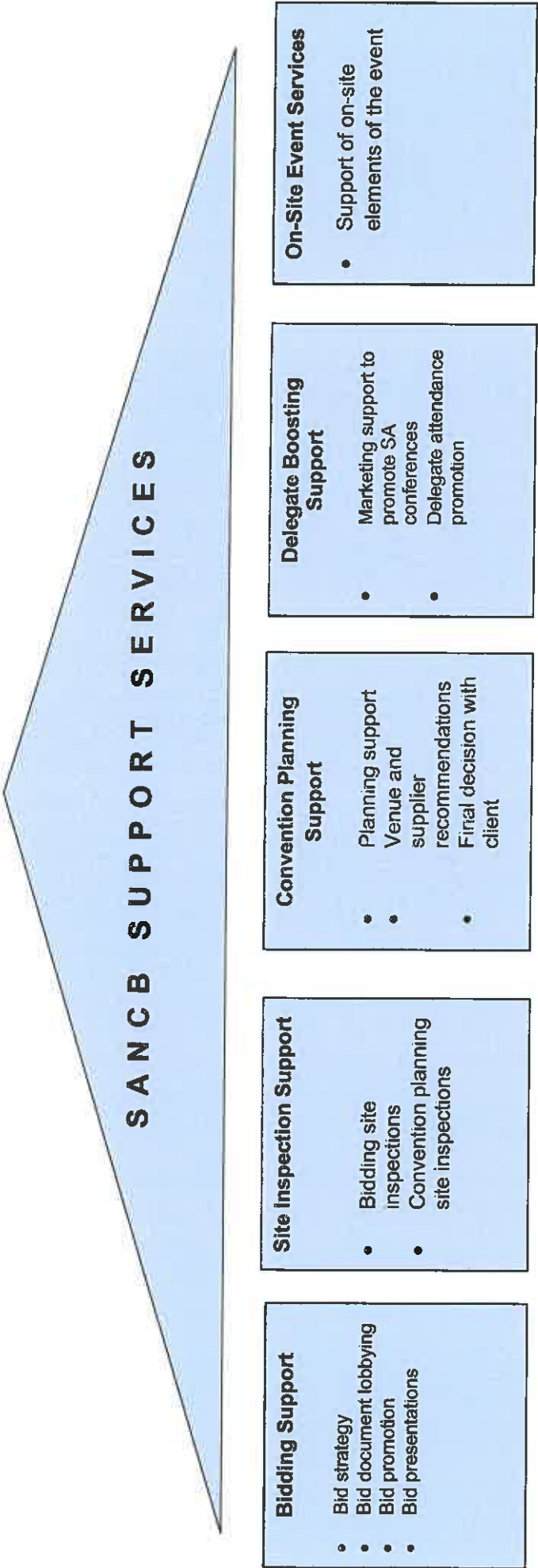


Figure 2: SA National Convention Bureau Services

Grading Quality Assurance

The Tourism Grading Council of South Africa (TGCSA) builds the South Africa brand by implementing a recognisable and credible globally benchmarked system of quality assurance for tourism products and experiences which can be relied upon. This is achieved by implementing the following:

- Continuously increasing the base of graded establishments, as well as renewals;
- Increasing value-add for graded establishments through a tangible Basket of Benefits;
- Empowering assessors to be of greater value to the establishments; and
- Offering support to Exempted Micro Enterprises (EMEs) – in order to create a more inclusive base of graded establishments.

5.2.2. Organisational Efficiency and Governance

Good corporate governance is essentially about effective leadership. It requires leadership which can 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.

In line with governance requirements advocated by the PFMA and its regulations as well as the King III Report on Corporate Governance, SA Tourism has established an independent Internal Audit unit. Internal Audit also provides assurance on the effectiveness and efficiency of internal controls.

SA Tourism views good corporate governance practice as integral to good performance. SA Tourism remains committed to promoting sustainable confidence through its conduct – both as an organisation and as a corporate citizen.

While the Board provides oversight on the overall process and structure of corporate governance, each business unit, and every employee within the organisation, is responsible for promoting good corporate governance practices.

5.2.3. Funding

Over and above the grant allocation from government, SA Tourism receives TOMSA levies through the Tourism Business Council of South Africa (TBCSA) – as a contribution from the private sector. This partnership increases SA Tourism's ability to market South Africa internationally. In real terms, SA Tourism's budget has remained the same due to currency challenges.

5.2.4. Organisational Structure

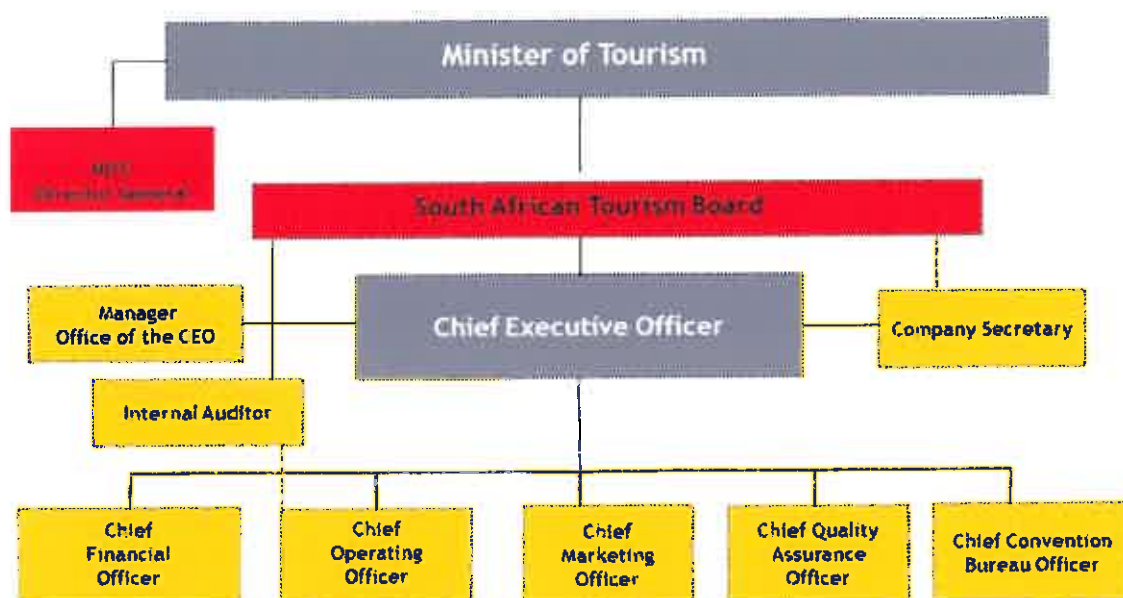


Figure 3a: SA Tourism's High Level Organisational Structure

5.2.5. Strategic Planning Process

In line with the requirements of Treasury Regulation 30.1 – each year SA Tourism embarks on a strategic planning process, which involves Senior Managers and the SA Tourism Board.

SA Tourism updated its five year Strategic Plan in line with the National Treasury's Framework for Strategic Plans and Annual Performance Plans' issued in August 2010. The respective plans are implemented only after they have been approved by the Minister and tabled in Parliament.

The figure below depicts a high-level overview of the planning process:

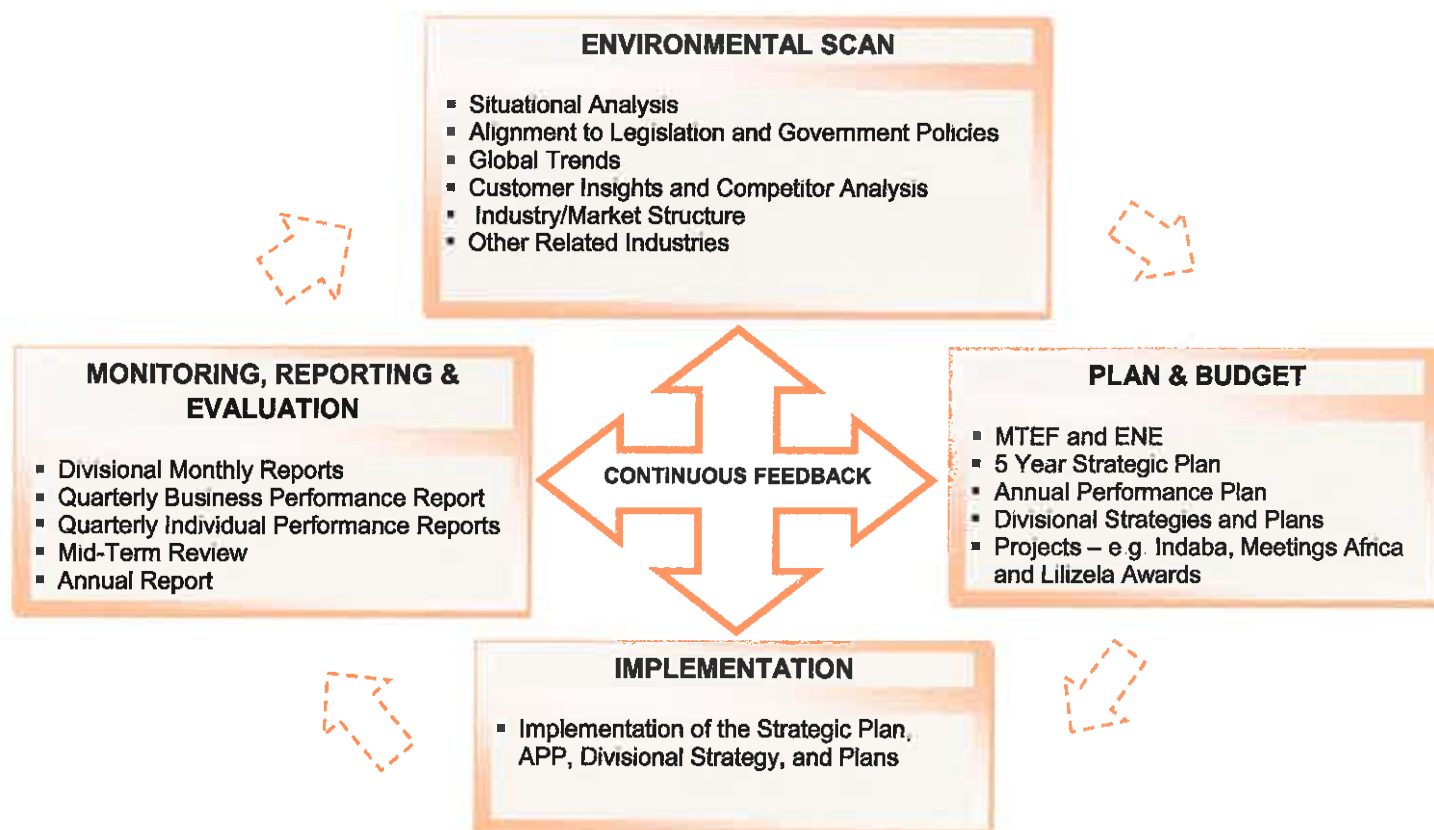


Figure 3b: SA Tourism adopted the Strategic Management Process

6. SA Tourism Strategy 2015-2020

SA Tourism's strategy is to:

- Invest only in selected markets for leisure tourism and decision centres for business events to deliver volume and value;
- Establish regional hubs to increase market penetration for leisure;
- Engage stakeholders and partners to deliver quality visitor experiences that re-affirm the brand promise;
- Convince consumers/clients that South Africa can be trusted to deliver memorable experiences and successful business events;
- Engage the distribution channel to promote South Africa; and
- Energise and empower the organisation to innovate and achieve excellence.

6.1. Invest in Selected Markets and Decision Centres

6.1.1. Leisure Tourism Market Segments

SA Tourism's Strategy is to invest only in selected markets in order to deliver volume and value. These leisure tourism markets are selected through a portfolio review process conducted every three years. The leisure tourism market portfolio is captured in the table below:

	AFRICA	AMERICAS	ASIA & AUSTRALASIA	EUROPE & THE UK
CORE MARKETS	Angola Domestic Kenya Mozambique Nigeria Tanzania	Brazil USA	Australia China India	France Germany Netherlands UK
INVESTMENT MARKETS	Botswana DRC Ghana Lesotho Uganda Zimbabwe	Canada	Japan South Korea	Italy Russia

	AFRICA	AMERICAS	ASIA & AUSTRALASIA	EUROPE & THE UK
TACTICAL MARKETS	Namibia UAE Zambia	-	Singapore	Switzerland
WATCH-LIST MARKETS	Ethiopia Malawi Swaziland	Argentina	New Zealand	Austria Belgium Denmark Finland Norway Spain Sweden Turkey
STRATEGIC IMPORTANCE	Egypt, Israel, Morocco, Saudi Arabia, Tunisia	-	Malaysia	-

Table 1: SA Tourist Leisure Market Portfolio

SA Tourism promotes South Africa in these markets 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 markets are described below:

- **Core Markets:** These markets are very attractive and have easier access from a tourism-marketing point of view. They deliver the 'bread and butter' in terms of tourism for South Africa. Approximately 60% of the organisation's effort (in terms of human capital and budget) is deployed in these markets.
- **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 SA Tourism to invest in these markets, ahead of future returns. Approximately 20% of the organisation's effort (in terms of human capital and budget) is deployed in these markets.
- **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.

- **Watch-list Markets:** These markets are less attractive and more difficult to reach from a tourism-marketing point of view.

However, limited exploratory marketing – largely in conjunction with South Africa's Diplomatic offices/missions and tour operators – is being undertaken. The anticipation is that the markets might develop into more prominent markets for South Africa into the future. Approximately 5% of the organisation's effort (in terms of human capital and budget) is deployed in these markets.

SA Tourism will defend and grow its market share in the core and investment markets as well as drive growth in tactical and watch-list markets.

6.1.2. Operating Model

SA Tourism's operating model supports the implementation of the strategy in three ways:

- **Recruitment:** Based on consumer insights and market mapping, awareness is created and demand is generated in the respective market segments. This is achieved by distribution of relevant information using targeted communication channels such as TV, print and other digital platforms – as well as Joint Marketing Agreements (JMAs). JMAs are signed between SA Tourism and trade partners and focus on positioning South Africa as a value-for-money destination where tourists can stay for longer, and at competitively priced rates.
- **Delivery of Experience:** In collaboration with trade partners – e.g. destination-management companies (DMCs), tour operators, and travel agents – SA Tourism identifies and packages tourism products for respective markets and consumers. These packages are aimed at increasing first-time and repeat visits by including an assortment of experiences in different geographic areas of South Africa.

To ensure that the trade includes South African tourism products in its itineraries, SA Tourism offers training to deliver on unique experiences to consumers. SA Tourism also creates market access for South Africa tourism products – through trade shows, trade road-shows, familiarisation trips and media hosting.

- **Leveraging:** To maximise opportunities, SA Tourism partners with reputable influencers and industry thought leaders to share their experience of South Africa through international media and other digital platforms.

6.1.3. Business Events' Market Prioritisation

Unlike leisure tourism, the prioritised markets for business events are in major decision centres where headquarters of major associations are located.

Table 2 below depicts the target market for business events, which is in terms of:

- Geographic locations or decision centres where decisions about staging of major international business events are taken;
- Priority targets within those markets; and
- South Africa's potential to attract delegates.

	MEETINGS	INCENTIVES	CONVENTIONS	EXHIBITIONS
Targeted geographic locations	SADC, Europe, USA and Asia	UK, Europe, US, BRICS and Asia	Europe, USA and Africa	South Africa, Europe and US
Target audience	African product launches and user groups, as well as African regional meetings of multinational corporations.	Incentive companies, corporate agencies, and in-house planners.	Associations with South African key contacts or areas of specialisation.	Internationalising national shows and African versions of existing titles.
South Africa's potential	Limited	Strong	Strong	Limited

Table 2: Target Markets for Business Events

Furthermore, following best international practice, SANCB has adopted a hybrid sales model where sales in some regions are generated using a Sales Representation Model and, in others, by in-house sales teams.

The intrinsic benefits associated with the Sales Representation Model are cost effectiveness and the ability to reach a wider audience in regions where it is used.

Performance of the independent sales representatives is managed via the Sales Representation Agreements.

6.2. Establish Regional Hubs to Increase Market Penetration

The increasing cost of doing business abroad – coupled with the shrinking budgets – is compelling the organisation to prioritise and/or cluster markets in order to maximise SA Tourism's return on investment (ROI).

SA Tourism has, therefore, resolved to shift from a country focus to a regional hub approach, which will increase overall market penetration and efficient resource utilisation. The implication of this is that SA Tourism will, *inter alia*, optimise its marketing activities from servicing one country, to prioritised regional hubs using virtual offices and a Watch-list model.

Regional hubs are pivotal locations that are considered effective centres for marketing activities, or markets with strategic networks that are important for achieving SA Tourism's objectives. This includes logistics hubs that serve as connections between markets of strategic importance.

[illegible]

6.3. Engage Partners and Stakeholders

30

Over and above this, SA Tourism – through the TGCSA – will also:

- Review the assessor model, with consideration of transitioning from an outsourced function managed through Service Provider Agreements to full-time employment;
- Enhance and improve the integrity of the grading criteria and process; and
- Enhance the competency and integrity of the grading assessors.

SA Tourism will work in a collaborative approach with partners and stakeholders to unlock barriers to tourism growth. These include:

- Perceptions about safety and security;
- Ground transport - integrated public transport;
- Price competitiveness;
- Ease of access – air routes, visas;
- Cohesive, good, destination marketing and branding;
- Public/private sector trust and cooperation; and
- Skills development.

6.4. Convince consumers that South Africa is a business events' destination of choice

SA Tourism, through the SANCB, will continue to invest in convincing consumers/clients that South Africa can be trusted to deliver memorable experiences and successful business events.

The business focus areas of the SANCB are meetings, incentives, conventions and exhibitions (MICE). Its mandate is to position and profile South Africa as a business events' destination and serves as a one-stop solution for independent information and assistance – giving advice on all aspects of hosting and organising any business-related events in South Africa.

Following a thorough assessment of South Africa's potential to attract international delegates from the MICE business focus areas, the SANCB Strategy identified conventions and incentives as two areas of strong potential for South Africa.

6.5. Work the distribution channel to promote South Africa

SA Tourism – through its marketing strategy – will continue to focus on its core consumer segments of 'Wanderluster' (singles or couples aged 25 to 40) and 'next-stop-South Africa' (traditional market of wealthier experienced travellers aged 40 to 60).

The success of this strategy will be advanced through engaging visitors with the diversity, possibility and *ubuntu* embodied in our people, heritage and culture, breathtakingly enriching memories, and life-changing experiences.

The key elements of this strategy are to:

- *Inspire*: authentically showcasing South Africa through her people, and how we can provide a unique and unforgettable experience;
- *Engage*: by communicating that the potential experiences one could have with South Africans are do-able and accessible to the traveler; and
- *Convert*: by conveying the message to travelers that tourist experiences in South Africa is beyond price and measure. To improve conversion, we will engage primarily with key trade and media partners in the source markets – to activate travel to South Africa.

6.6. Energise and empower the organisation to innovate and achieve excellence

SA Tourism's staff remains the cornerstone of the success of this organisation. The management and Board will continue to create an environment conducive for high performance and excellence. To deliver this, SA Tourism will adopt a world-class human-resource strategy which is aligned to the overall business strategy.

Some of the focus areas of this strategy will be an integrated talent management system, which includes:

- People development;
- Retention;
- Rewarding high performance; and
- Succession planning.

As a destination marketing organisation, SA Tourism will be investing in the Brand Ambassador Programme. This programme will recognise SA Tourism's staff as living brand billboards and the first line of defence for the brand.

7. Strategic Outcome-Orientated Goals of SA Tourism

SA Tourism has strategic outcome-orientated goals which identify areas of organisational performance that are critical to the achievement of its mission. The targets below have been set using the approved methodology (refer to Annexure 1).

Strategic Outcome-Orientated Goal		Increased contribution of the tourism sector to inclusive and sustainable economic growth			
Goal Statement		Implement marketing strategies that build brand awareness of South Africa as a tourist destination – to ensure that we attract the types of tourists, and the international, domestic and business events' delegates, that will increase tourism's revenue contribution to the economy, from R107.4 billion in 2015 to R134.3 billion by 2020.			
	Strategic Objective	Objective Statement	Baseline: 2013/14	Justification	Links
1	Contribute to the growth of international tourist arrivals in South Africa	Implement an international marketing strategy to contribute to growth in tourist arrivals from 9.6 million in 2013/14 to 13.7 million by 2020	9 616 964 tourist arrivals in 2013	Increased international tourist arrivals to the country translate into growth in revenue for the economy.	Outcome 11
2	Contribute to the growth of domestic tourism in South Africa	Implement a domestic marketing strategy to contribute to the increase of the number of holiday trips from 3.1 million in 2013/14 to 4.1 million by 2020	Holiday trips: 3.1 million	By creating a culture of travel amongst South Africans, increased domestic tourism revenue will contribute to the economy.	Outcome 4

Strategic Outcome-Orientated Goal		Increased contribution of the tourism sector to inclusive and sustainable economic growth			
Goal Statement		Implement marketing strategies that build brand awareness of South Africa as a tourist destination – to ensure that we attract the types of tourists, and the international, domestic and business events’ delegates, that will increase tourism’s revenue contribution to the economy, from R107.4 billion in 2015 to R134.3 billion by 2020.			
	Strategic Objective	Objective Statement	Baseline: 2013/14	Justification	Links
3	Grow tourism revenue (TTFDS + TDDS) Note: TTFDS = Total Tourist Foreign Direct Spend, and TDDS = Total Domestic Direct Spend	To market South Africa in a manner that will attract tourists, thereby ensuring growth in revenue contribution from R94.6 billion in 2013/14 to R134.3 billion by 2020	R94.6 billion, comprising TTFDS (R70.3 billion), ¹ and TDDS (R24.3 billion)	This objective will ensure that we target growth in tourist arrivals (volume) as well as growth in spend (value) in South Africa – to ensure that tourism’s revenue contribution to the economy increases.	Outcome 4
4	Improve brand awareness of South Africa as a tourist destination	To improve brand awareness, from 79% in 2013/14 to 86% by 2020	79%	Increased brand awareness results in higher tourist arrivals and spend – thus contributing to economic growth.	Outcome 4
5	Provide quality assurance for tourism products	Implement the tourism grading system to increase graded establishments from 5 587 in 2013/14 to 9 738 by 2020	5 587	This objective will result in the marketing – through word-of-mouth – of the quality experience offered in South Africa.	Outcome 4

¹ new indicator, has not been audited

Strategic Outcome-Orientated Goal		Increased contribution of the tourism sector to inclusive and sustainable economic growth			
Goal Statement		Implement marketing strategies that build brand awareness of South Africa as a tourist destination – to ensure that we attract the types of tourists, and the international, domestic and business events' delegates, that will increase tourism's revenue contribution to the economy, from R107.4 billion in 2015 to R134.3 billion by 2020.			
	Strategic Objective	Objective Statement	Baseline: 2013/14	Justification	Links
6	Increase the number of business events hosted in South Africa	Market South Africa as a business events destination and provide support for bids to increase the number business events hosted in South Africa from 118 in 2013/14 to 134 by 2020.	118	This objective is to create a strong focus on the marketing and selling of South Africa, as a meetings' destination.	Outcome 4

**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, SANCB considered the number of secured events, the bidding pipeline of likely events, the 4 year lead time and the 65% success rate of bids submitted.*

Part B: SA Tourism Strategic Objectives

8. Strategic Objectives

In order to achieve its goals, SA Tourism has six strategic objectives – in line with its mandate stemming from the Tourism Act, 2014. The following are SA Tourism's strategic objectives:

- Contribute to the growth of international tourist arrivals to South Africa;
- Contribute to the growth of domestic tourism in South Africa;
- Grow tourism revenue;
- Improve brand awareness of South Africa as a tourist destination;
- Increase the number of business events hosted in South Africa; and
- Provide quality assurance for tourism products.

8.1. Tourist Arrivals

Strategic Objective	Contribute to the growth of international tourist arrivals to South Africa
Objective Statement	To implement an international marketing strategy to contribute to the growth of tourist arrivals from 9 616 964* million in 2013/14 to 13,7 million* by 2020
Baseline: 2013/14 (data represents calendar year 2013)	2013: 9 616 964* tourist arrivals

**Figures are for January to December each year*

SA Tourism will continue to inspire global travellers to consider South Africa as a leisure destination – by protecting its strength in diverse offerings of adventure and wildlife. SA Tourism will also continue to showcase South Africa as a value for money, safe and secure destination that can be experienced through its welcoming people.

Some of the considerations in delivering the global marketing strategy include:

- Protecting South Africa's leadership status in wildlife and adventure VFM offering, and presenting the country's experiences in a fun way – underpinned by its welcoming people;
- Preserving the scenic beauty as a key consumer need that the South African brand strongly delivers on;
- Proactively contextualise safety and security issues;
- Partner for advancing balanced reporting;
- Showcase the unique combinations of people and places as a differentiator of the South African brand; and
- In line with the global trend of a strong desire for authentic experiences, captivate tourists with experiences relating to food and wine in the country.

Notwithstanding the creativity around SA Tourism's global marketing strategy, the currency loss and increasing cost of doing business abroad – reduces SA Tourism's budget in real terms to deliver on its mandate. The shift SA Tourism has made from traditional content creation to a more integrated marketing approach has been phenomenal. SA Tourism will continue to invest more time and resources into curating great, inspirational content from travellers and consumers, and amplifying them across SA Tourism's owned and paid platforms. This is in line with global trends that show increased use of internet and social media – which have shortened the purchase-decision process by helping value-seeking consumers to collect information. SA Tourism will continue to invest in digital platforms.

SA Tourism has also – through its portfolio reviews – identified the opportunities of growing the African market. To realise this, SA Tourism will focus on programmes which will inspire African travellers to travel to South Africa, by showcasing a wide variety of experiences, cosmopolitan vibe, culture, and rich history. With Africa being the fastest growing source market for tourist arrivals to South Africa, SA Tourism will increase its regional awareness of South Africa as a tourism and leisure destination.

It is envisaged that five marketing offices will be established in key African markets by 2020. In implementing the regional tourism programmes, SA Tourism will, over the MTEF period, pursue programmes which will cater for the needs of African travellers, in order to expand the impact of the tourism industry. Further research will also be conducted to enhance SA Tourism's understanding of the needs and travel requirements of these emerging markets.

Furthermore, SA Tourism will promote 'Destination Southern Africa' by facilitating transport and accommodation packages that make travel across the sub-region more integrated and accessible.

The National Department of Tourism has also introduced measures and programmes aimed at improving the welcoming of tourists arriving at major ports of entry and promote market access for tourism products. These programmes will integrate SA Tourism's Welcome Campaign at ports of entry and South Africa's participation in domestic and international trade shows and road shows to give market access.

8.2. Domestic Tourism

Strategic Objective	Contribute to the growth of domestic tourism in South Africa
Objective Statement	Implement a domestic marketing strategy to increase the number of holiday trips from 3.1 million* in 2013/14 to 4.1 million* by 2020
Baseline: 2013/14 (data represents calendar year 2013)	2013 Holiday trips: 3.1 million*

**Figures are for January to December each year.*

In most successful tourism destinations around the world, the domestic market forms the backbone of the tourism industry. These destinations tend to have reached maturity in their tourism lifecycles, and their residents are characterised by a culture of travel and have a high propensity towards travel.

The domestic market has the potential to deliver an attractive return on investment, if South Africa can accelerate the development of a culture of travel.

SA Tourism will embark on programmes which seek to create a culture of travel amongst ordinary South Africans – while continuing to encourage the required travel within the five market segments (listed below) targeted in the Domestic Tourism Campaign.

The required culture shift is aimed at achieving an increased number of holiday trips that is inclusive of the broader domestic market segments in the long-term – in order to meet the objectives of the NTSS and the NDP.

To create awareness, a culture of travel and conversion, funding will be expended in two broad categories (i.e. awareness and conversion):

- In the first year, i.e. 2015/16, 70% of the domestic tourism marketing budget will be spent on marketing activities aimed at creating awareness and a culture of travel amongst South Africans – which will result in growing the markets. The remaining 30% will be spent on marketing activities that will drive conversion in the short-term, which will positively impact on the number of holiday trips and tourism revenue.
- In the second year, i.e. 2016/17, 60% of the budget will be spent on marketing activities aimed at creating awareness and a culture of travel amongst South Africans – which will result in growing the markets. The remaining 40% will be spent on marketing activities that will drive conversion in the short-term, and which will positively impact on the number of holiday trips and tourism revenue.
- In the third year, i.e. 2017/18, a balanced approach – with a 50:50 split – will be used to achieve both conversion in the integrated segments, as well as growing awareness in the most attractive market segments identified.
- Additional market segments (in line with the aspirations of the Domestic Tourism Growth Strategy) will be reached in order to deliver results from a much broader and inclusive base of the market.

The five selected segments are 'High-Life Enthusiasts', 'Spontaneous Budget Explorers', 'Seasoned Leisure Seekers', 'New Horizon Families', and 'Well-to-Do Mzansi Families'.

SA Tourism will grow the number of holiday trips targeted in four of the five prioritised segments, with one additional middle-income segment. The plan is to drive conversion by securing key, joint marketing agreements with established and small tourism businesses – with an added aim of improving job creation.

Furthermore, SA Tourism will enhance social tourism programmes and increase levels of community participation in the sector. Given the broader developmental mandate of the tourism sector, SA Tourism's work of building a culture of travel, will be partially addressed through its activations. This may overlap into the lower income segments.

8.3. Tourism Revenue

Strategic Objective	Grow tourism revenue (TTFDS + TDDS)
Objective Statement	To market South Africa in a manner that will attract tourists (domestic and international) and increase revenue contribution from R94.6* billion in 2013/14 to R134.3* billion by 2020
Baseline: 2013/14 (data represents calendar year 2013)	Total Revenue: R94.6 billion*: TTFDS = R70.3 billion* (new indicator that has not been audited) and TDDS = R24.3 billion*

** Figures are for January to December*

The success of increased tourist arrivals is also complemented by the real and measured impact of tourism's contribution to the economy. SA Tourism's marketing efforts are aimed at driving the growth of tourist arrivals, which in turn will have a multiplier effect in the tourism sector. Increased tourist arrivals serve as a conduit for increased revenue from tourism, and as such contributes to tourism's contribution to the economy.

8.4. Brand Awareness

Strategic Objective	Improve brand awareness of South Africa as a tourist destination
Objective Statement	To improve brand awareness from 79%* in 2013/14 to 80%* by 2020
Baseline: 2013/14 (data represents calendar year 2013)	79%*

**Figures are for January to December*

Globally, South Africa has continued to sustain its brand journey scores – which were tracked over the past 3 years. There was, however, a slight decline in the Awareness and Positivity scores in 2013/14 compared to the performance of the brand in 2012/13. However, scores on 'sought information in the past' (i.e. information gathering) and 'short-term consideration' remained constant.

Brand awareness is a measure of how well the brand South Africa is known and perceived within the core and investment markets where SA Tourism operates.

SA Tourism will build a distinctive brand image that will give destination South Africa a unique and recognisable character – of enriching, memorable and breakthrough destination. SA Tourism will improve and drive the relevance of different experiences for our target market, and win – ahead of competitors – by inspiring consumers to desire South African experiences.

SA Tourism believes that by engaging visitors with the diversity, possibility and *ubuntu* of the South African people, places, and heritage and culture – breath-taking and enriching memories and life-changing experiences are created.

SA Tourism will enhance its work on the Reconsider South Africa campaign that will showcase South Africa through her people, and how its brand provides a unique experience that travellers will never forget.

Furthermore, SA Tourism will leverage on the success of its online digital social campaign performance – *#MeetSouthAfrica* – to enhance the brand.

8.5. Quality Assurance

Strategic Objective	Provide quality assurance for tourism products
Objective Statement	Implement the tourism grading system to increase graded accommodation establishments from 5 587 in 2013/14 to 9 738 by 2020
Baseline: 2013/14	5 587

The development and growth function of the TGCSA in the tourism industry, as envisaged in the NTSS and Tourism Act, cannot be ignored and there can be no compromise. The TGCSA's role is to ensure that both domestic and international tourists have the choice of quality graded establishments - thus enhancing their visitor experience in the country. The TGCSA therefore has to ensure that South Africa has a world-class quality assurance system which is consistent, benchmarked and caters for the whole value chain of the tourism experience, not just accommodation, while also making universal accessibility an important element.

The credibility of the Grading Assessors and Grading Process remain key pillars that have to be protected at all costs.

The current TGCSA clients are tourism establishments. They are divided into 10 categories:

- Bed and Breakfast;
- Backpacking and Hostelling;
- Caravan and Camping;
- Country Houses;
- Guest Houses;
- Game Lodges;
- Hotels;
- Lodges;
- Self-Catering (exclusive use and shared); and
- MESE (Meetings, Exhibitions and Special Events).

Over the five-year period, TGCSA will focus on the following Key Performance Areas:

- Consistent, accurate and credible implementation of the Grading System and Process;
- Effective management of the Accredited Assessors through the Service Provider Agreements in order to ensure credibility. Transition from independent assessors to full-time employment of assessors is planned in the next five years – subject to funding;
- Effective and credible management of the Lilizela Tourism Awards;
- Continuous efforts to improve value-add for graded establishments;
- Development of grading criteria for additional tourism services, facilities and products – as outlined in the Tourism Act 2014. Targets are to be set for the 2018/19 financial year – subject to budget availability.

8.6. Business Events

Strategic Objective	Increase the number of business events hosted in South Africa
Objective Statement	Market South Africa as a destination for meetings and provide support for bids to increase the number of business events from 118* in 2013/14 to 134 by 2020
Baseline: 2013/14	118* delegates

**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 SANCB considered the number of secured events, the bidding pipeline of likely events, the 4 year lead time and the 65% success rate of bids submitted.*

This strategic objective is achievable through initiatives carried out by the SANCB. Its mandate is to position and profile South Africa as a destination for business events and serves as a one-stop solution for independent information and assistance – giving neutral advice on all aspects of hosting, and organising any business-related events in South Africa. Over the MTEF period, the SANCB will deliver on its strategy as follows:

- Create partnerships with other key strategic stakeholders – who collectively are also referred to as ‘Team South Africa’. Team South Africa strives to entrench South Africa’s position as a world-leading business events’ destination, such that it is globally recognised for business events’ innovation;
- Growing the industry’s capacity and skills nationally;
- Improving the professionalism of meetings hosting in South Africa;
- The local and international business events’ industry recognises and appreciates the role and impact that SANCB is making. To achieve better results, SANCB will use direct sales, participation in international trade shows, trade missions, and optimising the use of digital and media platforms as key tools in selling South Africa as a destination of choice for business events.

Research has shown that subvention, whether in cash or kind, improves the destination's competitiveness in bidding. SANCB will – over the next 5 years – focus on establishing a Subvention Fund as a lever for more competitive bidding, which is vital to help South Africa achieve its targets.

9. Resource Considerations

9.1. Expenditure Trends in the Programmes over the 5-Year Period

In terms of all functional units identified, expenditure is expected to grow by CPIX. Exception is for the African and Domestic markets where more marketing budget will be expended.

9.2. Changes to SA Tourism's Non-Financial Resources during the 2015/16 to 2019/20

The anticipated growth of SA Tourism's staff complement is:

	2015/16	2016/17	2017/18	2018/19	2019/20
Anticipated Number of Staff	175	187	196	201	212
Percentage Growth	5%	7%	5%	3%	5%

10. Risk Management

SA Tourism has embarked on a risk assessment process to identify risks that might have a negative impact towards the achievement of its strategic objectives. The matrix below consists of identified risks and mitigating strategies.

Strategic Risks	Risk Consequences or impact	Mitigating Strategy	Link to Strategic Objectives
Non-availability of tourism statistics	Inability to report on organisational performance. Also affecting the following: <ul style="list-style-type: none"> organisational planning; reputation and integrity of SA Tourism; and SA Tourism's audit outcome. 	Engagement with: <ul style="list-style-type: none"> National Department of Tourism; AGSA; Department of Performance Monitoring and Evaluation; and StatsSA in enforcing the existing service level agreement (SLA). 	Strategic objective 1 and 3
Health Risks	Potential failure to achieve some strategic objectives.	To be mitigated using the following: <ul style="list-style-type: none"> Implementation of a Global Tourism Marketing Strategy; and Support of program / awareness campaigns by South African Embassies and government with the sole aim of communicating the positive message to the tourists about destination South Africa. 	Strategic objective 1, 2 and 3.

Strategic Risks	Risk Consequences or impact	Mitigating Strategy	Link to Strategic Objectives
Failure to achieve target set for graded establishments.	<p>Loss of stakeholder confidence due to failure to achieve set targets pertaining to:</p> <ul style="list-style-type: none"> • Graded establishments cancellations and non-renewals; and • Breach of signed contracts resulting to illegal debtors. 	<p>Mitigating strategies include the following:</p> <ul style="list-style-type: none"> • Implementation of basket of 5 benefits; • Implementation of a strategy that encourages renewal of existing memberships and encouraging new establishments to join; and • Change from a three year to one year membership – thus eradicating perpetual write off of legal debtors. 	Strategic objective 5
Financial risk	<p>Reduced budget due to:</p> <ul style="list-style-type: none"> • Increased costs of doing business abroad resulting in reduced marketing budgets as overhead costs increase; • Currency exposure; and • Budget allocation not in line with inflation. 	<p>Engagement National Treasury in collaboration with National Department of Tourism with mitigating strategies e.g. upfront transfer of marketing budget.</p>	All strategic objectives

Strategic Risks	Risk Consequences or impact	Mitigating Strategy	Link to Strategic Objectives
Compliance and Legal Risks	<p>These may include but not limited to the following:</p> <ul style="list-style-type: none"> • Potential non-compliance with tax and labour laws of various countries where SA Tourism is operating; and • Delays in the opening of new offices abroad due to legal bureaucracy. 	Due diligence before opening the offices and in the existing offices.	Strategic objectives 1 and 3.
Reputational Risk e.g. safety and security.	<p>The impact is:</p> <ul style="list-style-type: none"> • Negative publicity about South Africa e.g. crime safety and security issues. • Reduced South Africa's appeal as a tourist and business events destination; and • Loss of brand position. 	In collaboration with media partners and SA Embassies, communicate positive messages to minimise negative publicity.	All strategic Objectives

Strategic Risks	Risk Consequences or impact	Mitigating Strategy	Link to Strategic Objectives
Safeguarding of company strategic assets and property	<p>The risk consequences are:</p> <ul style="list-style-type: none"> • Potential misrepresentation in strategic partnerships; and • Potential misrepresentation of SA Tourism's assets such as marketing intellectual property. 	<p>To mitigate these risks, SA Tourism has undertaken the following steps:</p> <ul style="list-style-type: none"> • Registration of property ownership; • Conduct due diligence with all partners; 	

11. Definitions and Acronyms

Definitions

Activity refers to 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 - 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, usually, 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, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, and the 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 means positive and negative, primary and secondary, long-term and short-term effects produced by a development intervention, or the results 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' and include finances, personnel, equipment, and buildings.

Minister refers to the Minister of Tourism.

Monitoring is 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 is 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 which are 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 is 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 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 indicator'.

Performance standards express the minimum acceptable level of performance that is generally expected.

Quarterly Report means 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 is the destination marketing organisation of the South African Tourism Board.

Strategic Objective states clearly what 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, and within the scope of available resources.

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

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

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

Acronyms:

AGSA – Auditor-General of South Africa

APP – Annual Performance Plan

BRICS – Brazil, Russia, India, China and South Africa

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

DPME – Department of Performance, Monitoring and Evaluation

DTGS – Domestic Tourism Growth Strategy

EME – Exempted Micro Enterprise

ENE – Estimates of National Expenditure

EXCO – Executive Management Committee of SA Tourism

GDP – Gross Domestic Product

JMA – Joint Marketing Agreement

MICE – Meetings, Incentives, Conventions and Events

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

SADC – South African Development Community

SA Tourism – South African Tourism

SANCB – South African National Convention Bureau

SAPS – South African Police Services
SMME – Small, Medium and Micro Enterprises
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