ANNUAL REPORT

2021/22

TOURISM

GAUTENG

it starts here

GAUTENG
it starts here

GAUTENG TOURISM AUTHORITY

ANNUAL REPORT

2021/2022 FINANCIAL YEAR

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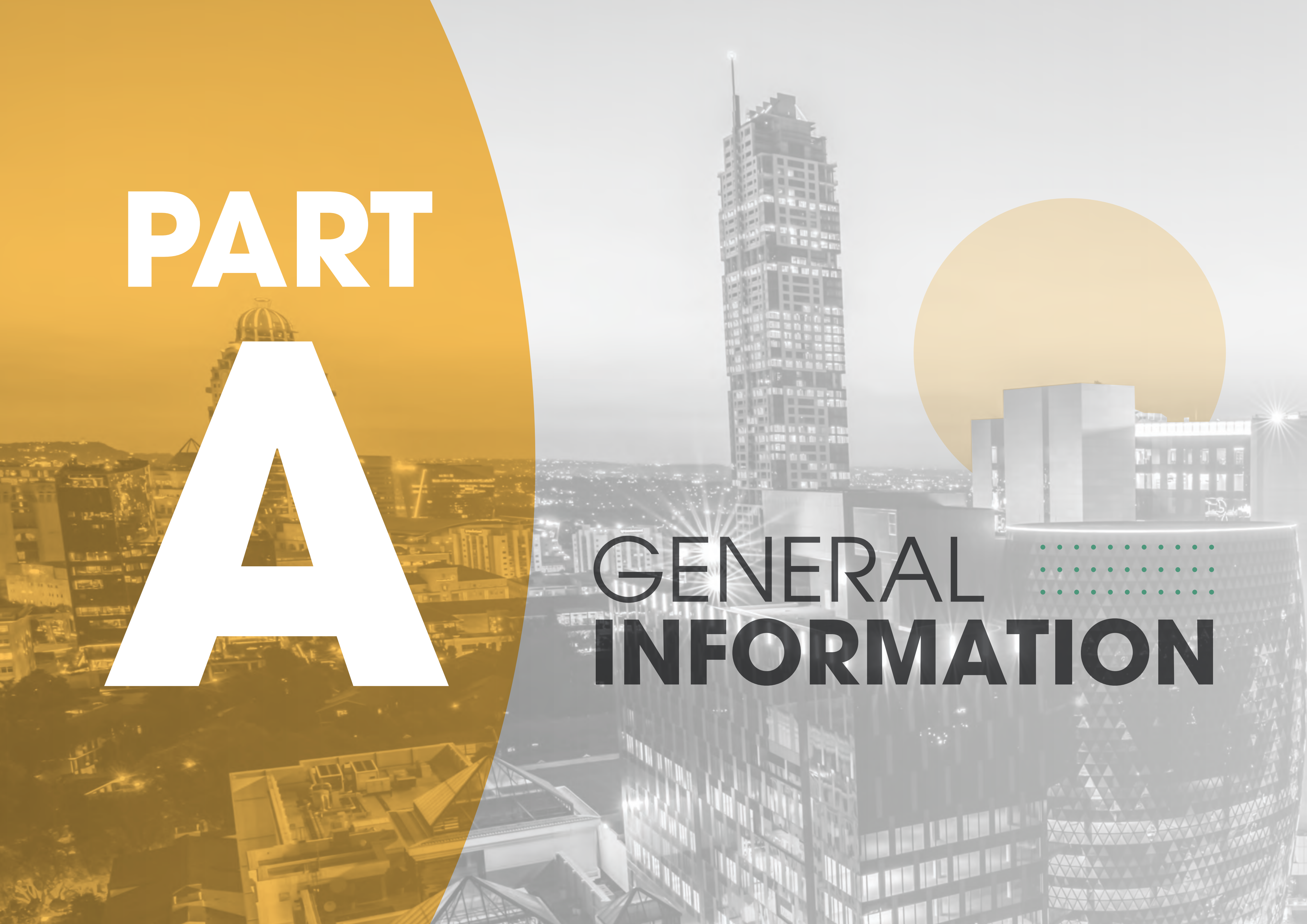


PART A

GENERAL INFORMATION

1. GENERAL **INFORMATION**

REGISTERED NAME:	Gauteng Tourism Authority
PHYSICAL ADDRESS:	124 Main Street Marshalltown Johannesburg
POSTAL ADDRESS:	PO Box 155 Newtown 2113
TELEPHONE NUMBER/S:	(011) 085 2500
EMAIL ADDRESS:	info@gauteng.net
WEBSITE ADDRESS:	www.gauteng.net
INTERNAL AUDITORS:	Not appointed
BANKERS:	FNB and Reserve Bank

2. LIST OF ABBREVIATIONS AND ACRONYMS

ACSA	Airports Company South Africa
AFRO	World Health Organization African Region
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CoHWHS	Cradle of Humankind World Heritage Site
COVID-19	Coronavirus Disease 2019
CPR	Polymerase Chain Reaction
CRM	Customer Relationship Management
CSD	Central Supplier Database
DMO	Destination Marketing Organisation
ERRP	Economic Reconstruction and Recovery Plan
EU	European Union
FMPPI	Framework for Managing Programme Performance Information
FY	Financial Year
GBTA	Global Business Travel Association
GCEB	Gauteng Convention and Events Bureau
GCR	Gauteng City Region
GCRO	Gauteng City-Region Observatory
GDED	Gauteng Department of Economic Development
GDP	Gross Domestic Product
GEP	Gauteng Enterprise Propeller
GGDA	Gauteng Growth and Development Agency
GGT2030	Growing Gauteng Together: 2030
GPT	Gauteng Provincial Treasury
GTA	Gauteng Tourism Authority
GTSS	Gauteng Tourism Sector Strategy
HR	Human Resources
IAGR	International Association of Gaming Regulators
IATA	International Air Transport Association
ICCA	International Congress and Convention Association
IoDSA	Institute of Directors in South Africa
IMF	International Monetary Fund
KPA	Key Performance Area
KPI	Key Performance Indicator
LIA	Lanseria International Airport
MARCOM	Marketing Committee
MEC	Member of Executive Council
MICE	Meetings, Incentives, Conventions and Exhibitions
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Mid-Term Strategic Framework
NDP	National Development Plan
OHSA	Occupational Health and Safety Act

OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
REP	Request for Event Proposal
SA	South Africa
SAA	South African Airways
SADC	Southern African Development Community
SANBC	South African National Conventions Bureau
SAPS	South African Police Service
SAT	South African Tourism
SATOVITO	South African Township and Village Tourism Association
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SEGC	Social, Ethics and Governance Committee
SEZ	Special Economic Zone
SMME	Small, Medium and Micro Enterprise
SSA	Statistics South Africa
TBCSA	Tourism Business Council of South Africa
TEF	Tourism Economic Fund
TER	Township Economic Revitalisation
TGCSA	Tourism Grading Council of South Africa
TMR	Transformation, Modernisation and Re-industrialisation
TR	Treasury Regulation
TSRP	Tourism Sector Recovery Plan
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNWTO	United Nations World Tourism Organization
USA	United States of America
VFR	Visiting Friends and Relatives
VIC	Visitor Information Centre
VOC	Variant of Concern
WESP	World Economic Situation and Prospects
WHO	World Health Organization
WTTC	World Travel & Tourism Council

3. FOREWORD BY THE CHAIRPERSON

Two years post the devastation and disruption of the pandemic we are still in a position of profound volatility.

At the start of the financial year under review, we continued with projects and programmes aligned to the tourism recovery plan including but not limited to the comprehensive industry/government recovery partnership to collaborate on all aspects of tourism recovery, deployment of the enhanced tourism supply support package to protect tourism assets and core infrastructure while gearing towards re-opening and implementation of the globally recognised biosecurity protocols across the tourism value chain to enable safe travel and eventing while we continue to rebuild traveller confidence.

As we mark a new chapter in our province's recovery, we are deepening our focus on the following critical indicators:

Tourism in Gauteng has consistently contributed approximately 5% of the total provincial workforce, 10% to the provincial GDP and estimated 4% of the national GDP. While these figures demonstrate the value of the tourism proposition, there is, in this period of reimagining the future, room for further growth.

All our visions and goals and strategies will come to nought when the basic tenets of safety and freedom of movement are curtailed by the societal ills that plague our province and its citizens.

Recovery demands an honest reckoning of the challenges ahead. Crime, in all its forms, coupled with sensational reports of xenophobic incidents, is a critical contributor to the growing gap between who we are and who we want to be. Our image, our reputation, and our service are our badges of honour and must be protected valiantly.

The suspension of some domestic airline carriers, the surging price and subsequent shortages of fuel present a clear and present danger to the rebound prospects of our aviation and tourism industry.

Bold action is required to build the bridges that connect us to the rest of the country, and indeed the world. Bold action is required to tear down the walls that separate us from fulfilling our mandate as the economic and tourism gateway of the continent.

We must recapture and reawaken the spirit of unity and cooperation. This is the moment to stand taller in our position as Africa's premier business and leisure destination.

The twelve months ahead will be our defining moment – our next steps will lay the path upon which future generations will tread. Gauteng has a complex history – a previously dry terrain that belied the extraordinary wealth that lay beneath the surface. Today, that wealth lies in our people – both the permanent inhabitants of the province and those that visit us. Today, our gold is our world-class infrastructure, and our venerable position as the custodian of some of our nation's historic political and cultural heritage sites.

This post-pandemic period presents us with the gift of a new beginning – the chance to rebound and emerge stronger, more agile, and robust in our standing as Africa's preferred destination.

During the year under review, the GTA Board moved swiftly in guiding the development of GTA's 5-Year Strategic Plan and input into the national tourism policy and institutions review process initiated by the tourism minister. We believe this process will go a long way in assisting the finalisation and review of the province's sector strategy and the Tourism Act respectively.

All our Board Committees continued to discharge their responsibilities in line with the adopted charters while allowing management an opportunity to manage and run the organisation daily. Unfortunately, during the year we lost our esteemed Board member Mr Dan Lehutjo who was also a member of our Audit & Risk Committee (ARC). On behalf of the Board and the rest of the GTA family, I would like to extend our heartfelt condolences once again to the Lehutjo family, his wife, children, friends, and associates. Dan played a sterling role in guiding the operations of the ARC and offerings strategic and professional advice to the chief financial officer in intrinsic financial management matters.

I thank and salute GTA CEO, Sthembiso Dlamini for her committed stewardship into the future; and I applaud the GTA team for their dedication and resilience during extremely trying times.

It is a privilege to chair the tourism authority of the greatest province in South Africa. We stand for cultural preservation, economic prosperity and human unity and progress.

We hold these values dear, and we must continue to hold them high for the world to see Gauteng at her finest, creating her legacy, fulfilling her destiny by giving life to all who spend time in her home. This is our founding premise and must remain our enduring promise because we are Gauteng. Forever Gauteng.

Ms. Judi Nwokedi
Chairperson of the Board
Date: 31 August 2022

4. BOARD

JUDI NWOKEDI
Chairperson of the Board

THENDO RATSHITANGA
Deputy Chairperson of the Board
Chairperson of the Marketing Committee

SHIRLEY KOAHO
Chairperson of the Social Ethics and Governance Committee

GUGU NKABINDE
Member of the Board

COLLEN MPYANE
Member of the Board

MMATSATSI RAMAWELA
Member of the Board

ERROL MAGERMAN
Member of the Board

LOUIS SEECO
Member of the Board

STHEMBISO DLAMINI
Chief Executive Officer

5. FOREWORD OF **THE CHIEF EXECUTIVE OFFICER**

The 2021/22 financial year (FY2021/22) presented one of the most challenging financial years for the tourism industry to date, as this was the period during which the repercussions of the 2020 COVID-19 pandemic had the harshest impact on the tourism space in South Africa and around the world. Locally, travel bans were imposed to South Africa by some of our source markets, which had a negative effect on tourists travelling to our country. Globally, the tourism sector has continued on its path of recovery since the advent of the pandemic around two years ago, but the true impact of it is likely to linger for time to come. According to most leading experts, the tourism sector bore the brunt of the subsequent impact of the pandemic, due to lockdown measures and travel restrictions which affected every region and almost every country on the globe.

International tourism experienced a 4% increase in international tourist arrivals (overnight visitors) in 2021, which is 15 million more than that of 2020 (415 million versus 400 million). However, these figures were still 72% below the pre-pandemic levels of 2019, according to preliminary estimates. This follows on from 2020, which has been the worst year on record for tourism, when international arrivals decreased by 73%. Europe and the Americas recorded the most substantial results in 2021 when compared to 2020 (+19% and +17% respectively), but both of these figures were still 63% below pre-pandemic levels. Meanwhile, Africa saw a 12% increase in arrivals in 2021 compared to 2020, which is still 74% below that of 2019. In the Middle East, arrivals declined by 24% when compared to 2020, and 79% over 2019. In Asia and the Pacific, arrivals were still 65% below 2020 levels and 94% lower than the pre-pandemic values, as many destinations remained closed to non-essential travel.

South Africa's Tourism Recovery

South Africa has had a mixed bag of fortunes in 2021. In what was anticipated to be a strong recovery year, there has been varied results which indeed included a strong domestic recovery, but relatively poor showing in terms of international arrivals. Data from South African Tourism (SAT) indicates that international tourist arrivals to South Africa reached 2.3 million in 2021, which is –0.5 million less than the 2.8 million recorded in 2020.

The disappointing international performance was due to the emergence of the Delta and Omicron variants of the Coronavirus, which led to the red listing of countries that form part of the Southern African Development Community (SADC). This is because the detection of these variants impeded international visits, as travelers remained closer to home in fear of being stranded abroad, due to instant closures.

According to SAT, the impact of COVID-19 becomes evident in the "purpose" of travel. Data from 2019 indicates a prevalence in visiting friends and relatives (VFR), which accounted for 41.4% of all trips, which has been reduced to 30.5% in 2021. Additionally, travel related to the meetings, incentives, conferences and exhibitions (MICE) industry has been adversely affected, with a reduction from 3.7% in 2019, to 2.9% in the current financial year. Conversely, and as a consequence of the pandemic, business shopping and business travel have gained greater priority, with a significant increase in their shares from 9.4% and 2.7% respectively in 2019, to 18.2% and 17.3% respectively in 2021. Global tourism experienced a minor upturn of 4% in 2021 versus 2020, but this was still -72% below prepandemic levels. This marginal recovery in 2021 resulted in 13 million more international tourist arrivals than in 2020.

As mentioned by SAT, the marginal recovery in 2021 was mainly in the third and fourth quarters of 2021, and it predominantly originated from the European summer season and vacations. However, international arrivals during these quarters were still -62% less than in 2019. Rising vaccination rates combined with softer travel restrictions due to increased cross-border coordination and protocols, have all contributed to the release of pent up demand in 2021. Europe and the Americas recorded the most notable results, but Africa remained -74% below 2019 levels, whilst Middle East arrivals declined by -79%. In Asia and the Pacific, arrivals dropped by -94% compared to prepandemic values.

The Gauteng Province welcomed over 933 859 international arrivals in 2021, accounting for 41.4% of the 2, 255, 699 visitors to South Africa. The biggest number of international arrivals to Gauteng emanated from the SADC region, namely: Zimbabwe, Mozambique, Lesotho, Eswatini and Botswana. The US and UK were our biggest overseas market.

The FY2021/22 was marked by low levels of growth within the sector, compounded by job losses and a steep decline in tourism-generated income. The closure of borders exacerbated the overall losses from the sector, and presented a bleak reality for an industry that depends largely on travel. As a result, major local establishments, especially in the townships, were in dire straits, as they were left empty and fighting for survival. This in turned caused a major blow to the township economy, and particularly areas such as Soweto that are highly dependent on tourists.

The Gauteng Tourism Authority (GTA) had to resort and adapt to new ways of delivering its services, which included deploying new digital technology to continue promoting the destination via online platforms. This presented an opportunity to retain business continuity through webinars and other creative virtual activities.

Moving forward, the Gauteng Province aims to optimally leverage its inherent strengths such as shopping, business and VFR, through targeted domestic campaigns and collaborations with the city region corridors to drive economic growth, in line with the objectives of the Growing Gauteng Together Plan (GGT2030) and the strategic plan of the Gauteng Department of Economic Development (GDED). The Africa air markets remain crucial to South Africa and Gauteng, and with travellers choosing to travel closer to home, Gauteng must position itself as the premier destination of the SADC region. Accordingly, our destination campaigns to SADC regions must be prioritised and accelerated to meet these goals. MICE travel will be crucial as corporates usually cover the expenses of delegates, and the latter could thus be encouraged to bring their partners and families along. Overall, GTA remains dedicated in its efforts to position Gauteng as a work and play destination of choice.

Capacity constraints and challenges facing the public authority

In the year under review, the GTA experienced significant challenges with its human resource capacity, with a vacancy rate of only 34%, which constitutes a 6% increase from the previous financial year. One of the key reasons why the GTA was not able to fill some of these vacancies, was the reduction of the compensation of employees' budget in line with the Treasury guidelines for reduction of the public sector wage bill.

Despite this challenge, the GTA managed to attract young people for internship programmes as part of the Tshepo One Million (Tshepo 1Million) youth empowerment initiative by Government. In this regard, the GTA contracted six young people to work in different units of the authority. This provided them with practical experience and an opportunity to gain a deeper understanding of the mechanics and dynamics of working in the tourism environment.

Through the support of the new GTA Board, the GTA has been able to identify and prioritise the filling of critical vacancies. Some of the areas that have been earmarked for capacitating in FY2022/23, are: Supply chain, internal audit and enterprise risk, financial management, brand communications, research and analytics, and events support.

Discontinued activities and new or proposed activities

There were no activities discontinued or planned to be discontinued in the financial year period under review. The GTA took over the tourism supply functions that were initially performed by the Cradle of Humankind World Heritage Site (COHWHS). This function is an integral part of the tourism delivery framework. Some of the objectives of the supply function is to maintain, upgrade and professionalise the state-owned tourism assets to strengthen the township economy and create jobs. This is also linked to the Township Economic Development Act that deals with the maintenance of existing tourism precincts in the townships, while driving our quest for the development of new tourism routes. This additional function has placed strain on our capacity as it was not accompanied by additional human resources.

Challenges experienced and resolved

One of the critical challenges that the GTA faced during the period under review pertains to low staff morale and work satisfaction levels. To address the issue, the GTA conducted an employee engagement survey and identified areas for improvement, that are aligned to best practices. Implementation of these improvements has commenced and will continue over a period of 24 months.

As part of the authority's continuous efforts to improve staff morale, the GTA also appointed a provider to address employee wellness. This remains top of our agenda, given the devastating effects of COVID-19 on both our staff and their immediate families. To continuously assess the state of wellness of GTA employees, we have also prioritised regular employee wellness surveys.

Staff work satisfaction

As mentioned above, the GTA conducted an internal survey to determine the work satisfaction levels of our staff, which has subsequently proven to be very low. This is predominantly due to historical issues and employee grievances that have not previously been addressed. This remains a key priority for the GTA, and we are committed to establish an environment which is conducive to the growth and satisfaction of our staff members.

Events after the reporting date

There were no events listed or to be reported after the end of the reporting date of 31 March 2022.

General financial review of the authority

The financial statements reflect the financial position of the authority as at 31 March 2022. The results of its operations for the year under review are summarised as follows:

Description	Budget	Actual	Variance
REVENUE	**136 590**	**130 734**	**-4%**
DED Grant	109 898	109 898	0%
Bidding and Hosting	10 511	5 585	-47%
Craft Sector Profile	1 000	408	-59%
Community Arts Project	3 500	3 150	-10%
National Tourism Careers Expo	8 229	7 776	-6%
Interest Earned	1 500	1 965	31%
Other Income	1 952	1 952	0%
OPERATIONAL EXPENDITURE	**136 070**	**91 482**	**-33%**
Destination Marketing	40 431	17 793	-56%
Destination Management and Development	23 513	13 698	-42%
Support Services	72 126	59 991	-17%
SURPLUS AFTER OPERATIONAL EXPENDITURE	**520**	**39 252**	**7448%**
Surrender of surplus retention to Treasury	-	70 850	0%
Gains on disposal of assets	-	32	0%
Capital expenditure	520	494	-5%
NET DEFICIT	**-**	**-32 060**	**0%**

Spending trends of the authority

The expenditure of the authority is linked to the overall organisational performance which was negatively affected by the COVID-19 pandemic, which in turn affected operational elements of the GTA. This has resulted in a surrender of surplus funds to the value of R70,850 million to Treasury, of which R29,636 million was paid during FY2021/22, with a provision of R41,213 million as disclosed in the annual financial statements.

Notwitstanding the funds surrendered to Treasury, the general expenditure has increased by R9,727 million compared to FY2020/21. The authority increased its marketing campaign efforts as the COVID-19 regulations were eased during the year. In addition, the GTA implemented a Community Arts Project in collaboration with the Department of Sports, Arts and Culture.

Destination Marketing had an underspending of 56%, which is primarily attributed to the postponement and cancellation of events due to COVID-19 regulations. Furthermore, there were delays in the issuing of a digital services tender for the purposes of appointing a panel of providers for brand, communication and marketing services.

Destination Management and Development underspent its budget by 42%. This programme includes the tourism supply function which was migrated to the GTA from the DED during FY2021/22. As such a migration is typically accompanied by numerous adjustment challenges, it naturally had an impact on the performance and expenditure of this programme.

Support Services had an underspending of 17% caused by critical vacancies which were not filled during FY2021/22. The necessary recruitment processes will be finalised during FY2022/23, to help ensure that the authority is adequately capacitated.

Requests for rollover of funds

The authority submitted its request to retain the surplus of R34,511 million for FY2020/21. Treasury approved a retention of only R5,143 million and the balance of R29,636 million was paid back to Treasury during FY2021/22.

The GTA has recorded a provision of R41,213 million for FY2021/22, which is projected to be surrendered to Treasury during FY2022/23.

Supply chain management

The GTA piloted a supplier and enterprise development project during FY2021/22, which had a total reach of 143 suppliers. Seven workshops were hosted for the suppliers, with an emphasis on SMMEs, to empower them and provide training and assistance where necessary.

The Supply Chain Management (SCM) Policy was reviewed during FY2021/22, with the aim to align it with the latest SCM legislation and regulations. The GTA has functional bid specifications, evaluation, and adjudication committees. Similarly, supply chain systems and procedures are in place to prevent irregular, fruitless, and/or wasteful expenditure.

The SCM unit is experiencing severe capacity constraints, which will be addressed during FY2022/23 through the filling of critical posts.

All concluded unsolicited bid proposals for the year under review

There were no unsolicited bids in the year under review.

Audit report matters in the previous year and how they would be addressed

The GTA obtained a clean audit report in the previous financial year with no material findings. Administrative findings and other important matters were addressed through the audit action plan, which was purposefully developed to address root causes for all findings. The audit action plan was regularly reported to Treasury, the Audit and Risk Committee, the Board and DED. All action plans were fully implemented by the end of FY2021/22..

Future outlook and plans to address financial challenges

Through its business strategy redesign process, the GTA is paying special attention to organisational sustainability. With the continued decrease in its allocations in accordance with the Medium Term Expenditure Framework (METF), the leadership of the authority is driving a new organisational design process that is aimed at leveraging private and community sector resources. The GTA is also focussed on strengthening our value proposition in order to be a valuable resource and aggregator of note in tourism development, management, and promotion in the Gauteng City Region.

Acknowledgement/s and appreciation

I would like to take this opportunity to thank the GTA Board (both the former and current) for their support, guidance, and leadership during the financial year under review. I would also like to extend my sincere appreciation to the GTA Executive Management Team and the entire staff (Team GTA) for their contribution to ensuring that the GTA continues to implement its mandate and meet its targets as set out in our annual performance plan (APP). A special note of thanks to the Shareholder under the leadership of both the former and current MEC and the Heads of Department for their support, stewardship, and belief in our ability to execute the mandate of Growing Gauteng Together.

Sthembiso Dlamini
Chief Executive Officer
Date: 19 August 2022


Australopithecines were some of our most
in Africa between about 4-million
Homo – The earliest species of the genus Homo,
ancestors, appeared about 2.3-million years ago.
many species of Homo, the first was Homo habilis,
from fossils dating to 1.9-million years ago.

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

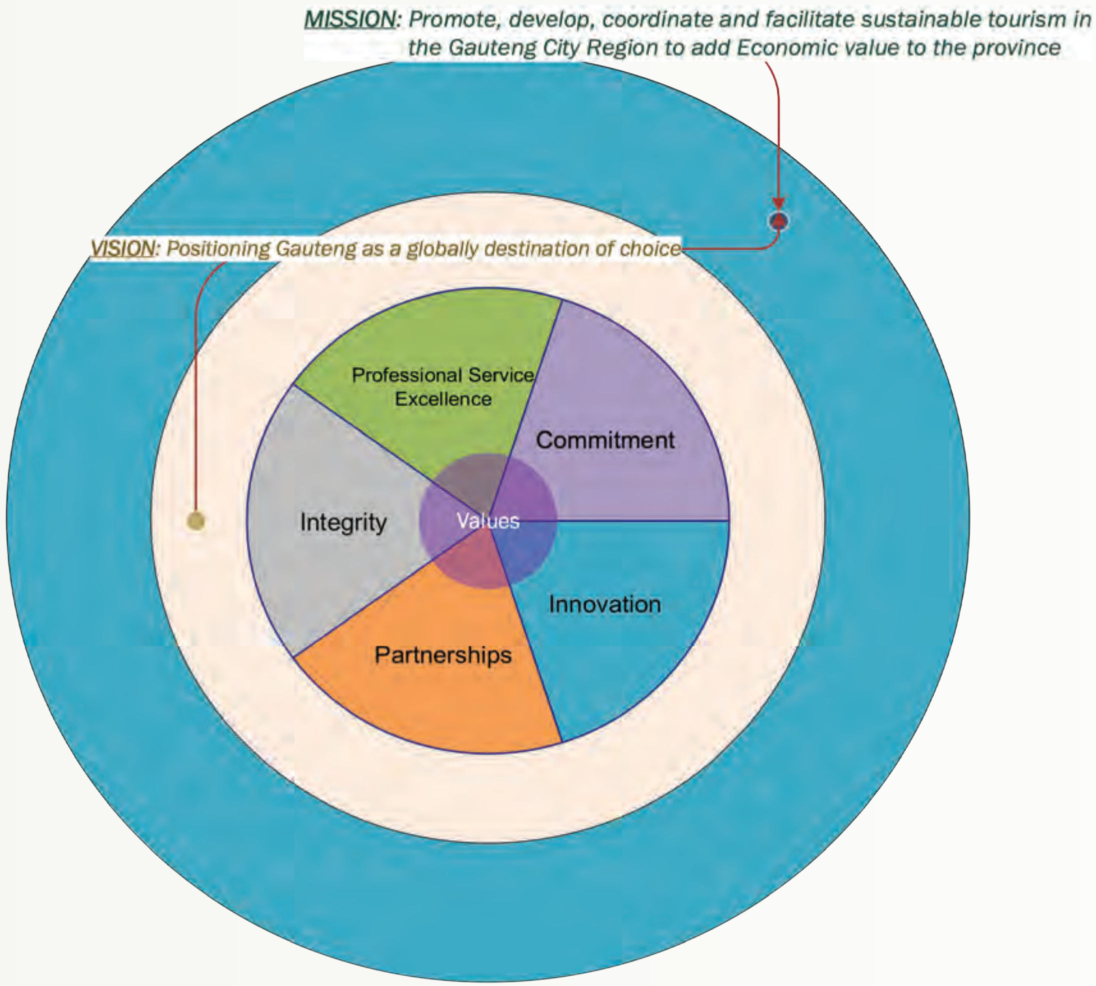
To the best of my knowledge and belief, I confirm that:

- All information and amounts disclosed throughout the annual report are consistent. It is complete, accurate, free from any omissions and has been prepared in accordance with National Treasury guidelines.
- The Annual Financial Statements (AFS) were prepared on an accrual basis, as well as the relevant frameworks and guidelines issued by the National and Gauteng Provincial Treasuries.
- In terms of the delegations of the Accounting Authority, the Chief Executive Officer (CEO) is responsible for the preparation of the AFS and for the judgements made in this information. In addition, the CEO is responsible for establishing and implementing a system of internal control that is designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the AFS.
- The external auditors are engaged to express an independent opinion on the AFS.
- In my opinion, the annual report fairly reflects the information on the operations, performance information and human resources, as well as the financial affairs of the department for the financial year ending 31 March 2022.

Sthembiso Dlamini
Chief Executive Officer

7. STRATEGIC **OVERVIEW**

GTA is tourism programme implementing agency of the Gauteng Department of Economic Development (GDED). The Authority (GTA) is committed to economic growth and development of the Gauteng City Region (GCR) through leveraging on the provincial tourism potential, its development and preservation. This GTA Strategic Plan, defines the envisaged impact of GTA's planned outcome in the lives of the residents of the province through focused implementation of this Strategic Plan for the period 2020/21 to 24/25. Our defined outcomes are aligned to Gauteng Employment, Growth and Development Strategy (GEGDS).

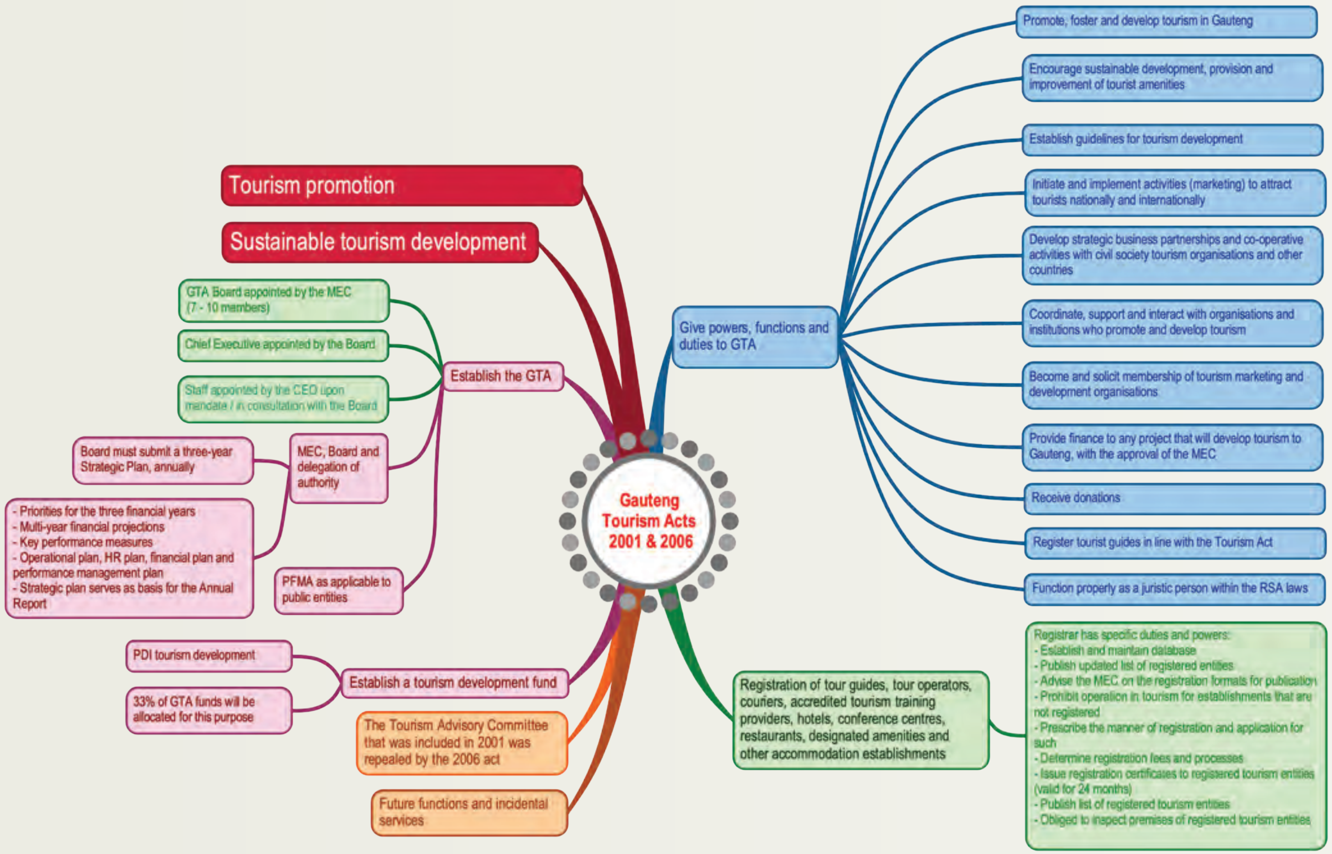


8. LEGISLATIVE AND **OTHER MANDATES**

8.1. Legislative and other mandates

The National Tourism Act 3 of 2014 ("Tourism Act") provides for the effective domestic and international marketing of South Africa as a tourist destination and promotion of growth and development of the tourism sector; as well as responsible tourism. Inter alia, it seeks to generate greater economic benefits for our local people and host our communities. The GTA is one of several provincial tourism agencies that have been established in alignment with these objectives of the Tourism Act.

The Gauteng Tourism Act 10 of 2001 ("Gauteng Tourism Act") provides for the establishment of GTA as a juristic person and provincial public entity (read with sections 1, 48 and 49 and schedule 3C of the Public Finance Management Act ["PFMA"]). The picture below summarises what the Gauteng Tourism Act above stipulates.

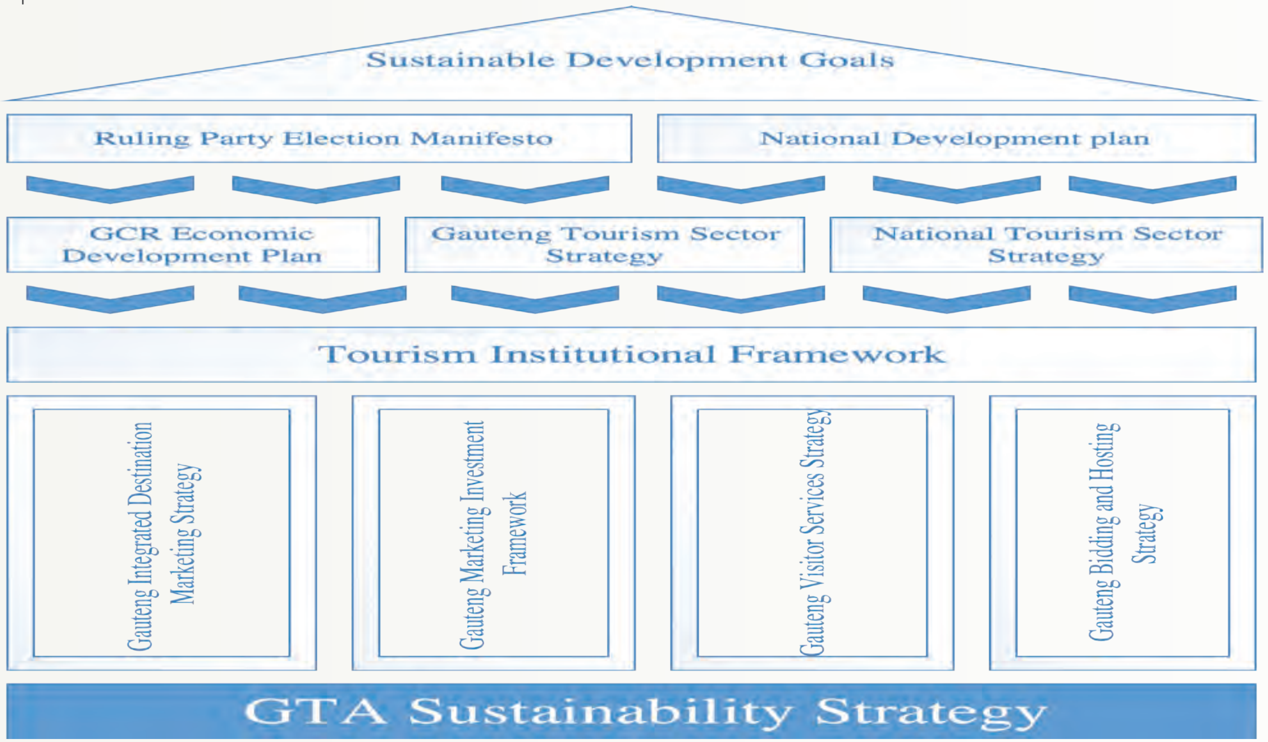


The Act sets out the powers and duties of GTA, i.e., its legislative mandate, which specifies that GTA must:

- Promote and develop tourism in Gauteng;
- Encourage the sustainable development, provision, and improvement of tourist amenities;
- Establish guidelines for tourism development; initiate and implement activities and actions nationally and internationally to attract tourists to Gauteng;
- Develop strategic and business partnerships and other cooperative activities with tourist organisations in our local civil society and other countries;
- Coordinate, support and interact with organisations and institutions aimed at promoting and developing tourism;
- Solicit membership with, and become a member of organisations for tourism development and marketing; and
- With approval of the GTA's Executive Authority, provide finance for any project which will develop tourism in Gauteng.

8.2. Policy Mandate

GTA executes its mandate under the administration of its Accounting Authority (the Board together with the CEO) under the political and policy direction provided by the GTA's Executive Authority. Administratively, GTA acts as an implementing agency of the GDED. The Authority 's 2021/22 strategic programmes were guided by a number of government but interrelated policies included in the structure below.



In line with the policies below, GTA implemented its projects in line with the following priorities:

9. EXECUTIVE **MANAGEMENT**

STHEMBISO DLAMINI
Chief Executive Officer

FEZILE NGQOBE
Head: Office of the CEO

TINYIKO NKUNA
Head: Strategy and Business Intelligence

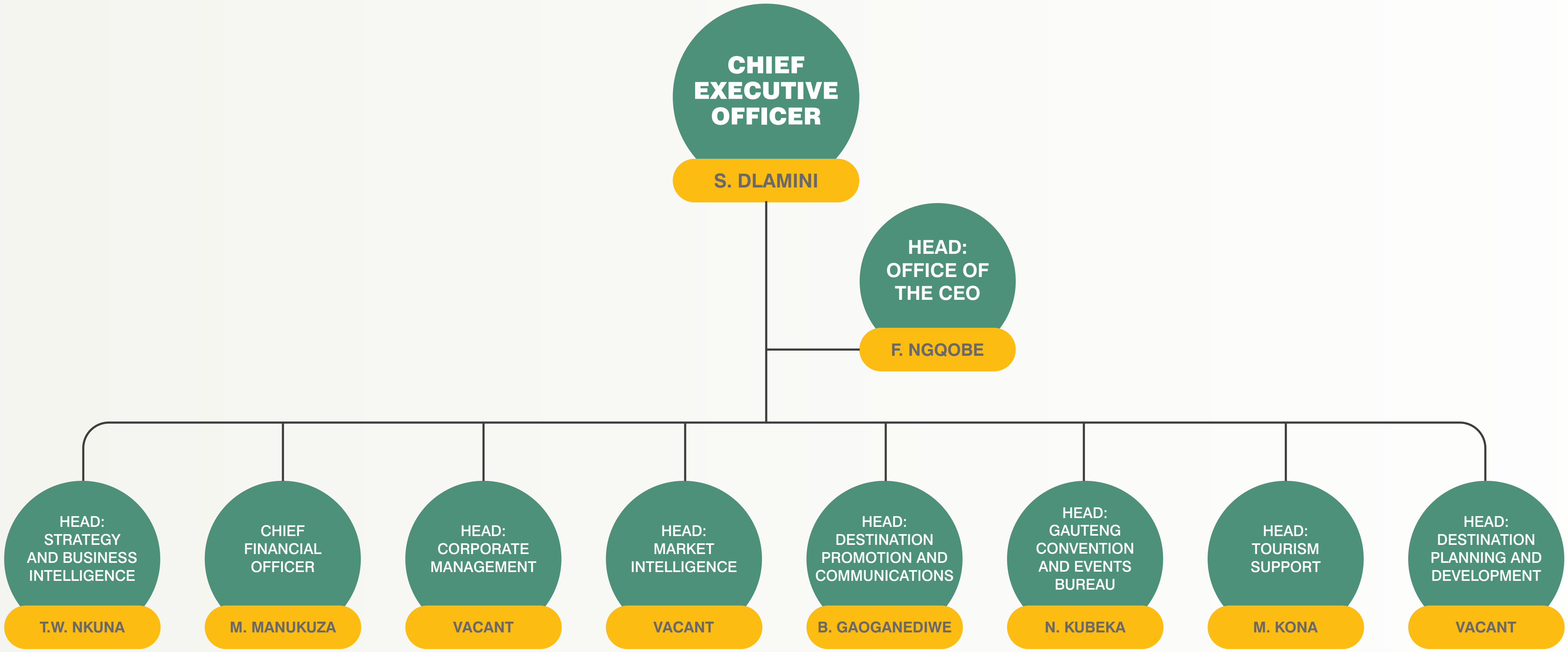
MBALENHLE MANUKUZA
Chief Financial Officer

BARBA GAOGANEDIWE
Head: Destination Promotion and Communications

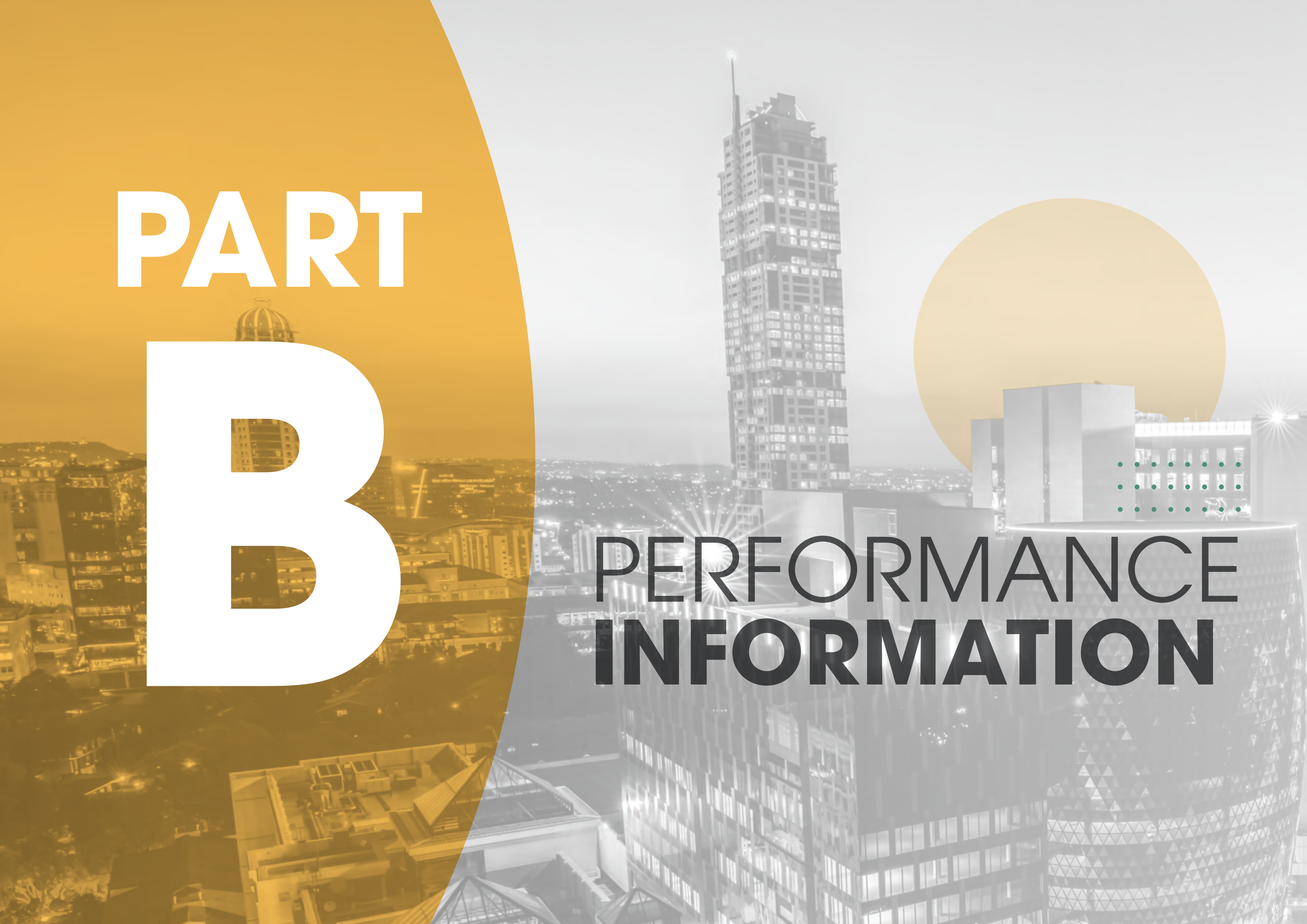
NONNIE KUBEKA
Head: Gauteng Convention and Events Bureau

MBUYISELO KONA
Head: Tourism Support

10. ORGANISATIONAL **STRUCTURE**



PART B



PERFORMANCE INFORMATION

11. AUDITOR GENERAL'S REPORT: **PREDETERMINED OBJECTIVES**

The AGSA performed a review engagement in the current year to report on material findings. The review outcome on the performance against pre-determined objectives is included in the report to management, with material findings being reported under the Pre-determined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report. Refer to pages 114-116 of the Report of the Auditors Report, published as Part E: Financial Information.

12. OVERVIEW OF **ORGANISATIONAL PERFORMANCE**

12.1. Service delivery environment

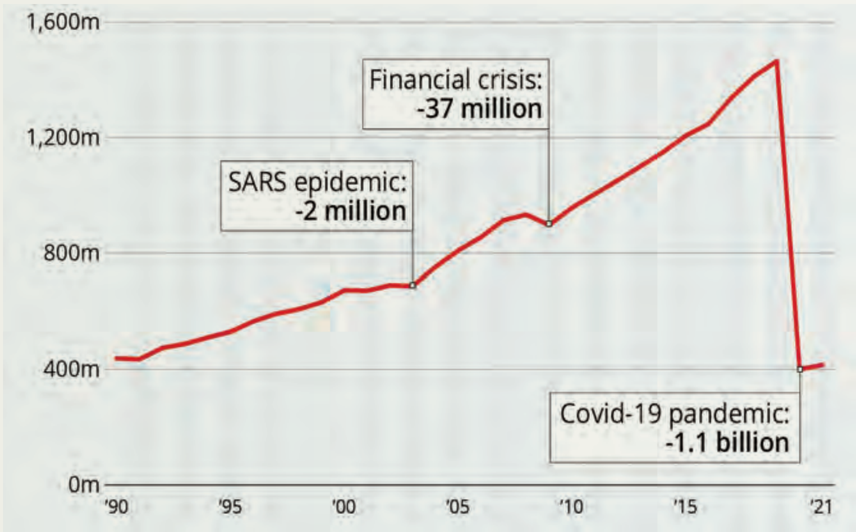
Over the last two years the tourism industry (globally) has undergone a recovery phase from the coronavirus disease 2019 (COVID-19) pandemic, however this will still have an impact for time to come.

In addition, the spinoff from the pandemic had a substantial negative effect on the entire value chain of the travel and tourism sector. This includes hotels, travel agents and agencies, cruise lines, passenger transport agencies, restaurants and entertainment providers that are regularly supported by tourists. The tourism sector indirectly benefits from the other existing economic sectors and the other way around, namely the Agricultural, Construction and Communication, the Meetings Incentive Conferences and Exhibitions (MICE) industry, the Small Medium and Micro Enterprises (SMMEs). This economies were also affected by the pandemic. The COVID-19 restrictions were unprecedented leaving these sectors and industries in critical condition.

The Tourism sector demonstrated its resilience as it maintained a steady and but modest recovery. This is predominately a result of the global deployment of COVID-19 vaccines, which has led to easing of lockdown regulations and travel restrictions, enabling people to return to life and business as usual. As a result, the travel and tourism sector has gradually re-opened, showing encouraging signs of improvement on both the international and domestic front. Although there is a need for the world to return to 'norm' through reopening of economies and resuming of social activities, the World Health Organization (WHO) is calling for caution and consideration of the potential risks involved.

Prior to the COVID-19 outbreak, the global tourism sector was characterised by an almost uninterrupted cycle of growth for several decades. According to the United Nations World Tourism Organization (UNWTO), since 1980, the number of international arrivals increased from 277 million to nearly 1.5 billion in 2019. However, this period did experience challenges, as there were two significant crises in recent history that also had a major impact on our economy, namely the SARS outbreak of 2003 and the global financial crisis of 2009. Nonetheless, as demonstrated in figure 1 below, these disruptive events paled in comparison to the COVID-19 pandemic.

Figure 1: International tourist arrivals since 1990



Source: UNWTO (2021)

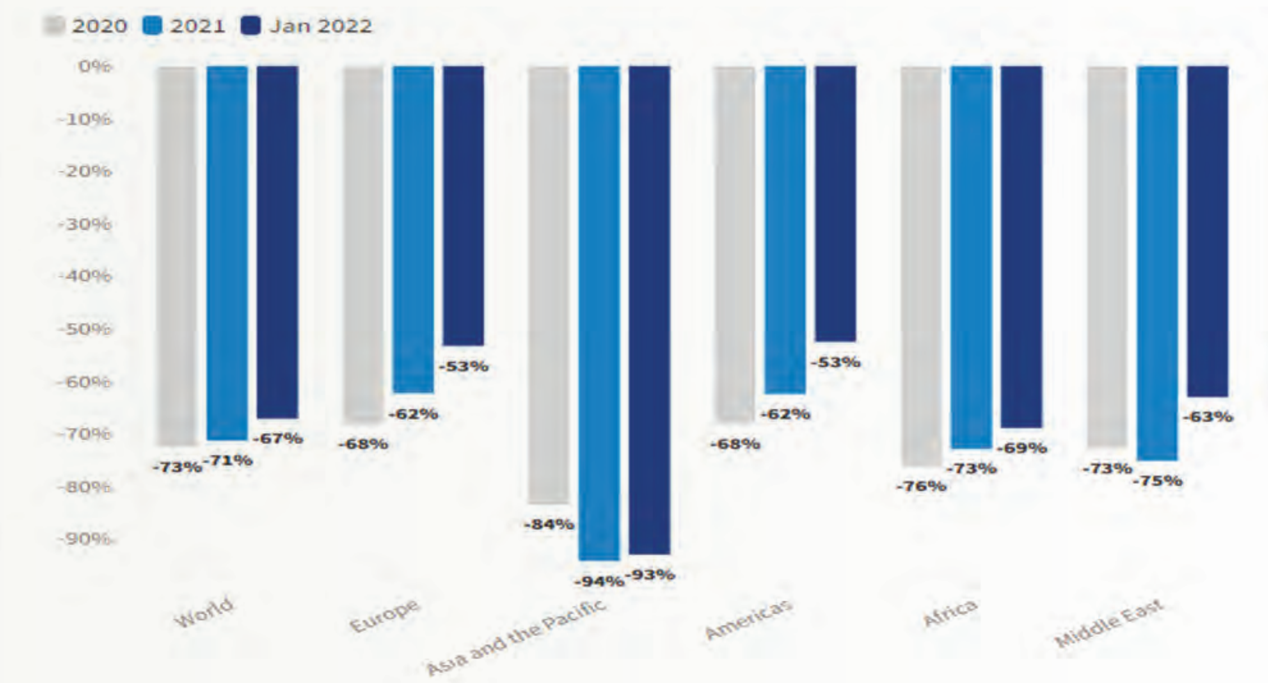
The UNWTO reported that in 2021, tourist arrivals increased by 4%, which was still 72% lower than in 2019. This equates to a decrease of more than 1 billion in international arrivals since the COVID-19 pandemic, which is the lowest it has been since the late 1980s.

Data however suggests that the demand for travel has increased across several regions, with developed economies exhibiting the strongest growth. North America and Europe recorded growth of 17% and 19% in 2021 respectively.

According to the UNWTO category of Subregions, the Caribbean saw the best performance with an increase of 63% from 2020 levels. Southern Mediterranean Europe recorded a 57% increase, while Central America also had a notable rebound of 54%. Meanwhile, Africa saw a 12% increase in arrivals in 2021 compared to 2020. However UNWTO notes that in spite of these increases, the numbers remain significantly lower than that of the pre-pandemic levels in 2019.

It is understood that the pace of recovery differs from region to region, as the UNWTO reports on varying degrees of restrictions in mobility, vaccination rates and traveller confidence across the world. In both the Middle East, Asia and the Pacific Regions, arrivals declined by 65% and 24% respectively, when compared to 2020 (See figure 2 below).

Figure 2: International tourist arrivals (% change over 2019)



Source: UNWTO (2021)

In the short-term, a substantial quota from tourism experts surveyed by the UNWTO are of the opinion that a full recovery cannot be expected before 2024 or after. While these experts are confident about an increase in travel activity this year, only 4% of them expect a full recovery in 2022. Approximately one third of the experts surveyed believe that international arrivals will return to pre-pandemic levels in 2023, while 63% are of the opinion that it will take much longer to recover. Scenario-based modelling by the UNWTO indicates that international tourist arrivals could increase by between 30-78% percent in 2022 compared to 2021. While this will indeed constitute a significant improvement, it will still be more than 50% below pre-pandemic levels.

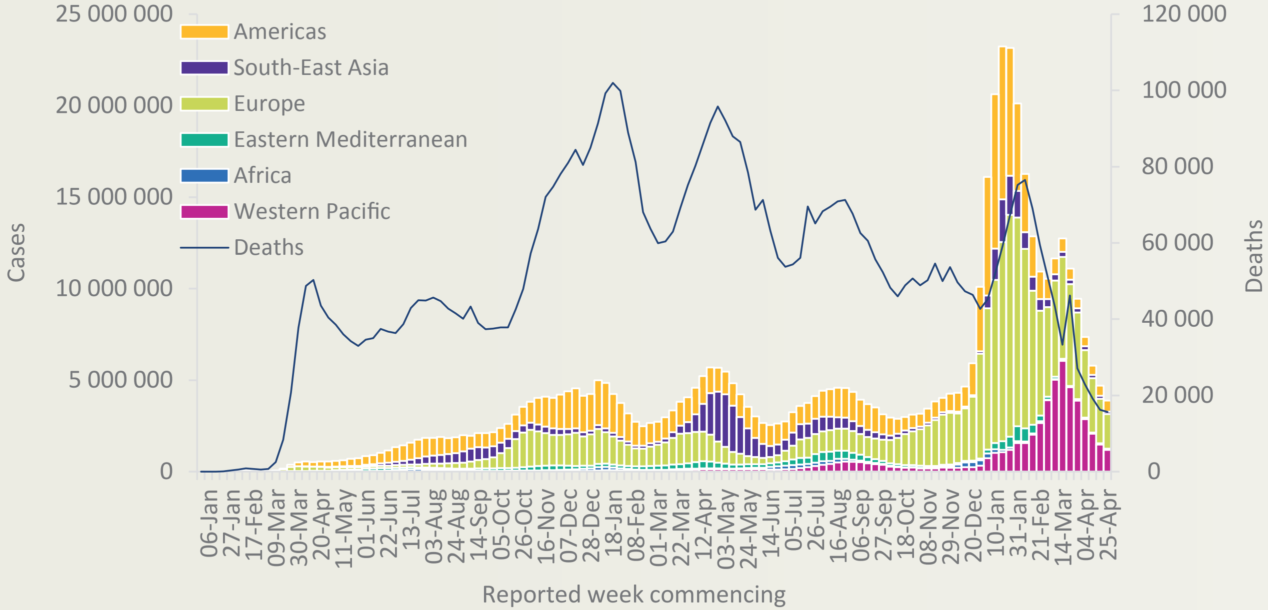
Following its disappointing performance in 2020 and 2021, international tourism is anticipated to still continue its gradual recovery in 2022. It is expected that proximity to the tourist destination is going to be a key factor in visitors' choice of a travel destination. Going forward, it will therefore be crucial to conduct a comprehensive analysis of population mobility indicators, to gain an understanding of how tourism will unfold in the short term.

COVID-19 PANDEMIC UPDATE

According to the WHO, the number of new COVID-19 cases and deaths has continued to decline globally, since the end of March 2022. This is evident for the period between 25 April 2022 to 1 May 2022, which showcased over 3.8 million new cases and more than 15,000 deaths were reported, this constitutes a decrease of 17% and 3% respectively, when compared to the previous week. However, in the African Region however, the number of new weekly cases reported increased by 31%, and the American regions recorded an increase of 13%. The number of new weekly deaths in the South-East Asia Region also increased by a notable 69%, although this was largely due to a delay in the reporting of deaths from India.

According to Global Initiative on Sharing Avian Influenza Data (GISAID) data and reports from WHO regional offices and countries, the three Omicron variants that have become variants of concern (VOCs) are the BA.4, BA.5 and BA.2.12.1 sub lineages, as the number of new cases of these three variants are rising. As of 1 May 2022, there has been over 500 million confirmed cases and over six million deaths have been reported globally. These trends should however be interpreted with caution, as several countries have been progressively changing their COVID-19 testing strategies. As a result, less tests have been performed, which may have led to lower numbers of cases being detected (see figure 3 below).

Figure 3: Weekly COVID-19 cases and deaths reported by WHO Region (as of 1 May 2022)



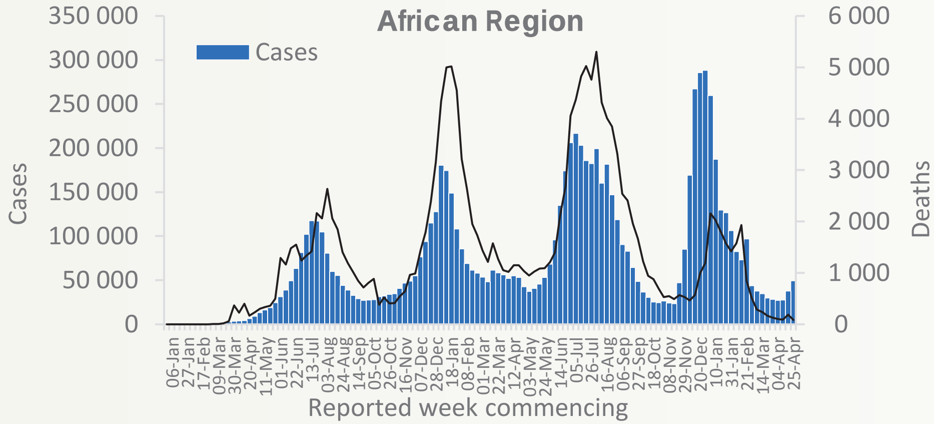
Source: WHO (2022)

At a country level, the highest number of new weekly cases were reported by Germany; Italy; France; the Republic of Korea, and the United States of America (USA). The highest numbers of new weekly deaths were reported by the USA, India, the Russian Federation, France, and Italy.

AFRICAN REGION

Following the decreasing trend since January 2022, the African Region showed an increase in new cases again for two consecutive weeks in May 2022, during which an average of more than 49,000 new cases were reported per week, which constitutes an increase of 31% compared to the previous weeks. Twelve countries in the region reported an increase of over 20% in new cases, with some of the greatest proportional increases observed in Burundi, Rwanda, and Eswatini. As Eswatini is one of South Africa's top 10 source markets, this poses a considerable risk of cross-border spread of the COVID-19 virus to our country. The highest numbers of new cases were reported by South Africa, Réunion and Burundi, with the highest numbers of new deaths reported by South Africa (see figure 4 below).

Figure 4: COVID-19 cases reported weekly by

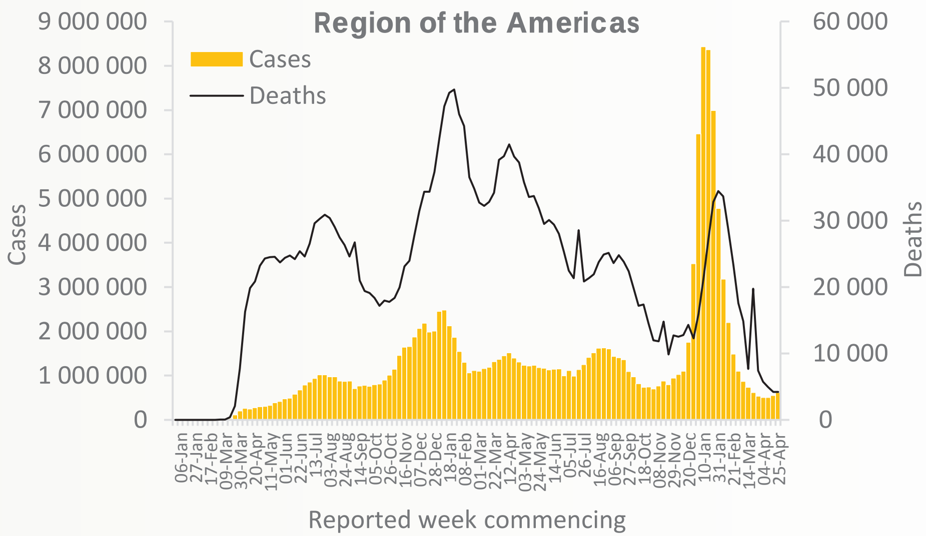


Source: WHO (2022)

REGION OF THE AMERICAS

In the early months of 2022, the Region of the Americas showed an increasing trend in new cases reported for three consecutive weeks, with over 616,000 new cases reported, which is a 13% increase from that of the previous weeks. Twenty-two countries in the region reported increases in new cases of 20% or more, with the largest increases observed in Montserrat, Haiti and Costa Rica. The highest numbers of new cases were reported from the USA, Brazil and Canada. The number of new weekly deaths in the region however remained similar to that of the previous weeks, with an average of 4,200 new deaths reported. The highest numbers of new deaths were reported by the USA (see figure 5 below).

Figure 5: COVID-19 cases reported weekly by the WHO Region of the Americas

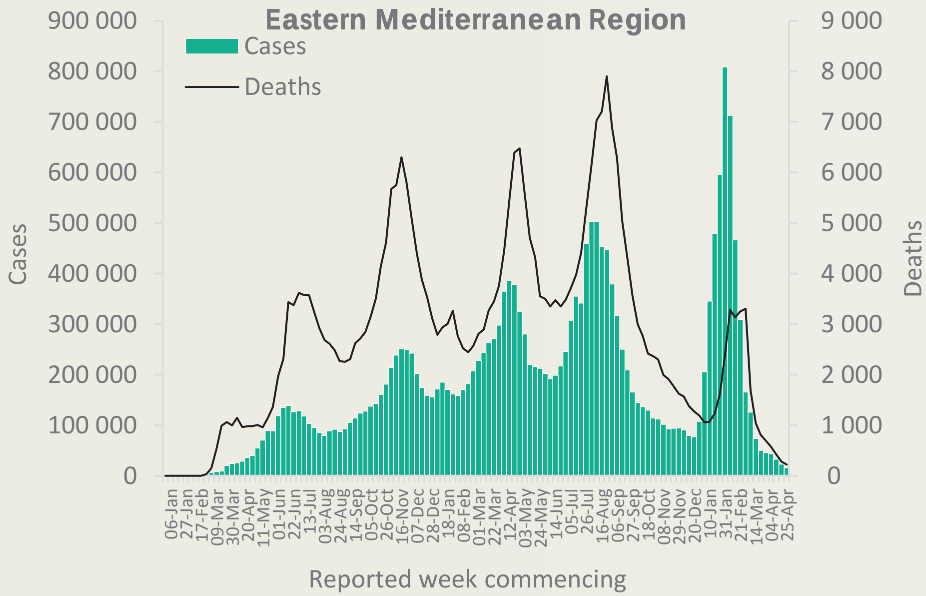


Source: WHO (2022)

EASTERN MEDITERRANEAN REGION

In the Eastern Mediterranean Region, which is considered to be one of South Africa's emerging markets, new weekly cases have continued to decline after reaching a peak in early February 2022. The highest numbers of new deaths were reported by the Islamic Republic of Iran. (see figure 6 below).

Figure 6: COVID-19 cases reported weekly by the WHO Eastern Mediterranean Region

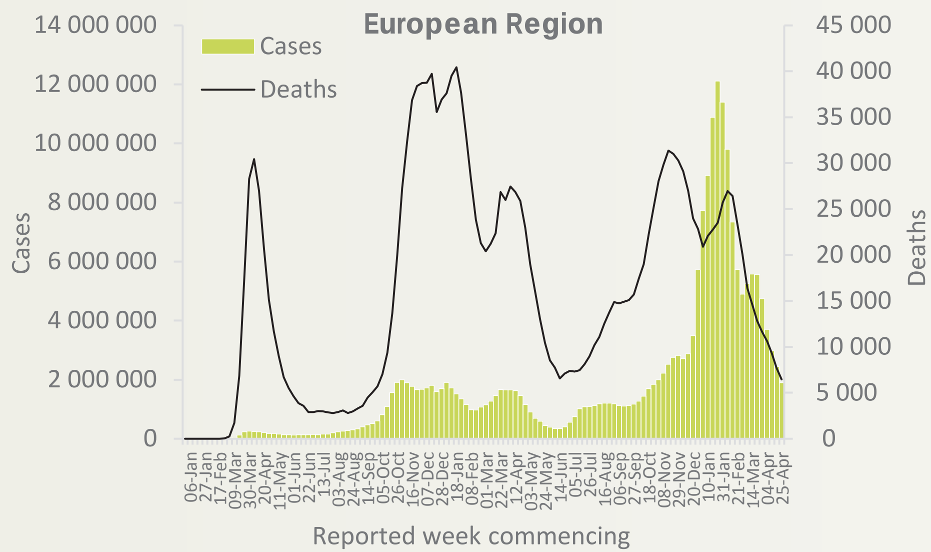


Source: WHO (2022)

EUROPEAN REGION

After the increase observed during the first half of March 2022, new weekly cases have continued to decrease in the European Region. Just under 1.9 million new cases were reported, which is a 22% decrease when compared to the previous week. Six countries in the region however reported increases in new cases of 20% or greater, with the largest increases observed in Cyprus, Spain and Kazakhstan. The highest numbers of new cases were reported from Germany, Italy, and France. The highest number of new deaths were reported by the Russian Federation (see figure 7).

Figure 7: COVID-19 cases reported weekly by WHO European Region

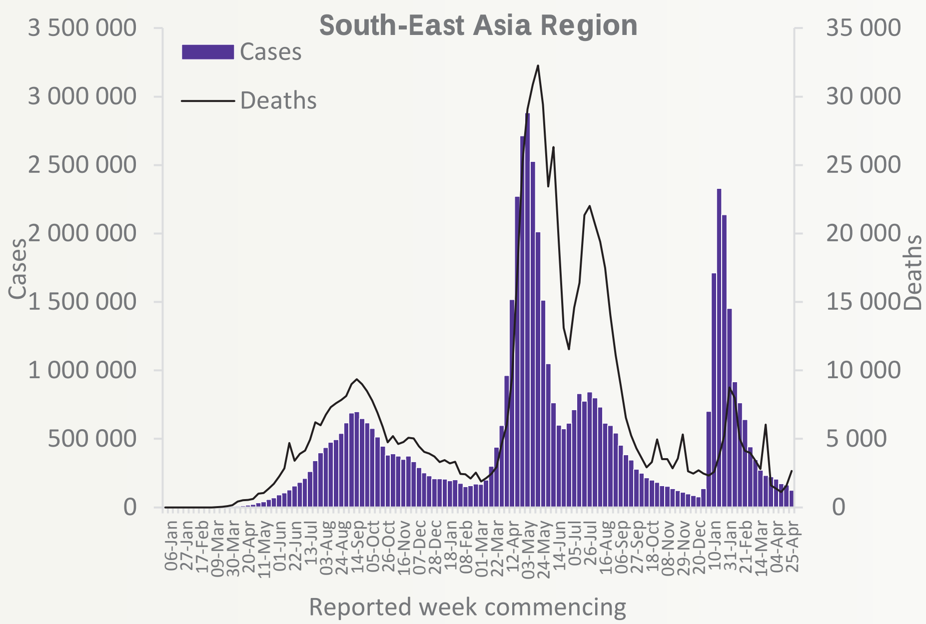


Source: WHO (2022)

SOUTH-EAST ASIA REGION

The South-East Asia Region reported over 123,000 new weekly cases, which is a 24% decline compared to the previous week, continuing the decreasing trend observed since January 2022. Timor-Leste and India however reported increases in new weekly cases of 57% and 40% respectively. The highest numbers of new cases were reported by Thailand, India, and Indonesia. In March 2021, new weekly deaths increased by 69% in the region when compared to the previous week, with over 2,600 new deaths reported, which can mostly be attributed to a delay in reporting of deaths from India. The highest numbers of new deaths were reported by India.

Figure 8: COVID-19 cases reported weekly by WHO South-East Asia Region

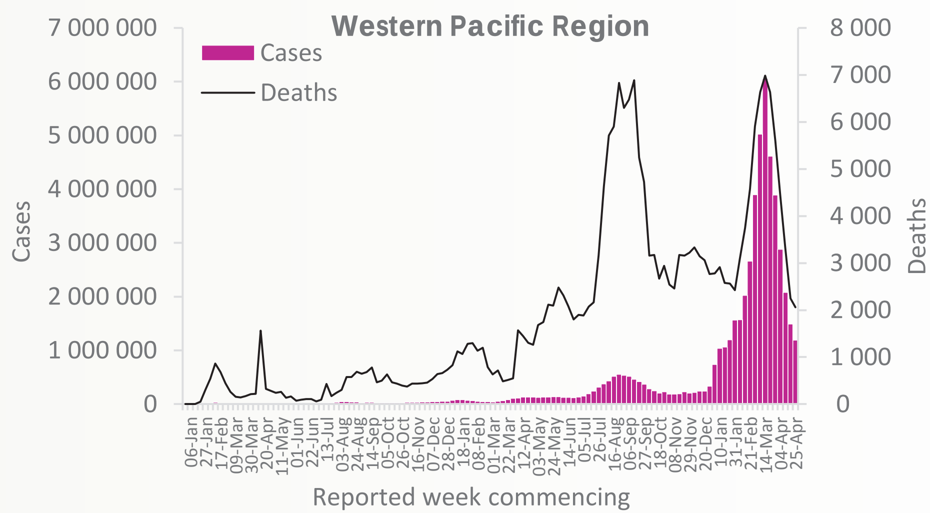


Source: WHO (2022)

WESTERN PACIFIC REGION

New weekly cases have continued to decline since March 2022. Over 1.1 million new cases were reported, which is a 20% decrease from the previous week. However, nine countries in the region reported an increase of 20% or greater, with some of the largest increases observed in the Solomon Islands, Fiji and New Caledonia. The highest numbers of new cases were reported by the Republic of Korea, Australia and Japan. The number of new weekly deaths in the region shows a decrease of 8% when compared to the previous week, with over 2,000 new deaths reported. The highest number of new deaths were reported by the Republic of Korea.

Figure 9: COVID-19 cases reported weekly by WHO Western Pacific region



Source: WHO (2022)

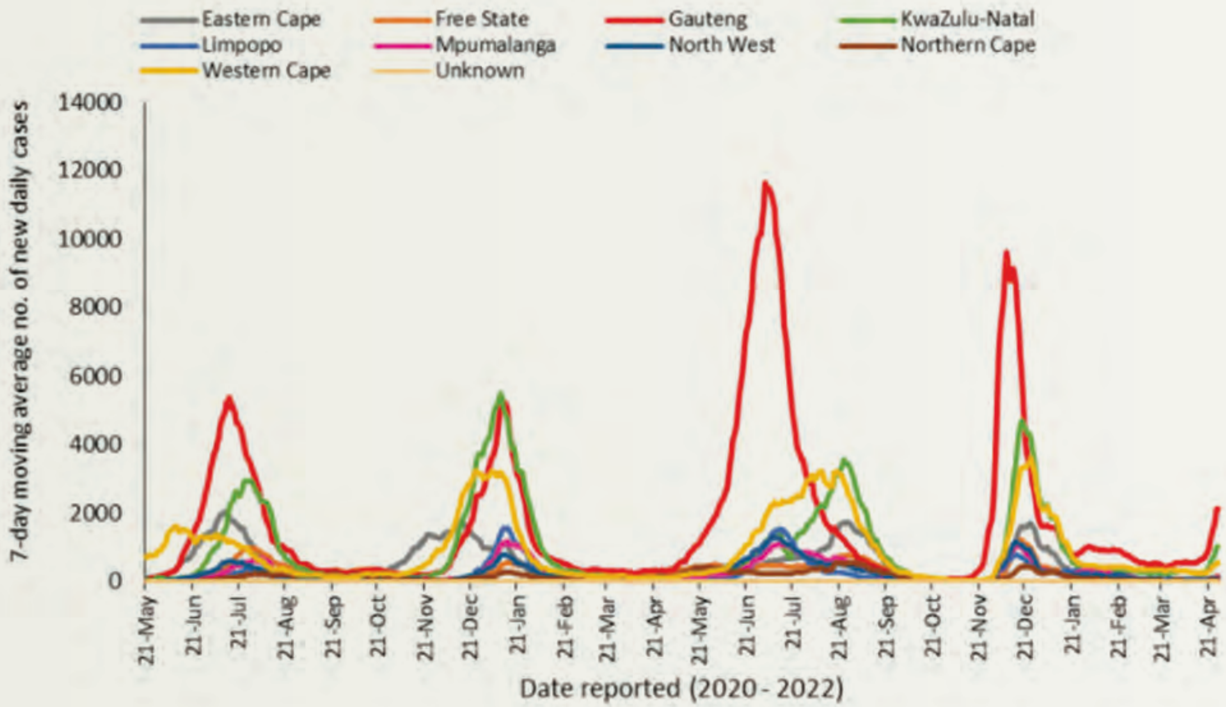
COVID 19 UPDATE SOUTH AFRICA.

The heavily mutated and highly transmissible Omicron variant of COVID-19, which was first reported by scientists from South Africa in November 2021, and that has since been designated as a VOC by the WHO, has become the dominant variant, due to its rapid spread around the world. According to the National Institute for Communicable Diseases (NICD), there are two newly-designated Omicron lineages, namely BA.4 and BA.5, which are now driving the increase in new reported COVID-19 cases in the country.

With a total of nearly 3.8 million laboratory-confirmed cases and more than 100,000 deaths, COVID-19 has hit South Africa harder than any other country on the continent. The NICD reported 9,757 new COVID-19 cases by the beginning of May 2022, bringing the total number of laboratory-confirmed cases to 3,818,125, which constitutes a positivity rate of 25.9%. Most new cases are from the Gauteng Province (44%), followed by KwaZulu-Natal (24%). Western Cape accounted for 13% and Eastern Cape for 6%.

The rapid increase in cases was seen across all districts in the province, with Ekurhuleni, Johannesburg, Tshwane and the West Rand identified as high risk, and Sedibeng as medium risk. The 7-day average was 21.9%, which was higher than the 20.8% average of the previous day, and the 7-day moving average of the daily number of new cases has increased notably (see figure 10).

Figure 10: 7-Day moving average no. of new daily cases



Source: NICD (2022)

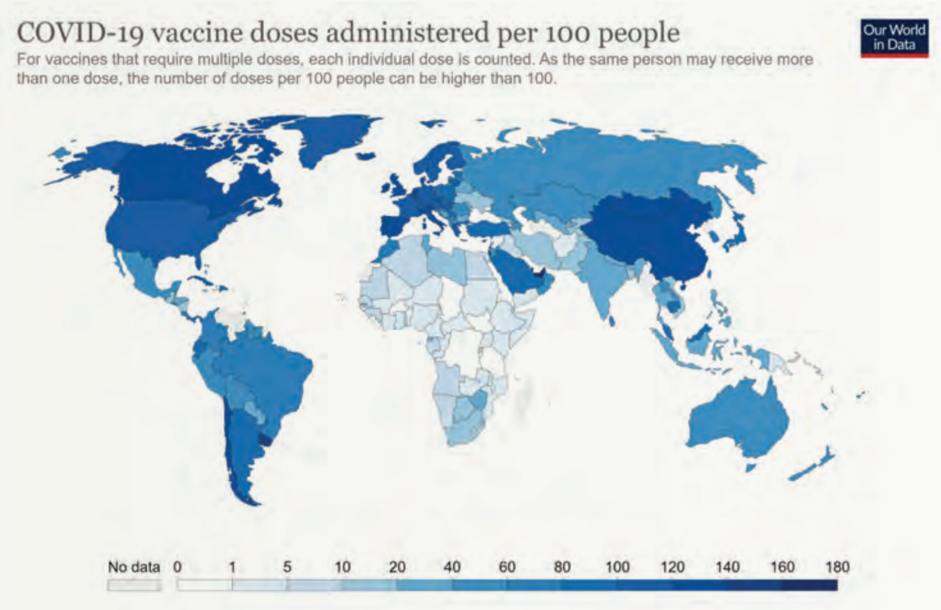
VACCINATION

Whilst the rapid development of effective vaccines against COVID-19 was an extraordinary scientific achievement, there are still challenges pertaining to the immunisation of a sufficient proportion of the global population, which is crucial for getting the pandemic under control. Some of these challenges include:

- The continuous emergence of dangerous new strains of the virus, such as the Omicron variant;
- Global competition over a limited supply of doses; and
- Vaccine hesitancy.

To date, more than thirty vaccines have been approved for general or emergency use in countries around the world. As of early 2022, a total of 11.33 billion doses have been administered internationally. In several countries, at least three quarters of the population have been fully vaccinated; and Portugal, Singapore, and the UAE are among those with the highest immunisation rates. However, many other countries - mostly in Africa - have only vaccinated small fractions of their populations (see figure 11 below).

Figure 11: Global vaccination rates



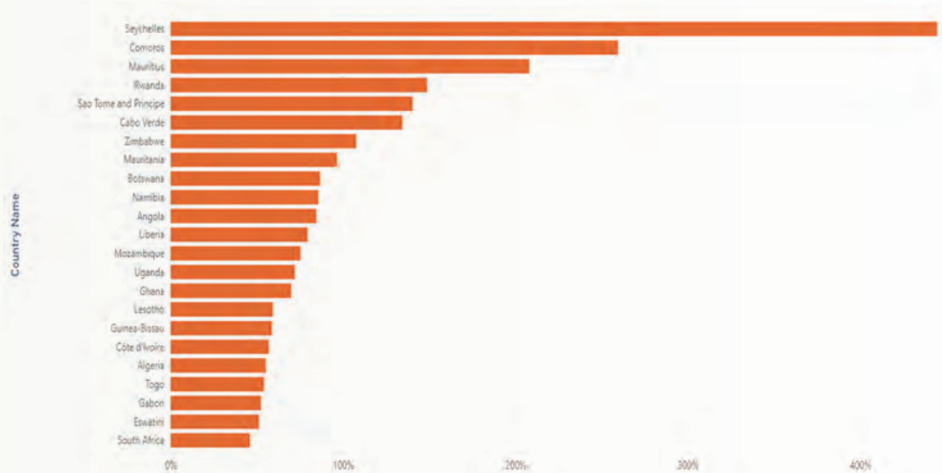
Source: Our World in Data (2021)

AFRICA'S VACCINATION ROLLOUT

According to AFRO, the continent's vaccine uptake increased by 15% between January 2022 and February 2022, as several countries embarked on mass vaccination drives to expand coverage and protect populations against the adverse health impact of the virus. While COVID-19 cases have indeed declined across the continent since the peak of the Omicron-driven fourth wave in early January 2022, its vaccination coverage is lagging behind that of the rest of the world. This presents a concern for the domestic tourism industry, as Africa, and in particular the Sub-Saharan Region, remains an important source of international visitors to South Africa.

To date, only about 201 million people or 15.6% of the population is fully vaccinated, which is fairly insignificant when compared to the global average of 57%. Of the 714 million doses received so far, 435 million or 61% have been administered. Fifteen countries are yet to reach an average of 10% of their population that is fully vaccinated. Twenty-one African countries have fully vaccinated between 10% and 19% of their populations. Five countries have fully vaccinated between 40% and 69% of their populations. Only Mauritius and Seychelles have surpassed 70% vaccination coverage, as can be seen in figure 12 below.

Figure 12: African population vaccination rates



Source: AFRO

The onset of the COVID-19 global pandemic led to the establishment of the COVAX initiative, which is co-led by the Coalition for Epidemic Preparedness Innovations (CEPI), the Global Alliance for Vaccines and Immunisation (GAVi) and WHO, with the United Nations International Children's Emergency Fund (UNICEF) as a key delivery partner and the Pan American Health Organization (PAHO) as the procurement agent. The aim of this initiative is to accelerate the development and manufacturing of COVID-19 vaccines and guarantee fair and equitable access for every country.

Evidence from the COVAX initiative indicates that expanding vaccination delivery strategies, including mass vaccination campaigns and strong community engagement, allow countries to rapidly reach large numbers of people. Decisive action by leaders across all political, economic and social sphere's remains key to producing positive results. Effective and efficient coordination and adequate funding to support operational costs are vital to the success of the COVID-19 vaccination programme.

As Africa has been attempting to step up its vaccine uptake to keep up with the rest of the world, a sustained decline in COVID-19 cases has been observed. However, as a result of the relatively low number of cases and increasing pressure to open up economies and enable free movement of people, countries have been slacking on monitoring and surveillance measures. This has been confirmed by the following key findings of a survey by the WHO which was conducted in March 2022 to determine health measures implemented by the various countries:

- Seven of the 21 countries reporting no longer required quarantine for people exposed to the virus;
- One country did not require isolation of confirmed cases at all;
- Four countries only required isolation for symptomatic cases; and
- Only twenty-two countries banned mass gatherings (which was down from 41 in the previous year).

However, in most countries, the requirement to wear a mask remains in place. Forty-three participating countries still wear masks; of which four have eased these measures by only making the wearing of masks mandatory for public transport or in closed spaces.

SOUTH AFRICA

According to AFRO, as of May 2022, 19,354, 014 people in South Africa have been vaccinated. A total of 33% of the country's population have been fully vaccinated against the COVID-19 virus (see figure 13 below), whilst 21,674,770 people or 37% of the population have at least received one dose.

Figure 13: South Africa COVID-19 key indicators summary

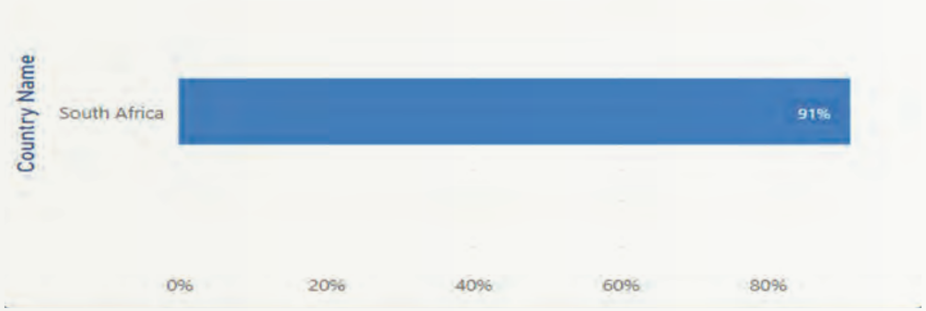
Key Indicators Summary

Country	Doses received	Estimated doses needed to vaccinate 70% of population	% doses received over needed to reach 70% of population fully vaccinated	Additional doses needed to vaccinate 70% of Population	Total Doses Administered	% doses administered over received	Vaccinated 1 dose	% Population received at least 1 dose	Fully vaccinated	% Population fully vaccinated
South Africa	38 199 682	83 032 166	46%	44 832 484	34 881 319	91%	21 674 770	37%	19 354 014	33%
Total	**38 199 682**	**83 032 166**	**46%**	**44 832 484**	**34 881 319**	**91%**	**21 674 770**	**37%**	**19 354 014**	**33%**

Source: AFRO (2022)

South Africa has cumulatively received 38,199,682 doses, of which 34,881,319 or 91% have been admistered.

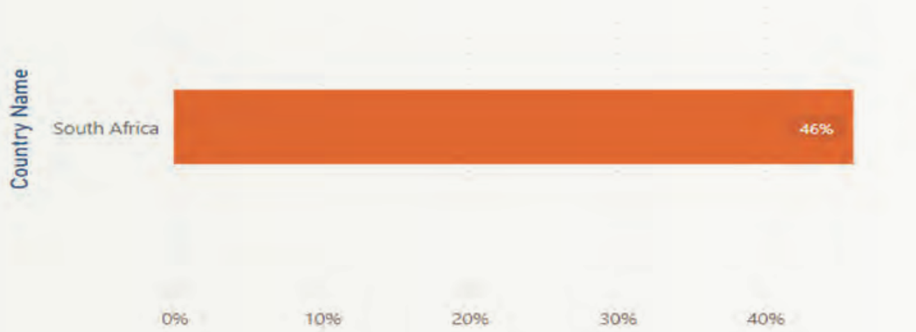
Figure 14: % Doses administered versus received



Source: AFRO (2022)

Two new Omicron sub-variants were driving an increase in reported COVID-19 cases in South Africa. According to the WHO, South Africa needs a further 44,832,484 doses to reach a figure of 70% of the population that is fully vaccinated.

Figure 15: Doses received versus required to reach 70% of population that is fully vaccinated



Source: AFRO

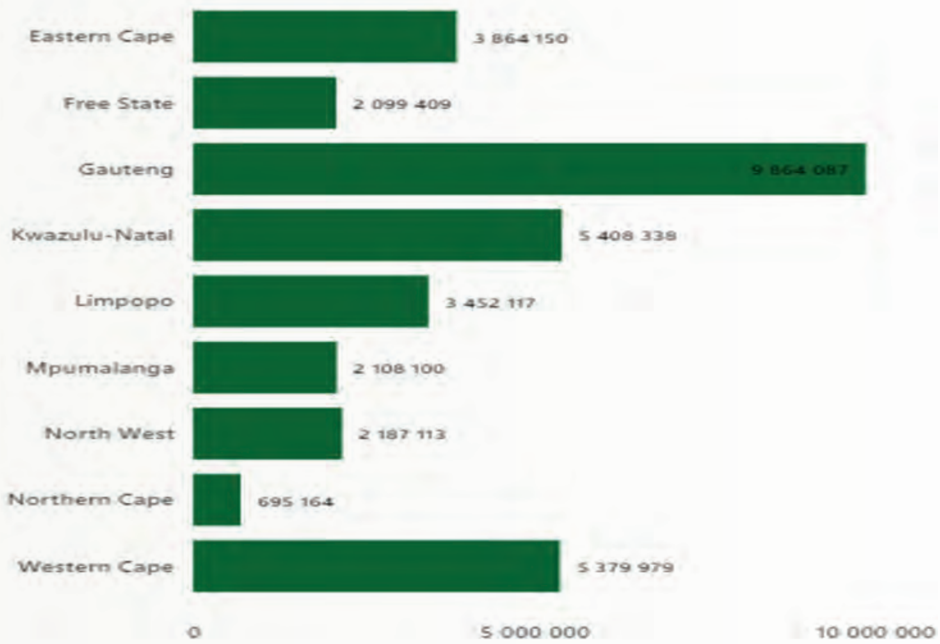
In early April 2022, the country lifted all COVID-19 restrictions, but ever since, cases have been on the rise again, with a 50% increase in new cases, according to WHO data.

GAUTENG

The province, with Johannesburg as its capital city, had the highest number of vaccinated individuals at over 9.8 million by 01 May 2022. Western Cape and KwaZulu-Natal followed with over five million vaccinations administered in each. These provinces also registered the highest numbers of COVID-19 cases in the country.

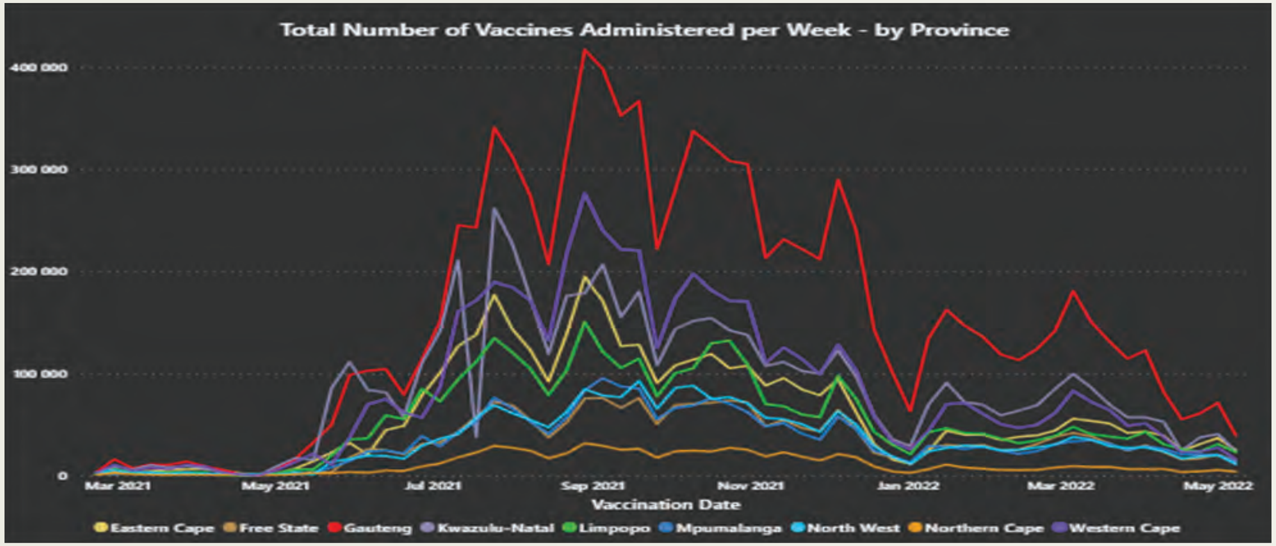
Johannesburg had the highest number of vaccinations, with over 3.8 million vaccinations administered to its residents, while the West Rand had the lowest uptake of vaccinations with just over 620,000 vaccinations administered to its residents (see figure 16 below).

Figure 16: Total number of vaccines administered by province



From the above information, it becomes clear that although the province reported the highest number of COVID-19 infections, Gauteng also had the highest uptake in administrating COVID-19 vaccines in the country. This bodes well for the country as a whole, as a highly vaccinated population is critical to the country's social and economic wellbeing and Gauteng is both the most populous province and the economic hub of the country (see figure 17 below).

Figure 17: Total number of vaccines administered per week by province



Source: NICD (2022)

ECONOMIC OVERVIEW

The global economic recovery is facing significant challenge amid new waves of COVID-19 infections, insistent labour market- and supply chain challenges, and rising inflationary pressures. The United Nations (UN) World Economic Situation and Prospects (WESP) Report for 2022 indicates that after a global contraction of 3.4% in 2020 and a rebound of 5.5% in 2021, the world economy is projected to grow by 4% in 2022 and then by 3.5% in 2023. Given the tourism sector's importance as a major export category (prior to the pandemic, tourism was the third largest in the world after fuels and chemicals), and recognising its role as a source of employment and economic development, the sector's recovery is anticipated to spur growth in every world region.

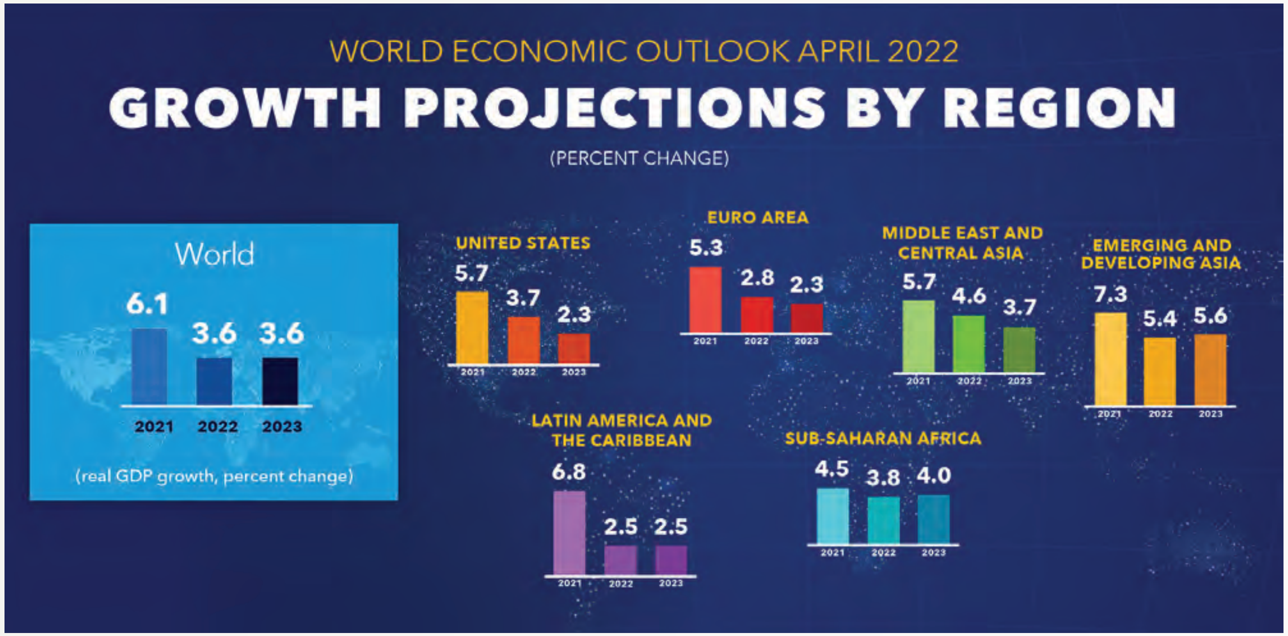
In 2021, global recovery in output was mainly boosted by increased consumer spending and some uptake in investment. Trade in goods saw an increase, which surpassed the pre-pandemic level. However, growth momentum declined towards the end of 2021, including in big economies like China, the European Union (EU) and the USA, as the effects of fiscal and monetary stimuli dissipated, and major supply chain disruptions emerged. The growth impetus has generally been weaker in most developing countries and economies in transition. While higher commodity prices have helped commodity exporting countries at large, rising food and energy prices have triggered rapid inflation. This situation has been exacerbated by the Russia-Ukraine conflict, threatening to derail Europe's progress.

The International Monetary Fund (IMF) has reported that employment levels are projected to remain well below pre-pandemic levels during 2022–2023, and possibly beyond. The pace of job creation has been largely inadequate to offset earlier COVID-19-induced job losses, although the situation differs across regions. As such, labour markets in advanced economies are steadily improving as recovery gathers pace. In contrast, employment growth in developing economies remains weak amidst lower vaccination progress and inadequate stimulus spending. This discrepancy is anticipated to continue in the near term. In developed economies, full employment recovery is projected in 2023 or in some cases in 2024. The developing economies, particularly in Africa, Latin America and the Caribbean, and Western Asia, are likely to see much slower recovery of jobs.

However, the overall confidence in the upward trend seen in tourism during 2021 can be disrupted by the high uncertainty derived from the military offensive of the Russian Federation on Ukraine, coupled with a challenging economic environment and travel restrictions that are still in place due to the ongoing pandemic. At the same time, it is anticipated that economic damage from the military conflict will contribute to a significant slowdown in global growth in 2022, and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries the hardest. This forecast is in line with the analysis on the potential consequences of the conflict on global economic recovery and growth by the United Nations Conference on Trade and Development (UNCTAD), which has also downgraded its projection for world economic growth in 2022 from 3.6% to 2.6% and warned that developing countries will be most vulnerable to the slowdown.

The crisis has had a devastating impact on employment, including in hospitality, travel services and retail trade. It has disproportionately affected vulnerable groups, including youth and migrant workers, as well as workers with lower educational attainment and skills. Exacerbation of the gender divide is evident, especially in developing countries, with women seeing greater declines in employment and labour force participation than men. Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term (see figure 18 below).

Figure 18: World economic outlook April 2022



Source: IMF (2022)

War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies.

SOUTH AFRICAN ECONOMY

According to the South African National Treasury, the economy grew by an estimated 4.8% in 2021 compared with the 5.1% projected in the 2021 Medium Term Budget Policy Statement (MTBPS). The downward revision reflects a sharp third-quarter contraction driven by a new wave of COVID-19, the outbreak of public violence in July 2021, heightened global uncertainty and modest growth expectations for the fourth quarter following renewed power cuts. Nevertheless, the growth outlook for 2022 has improved slightly since the 2021 MTBPS.

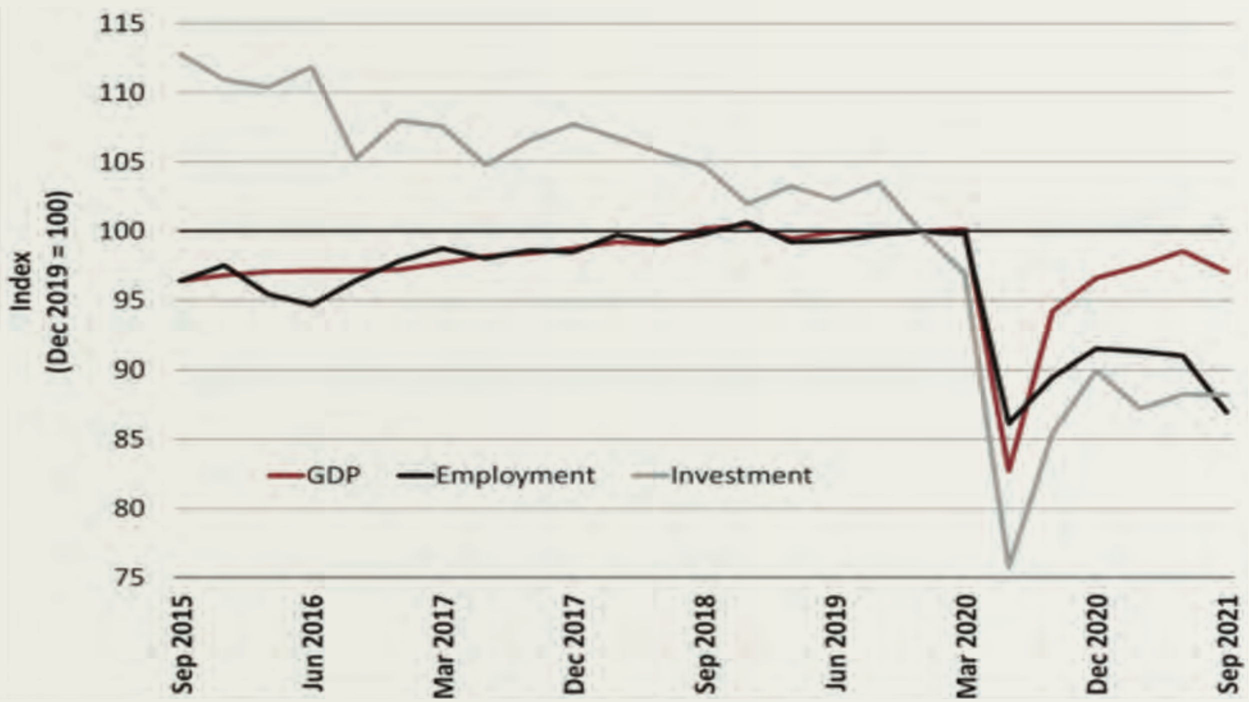
Structural constraints have reduced potential economic growth for the past decade and remain an impediment to the recovery. During 2021, the economic effects of the pandemic – lost jobs and delayed investments – were exacerbated by inadequate electricity supply, with the highest levels of load shedding to date. There are signs that this combination of factors has led to scarring – defined as medium-term economic performance below pre-pandemic projections.

Higher global inflation, monetary policy adjustments, commodity price changes and emerging geopolitical risks also contribute to elevated uncertainty over the medium term. The initial recovery in economic growth during 2021 was not matched by higher employment or investment, and the slow uptake of vaccinations leaves the country vulnerable to new waves of COVID-19 infections. Real Gross Domestic Product

(GDP) growth of 2.1% is projected for 2022, and growth is projected to average 1.8% over the next three years (see figure 19 below).

Governments previously announced that economic reforms are under way, though at an uneven pace. More rapid implementation of these reforms, complemented by fiscal consolidation to provide a stable foundation for growth, will ease investor concerns about South Africa, and support a faster recovery and higher levels of economic growth over the long term. Reducing regulatory constraints, providing effective services, and coordinating and sequencing economic interventions will bolster public and private investment, which will, in turn, increase resilience and support economic transformation.

Figure 19: Employment, investment and GDP



Source: Statistics South Africa

The economy is critical in the economic recovery of the tourism sector. The tourism sector forms a critical part of the South African economy, and as such, the Tourism Sector Recovery Plan (TSRP) must then be viewed within the context of the broader South African Economic Reconstruction and Recovery Plan. The objective of which is to not only return the economy to pre-COVID levels, but to also invigorate sustainable, equitable and inclusive economic growth that will enable the achievement of some of the objectives of the 2030 National Development Plan (NDP) 2030 objectives. The Economic Reconstruction and Recovery Plan comprises the following three phases (see figure 20):

- Engage and preserve.
- Recovery and reform; and
- Reconstruct and transform.

The plan also prioritises the following interventions:

- Aggressive infrastructure investment;
- Employment-oriented strategic localisation, reindustrialisation, and export promotion;
- Energy security;
- Support for tourism recovery and growth;
- Gender equality and economic inclusion of women and youth;
- Green economy interventions;
- Mass public employment interventions;
- Strengthening food security; and
- Macro-economic interventions.

Figure 20. Phases of the South African Economic Recovery Plan

PHASE 1 : ENGAGE & PRESERVE

- The current recovery plan is about s aving lives first.
- It is also about saving distressed households, firms and jobs. Our approach emphasizes both the economic and the social aspects
- Massive health care response,
- Targeted support to employment preservation, SMEs, vulnerable households, firms and financial system,
- Ensure social stability
- Ensure food security
- Engage social partners to drive recovery agenda on key policy initiatives underway

PHASE 2 : RECOVER & REFORM

- Restart economy while controlling health risks to avoid a total collapse in employment, investment and production,
- Support for households, firms and financial system continues — augmented by efforts to raise investment and employment,
- Fiscal reprioritization towards productive activities and in support of social obligations
- Strengthen SME Supply chain inclusion
- Economic , SOE , Strategic sector reform package focusing on boosting industrial and trade competitiveness

PHASE 3: DEVELOP& TRANSFORM

- Energy sector reform and energy security
- Scale financial inclusion
- Roll out large scale infrastructure investment,
- Prioritising social and network industries, infrastructure i.e. (water, roads , rail and ports)
- Education and skills development
- Employment and job creation incentives
- SOEs reform
- Cutting red tape and "ease of doing business" bottlenecks

STABILISE MACRO-ECONOMIC ENVIRONMENT

ACHIEVE FOOD SECURITY

DRIVE INDUSTRIALISATION FOCUS ON DOWNSTREAM VALUE

ENSURE ENERGY SECURITY

IMPROVE INFRASTRUCTURE DELIVERY

Source: South African Treasury (2020)

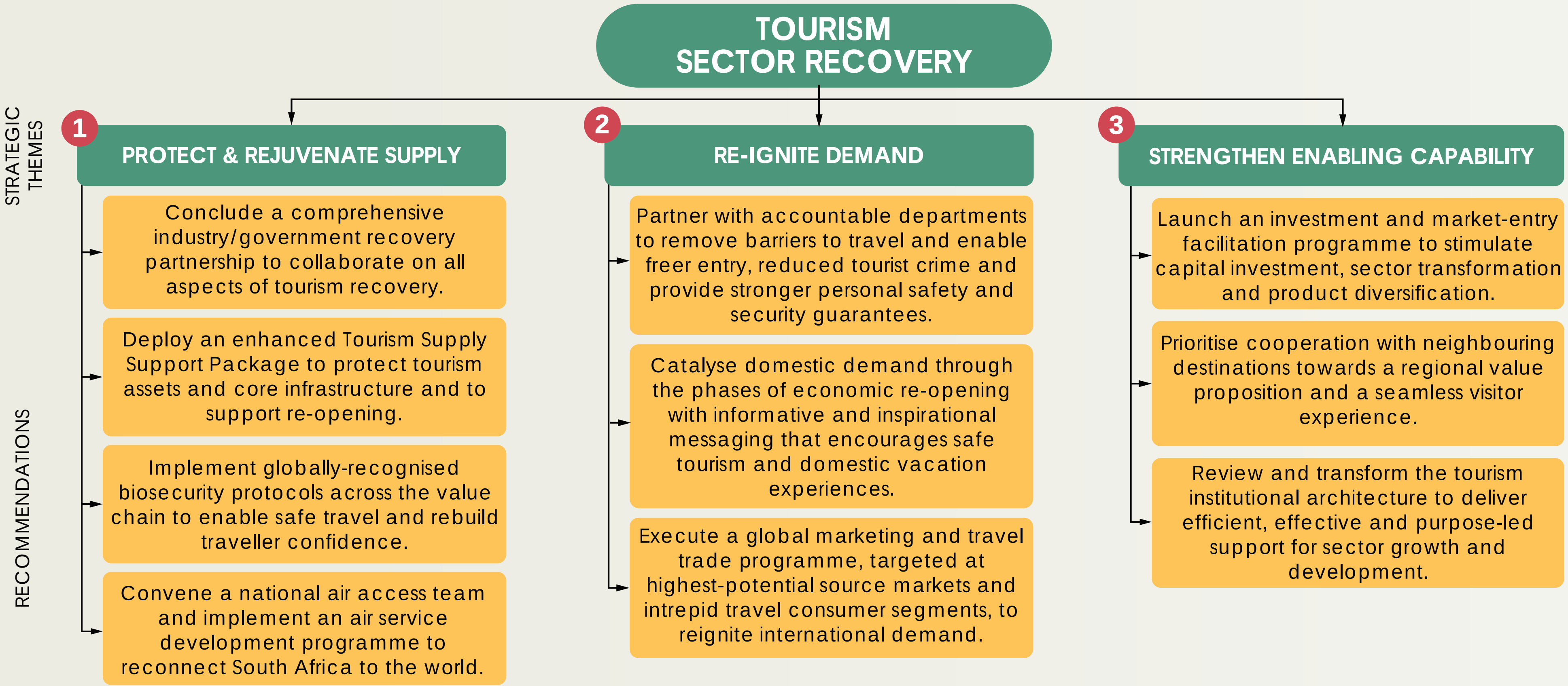
The Economic Reconstruction and Recovery Plan asserts that the tourism industry is pivotal for economic growth due to its ability to absorb varying skill levels through employment. The tourism value chain plays a key role in stimulating South Africa's economy through the multiplier effect from the expenditure side, and the fall in demand from related sectors such as agriculture, transport and the petroleum industry has started filtering through the economy. Gross value addition in this sector is rooted in its value chain that has a strong relationship and linkages with other sectors of the economy (Treasury, 2020).

TOURISM RECOVERY PLAN

Aligned with the Economic Reconstruction and Recovery Plan, the TSRP was developed in line with the three strategic themes (see figure 21) that are central to South Africa's recovery, namely: Re-igniting demand; rejuvenating supply and strengthening enabling capability.

South African Tourism (SAT) notes that destinations globally continue to grapple with the extensive fallout from the pandemic and subsequent non-stop cycle of government-led travel restrictions and measures. In light thereof, the challenge of reigniting tourism economies requires strategic interventions that will yield the greatest impact against the backdrop of these challenging circumstances.

Figure 21: Strategic themes of the tourism sector recovery



Source: South African Tourism (SAT)

The TSRP has the attributes of a whole-of-government approach based on collaborative efforts with key departments (ministries) that have mandates with an impact on tourism. As per the National Department of Tourism (NDT), the TSRP is a collaborative response by the multitude of stakeholders in the sector and aims to confront the plethora of issues brought on by the pandemic. These include:

- Closure of businesses;
- Businesses operating at drastically reduced capacity;
- Massive job losses;
- Collapse of supply and demand on the domestic and international markets;
- Persistent pressure on the South African tourism brand due the country's association with the 501. v2 variant of the COVID-19 virus; and
- Regression of transformation in the tourism sector.

Essentially, the TSRP is concerned with mitigating the impact and stimulate recovery, transformation and long-term sustainability. The main objectives of the Tourism Economic Reconstruction and Recovery Plan (ERRP) are to guide the sector on a sustainable recovery path and ensure a steady long-term growth trajectory.

Tourism is a concurrent function in South Africa's Constitution, meaning that all three levels of government (national, provincial and local) have jurisdiction and direct responsibility. The impact of tourism activity basically manifests at regional and local levels. Consequently, the management of resources, infrastructure and equipment must also be managed at these levels. This also emphasises the importance of monitoring tourism in destinations and creating policies that guide strategic actions based on consistent information (Lemma, 2014).

It is therefore critical that the activities of GTA must not only serve to create a positive impact for the Gauteng province, but also for the entire country. Taking into consideration that the outlook for the tourism sector remains highly uncertain, it is also imperative for all tourism stakeholders to make a concerted effort to steer the tourism ship to safer waters. Critically, every action going forward must seek to build a more resilient tourism sector that is able to respond better to future pandemics and shocks to the industry. This is also where GTA needs to play a more proactive and decisive role in leading the recovery and ensuring future sustainability of the sector.

The post-pandemic recovery requires a new approach to managing destination Gauteng. Innovative, effective, and targeted interventions are required to not only revive the sector but to also set it up in such a way that it will thrive and become a beacon of the Gauteng province. As such, GTA will need to be agile in responding to the intricate task of coordinating several dynamic relationships with stakeholders, who each has their own unique dynamics, needs and priorities.

RUSSIA - UKRAINE CONFLICT

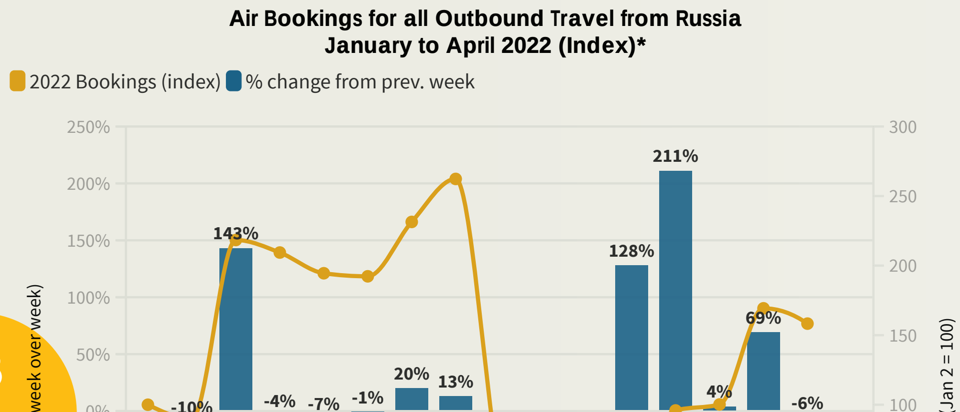
The war between Russia and the Ukraine presents new challenges to the global economic environment and presents the risk of hampering the return of confidence in global travel. The US and Asian source markets, which have started to open, could be particularly impacted by travelling to Europe, as these markets are historically more risk averse. The war against Ukraine and sanctions on Russia are hitting economies around the globe, with emerging markets and developing countries in the European and Central Asia region expected to bear the brunt of the issue. The region's economy is now forecast to shrink by 4.1% this year, compared to the pre-war forecast of 3% growth, as the economic shocks from the war compound the ongoing impact of the COVID-19 pandemic.

The war has added to mounting concerns of a sharp global slowdown, surging inflation and debt, and a spike in poverty levels. The economic impact has reverberated through multiple channels, including commodity and financial markets, trade and migration links and adverse impact on confidence. The war is hitting the emerging and developing economies of Europe and Central Asia hard, as the same economies were already heading for an economic slowdown this year from the ongoing effects of the pandemic. In addition to Russia and Ukraine, Belarus, Kyrgyz Republic, Moldova and Tajikistan are projected to fall into recession this year, while growth projections have been downgraded in all economies due to spill overs from the war, weaker-than-expected growth in the euro area, and commodity, trade and financing shocks.

Even though it is too early to assess the impact, air travel searches and bookings across various channels showed a slowdown the week after the first invasion in February 2022, but started to rebound in early March 2022. The recent spike in oil prices (Brent reached its highest levels in 10 years), and rising inflation are making accommodation and transport services more expensive, adding extra pressure on businesses, consumer purchasing power and savings, as noted by the UNWTO.

The shutdown of Ukrainian and Russian airspace, as well as the ban on Russian carriers by many European countries is affecting intra-European travel. It is also causing detours in long-haul flights between Europe and East Asia, which translates into longer flights and higher costs. Russia and Ukraine accounted for a combined 3% of global spending on international tourism in 2020, and at least US$ 14 billion in global tourism receipts could be lost if the conflict is prolonged.

Figure 22: Russia outbound travel



The importance of both markets is significant for neighbouring countries, but also for European sun and sea destinations. The Russian market also gained significant weight during the pandemic for long haul destinations such as the Maldives, Seychelles or Sri Lanka. As destinations, Russia and Ukraine accounted for 4% of all international arrivals in Europe, but constituted only 1% of Europe's international tourism receipts in 2020.

It is certain that the military offensive will add further pressure to already challenging economic conditions, undermining consumer confidence and raising investment uncertainty. Adverse economic factors which could affect travel demand include surging oil prices and overall inflation, as well as interest rate hikes and the continued disruption of supply chains. The conflict has caused higher prices in commodities like energy and food, as Russia and Ukraine are major commodity exporters.

Europe's tourism recovery has been paused, as efforts turn to helping the millions of Ukrainian refugees fleeing war and conflict, heading west to neighbouring countries such as Poland in one of the biggest humanitarian crises that Europe has seen since World War II. According to Euromonitor International's Travel Forecast Model, Russia accounts for 1% of outbound tourism spending, amounting to US$9.1 billion in 2021. The decline in Russian outbound tourism spending could equate to as much as 50% below the 2021 level, as economic sanctions, airspace closures and flight bans take effect.

Taking account of the collapse of Russian and Ukraine tourism in the near term, global inbound tourism will be impacted by US$6.9 billion in 2022, resulting in a potential loss of 0.9%, that will weigh down tourism potential to 2026, although this will be subject to how long it takes to broker a peaceful solution. Travellers from long-haul markets such as North America are already postponing their trips to Europe due to the conflict in Ukraine, with the need for a strong communication campaign to reassure visitors that Europe is safe and open for business.

SUB-SAHARAN AFRICA

Many countries in the sub-Saharan region are vulnerable to the war's effects, specifically because of higher energy and food prices, reduced tourism, and potential difficulty with accessing international capital markets.

The conflict comes when most countries have minimal policy space to counter the effects of the shock. This is likely to intensify socio-economic pressures, public debt vulnerability, and scarring from the pandemic that was already confronting millions of households and businesses. Record wheat prices are particularly concerning for a region that imports around 85% of its supplies, one third of which comes from Russia or Ukraine.

POST PANDEMIC TOURISM

Despite war overshadowing tourism recovery in Europe, it is the pandemic that continues to beset regions such as Asia Pacific and the Middle East and Africa. The new Omicron variant that was detected at the end of November 2021, caused major disruption and concern; however, the impact has proved to be short-lived. Countries such as the United Kingdom (UK) have already reopened to double-vaccinated travellers and removed all restrictions, shifting into the endemic stage and learning to live with the virus.

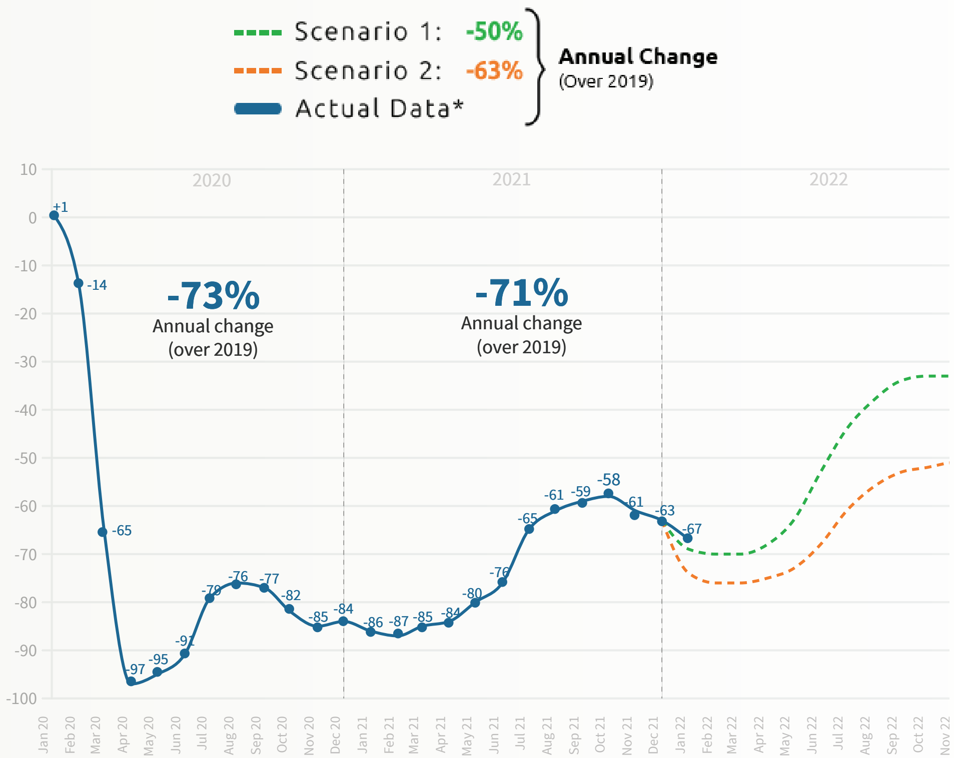
However, with vaccination rates exceeding 63% of the global population, there is still a long way to go before herd immunity is achieved, bearing in mind the low vaccination rates in emerging countries. Over the short term, Asia is the last region to reopen its tourism sector, erring on the side of caution when it comes to opening borders and welcoming back international visitors, coupled with the complexities of interoperable health schemes, or lack thereof.

Countries such as China continue to follow a strict zero-COVID-19 policy, hampering recovery for destinations such as Thailand, which has rolled out its sandbox approach in popular locations such as Phuket and Koh Samui to enable a safe and controlled reopening strategy. Yet it is likely to remain starved of its number one, high-spending Chinese source market until at least early 2023.

In addition, vaccine inequity is a major hindrance to reopening in regions such as Asia Pacific, where only 14.1% of low-income economies have received a vaccine according to Our World in Data, leading to a two-tiered recovery for the haves and have-nots. As the WHO states, no-one is safe until everyone is safe from COVID-19. The blatant inequity of vaccine delivery is a thorn in the side of sustainable tourism recovery.

International travel recovery will slowly gather pace in 2022, led by short-haul travel. Lingering restrictions, cautious sentiment and the perceived and actual risk of further lockdowns and new variants will hamper recovery, but will also encourage some continued regionalisation of travel. Restrictions will be eased first on short-haul routes, while travellers will continue to prefer closer, more familiar destinations.

Figure 23: International tourist arrivals (2020 and 2021) and scenarios for 2022



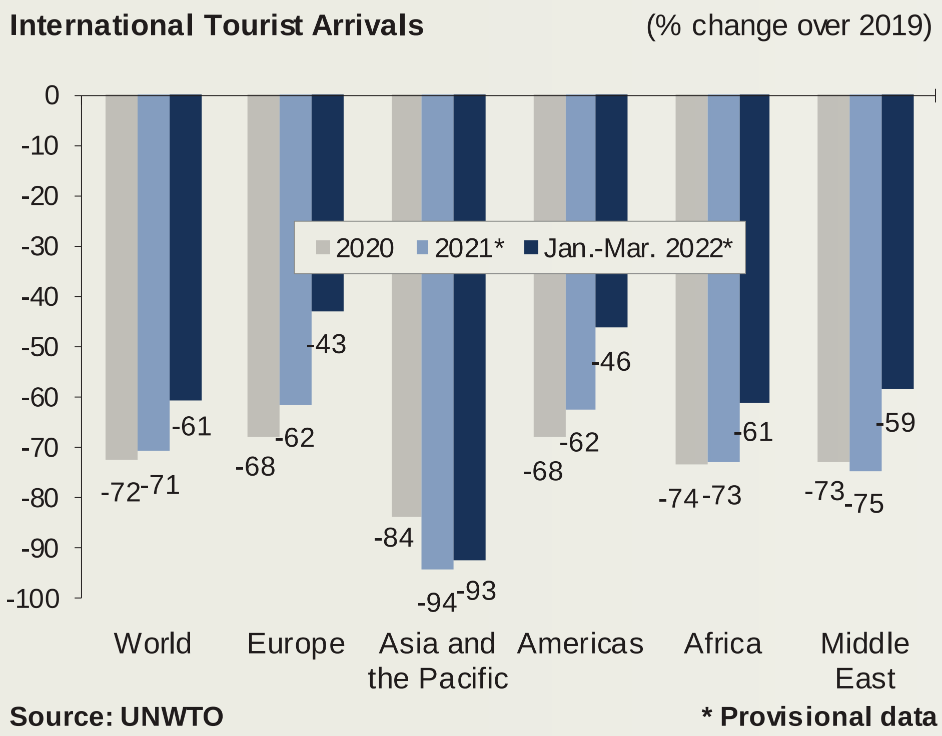
Source: UNWTO

Business travel will only make a partial recovery in 2022, and notably for higher value international business travel. While some hybrid or virtual meetings will remain, there are clear indications of an appetite to restore some business travel.

INTERNATIONAL

International tourism continued its recovery in January 2022, with a much better performance compared to the weak start of 2021. Based on the data released by the UNWTO on Friday, 25 March 2022, global international tourist arrivals more than doubled (130%) in January 2022, compared to January 2021. Despite the robust results, the pace of recovery in January was impacted by the emergence of the Omicron variant and the re-introduction of travel restrictions in several destinations. Arrivals were at -67% in January 2022 compared to 2019, after reaching -60% in the fourth quarter of 2021 (see figure 24 below).

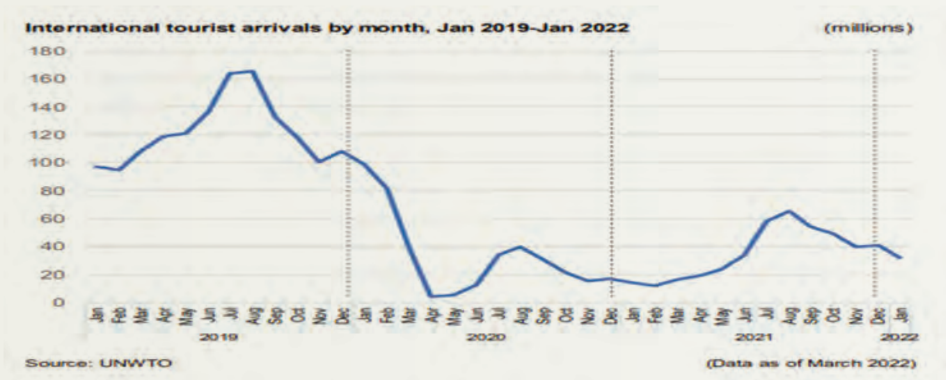
Figure 24. International tourist arrivals



Europe, Americas and the Middle East were among the best performers, followed by Africa, after increasing its tourism traffic by 51%. Nevertheless, Africa has registered a 69% reduction in tourist arrivals in 2021 compared to 2019, according to the data released by the UNWTO. All world regions enjoyed a significant rebound in January 2022 when compared to the low levels of January 2021. Europe and the Americas continued to post the strongest results, though international arrivals were still around half of pre-pandemic levels. While Asia and the Pacific recorded a 44% year-over-year increase, several destinations remained closed to non-essential travel, resulting in the largest decrease in international arrivals over 2019.

By subregions, the best results were recorded in Western Europe which saw four times more arrivals in January 2022 than in 2021, but 58% less than in 2019. Additionally, the Caribbean and Southern and Mediterranean Europe showed the fastest rates of recovery towards 2019 levels. After the unprecedented growth of 2022 and 2021, international tourism is expected to continue its gradual recovery in 2022.

Figure 25: International tourist arrivals by month (Jan 2019 - Jan 2022)

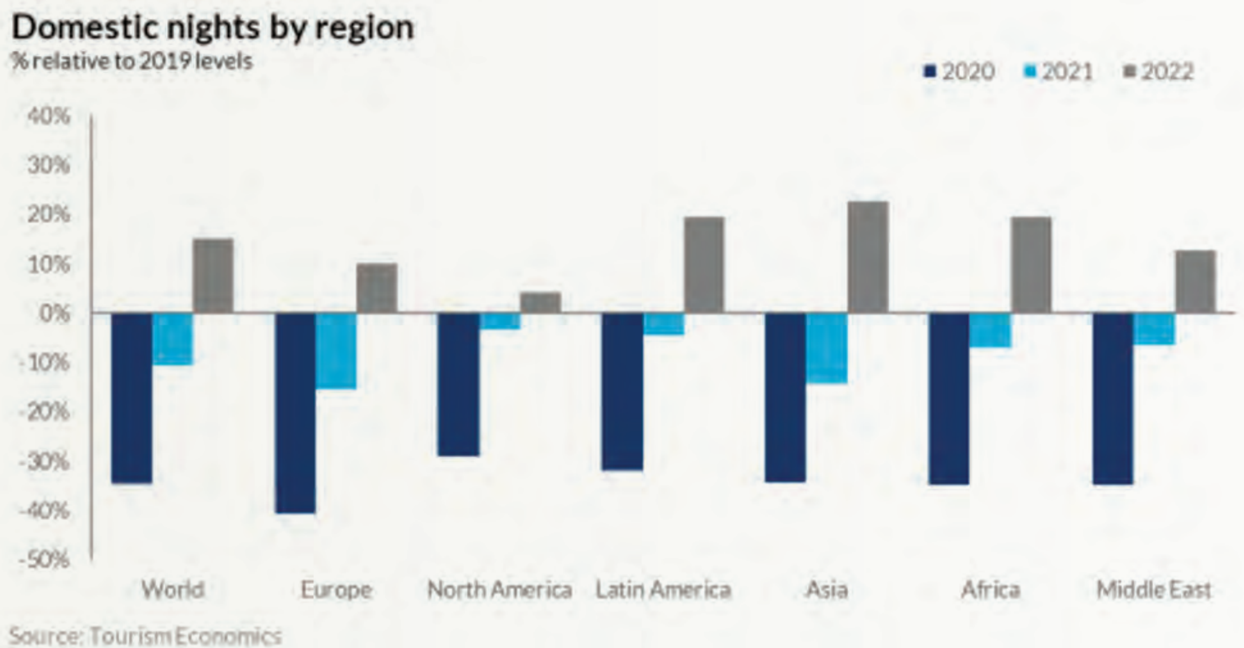


DOMESTIC

Domestic travel continues to lead the recovery, thanks to ongoing substitution from international travel. The domestic share of total travel is expected to fall back in 2022, but will remain well above the pre-pandemic trend. In 2022, it is anticipated that the main driver of the travel and tourism recovery will be domestic activity, resulting from continued substitution from international travel. It is expected that domestic travel activity in every region will reach or surpass 2019 levels in the next financial year. Globally, domestic tourism nights are expected to be 15% higher in 2022 than they were in 2019.

Rapid income growth in emerging markets will drive faster domestic travel growth, with notable recovery anticipated in countries in Asia, Latin America and Africa. Domestic travel in Asia will also be motivated by stricter border restrictions than elsewhere (see figure 27 below).

Figure 27: Domestic nights by region



Income growth and accumulated savings have generated high pent-up demand which will continue to be directed towards domestic travel, while travel restrictions remain tight and there is some increased concern about travel abroad and the ability to return home.

This substitution aided the recovery of global tourism activity, and some correction is expected to begin in 2022 as international travel also grows. Domestic travel will however remain more important than usual for all destinations. Globally, the domestic share of total travel has been elevated during the pandemic and rose further during 2021. This share is expected to fall back marginally to 79% in 2022, but will remain well above the long-term trend.

SOUTH AFRICA'S TOURISM PERFORMANCE

South Africa has experienced varying outcomes in 2021. Even though this was anticipated to be a strong recovery year, there has been mixed results with a strong domestic recovery, but relatively poor showing in terms of international arrivals, due to several factors. The following factors contributed to the strong domestic recovery:

a) A progressive vaccination drive;
b) Relaxation of COVID-19 regulations and travel restrictions; and
c) Pent-up traveller demand boosted by strong domestic travel campaigns.

Factors that contributed to the disappointing international performance include:

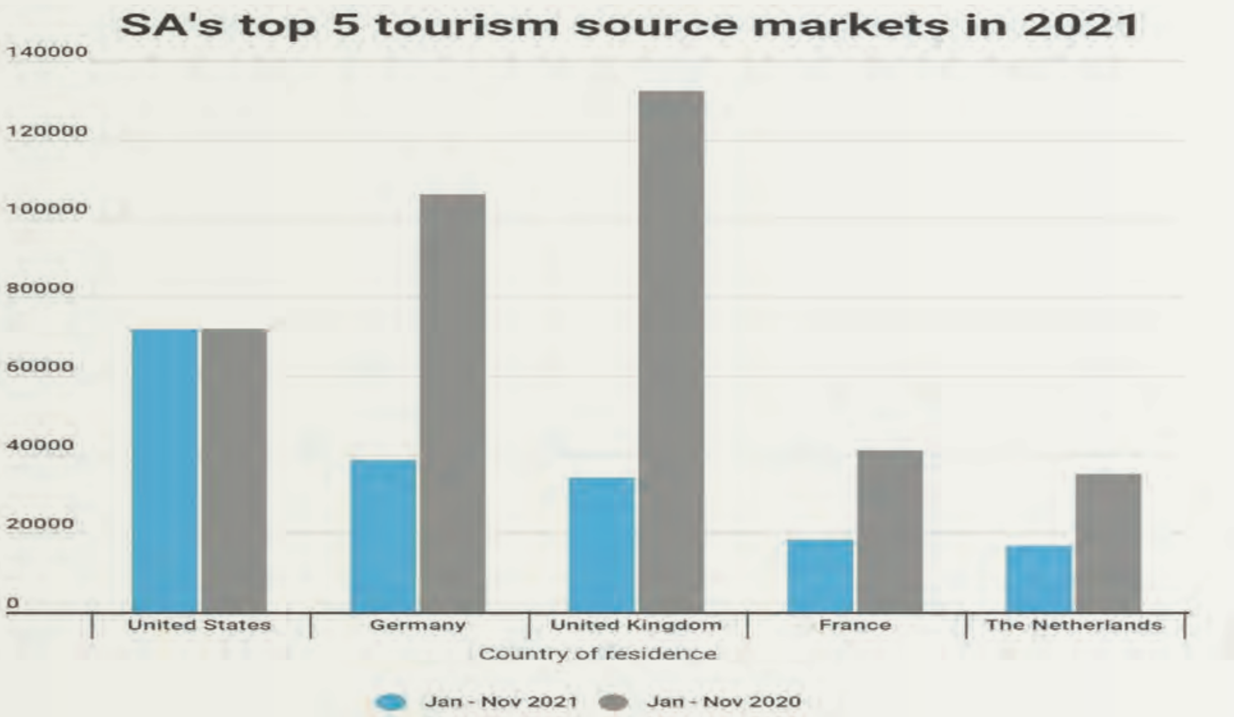
(a) The emergence of delta and Omicron variants of the COVID-19 virus;
(b) Red listing of Southern African Development Community (SADC) countries in particular, because of the detection of the Omicron variants; and
(c) International visitors traveling closer to home in fear of being stranded abroad due to instant closures.

However, there are caveat underlying factors such as the sporadic breakouts of the COVID-19 virus, the global economy, China's ensuing stringent lockdowns, and both air and cruise line closures. This report intends to provide a comprehensive overview of the travel and tourism sector in 2021 and a brief look at the sector for 2022 and beyond.

When considering South Africa's total international inbound market, immediate neighbours – Zimbabwe, Mozambique, Lesotho, Botswana and Namibia – remain the largest source markets for tourists. South Africa welcomed more tourists from the US in 2021 than from anywhere else overseas, with American visitors being far more common than those from the UK and Germany. Prior to the global COVID-19 pandemic, European visitors accounted for roughly 60% of overseas tourists entering South Africa annually. Tourists from North America – the US and Canada combined – accounted for just 17%.

The number of overseas tourists visiting South Africa dropped by almost 80% in 2020, as the world entered hard lockdowns to contain the spread of COVID-19. The following year was even worse, with visits from overseas tourists dropping by a further 50%, as new COVID-19 variants and waves of infections led to further travel restrictions. This major upset to global travel also saw major changes to South Africa's key tourism source markets. The UK has traditionally been South Africa's main source market, with more visitors arriving from this area than from anywhere else in the world. Of all European tourists to South Africa, those from the UK have consistently accounted for around 30%.

Figure 28: South Africa's top tourism source markets in 2021



Source: UNWTO

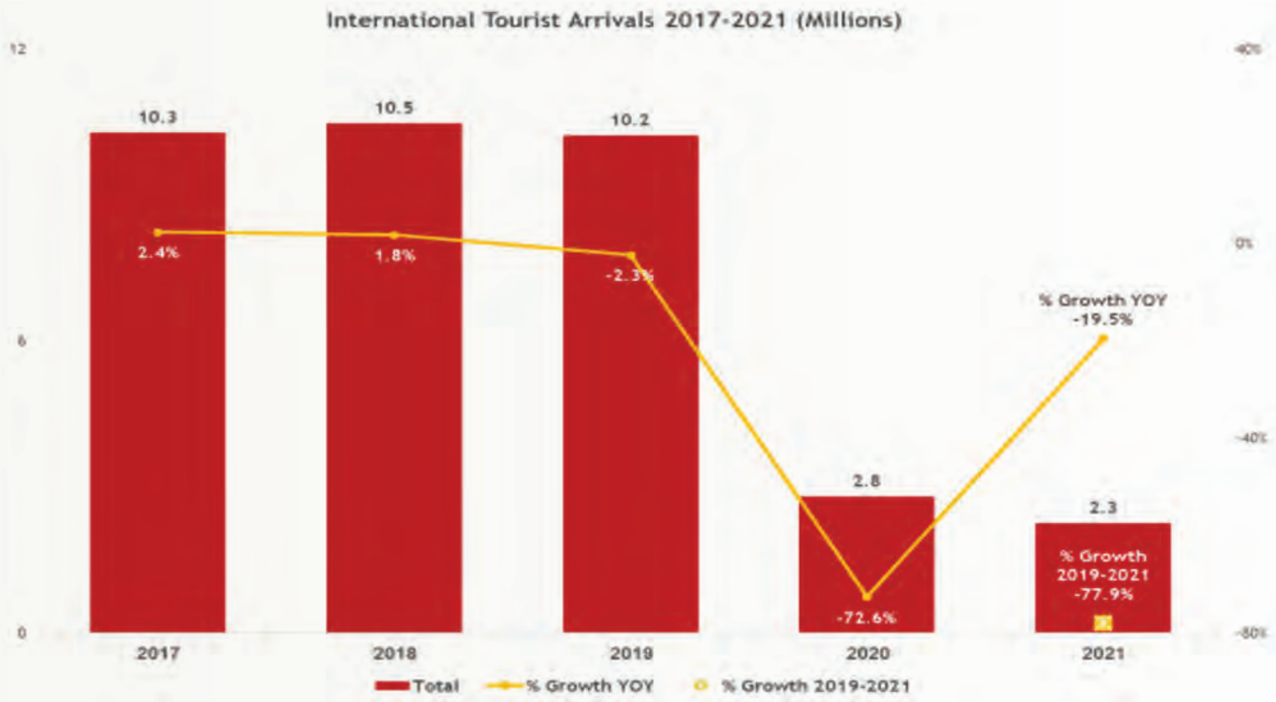
Travellers from Germany, which has traditionally wrangled with the USA for second spot on South Africa's list of key source tourism markets, outnumbered UK visitors in 2021. But due to its own harsh travel restrictions imposed for much of the year, the number of German tourists arriving in South Africa dropped by around 85% compared to pre-pandemic levels.

South Africa's primary source market for tourists in 2021 was the USA. The number of American arrivals almost equalled the combined total of UK and German tourists. Almost 72,000 Americans arrived in South Africa by December 2021, which is just 0.1% down from the previous year, compared to the 50% drop in overall overseas volumes.

INTERNATIONAL PERFORMANCE

Data from SAT indicates that international tourist arrivals to South Africa reached 2.3 million in 2021, which is 0.5 million less than the 2.8 million recorded in 2020. This is also evidenced by the strong performance of the first quarter of 2020. This result represents a -77.9% decline from that of 2019, and a -19.5% decline from that of 2020. It is also a reflection of the continued impact of COVID-19, in spite of the fact that travel restrictions have been lifted on 1 October 2020 (See figure 29 below).

Figure 29: International tourist arrivals (2017-2021)



Source: SAT (2022)

Figure 30 below captures a regional spread of international tourist arrivals to South Africa in 2021. A significant portion of international arrivals originated from Africa, followed by Europe and the Americas. Respectively, Australasia and the Middle East and Asia were South Africa's worst performing markets. This is however possibly due to their ongoing COVID-19 challenges such as the enduring travel restrictions and lockdown measures.

Figure 30. International Tourist Arrivals 2021.

Source: SAT (2022)

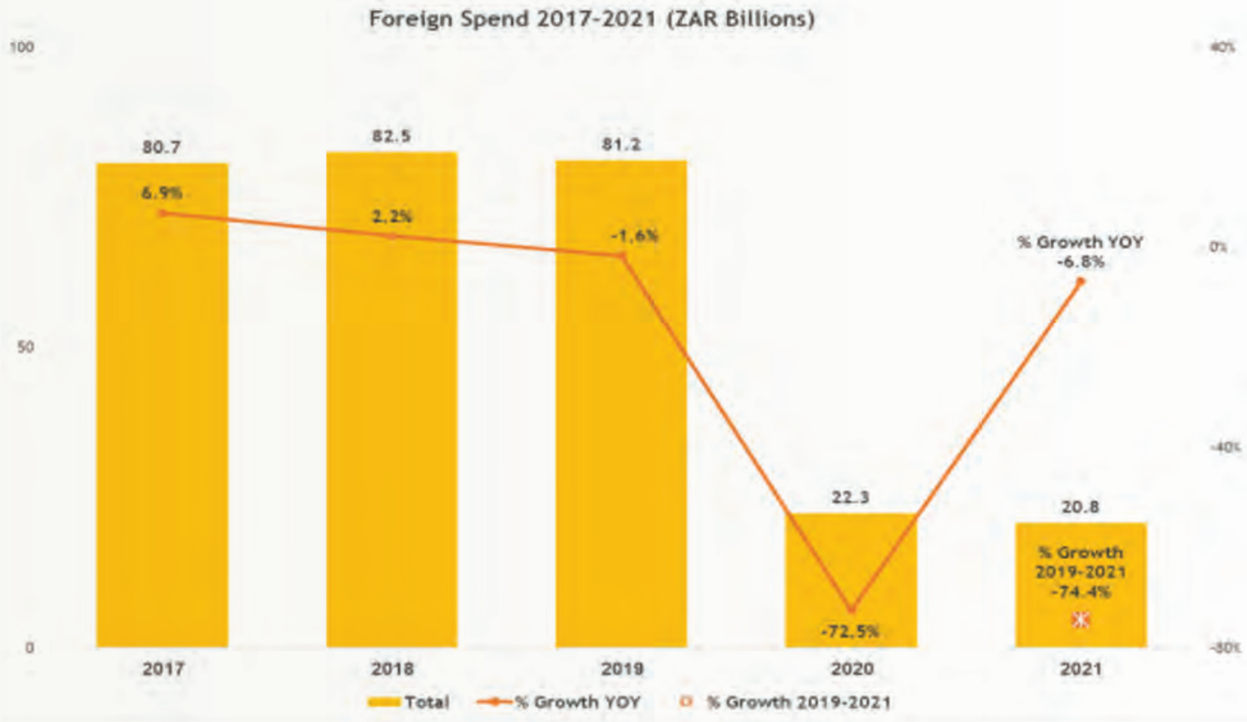
According to SAT, the COVID-19 pandemic's impact is reflected in the purpose of travel. Data from 2019 indicates a prevalence in visiting friends and relatives (VFR), which accounted for 41.4% of all trips, and that has been reduced to 30.5% in 2021. Perhaps as a clear consequence of a struggling global economy, personal shopping has also reduced significantly, decreasing from 13.5% to a mere 3.9% in 2021. Additionally, MICE travel has been adversely affected, dropping down from 3.7% in 2019 to 2.9% in 2021. Conversely, and consequent to the pandemic's impact, business shopping and business travel have increased in importance, thus respectively increasing their shares significantly from 9.4% and 2.7% in 2019 to 18.2% and 17.3% in 2021.

TOTAL FOREIGN DIRECT SPEND

Data from SAT indicates that overall, total foreign direct spend reached ZAR 20.8 billion in 2021 and is thus very similar to that of 2020 (ZAR 22.3 bn i.e., -6.8%) but is -74.4% less than that of 2019. All categories of expenditure decreased by at least -75%, except for business shopping which 'only' declined by -58.1%.

This is likely to the increased importance of business travel since the onset of the pandemic (see figure 31 below).

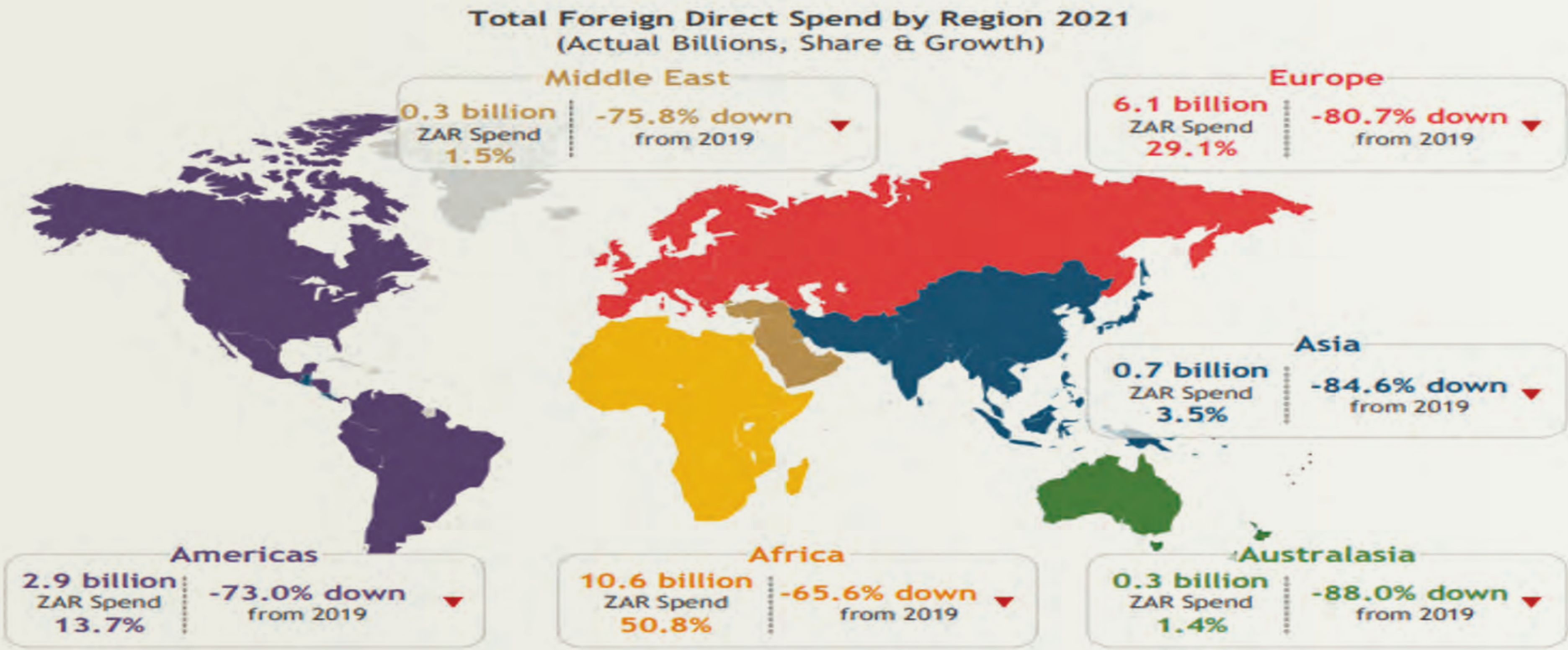
Figure 31. Foreign spend from 2017 - 2021 (ZAR billions)



Source: SAT (2022)

Travellers from Africa and Europe continue to account for the bulk of foreign expenditure. This is to be expected given the two regions are the largest source of arrivals (92.7%). However, their shares of spend are inversely related to their share of arrivals, with Africa accounting for much less spend than arrivals (50.8% versus 83.1%) and Europe inversely so with 9.6% of arrivals, but 29.1% of spend (see figure 32 below).

Figure 32: Total foreign direct spend by region (2021)



Source: SAT (2022)

LENGTH OF STAY

Data from SAT reveals the average length of stay in South Africa during 2021 reached an all-time high, rising by +9.2% over 2019 to reach 12.5 nights. This longer average stay is clearly imposed by COVID-19's new realities and restrictions. The average length of stay varies by region. Africa and Africa Land tourists stay an average of 10-11 nights, while Asia travellers stay for 30+ nights. The latter represents remarkable growth of +52.2% since 2019, which is likely due to the harsher restrictions posed on Asia travellers. All other regions average around 20 nights, and their growth rates are around double the average of +9.2%, with the notable exception of the Middle East showing +41.8% growth and a total of 23.6 nights (see figure 33 below).

Figure 33: Length of stay

Source: SAT (2022)

Due to South Africa's large size, the country's geographic spread index (the share of tourists that travel to two or more provinces) has been stable over the years with levels of around 20%. In 2021, this index increased by one point to 13.1%, which represents a slight improvement from 2020, when the index was recorded at 12.1%.

Figure 34: Tourist geographic spread.

Tourist Arrivals, Spend, Bed Nights & Length of Stay 2021

Province	International Arrivals (Millions)	Spend (ZAR Billions)	Bed Nights (Millions)	Stay (Nights)
Gauteng	0.9	10.0	10.1	11.1
Mpumalanga	0.5	3.8	3.2	6.3
Western Cape	0.3	6.3	4.8	16.5
KwaZulu-Natal	0.3	2.3	2.7	10.5
Free State	0.2	1.1	3.3	14.7
North West	0.1	0.8	1.0	8.1
Limpopo	0.1	1.4	1.0	9.1
Northern Cape	0.1	0.6	0.2	3.0
Eastern Cape	0.1	1.6	1.1	17.7

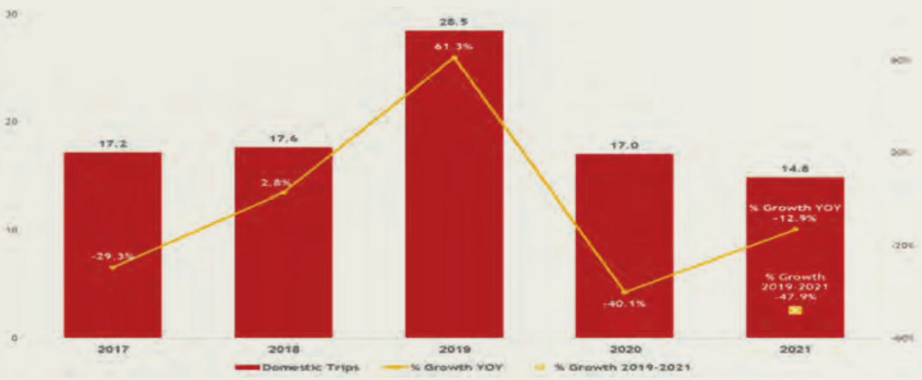
Source: SAT (2022)

The COVID-19 pandemic clearly had an impact on activity levels in each of the nine provinces of South Africa. Overall, the provinces that were affected the most, are Northern Cape and KwaZulu-Natal, which respectively saw a drop of -94.8% and -80.1% basis points in overall mentions. The Northern Cape has suffered a major blow to its natural attraction possibilities which declined from a share of 61.1% to 4.1%. Differently, KwaZulu-Natal experienced more moderate blows, but on all three of their major activities, namely: Shopping, social and business. These blows nonetheless culminated in a similar overall loss of basis points (-80.1% in mentions).

DOMESTIC PERFORMANCE

In 2021, there were 14.8 million overnight domestic trips, which is -47.9% less than the number of trips in 2019. The main reason for taking a trip continues to be to visit friends and family, which constitutes a 45.8% share of total trips. Most of domestic overnight trips originate from the Eastern Cape (35.8%), followed by Gauteng (20.6%). The total domestic trips amounted to 14.8 million in 2021, which is -47.9% less than 2019 and -12.9% less over 2020. This drop is due to the second, third and fourth waves of COVID-19 that crippled the country throughout 2021, as well as the detection of the Omicron variant in December 2021.

Figure 35: Domestic trips (2017-2021)



Source: SAT (2022)

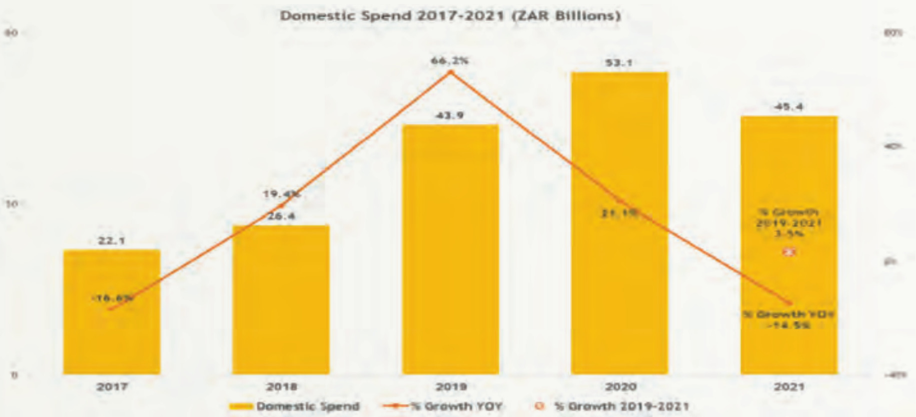
According to data from SAT, VFR accounts for a substantial portion of domestic travel. The VFR's share for 2021 stands at 45.8% (-6.9% points less than in 2019) with a total of 6.8 million trips. Due to the nature of the pandemic which curtails social interactions, VFR has shown one of the steeper decline rates of -54.7% versus that of 2019. Other travel purposes which have seen an even steeper decline are personal shopping (-75.2%) and business shopping (- 100.0%).

Some of these may be attributed to the implementation of COVID-19 restrictions or the need to re-evaluate priorities in the face of the pandemic. Holidays are the second-most popular reason to travel domestically, with a share of 23.1% or 3.4 million trips in total, in this financial year. Holidays experienced a lower decline rate of -51.5%. Business travel has been the third-most frequent reason for domestic travel in this financial year, with a trip share of 11.5% and a growth rate of +6.1% compared to that of 2019.

Figure 36: Domestic trips by purpose (2021)

The domestic revenue generated in 2021 was ZAR 45.4 billion, which constitutes a decrease of -14.5% from 2020, but indicates a slight recovery (+3.5%) from 2019. The average spend increased notably when compared to 2019 (+98.6%), but presents an insignificant decrease when compared to 2020 (-1.8%).

Figure 37: Domestic spend

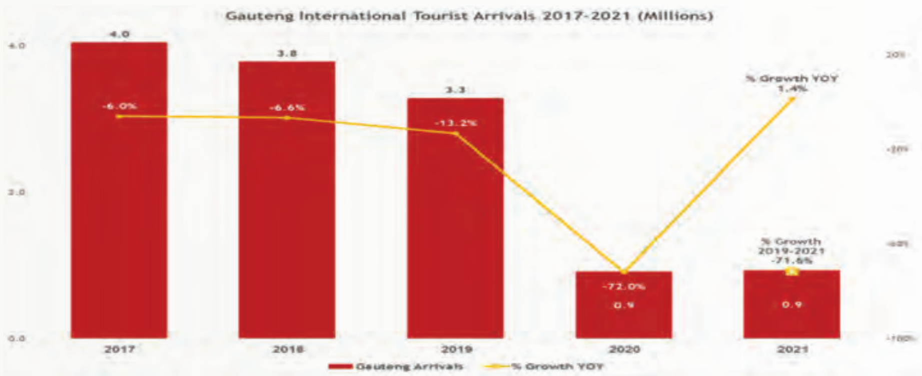


Source: SAT (2022)

GAUTENG TOURISM PERFORMANCE

The Gauteng Province welcomed over 933,859 international arrivals into the province in 2021, accounting for 41.4% of the 2, 255, 699 visitors to South Africa. While the province increased its share of visitors to South Africa by 8.5%, the number of international tourists to South Africa overall stood at – 19.5% from the previous year.

Figure 38: Gauteng international tourist arrivals (2017-2021)



Source: SAT (2022)

The biggest number of international arrivals to Gauteng originated from the SADC region, namely: Zimbabwe, Mozambique, Lesotho, Eswatini and Botswana. The US and UK were our biggest overseas market (see figure 39 below).

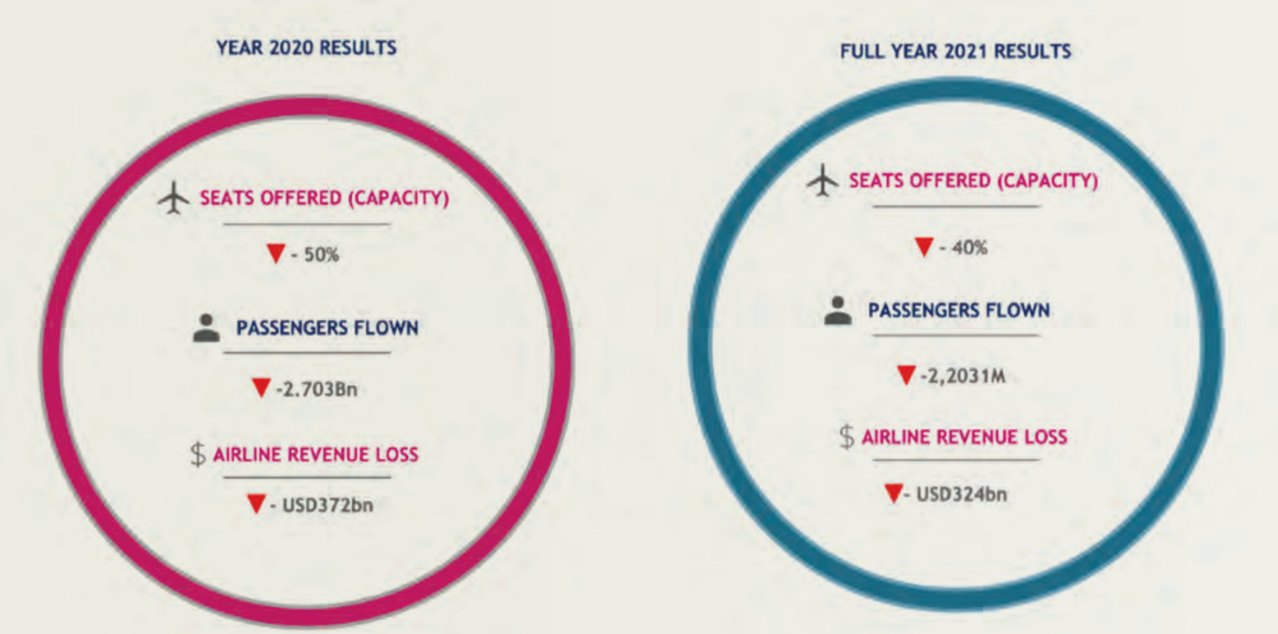
Figure 39: Gauteng top ten source markets

Gauteng 2021	Zimbabwe	Mozambique	Lesotho	eSwatini	Botswana
Arrivals	244,269	130,792	118,659	67,672	51,908
% Share	26.2%	14.0%	12.7%	7.2%	5.6%
% Growth 2019-2021	-35.9%	-78.5%	-72.9%	-66.2%	-81.5%
	Malawi	USA	Zambia	UK	Namibia
Arrivals	48,701	36,059	32,997	24,587	18,803
% Share	5.2%	3.9%	3.5%	2.6%	2.0%
% Growth 2019-2021	-68.4%	-75.7%	-74.2%	-80.7%	-54.2%

AVIATION INDUSTRY

We are steadily seeing more passengers return to the skies as the number of fully vaccinated people increases across many countries, and travel restrictions are subsequently eased. As vaccines are being rolled out globally and economies recover, organisations have already increased their business travel spending. According to the Global Business Travel Association (GBTA), business travel spending is projected to have increased by 21% in 2021, on the back of the easing of restrictions on international travel (see figure 40 below).

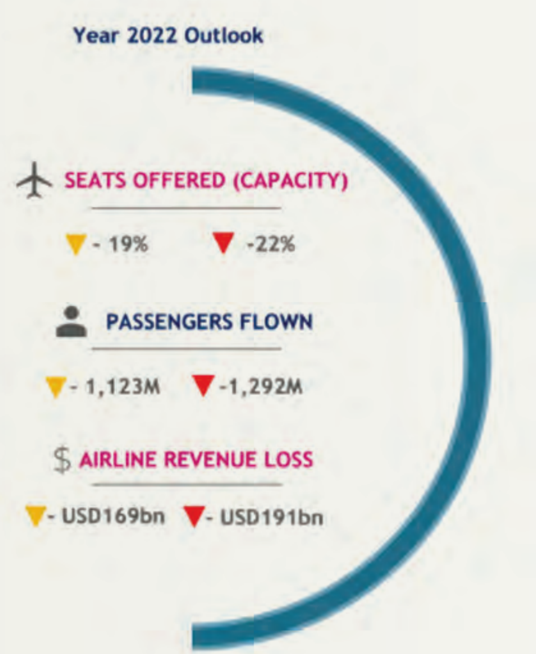
Figure 40: International Air Transport Association (IATA) total passenger results (2021)



Source: IATA (2022)

This trend will continue, and further acceleration in business travel is expected in 2022. The GBTA predicts a 36% surge in business travel year-over-year in 2022 (see figure 41 below), and it is expected that business events and meetings will drive this surge. The International Air Transport Association (IATA) announced that the recovery in air travel slowed for both domestic and international in January 2022, when compared to December 2021. This is due to the imposition of travel restrictions as a result of the emergence of the Omicron variant of COVID-19 in November 2021.

Figure 41: IATA total passenger outlook (2022)



INTERNATIONAL PASSENGER MARKETS

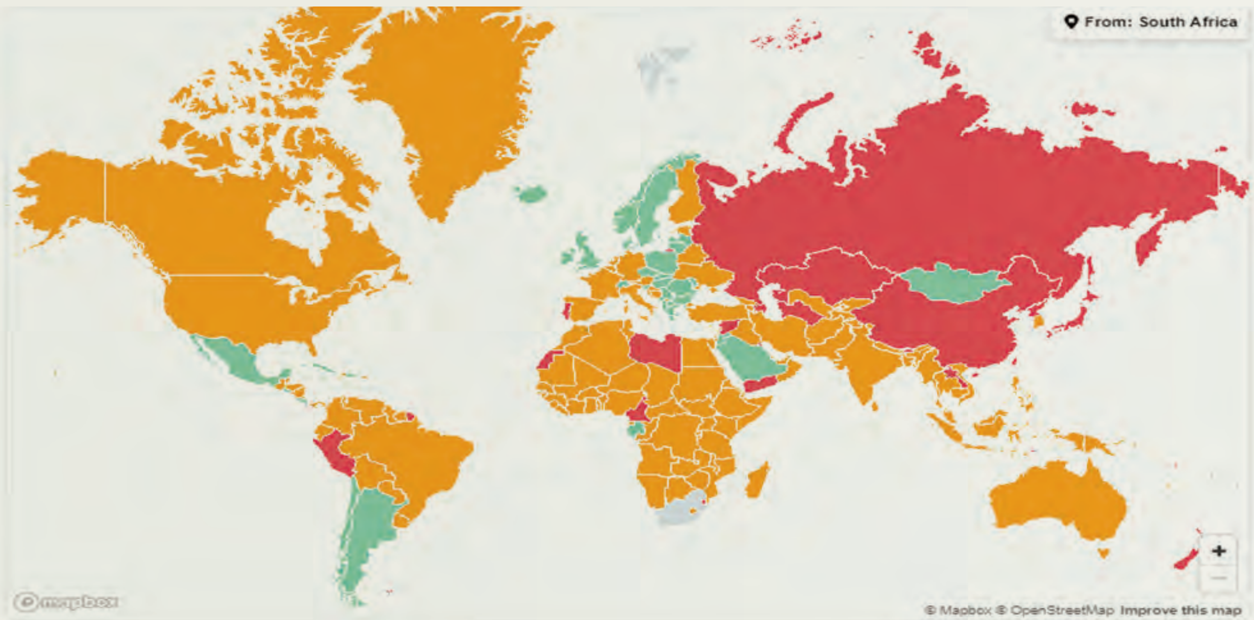
European carriers'	January 2022 international traffic rose by 225.1% from January 2021, which was a slight increase when compared to the 223.3% increase in December 2021 versus the same month in 2020. Capacity increased by 129.9% and the load factor climbed by 19.4 percentage points to 66.4%.
Asia-Pacific airlines	The international traffic for January 2022 increased by 124.4% compared to January 2021, which is a significant reduction in the 138.5% gain which was recorded from December 2021 to December 2020. Capacity increased by 54.4% and the load factor was up by 14.7 percentage points to 47.0%, which remain the lowest among regions.
Middle Eastern airlines	A 145.0% rise in demand was recorded from January 2021 to January 2022, which is a notable reduction from the 178.2% increase in December 2021, versus the same month in 2020. Capacity increased by 71.7% from the previous year-ago and the load factor climbed by 17.5 percentage points to 58.6%.
North American carriers	There was a 148.8% increase in traffic in January 2022 when compared to the 2021 period, which is a significant decrease in the 185.4% rise in December 2021, when compared to December 2020. Capacity increased by 78.0%, and the load factor climbed by 17.0 percentage points to 59.9%.
Latin American airlines	There was a 157.0% increase in traffic in January 2022 compared to the same month in 2021, which represents an upturn from the 150.8% rise in December 2021, when compared to December 2020. January capacity increased by 91.2% and the load factor increased by 19.4 percentage points to 75.7%, which constitutes the highest load factor among the regions for the 16th consecutive month.
African airlines'	Traffic increased by 17.9% in January 2022 when compared to the previous year, which represents a slowdown compared to the 26.3% year-over-year increase recorded in December 2021. The January 2022 capacity increased by 6.3% and the load factor climbed by 6.0 percentage points to 60.5%.

The air transport industry is a major contributor to the South African economy as it facilitates the movement of passengers and cargo to, from and within the country. Air transport and foreign tourists travelling by air contribute 3.2% of the local GDP. Local industry developments are dominated by the business rescue of national carrier South African Airways (SAA) and the liquidity crisis of its subsidiary SA Express. SAA, SA Express and SAA Technical.

Airports, ground handling and support services are experiencing high operational cost increases, including security. The sector continues to be affected by the economy, the highly competitive domestic airline environment and operational and sustainability challenges. Stringent visa requirements and the relatively limited number of air services agreements hinder the country's ability to attract international travel. Aviation continues to be affected by capacity constraints due to the delay in rollout of airport expansion projects.

With the ongoing COVID-19 pandemic, the travel status of individual countries can change suddenly. The enduring travel restrictions will still have an effect on the resurgence of the aviation sector. While restrictions have been lifted globally, allowing for the free movement of people, there are some parts of the globe such as China, that still enforce restrictions and regulations (see figure 42 below).

Figure 42: Global travel restrictions



Open

Borders are open - there are no restrictions or requirements for most visitors at this time.

42
countries are open

Open with restrictions

Borders are open to visitors who are fully vaccinated, and/or can provide a negative COVID-19 PCR or antigen test result, and/or will quarantine upon arrival.

143
countries are open with restrictions

Closed

Borders are closed - only citizens, residents returning home or people in other special circumstances may enter.

41
countries are closed

Source: Kayak (2022)

MEETINGS, INCENTIVES, CONFERENCES AND EXHIBITIONS

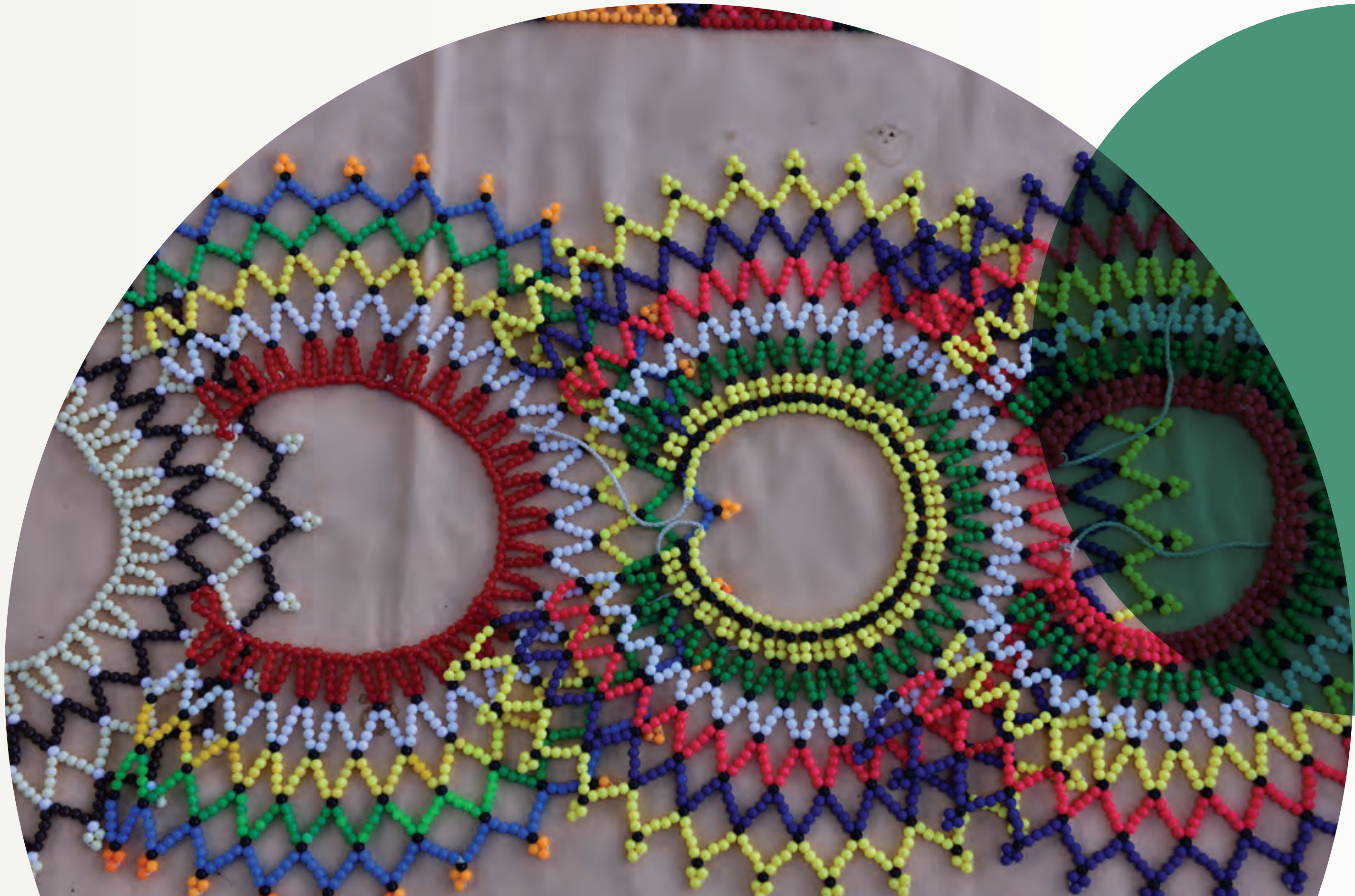
The COVID-19 regulations have drastically changed the operating conditions of the MICE sector, which is most evident from the prevalence of virtual and hybrid events that are becoming the most widely used means to host such events. The 2020 and 2021 financial years were supposed to be bumper years for South Africa's MICE industry, but the COVID-19 pandemic resulted in many international and regional business events being cancelled, and others being hosted virtually. The South African National Conventions Bureau (SANCB), together with the local industry, had to postpone 36 events in the last two years. These events, are now going ahead in 2022 and 2023 in hybrid formats. They will potentially attract 18,473 delegates to the country, generating 144 event days with an estimated R461-million contribution to the economy.

These challenges, coupled with the severe economic impact experienced by the sector, has led to major rethinking around recovery and resilience. MICE tourism, which lies at the centre of the international tourism economy, focuses on business-to-business interactions. Understandably, the banning of travel and events placed the MICE sector under significant strain. The few available studies on the impact of COVID-19 on MICE events have cited the following as some of the major consequences of the shutdown on this tourism activity:

- Loss of employment;
- Disturbance of the global supply chains; and
- Disturbance of the MICE multiplier effect.

As one of the suppliers to the MICE industry, the accommodation sector has lost considerable revenue. Indeed, the development of MICE tourism has become evident in the emergence of hotels and other types of accommodations that are specifically geared to business travellers. Since the COVID-19 pandemic however, there has been a major transition to virtual events, and later (as regulations eased), to hybrid events. Whilst virtual and hybrid MICE events have been found to maintain operations within the sector to some degree, the pandemic undoubtedly changed the demand, travel patterns, behaviours, and preferences.

The lockdown regulations, and primarily the international bans and the restrictions on the number of people gathering at venues, have subjected the MICE sector to stringent constraints. Coupled with the cyclical nature of the rise of infections, which has been followed by restrictive measures on the MICE tourism sector, this has caused much uncertainty over fully reopening the sector. Studies however show that towards the last part of 2021, the SANBC has reformed its policies for bidding support accordingly, by incorporating virtual and hybrid events as part of the events it supports, as well as updating its methodology for such events.



12.2. Service delivery improvement plan

Key Service	Beneficiaries	Previous Achievement / status 2020/ 21	Desired service standard: 2021/22	Actual achievement 2021/22
Supplier Development Programme	SMMEs, especially businesses owned by previously disadvantaged individuals	Small businesses were given opportunities to consult with GTA during tender processes and implementation of procurement request for proposal processes	Increase BBB Scores thereby increasing number of small businesses who do business with GTA	Supplier Development Programme was implemented where a number of sessions were hosted to engage small businesses for them to understand the GTA's mandate, services it requires, and processes and procedures involved in the procurement process
Stakeholder management	Institutional Framework	Stakeholder engagement session were held. Gauteng Tourism Institutional Framework was developed and approved	Well-coordinated tourism agenda for the province to improve strategies for positioning gating in increasing the visitor's economy and improved geographic spread.	A number of stakeholders' engagement were implemented to address issues faced by the sector. This included GTA' site visits at several products.
Bidding and Hosting	Event businesses SMMEs Unemployed individuals	Limited events were hosted due to COVID-19. Variables for measuring the impact of events were altered to accommodate the new norm.	Quantify the outcomes and the impact of the event industry to determine the value of the hosted events.	Working with GCEB, the GTA consulted with several events organisers to ensure transformation in the events industry taking into consideration the new norm brought about by COVID-19. The engagement included consultation on new metrics for measuring the impact of the event industry towards the economy.
Information Services	Members of the public, Tourism Stakeholders	GTA fully adopted social media platforms to communicate with the various stakeholders as we were directly impacted by Covid lockdown regulations.	GTA continued to utilise social media as a means of access to information. GTA used various means of online engagements with key role-players and stakeholders.	GTA primarily used to social media/ online platforms as a primary means of information dissemination and engagement. Consequently, to the covid pandemic the entity had to work closely with information distributors and try to design covid compliant strategies of information distribution.
Tourism Support programme	Tourism SMME businesses owned by previously disadvantaged groups and mainly within townships, Tourism Stakeholders	New – function was with GDED and migrated now	Tourism Business sustainability: Capacitate Tourism workforce and create a pool of skilled individuals for industry placement and absorption.	As a key component of Tourism Recovery GTA through Tourism Support unit working with key industry players leveraged on partnerships existing opportunities to capacitate tourism businesses. The interventions included strategies for survival and business sustainability processes thereby directly contributing towards economic growth through visitor economy.Tourism Support also directly facilitated upskilling of tourism business workforce to ensure business service excellence and best practise methods. Lastly, Tourism Support facilitated Tourism Skills Audit exercise meant to create a baseline tool for skills development agenda. The audit established a map of skills interventions as indicated by the industry players.

Key Service	Beneficiaries	Previous Achievement / status 2020/ 21	Desired service standard: 2021/22	Actual achievement 2021/22
Digital media services	Members of the public, Tourism stakeholders, Members of the media	The agency used social and digital media to communicate, empower, educate and inform the various beneficiaries and stakeholders on the implementation of the tourism recovery plan and COVID-19 messaging. This was in line with the communication of government risk adjusted strategy in the management of the pandemic.	Access to empowering and correct information remains a crucial element of a two-way communication process by government and its entities. In line with the service delivery improvement standards, GTA continued to use its digital and social media channels to influence travel decisions into the city region. The Authority also used the channels to host online sessions and communicated opportunities in the organisation like vacancies, tenders, and stakeholder information sessions.	GTA managed to utilise its digital and social media platforms as primary channels in the implementation of the tourism recovery plan and the agency's annual performance plan. The Authority used the channels to broadcast our travel content, engage with users and solicited their inputs, inspire those undecideds about their next travel destination and continue to position the destination brand amongst the leading travel and tourism brands.
Trade and Leisure Shows	Tourism SMMEs, Travel Trade partners, Events/ Shows organisers	GTA working together with the sub sector used the lockdown period to socialise the biologically safe event hosting programme (bio-bubble) as the event sector had closed due to covid 19	The Authority envisaged to continue with the gradual opening of the sector and leveraging the participation of the event's organisers in joint platforms to communicate sector recovery plans and actions. GTA planned to use these platforms to reintroduce the destination offerings noting the devastation caused by COVID-19 and the limitation imposed by the risk adjusted strategy in managing the pandemic when it came to people's attendance at the events.	The 2021/22 period herald the start of the gradual reopening of the sector and some of the events, exhibitions and trade shows coming back. GTA used these platforms to communicate messages of confidence and protocols in place for the public attending. Similarly, the agency used the trade and leisure shows to provide access to market for tourism SMMEs and the promotion of the various demand generating destination activities like sports tourism, gastronomy, township tourism offerings and safe eventing.

12.3. Organisational environment

This is achieved by remaining abreast of relevant legislation and regulations and aligning HR policies accordingly, to ensure appropriate HR services across the entire value chain.

In the year under review, GTA faced several challenges which led to low staff morale, including issues with staff placements, the resignation of the CEO, the prolonged resolution of employee grievances, and unfair cancellation of some important staff benefits. Following extensive staff engagement on the matter, the organisation managed to effectively address the latter, by conceptualising a solution for cell phone allowances, which was based on a benchmarking exercise against other agencies of the GDED. This solution was presented to and approved by the Board, and as a result, the organisation has been able to reinstate cell phone allowances which led to a notable improvement in staff morale.

The organisation also identified the requirement to review and update some of its outdated policies, with the aim to improve internal operations. In addition, GTA embarked on an exercise to rationalise the tourism functions for a significant part of the year under review. As a result, the tourism supply functions which were housed at GDED were transferred back to GTA for implementation.

In practise, this required for the existing structure of GTA to be reviewed and for a new organisational structure to be developed, to integrate these new functions. This new organisational structure has since been approved by the GTA Board and has been effectively implemented.

12.4. Key policy developments and legislative changes

There were no policy changes during the year under review.

13. ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

13.1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

13.1.1. Outcomes

As an implementing agency of the GDED, GTA adopted the following outcomes in its Annual Performance Plan (APP) for 2021/2022:

- Increased public value and trust through improved governance and accountability; and
- Inclusive growth and developmental partnerships with the private sector to develop new tourism products and 4IR-driven joint marketing initiatives.

During the budget adjustment, GTA also adopted the outcome of 'inclusive and sustainable tourism growth'. The main objective was to enable GTA to implement its core mandate, which is to develop and promote, and coordinate develop, promote, coordinate and facilitate responsible and sustainable tourism in Gauteng, and other related functions.

The authority's programmes for 2021/2022 were implemented in line with government-wide recognised and relevant laws and regulations, as well as strategies and policies that also support the key priorities of the NDP, some of which include the following:

- Reduction of unemployment;
- Inclusive growth;
- Establishment of effective partnerships across society;
- Shaping South Africa's foreign policies through diplomatic and economic implementation of effective tourism programmes at national, regional and continental platforms; and
- Becoming central to global economic competition for tourism market share.

In the process, GTA thus contributed to the NDP's priorities by implementing projects that are aimed at promoting and positioning Gauteng as the preferred business and leisure destination in Africa. Amongst others, this has been guided by:

- The Gauteng Tourism Sector Strategy (GTSS);
- The Gauteng Bidding and Hosting Strategy;
- The Gauteng Visitor Information Services Strategy; and
- Other related strategies, with special emphasis on destination coordination, effective destination marketing and market competitiveness and diversification.

Overall, tourism growth in Gauteng is measured by increases in the number of international arrivals and particularly, through elements that form part of our traditional core, which includes:

- Growth in source market;
- An increase in the number of domestic trips;
- Enhanced visitor experiences; and
- Growth of the tourism economy through tourism products and community beneficiation.

The COVID-19 pandemic has negatively influenced sector growth worldwide. In particular, the travel and tourism sector has been most adversely affected by travel restrictions pertaining to health protocols, and especially protocols pertaining to hygiene safety, which led to instability in international travel.

Heightened perceived risk furthermore triggered feelings of anxiety and apprehension associated with international travel. This influenced the brand image of the crisis-affected countries and influenced tourists' decision-making. As a result, tourists delayed their trips, changed their choice of destination, or in some cases, even cancelled their planned tourist activity all together.

As a result of all these challenges relating to international travel, the local tourism sector had to shift its focus to servicing the domestic market.

In response to this exceptionally challenging new operating environment, the NDT developed a Tourism Sector Recovery Plan (TSRP), which is premised on the government's Economic Reconstruction & Recovery Plan (ERRP). The main objective was to re-ignite the tourism sector for long-term sustainability. Domestic demand was used to anchor the recovery, followed by regional demand, whilst simultaneously stimulating international markets.

Additional waves of COVID-19 infections, driven by new variants however hampered these tourism recovery efforts in 2021 significantly. Data supplied by Airports Company South Africa (ACSA) presented a direct correlation between COVID-19 waves, rising infections, and downturns in passenger volumes, at all three major airports. The only exception has been South Africa's fourth wave. Even though this wave, which was driven by the omicron variant, resulted in the highest infection rates to date, it did not result in harsher lockdown restrictions.

13.1.2. Performance in line with the outcomes

13.1.2.1. Strategic support

GTA has been purposefully focusing on the development of strategic agreements and partnerships across numerous disciplines of work, to provide momentum to the Tourism Sector Recovery Plan. This includes the strengthening of international relations, as is evidenced by initiatives such as the signage of the Ghana Tourism Authority Agreement.

In this agreement, both GTA and the Ghana Tourism Authority have committed to a range of activities that are aimed at increasing visitor numbers between the two destinations. An exciting development that occurred in 2021 as a result of this agreement, was the reintroduction of the South African Airways (SAA) flight from Johannesburg to Accra, which will go a long way towards enabling two-way traffic and increasing visitor numbers between the two destinations. Other activities that are in the pipeline for deployment are frequent hosting of online sessions between key trade partners from the two destinations, packaging of new products and strengthening and positioning both destinations as suitable film locations. The rollout of these plans is well underway for implementation in the new financial year.

Collaborating to create new products for the tourism sector has been an important part of the transition that many companies were forced to make as a result of the pandemic lockdowns, which posed a threat of business closure. Whilst many businesses in the sector did eventually close down, others explored new opportunities in the virtual and augmented reality space. As such, GTA partnered with its sister organisation, The Innovation Hub (TIH), by issuing a brief to Gauteng's iconic sites, challenging them to create virtual tours. This has since become and ongoing project, and we are looking forward to soon updating our stakeholders on the progress made in this regard.

Collaborating with associations is integral part of our work as this enables GTA to reach a much wider audience in a shorter period of time. The South African Township and Village Association (SATOVITO) initiated such a partnership with GTA for assistance with effective hosting of events, which also includes online events. The first event which was co-hosted as a result of this partnership, was a transformation seminar which took place face-to-face at the Constitution Hill Human Rights Precinct. The event was well-attended by a number of SATOVITO members as well as GTA stakeholders and led to critical discussions on acceleration of transformation in the tourism industry. Constructive engagements of this nature are essential for progress in the sector.

Other partners with whom GTA concluded strategic agreements during the year, includes: Airbnb, Freedom Park, the Department of Small Business Development, SAA and Busamed.

13.1.2.2. Destination marketing

13.1.2.2.1. Destination promotion and communication

Destination Marketing and Communications operates to stimulate demand for destination Gauteng tourism offerings and achieve increased brand awareness in both domestic and international markets. The programme seeks to achieve a coherent approach to promoting Gauteng City Region to become a top-of-mind destination with an improved conversion rate.

This is guided by the Gauteng Tourism Sector Strategy (GTSS) and the GGT2030 targets of increased foreign arrivals, increased domestic trips, tourism rand value, domestic spend, bed-nights, reduced seasonality, and rand-value generated from hosted MICE events.

This was implemented through a dedicated focus of marketing and brand communications efforts to catalyse domestic demand through phases of re-opening, as we emerge from the COVID-19 pandemic, together with informative and inspirational messaging that encourages safe visitation.

In the period under review, Destination Promotion and Communications promoted key attractions in Gauteng and supported major events with the aim to position the province as a destination of choice for quality leisure and business events, as well as a preferred destination for creative arts and competitive sports. We were also able to partner with provincial travel trade who packaged Gauteng attractions as part of their offerings to their clients, whilst leveraging the opportunity to expand awareness of our brand positioning to a wider audience.

POSITIONING:
Breaking New Ground – Starts Here!

	LEISURE	BUSINESS EVENTS	LIFESTYLE
	Taking a **break**	Business / organization **breakaways**	Engendering Creative, Sporting, Musical GP **breakthrough** to the world
PROPOSITION	The **break** that breaks new ground starts here	The **business break** that breaks new ground	The **breakthrough** that breaks new ground the #GPLifestyle way
FUNCTIONAL FACTS FUNNEL	1. Source market relevant facts 2. In-bound value chain facts 3. In-GP logistical facts	1. Bid Target Success Factors & Processes 2. Successes in non-recorded hosting's 3. Delegate Boosting Factors – Infusion of lifestyle	1. Partnership Selection Criteria 2. Partnership Selection Process 3. Partnership Categories that support visitor economy
FIRST-CLASS FEATURES	1. Nature-made Features 2. Man-made Features 3. Combination Features	1. MICE Infrastructure Features 2. World Leading Professionals / Personalities 3. World Leading Innovations / Solutions 4. GP Expert Club	1. Creative GP-Talent Exceptionalism 2. Purpose-built places, spaces, brands, IP 3. Proprietory Events and Annual Calendar
FUN-FEELINGS FEATURES	1. 9 Pillars Experiences 2. Authentic People Experiences 3. Combination Experiences	1. Business Events Pillars 2. MICE Experiences 3. Combination Experiences	1. Globally Competitive, Locally Focused Exceptionalism 2. Innovation Exceptionalism 3. Big City Vibes
EXPRESSION	**Humanity starts here!**	**Ingenuity, profitable partnerships starts here!**	**Exceptional lifestyle and entertainment starts here!**
PLATFORMS	Storytelling	Bidding	Leveraging
MESSAGE	**#ShareGP**	**#GautengMeansBusiness**	**#GPLifestyle**

In addition, Destination Marketing and Communications implemented several projects aimed at stimulating demand at both domestic and international level. Overall, the unit managed to achieve its targets as set out in the authority's APP, which in turn made a positive contribution towards the achievement of the targets that form part of the strategic as well. Some of the key milestones and activities are detailed below.

At the start of the financial year, the programme collaborated with the City Sightseeing Johannesburg – The Red Bus on managing the domestic promotional drive for the City Sightseeing – The Red Bus experiences. The key objectives of this promotional drive were to:

- Attract locals and visitors alike to purchase the experience, deals and specials;
- Stimulate more travel activities and increase domestic tourism activities; and
- Raise brand awareness during the Easter holidays and Freedom Month.

Overall, the promotional campaign increased the number of bookings for City Sightseeing – The Red Bus experiences substantially, achieving a 50% increase in bookings over the promotional period. This was accomplished by creating a fun digital activity for family and friends, which included a link to make seamless, direct bookings for the experience, without having to search the internet for more details.

In line with the re-opening of the tourism sector through the risk-adjusted strategy for economic participation, the unit also deployed a curated digital brand exhibition campaign that utilised existing video and static marketing content to highlight unique GP experiences and attractions and promote participating partner's experiences and destinations.

Locals and visitors often pursue experiences that are engaging and authentic. By utilising these digital tools and technology, we provided the sector with the means to engage their consumers optimally. This reach was even further expanded by making it possible for their consumers to share their adventures and inspire others too.

In the spirit of collaboration, the unit continued to work with sister agencies on industry/government recovery partnerships that are aimed to address aspects of the tourism recovery plan. As such, the unit collaborated with Constitution Hill on curated exhibitions which allowed for cross-promotion on select digital platforms, which in turn enabled a wider spread of the campaign messaging.

To ensure consistency in pricing among travel trade partners, products, attractions, and experiences, the unit negotiated dedicated special package prices for this campaign. This was promoted across all digital platforms, with the aim to drive inclusive tourism growth and awareness.

Through this campaign, we were able to stimulate the demand for domestic tourism and particularly in domestic tourism hubs, whilst increasing opportunities for upselling and expanding awareness. We were also able to showcase the province's travel and tourism readiness and reinforce messaging pertaining to COVID-19 safety measures, all of which were in line with the recovery plan of the sector.

Trade engagements and participation at virtual tourism trade shows

By leveraging digital technology, the programme has been able to participate in several virtual tourism trade shows during the financial year under review. Two significant such trade engagements included:

- The Russian Virtual Travel Trade Engagement hosted by the Russian Consulate; and
- The Iranian Virtual Travel Trade 2022 event which was as part of the Middle East Strategy and post-COVID-19 trade engagement.

The trade marketing unit also participated in the virtual session of ITB Berlin in which conducted a presentation on the tourism landscape in Gauteng following the devastating effects of COVID-19. ITB Berlin serves as one of the premiere travel trade platforms covering our key source markets in Europe.

In the period under review, we also participated in the India Roadshow in collaboration with our sister agency, Constitution Hill. On this platform, we provided five SMMEs with the opportunity to sell Gauteng travel deals. Other areas of focus of this roadshow included the promotion of high-end travel experiences in Gauteng and wild life and safaris in Dinokeng. We also leveraged the stories of our liberation struggle and icons such as Mandela and Gandhi.

Regionally, the unit executed activities that form part of the GTA/Ghana Tourism MOU, including the coordination of the travel trade virtual engagement which served to introduce key products and experiences from both these two markets. As part of the Meetings Africa 2022 event, the GTA's trade division also hosted the Women in Tourism trade event. In addition, the unit conducted media tours post these events, leveraging the spin-off to showcase township tourism offerings and build positive media and trade relationships on behalf of GTA.

Promotional drive in Botswana and promotion of #RoofTopGP experiences

The unit embarked on an international promotional drive to Botswana, Gaborone to reintroduce destination Gauteng tourism, trade and investment offerings and opportunities to the Botswana market. The campaign aimed to allow this market to #MeetSouthAfrica again following the closure of borders and travel restrictions imposed by the rise of COVID-19 infections since 2020.

Working together with the Gauteng Growth and Development Agency (GGDA), SAT and SA Airlink, GTA implemented a targeted in-market activation which included a mini-showcase by the province's flagship signature event, the Rand Easter Show and a Visit Gauteng travel trade breakfast, hosted by the SA High Commissioner in Botswana, Ms TP Shope-Soumah. Some of the key drivers of this economic reignition drive with neighbours in the region were:

- The vision of the African Continental Free Trade Area (AfCFTA) to deliver on Africa's goal for inclusive and sustainable development;
- The recently adopted Gauteng Trade & Investment Strategy; and
- The Growing Gauteng Together (GGT2030) vision.

Promotion of LGBTIQ+ travel

Gauteng has been a shining beacon for LGBTIQ+ travellers through active encouragement of community travel. As part of its endeavours to promote destination Gauteng as an inclusive city region, the unit hosted the Mzansi Queer Festival. This enabled GTA to showcase the pink tourism route, highlight LGBTIQ+ friendly attractions and experiences; and created a safe space for members of the community to showcase their craft.

This forms part of numerous other initiatives that serve to set destination Gauteng apart and consistently develop a calendar of events to attract LGBTIQ+ travellers and ensure inclusivity of members of this community in line with the GTA's preferential procurement policy. Apart from hosting the Mzansi Queer Festival, some of the other initiatives include: Hosting The Feather Awards SA as well as Joburg and Soweto pride marchers; and raising the rainbow flag at Constitution Hill.

Support for major events

During the financial year under review, the programme hosted targeted brand and media activations to promote the destination's capability to host signature events and increase visitors to some of the leisure, business, and sporting events hosted by the province. This was especially important as COVID-19 measures were relaxed, and venues were able to host larger crowds. GTA was also able to partner with provincial travel trade partners to package Gauteng attractions as part of their offerings to their clients.

The period under review marked the hosting of events such as the Joburg Kyalami 9-hour, Intercontinental GT Challenge at the Kyalami Grand Prix Circuit, which was an inclusive sport, cultural and lifestyle event. The event, which was coordinated in partnership between the organisers and GTA, took place under strict COVID-19 safety regulations and all other measures that form part of the province's regulations for safe and secure events.

This made a notable contribution to the Gauteng Reconstruction and Recovery Plan which seeks to reignite our economy and safeguard existing jobs. The event also received global media coverage which helped to create awareness of the destination in key international markets.

The province also collaborated with the NDT and the GCEB on the National Tourism Careers Expo. The unit was responsible for the official media launch of the event, as well as media coverage, communication and digital engagement throughout the build-up to the event. This included engagement on digital and social media channels, through initiatives such as live broadcasts on Facebook. The event occurred shortly after the lifting of some of the regulations that effected tourism and hospitality, and also helped to raise the media profile of tourism in Gauteng.

The skills shortages in the tourism and hospitality sector has been exacerbated by business closures as a result of the COVID-19 pandemic. Combined with the high youth unemployment rate that is on everyone's lips, careers and opportunities in tourism and hospitality remains a topical and current issue.

GTA also supported the Kunye Music Festival as one of the Mzansi experiences which was hosted monthly in the Sandton business district. The event attracted thousands of spectators and fans from across the country and key Southern African Development Community (SADC) member countries. This also provided an additional platform for driving brand communications and targeted destination sales marketing activities.

This initiative was primarily in support of the Gauteng Provincial Government's drive to revitalise intra-regional trade, travel, and economic integration. The event also provided us with an opportunity to promote outdoor experiences in Gauteng, secure high-impact partnerships with like-minded brands, and form collaborations to help achieve the deliverables of our APP.

#Jab4Tourism Drive

The COVID-19 pandemic led to an unprecedented global economic crisis. Tourism was one of the first economic sectors to be deeply impacted, as a result of measures to restrict movement and contain the spread of the pandemic. To help alleviate the impact of the pandemic on the province, GTA collaborated with various stakeholders to roll out an initiative called #Jab4Tourism. These stakeholders include: the Premier's Office, the Department of Health and various other Gauteng government departments who form part of the Gauteng COVID-19 Communication Task.

The intention was to support the efforts of the Provincial Coronavirus Command Council (PCCC) to drive vaccination uptake and clarify misconceptions about the vaccine. Similarly, the unit aimed to create a GPLifestyle experience that showcases Gauteng's offerings and products through a curated food, fashion and lifestyle experience, whilst driving #Jab4tourism messaging. Amongst other, this was achieved by offering different incentive giveaways to consumers for engaging user-generated content.

Overall, the #Jab4tourism campaign was an immersive, all-inclusive campaign which served to drive demand and increase vaccine uptake within the Gauteng province and especially among frontline tourism workers, in collaboration with other speres of the Gauteng Provincial Government. Some of the objectives of this campaign included the following:

- Create AWARENESS around the #Jab4tourism campaign and DRIVE positive sentiment towards the vaccine rollout;
- EDUCATE South Africans about the COVID-19 pandemic and provide them with simple yet impactful information on the benefits of vaccinating;
- INCREASE vaccine uptake within the Gauteng province, focusing on Ekurhuleni, Sedibeng and West Rand regions;
- INCENTIVISE all campaign activities (online & live) to steer herd immunity; and
- LEVERAGE off media partnerships to educate and provide information, as well as create awareness on regional activities.

The campaign resonated with major stakeholders in the sector with partners like the Restaurant Association of South Africa (RASA), Busamed private health care provider, SA Breweries and various hotels and tourism hubs who joined hands to promote vaccination among the sector. Over five thousands frontline tourism workers were reached via this programme, whilst generating notable editorial content with media coverage that equates to an average advertising value of R5 million.

Gauteng Township Economic Development Bill support

A major breakthrough for tourism which materialised in the period under review, was the adoption of the Gauteng Township Economic Development Bill by the Gauteng Legislature and its passing into an act. This piece of legislation is set to revolutionise the township business landscape in Gauteng as the act provides a legal instrument for the business rezoning of townships by classifying townships as both places of domicile and business nodes. This paves the way for a new township tourism business regime that is transformational and inclusive.

As such, the unit promoted Gauteng townships and its tourism products as part of the GTA's events, to contribute to their equitable economic growth and sustainable livelihoods in the long run. Radical economic transformation remains a major priority, as we engage in targeted marketing and communications initiatives. Accordingly, the unit utilised multi-media channels creatively, to establish a dedicated promotional drive for our township experiences and products that form part of our neighborhoods. The aim was to contribute to the provincial transformation agenda to incorporate the township economy into a visitor economy that is integrated, inclusive, responsible, and that creates sustainable livelihoods.

Digital marketing and website development

Digital Marketing and Communications continues to form the backbone of the GTA's marketing strategy, allowing us to maximise our efforts to promote and beneficiate our province, our attractions and its people through efficient and responsible marketing practices. Despite serious technical challenges regarding availability of our digital channels and tools in the period under review, the GTA's commitment to world-class digital communications remains an inspiration to the broader destination marketing organisations in the country and on the continent.

This is demonstrated through continuous usage and association with our channels, by sister agencies and like-minded brands. The GTA's destination marketing unit utilises the services of digital marketing agencies for the management and maintenance of our digital channels, social media management, content, and digital campaign implementation, as well as the website revamp and upgrade. The GTA's revamped website is due for completion in the next financial year. Below is a breakdown of our digital channels' performance in the period under review:

GTA's performance on social media channels:

- Facebook: 103 000 Likes (9% increase from previous financial year)
- Instagram: 13 300 Followers (12.7% increase from previous financial year)
- Twitter: 249 120 Followers (25.6% increase from previous financial year)
- LinkedIn: 2 110 Followers (3% increase from previous financial year)

GTA Airport TV content placement and performance

The unit renewed its agreement with the Airport TV advertising platform, which is a highly effective digital out of home platform, to market destination tourism products offerings to air travellers across all ACSA airports, as well as the LIA. In the process, GTA has been able to directly engage a highly targeted audience, which has proven to be so successful, that the agreement has been extended for another eight months in 2022.

The longevity of this partnership speaks to its value and ability to deliver on GTA objectives of driving footfall in the destination. GTA's continued use of this platform is motivated by the fact that business travel currently dominates the airport landscape even more than before. This is as a result of the COVID-19 pandemic which forced a ban on air travel for almost two years. Subsequently, there is a great opportunity for GTA to this business audience directly through this television network.

As a place-based TV network that operates across all major South African airports, the platform affords GTA an opportunity to deliver a unique combination of high-quality traveller-centric content. To this end, the unit has opted for a 30-second video advertisement run, which allows us to produce and flight our own unique content. These GTA videos play between news, sport, and business news sections; which is popular content that is broadcast in peak slots.

The year under review was characterised by "stops and starts" in accordance with the waves of the COVID-19 pandemic. Despite these difficulties, the recovery of the tourism sector has been on an upward trajectory. As such., Destination Marketing and Communications unit programmes and efforts in this financial year were aimed at sustaining this trajectory, as tourism recovery gained momentum while restrictions were eased, and tourism confidence returned.

In March 2022, President Cyril Ramaphosa announced the removal of the PCR test requirements and the opening up of stadiums and other events venues for larger crowds that constitute 50% of the venue's capacity. Together with the relaxing of other COVID-19-related measures, these new regulations marked the start of managing the pandemic through health regulations, as opposed to regulations imposed by a national state of disaster. This had profound implications for the tourism and visitor economy as a whole, as it allowed vaccinated tourists who travel to South Africa to enter the country without producing a negative PCR test result, which has previously been a major deterrent for regional and international travellers.

During the period under review, there was also a sharp increase in petrol prices as a result of the Russia/Ukraine war. These high fuel prices were further compounded by increases in the interest rates by the South African Reserve Bank (SARB). As a result, the disposable income of consumers have been significantly reduced or entirely cut. This in turn affected tourism spend, travel plans, participation in events and leisure travel. Businesses were also forced to cut down on corporate travel, meetings, and related activities.

Another issue that affected the local tourism sector during the period under review, was the liquidation of Comair, which resulted in the termination of British Airways and Kulula flights, which in turn had a negative impact on travellers' confidence. This was due to decreased capacity to cater for the higher demand in flights to travel to sports and cultural activities that were resumed, which also led to escalation of flight costs.

GTA and the broader tourism industry were furthermore not able to participate in the ITB Berlin world travel trade show, which is a premiere platform for South Africa to introduce its annual tourism plan for the coming financial year, in preparation of the September booking window as packaged by travel trade.

Our partnerships with sister agencies and the broader tourism industry throughout this period has however gone from strength to strength and has yielded tangible results, such as an increase in collaborative domestic marketing efforts. Accordingly, together with SAT and in partnership with the private sector, the unit will continue to deliver on the activities outlined in various MOUs which serve to roll out domestic marketing campaigns. These will include marketing of various attractions, deal-driven campaigns and digital engagements aimed at reaching South Africans of all ages, races, and classes.

The private sector, through national and provincial partnerships, is beginning to respond to our call for the introduction of a dual pricing system, one for South Africans and another for international travellers. This will help ensure that attractions are more accessible to South Africans.

South African content that is mainly packaged and showcased through Netflix, has also been well received by the American audiences. This is further supported by the outstanding performances of some of our leading icons in the creative and entertainment sector, such as Black Coffee, Thuso Mbedu and Trevor Noah. Considering that it made a contribution to the success of these artists, this provides an opportunity for destination Gauteng to reclaim the positioning as an ideal location for international films amongst the global target audiences of Netflix.

It will however necessitate the real-time identification of travel trends by the digital, media and analytics team, as well as the production of multi-media content through strategic partnerships to ensure that the exposure is leveraged optimally.

On the domestic front, the unit will also continue to host a number of activations and brand awareness projects to inspire locals to become tourists in their own backyards. This will be supported by increased media presence, digital media content optimisation and engaging social media content.

13.1.2.2.2. Bidding and hosting

The impact of the global pandemic has been felt through the entire tourism ecosystem. In fact, tourism has been one of the sectors that has been most directly affected in ways that require both immediate and long-term responses. Some examples include:

- International aviation that has been brought to a standstill since March 2020;
- The closure of tourism sites and attractions;
- The cancellation or postponement of major festivals and events; and
- Restrictions on public gatherings (indoor and outdoor) in many countries.

It is against this backdrop that the Gauteng Convention and Events Bureau (GCEB) shifted its focus to contribute to the growing the visitor economy by providing bid development support to help generate leads of events in priority sectors, whilst promoting Gauteng as the destination of choice. In addition, the GCEB has been focusing on transformation by upskilling SMMEs in the sector, to drive diversification and inclusion.

While growing the international visitor economy has always been central to the mandate and activities of the GCEB, this was changed irrevocably by the COVID-19 pandemic. The response of the GCEB to this unprecedented crisis has however demonstrated its resilience and commitment to continue supporting the Gauteng economy. This report highlights the dedication of the GCEB to meet its targets during the year under review, despite all these extraordinary challenges. As such, in the 2021/2022 financial year, the bureau submitted 17 new bids for the destination, of which five were secured, including the illustrious African Netball World Cup Qualifier and the African Health Exhibition.

Tourism revival and recovery projects

The National Tourism Careers Expo (NTCE) 2021 took place against the backdrop of COVID-19 and the remaining lockdown restrictions. Since the country was on Adjusted Alert Level 1, it was a hybrid event that was hosted face-to-face, with some virtual elements. The theme of the event was "Rebuilding a Resilient and Inclusive Sector for the Future". This event afforded government and industry an opportunity to take hands to bring new hope to our youth and demonstrate that the sector can indeed be resilient enough to withstand disasters and crises of pandemic proportions. As a result, the NTCE 2021 reinstated confidence about pursuing a career in the tourism industry amongst our youth.

The expo specifically targeted learners from grade 10 to grade 12 and students and graduates from universities, Further Education and Training (FET) institutions, as well as Technical and Vocational, Education and Training (TVET) colleges who are eager to learn what the tourism and hospitality industries have to offer in terms of career, entrepreneurship and job opportunities. To this end, the event programme comprised the following elements:

- An opening ceremony;
- Orientation programmes for learners;
- Exhibitions, activations and demonstrations;
- Educator and learner seminars;
- Tourism, hospitality and consumer studies competitions;
- A gala dinner with an awards ceremony; and
- Edutainment for learners.

The event attracted a total of 4042 delegates which not only consisted of learners, but also educators, exhibitors, guardians, stakeholders, members of the media, other interested individuals, organisers, and crews. The world-class Johannesburg Expo Centre provided the perfect setting to host this many people, while making it possible to effectively comply with all the prevailing COVID-19 health and safety measures. The three-day expo was successfully executed and visitors could enjoy first-grade hospitality, due to a tightly choreographed and well-executed implementation plan.

Overall, the Mpumalanga schools performed the best in the various competitions that were held at the event. The various competitions and winners can be summarised as follows:

- Hospitality category - Novelty high cake

In this competition, each competitor had to create a three-layer novelty cake that will be ideal for a delightful South African high tea, using at least three advanced garnishing methods. The winners were as follows:

  - Lydenburg High School in Mpumalanga (first)
  - E.L. Deigre in Gauteng (second)
  - Belfast Academy in Mpumalanga (third)

- Consumer food prep

The winners of this competition were as follows:

  - Cyril Clark High School in Mpumalanga (first)
  - Phoenix High School in Vereeniging, Gauteng (second)
  - Cyril Clark High School in Mpumalanga (third)

- Public speaking

In this competition, grade 11 learners were invited to share their thoughts on restarting, rejuvenating and recovering the tourism industry. The winners were as follows:

  - Esizwakele High School in Mpumalanga (first)
  - Khanyisile High School in Mpumalanga (second)
  - Thembisa High School in Gauteng (third)

- Soft Furnishing Category

In this competition, each province was represented by one learner who sewed a cushion that meets the criteria of the Grade 11 2021 practical assignment task (PAT) guidelines. The winners were as follows:

  - Lovunywa High School in Mpumalanga (first)
  - Sizwakele High School in Mpumalanga (second)

One of the flagship events of the SANCB, was Meetings Africa 2022. The event attracted around 161 buyers and 216 exhibitors from 13 African countries. This event has become widely recognised as a significant industry platform for forming collaborations to transform the continent and showcase Africa's offering as a global destination of choice.

	Description	Impact
Meetings Africa	Revitalising and recovery of SMMEs	16 SMMEs in Gauteng were provided with the opportunity to sell their products at Sustainable Village, which in turn led to a positive financial impact. BONDay: This is a business opportunities networking session that promotes training and development, enhancement of skills, as well as learning and knowledge transfer within the MICE sector.
	Rebuilding the industry and reigniting economic activity through business events in the province.	Direct and indirect jobs were created through utilising Gauteng's infrastructure and products, such as hotels, tour operators, and shuttle services.

Hosting business events such as these, not only contribute to creating direct and indirect jobs, but also helps to boost the economy in these uncertain times. This is also in line with some of the main objectives of "Growing Gauteng Together 2030" (GGT2030) which is government's plan for responding to the global and domestic challenges that confront the province.

A critical component of this plan is the deliberate stimulation and catalysation of the 10 key high-growth sectors in Gauteng by leveraging economic multipliers that provide a window to other major city regions that form part of like-minded competitive cities. The Joburg Kyalami 9 Hour (K9H) – Intercontinental GT Challenge provided an opportunity for exactly that.

The event was hosted from 3-5 February 2022 at the Kyalami Grand Prix Circuit and International Convention Centre Racetrack (Africa's leading racing, lifestyle and entertainment mecca), was one of the critical interventions for recovering the economy and driving inclusive growth. It was brought about by the commitment of all K9H partners to coordinate an inclusive sport, cultural and lifestyle event and sustainable platform by leveraging established global IP and strategic partnerships to develop a multi-faceted vehicle that delivers value to the larger community.

This event was also a testimony to Gauteng's event strength and its ability to curate sports, cultural and lifestyle content that are relevant to the motorsport industry and greater communities, leveraging as business, education and social interaction (cohesion/solidarity). In the process, this three-day event was leveraged to design a comprehensive 12-month programme which not only enhanced the value proposition of the event, but also had a positive ripple effect across a broader community base.

One such initiative that was brought about by programme, was the long-term partnership that was established between K9H and the Soweto Drift Academy (SDA) who organises motorsport and other extra-mural activities that can contribute to the growth and development of the community of Orange Farm and surrounding areas. The SDA formed part of the event activities up to the final event, and ultimately also the crowning of South Africa's champion. At the same time, the relationship between K9H and SDA provided an opportunity for much-needed transfer of skills in sport administration and event management.

13.1.2.3. Destination management and development

13.1.2.3.1. Destination planning and development

Destination Planning and Development was part of Destination Management and Development. Its purpose was to coordinate the growth and development of an equitable, competitive, and sustainable tourism sector, which increases contribution to the provincial priorities – and specifically in the economy, jobs, and infrastructure. The business division comprises three sub-units, namely:

- Destination Planning - whose functional areas consist of tourism spatial planning and development data management, as well as facilitation of tourism infrastructure development and capital raising.
- Destination Development – who focuses on managing development and sustainability of tourism products and experiences, whilst increasing traffic on route tourism.
- Working for Tourism – who is responsible for managing the Working for Tourism Programme with the aim to create jobs through aggregated capital and operational expenditure.

Guided by the Tourism Sector Recovery Plan, as aligned to the GGT2030 goals, the Destination Planning and Development Unit mobilised public and private sector resources (financial and non-financial) and channelled them towards rebuilding the tourism supply-side and strengthening capabilities and sustainability of the tourism value chain, including SMMEs.

Numerous business workshops and publicity activities were undertaken and invested in by the authority, to create awareness on the existing COVID-19 relief and business mechanisms, which resulted in an increased uptake of these mechanisms by tourism and hospitality stakeholders. By the end of the financial year under review, a number of tourism businesses (including SMMEs) have accessed and/or benefitted directly from government and private sector relief support mechanisms, which were facilitated by the unit and funded by the Gauteng Enterprise Propeller (GEP), NDT, SAT and Nedbank.

The programme further facilitated the GTA's Working for Tourism Programme. This is a community-based employment initiative which leverages visitor economy activities, refurbishing of tourism infrastructure and strategic community-based assets that are linked to the tourism routes programme of Gauteng. As a capital expenditure programme, it also required operational investments by GTA for the successful staging of signature events, such as the National Tourism Career Expo, Meetings Africa and the Formula 1. Overall, more than 1713 employment opportunities were created for the youth in the township, as part of the Working for Tourism Programme.

Through GTAs partnership with the NDT, the second phase of Tourism Monitors in the Gauteng province was rolled out, as a measure to inter-alia:

- Enhance tourism safety awareness at key tourism attractions/sites;
- Provide practical work experience to unemployed youth, utilising the Expanded Public Works Programme (EPWP) as a vehicle for them to be employable;
- Raise awareness and reduce the number of crime incidents that are directed at tourists who are visiting provinces and the communities that host them;

- Reduce tourist vulnerabilities and eliminate opportunities for violent crime aimed at tourist operations; and
- Integrate current tourism safety and awareness initiatives into a strategy implemented by the public and private sectors, as well as communities.

The tourism infrastructure maintenance and upgrades were undertaken by COHWHS, Dinokeng, Conhill and Garankuwa Hotel School (GHS), as part of improving service quality offering and protecting the assets. Support was furthermore provided by government to improve strategic community-based tourism assets, such as Orange Farm Spin City and the various Community Arts Centres. Additionally, working with the private sector, we managed to secure space at LIA, and work to establish the digital Tourism Contact Centre (TCC) is in an advanced stage.

In support of some of the Gauteng Reserves, GTA in collaboration with the Gauteng Department of Agriculture, Environment and Rural Development, completed the Commercialisation Strategy for Suikerbosrand Nature Reserve. This model framework will guide the operations, investments and partnerships with the industry to sustain all reserves. Through the leadership of GTA, a comprehensive list of the infrastructure requirements for the reserves were documented and packaged into the Gauteng Investment Book. This is being promoted as a means to secure additional funds from public and private sector entities to improve the soft and hard infrastructure, and ultimately visitor services at the reserves.

Whilst this is a medium- to long-term activity, R18, 9m was secured through the GTA's investment facilitation activity during the 2021/22 financial year. These funds are being directed towards improving the bulk of Suikerbosrand Nature Reserve and the Cradle of Humankind World Heritage Sites, as quick wins.

13.1.2.3.2. Tourism support

Due to its historically unprecedented nature, COVID-19 has called for new and innovative ways to boost growth in the market. Initiatives such as the development of brick-and-mortar infrastructure and improvement of road conditions and signage will always remain essential. However, unless it supports the broader tourism sector priorities and the scope is redefined and restructured to contribute to inclusive sustainable tourism for the tourism economy at large, it will have little impact.

During the period under review, South Africa experienced third and fourth waves of COVID-19, which hindered the anticipated economic recovery of the tourism sector. According to Stats SA, the total number of international passenger arrivals decreased by 71% in 2020, and approximately 50,000 tourism businesses either temporarily closed or closed down permanently by February 2021, which led to 300,000 job losses. As reported by Tourism Business Council of South Africa (TBCSA), by November of that same year, this unemployment figure increased to 470,000, and the sector's contribution to the Gross Domestic Product (GDP) decreased from 6.9% in 2019 to 3.7% in 2020. The Gauteng City-Region Observatory (GCRO) also noted that the quality of life for Gauteng resident declined from 64/100 in 2017/2018 - to 61/100 in 2020/2021.

It is against this background that GTA identified the need to conduct a tourism skills audit and develop a new competency framework for all Gauteng regions. The aim was to establish a framework that enables GTA to develop the necessary talent to fill skill gaps and facilitate the development of professional competencies and capabilities for tourism businesses and their employees. The primary objective was to:

- Establish guidelines for a standardised skills mix, as well as related knowledge and attributes;
- To produce skills sets that can be measured against generally accepted as standards of performance; and
- Assist suppliers of products and services in the Gauteng destination to perform effectively and efficiently.

This skills audit, which will serve to inform critical decision making in several areas, included the following objectives:

- Develop a basis for desired tourism skills interventions from the 2022/ 2023 financial year onwards, to enhance visitor experiences and contribute to establishing a reputable destination to help grow the visitor economy;
- Develop the industry employee profile, including the current and future profile to determine which skills are required to address existing skills gaps, including for scarce and critical skills;
- Assess availability of skills training supply;
- Develop categories of tourism skill sets according to each sub-sector's requirements; and
- Develop an urgent skills gap set to determine priority for implementation.

It is envisaged that the skills audit, together with its implementation plan, will be a critical contributor to the success of the tourism sector with an adequately skilled workforce within the tourism value chain that can ensure world-class service and assure enhanced visitor experiences. Some of the key findings of the skills audit were as follows:

- Tourism in the region is currently distressed and in need of rejuvenation;
- The sector has suffered significant job losses due to establishment closures;
- Job losses have also resulted from fluidity and skills migration to other regions;
- Tourism skills in the region are generally readily available and just need to be re-absorbed;
- Subsequent to rejuvenation, there will be opportunities for new job creation;
- Traditional operators were forced to adapt to a new normal that includes multi-tasking, which in turn induced a direct need for multi-skilling;
- There is an outcry from the sector for government assistance to help cushion the impact of economic-related shocks;
- COVID-19 has further exacerbated the need for stronger industry cohesion, lobbying and advocacy and the enhanced championing of tourism causes such as the cost of doing business, and SMME support and empowerment initiatives; and
- There is a dire need for tourism infrastructure investments and new developments.

Based on the findings of the skills audit, a skills implementation plan was developed with the following three broad focus areas that are in line with other views of the most critical requirements within the sector:

i. Sector rejuvenation interventions that will address tourism products and service closures and job losses, and allow for job re-absorption and new job opportunity creation;
ii. Sector policy and infrastructure interventions that will allow for greater stakeholder synergy and the revival of existing infrastructure; and
iii. Sector skills interventions as identified in the study per subsector and with potential institutional partners such as the SETAs and academic institutions.

These tourism sector skills interventions are earmarked for rollout from the next financial year onwards, and provides for approaches for the short-, medium- and long term.

SMME support interventions

The Gauteng economy was not growing at a desirable pace to deal with the socio-economic challenges of the high rates of unemployment, poverty and inequality as a result of the global pandemic. Prior to COVID-19, international tourists were the primary source of tourism economic growth, with domestic tourism being secondary. However, the closure of international borders and markets drastically affected local tourism operations, and especially those of SMMEs who specifically catered for overseas visitors.

Generally, government implemented different types of interventions to support SMMEs and entrepreneurs in the sector, which have primarily been focused on providing township establishments with direct and non-financial support. The aim of these interventions is to enhance business support, increase efficiency, drive service excellence and ensure business sustainability which in turn contributes to economic growth and enhanced visitor experiences.

GTA blended these types of interventions with strategic collaborations with key role players to provide SMMEs and entrepreneurs with the necessary support. The objective was to enhance responsive and inclusive tourism growth, which takes transformation imperatives across the entire tourism value chain into account, and unlocks related economic opportunities optimally.

These interventions were furthermore aligned with the GGT2030 imperatives and mainly focuses on industry revival and rejuvenation, quality assurance, market access and business efficiency skills. This will in turn serve to establish a platform for economic growth in the tourism sector that will also help to create opportunities for job creation and job absorption. Regional dynamics on the ground have also continued to demonstrate that a one-size fits all approach cannot be utilised, as each region has its own unique set of influences that must be taken into consideration.

Industry regulation functions

In line with the laws and regulations pertaining to tourism functions, GTA continued to facilitate registration of tour guides in line with the Tourism Act, 2014, which also stipulates that provinces must have provincial databases that are regularly managed and reviewed. Since the 2015/2016 FY, Gauteng Province has not had a dedicated Tourism Registrar, which directly contributes to increased non-compliance by tourism products and services.

A database of 4,234 tour guides was transferred to GTA by GDED of which 1,303 are active. During the period under review, GTA continued to encourage tour guides to register, take COVID-19 protocols into consideration,.

In the previous financial year, this database of tour guides was still managed by the GDED, but tour guides had to apply for COVID-19 relief schemes with the National Treasury. As such, the GTA shared the findings of its audit with the National Treasury and AGSA. Some of the key findings are:

- The IDs of several tour guides are not properly captured on the database;
- Several tour guides received double benefits, as they applied for and received assistance from more than one government programme, such as the Unemployment Insurance Fund (UIF);
- Some deceased beneficiaries were paid; and
- Non-South Africans were also allowed to apply for and benefitted from the relief schemes.

A major lesson learnt was that the database of tour guides must be prioritised and that the process of capturing tour guides on the system should be digitalised to minimise issues such as incomplete or missing information or files. As a result, the GTA has commenced with a process to migrate from the manual system to an online portal which was recently developed through e-Governance processes. GTA will be the first entity to utilise this portal.

In the pursuit of improving registrar compliance, the unit furthermore conducted site visits to key tourist attractions, with the main objective to observe compliance and identify imperatives for enforcement. Some of the concerns that were reported around non-compliance includes the following:

- Some frontline staff (tour operators and tour guides) do not have the requisite documents such as badges or information to confirm they are registered; and
- Some tour operators who transport travellers or tourists do not display their permits on their vehicles.

In collaboration with the Tourism Grading Council of South Africa (TGCSA), GTA therefore facilitated numerous quality assurance interventions. These were aimed at promoting assurance of tourism products and amenities that directly contribute to enhanced visitor experiences, and that affects service excellence and the sustainability of tourism businesses. There were several challenges with achieving all the targets for rollout of these quality assurance activities, as some of these functions were transferred from the GDED to GTA, and there were limited human and financial resources available for the execution of it.

13.1.3. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

There were 21 indicators in the authority's original APP for the 2021/2022 FY, which was adjusted to 16 in the revised FY2021/22 APP. The 21 original indicators were allocated as follows:

- 3 to the Strategic Support Programme;
- 10 to the Destination Marketing Programme; and
- 8 to the Destination Management and Development Programme.

The 16 indicators that formed part of the revised APP for the year were allocated as follows:

- 3 to the Strategic Support Programme;
- 8 to the Destination Marketing Programme; and
- 5 to the Destination Management and Development Programme.

GTA planned its FY2021/22 APP under radical uncertainty caused by COVID-19. The unique nature of the pandemic had a significant impact on crisis management processes, as it necessitated a range of factors that had to be considered, including health, social, economic, and fiscal issues. In response, new policies had to be developed and programmes had to be reprioritised. For this reason, GTA had to also revise its APP to respond to these challenges and provide for interventions that would enable the tourism sector to recover from the impact of the pandemic. This in turn led to the development of the Gauteng COVID-19 Recovery Plan.

It is also worth noting that the authority's initial FY2021/22 APP was planned during Alert Level 2 of the national disaster plan, with a certain level of confidence that the external environment would improve and that the authority would soon be able to return to business as usual. This was however hindered by the unpredictable developments relating to the outbreak of the Omicron variant. As a result, GDED then decided that the GDED's APPs must be revised to respond to the current challenges, but must be aligned with the GGT2030 priorities.

One of the priorities of the GGT2030 is to reduce unemployment from 29% to 15% by 2030, with a 2.9% GDP growth rate. To help meet this target, departments are tasked with the following actions:

- Support the expansion and sustainability of SMMEs;
- Promote labour-absorbing industries such as the food, tourism, social and care economies;
- Increase investment in the economic development of townships, deteriorating areas and peri-urban areas;
- Promote investments in new growth path sectors of the future (the green economy, knowledge economy and creative industries);
- Create sector-specific skills and economic opportunities;
- Facilitate SMME capacitation in inputs manufacturing for the construction industry;
- Support local manufacturing through mandating the state to purchase 75% of goods and services from local producers;
- Secure industrial financing for productive economic sectors; and
- Implement a cumulative incubation programme to provide skills and jobs in selected high-potential sectors.

Accordingly, the GDED and its agencies are therefore expected to ensure alignment to the following strategic issues:

- Creating enabling conditions for infrastructure rollout as a catalyst for district development;
- Reindustrialising Gauteng for the 21st century through multi-tiered Special Economic Zones (SEZs) and implementation of the High Growth Sector Programme;
- Providing opportunities to many and confronting inequality at a spatial level through the Township Economic Revitalisation Action Plan, including strategic localisation/production (implementation of the Township Economic Development Act, as well as draft model by laws);
- Systematically addressing youth economic exclusion through the Tshepo One Million (Tshepo 1Million) youth workforce programme, with a focus on mass public employment to compliment private sector opportunities;
- Restructuring the Gauteng economy for long-term growth by modernising network industries, lowering barriers to entry and creating a flexible industrial policy; and
- Engaging the private sector and social partners to join the effort through structured social compacting.

Changes made to the GTA's APP are summarised below:

Indicator	Original annual target	Changes made	Challenges and / or reasons for changes	Intended impact, preferably quantifiable
Total percentage increase in the number of visitors (trips and arrivals) at selected government-owned heritages sites and nature reserves.	5% (28 300) increase from the 2017/18 baselines (=594 300)	Indicators were consolidated to focus on the industry – domestic trips and international visitors with joint marketing initiatives used to stimulate demand	Changes were made to bring positive tourism benefits to the economy and communities by measuring impacts that demonstrate how the sector generates visitors which are translated in rand value and job creation, while benefitting hosting communities.	Arrivals Trips Rand value Jobs
Total percentage increase in the number of visitors undertaking domestic trips into selected GP tourism hubs and township tourism attractions and experiences.	2% (33 300) increase from the 2017/18 baselines (=1 698 300)			
Number of destination joint marketing initiatives implemented in collaboration with tourism trade partners and SAT in international source markets to increase number of international arrivals to Gauteng.	8			
Rand value economic benefit generated from supported businesses (MICE) events within 10 GGT2030 high growth sectors	R1bn	This was an annual target indicator. It was converted into rand value generated by the sector at a target of R2bn	The decrease or non- happening of face-to-face business events due to lockdown restrictions including national and international travel restrictions in and out of Gauteng (especially different levels) resulted to Zero or limited Rand value generated. COVID-19 had an enormous impact on international travelling as flights were suspended with limited countries that resumed travelling. It also led to a halt on hosting of physical events around the world, which in turn significantly limited opportunities for providing travel services to local entities and conduct delegation boosting activities. • Unstable infection rate • Slow rate of vaccine rollout • Further national and international restrictions for traveling in and out of Gauteng • Lack of economic activity due to limited physical business events taking place with restrictions/ no business events allowed • A shift from conventional events to new ways of hosting business events.	
Number of jobs generated from businesses through (MICE) Events	3 500	The indicator was merged with the indicator on jobs created through the Working for Tourism Programme at a target of 2100, taking into consideration targets that were to be achieved during quarter 1 and 2.		

Indicator	Original annual target	Changes made	Challenges and / or reasons for changes	Intended impact, preferably quantifiable
Number of MICE bids presented for leveraging GGT2030 high growth sectors.	30	The indicator was allocated to the operational plan. However, the GTA will be reporting on the quarter 2 target of 15.	Gauteng was not able to host more national and international events due to social anxieties that was prevalent because of the pandemic. Moreover, global lockdowns led to the suspension of inbound flight services and postponement or forward-booking of closing dates of bids. Most associations and federations are only interested in face-to-face events and only a few businesses or event organisers were open to hosting virtual or hybrid events. As such, there was a decrease in rand value generated, job opportunities created and SMME business suppliers utilised. Hosting of business events has however started to shift from the norm to new ways of hosting.	Arrivals Trips Rand value Jobs
Number of youth members who benefitted from the Working for Tourism employment programme in support of the Tshepo 1Million project.	3000	The indicator was merged with indicator: Jobs created through supported events at a target of 2100, taking into consideration targets that were due for reporting during quarter 1 and 2.	Tourism learnerships earmarked to benefit 2000 Gauteng learners, was targeted to be implemented and funded by the Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA) in 2021/2022. The CATHSSETA did not confirm any learnership funding applications for the GTA, and there was furthermore a limited appetite from tourism establishments to host learners during periods where they were either operating at minimal scale, or had to close.	The earmarking of new job opportunities for young people were impacted by environmental factors.
Lanseria International Airport (LIA) visitors' contact centre established.	LIA visitors' contact centre established	The development of the LIA visitors' contact centre was commissioned. However, this was an annual target due for reporting at the end of the financial year. The indicator was earmarked for monitoring at an operational level.	The term "establish" did not succinctly qualify and express the intended purpose, which is to commission the visitors' contact centre for operations.	Strategic tourism infrastructure.
Number of people who benefitted from the revised tourism and hospitality reskilling programme.	2000	500. However, the GTA had to account for the target of 1000 that was due for reporting during quarter 2.	Continued lockdown restrictions and resultant reduced business operations, especially of the big hotel groups, necessitated a reduction of this target. The majority of tourism and hospitality businesses were struggling to fully return to operation, which has affected their ability to absorb new entrants for the reskilling programme.	Repurposed skill sets to navigate the challenges of the new normal with an entrepreneurial focus in mind.

Indicator	Original annual target	Changes made	Challenges and / or reasons for changes	Intended impact, preferably quantifiable
Number of tourism businesses (products/services/experiences that are quality assured.	800	The indicator was allocated to the operational plan, however, the GTA should be reporting on the targets of quarter 1 and 2.	There were delays in the implementation of the nationwide grading system of the TGSA, due to COVID-19.	Quality assured tourism products that enhance the destination's offerings and visitor experiences.
Number of new airline routes launched to enhance Gauteng's status as a gateway to Africa.	5	3	The recovery is taking longer than anticipated and airlines are struggling due to pandemic-related restrictions on the movement of people.	Strategic tourism infrastructure.
Share of rand value of the Tourism Equity Fund TEF) by Gauteng tourism enterprises to enhance new black ownership and transformation	R1,050 billion share of the TEF by 70 enterprises.	The indicator was replaced by the following indicator: Number of Gauteng tourism businesses supported to access government relief support package.	The indicator was allocated to the operational plan because the programme related to this indicator was challenged by the public through court processes. However, the Authority introduced a similar indicator: Number of Gauteng tourism businesses supported to access government relief support package.	Transformation.
"Made in GP" products (I love Gauteng) promotion platform established to stimulate and sustain the local manufacturing and creative sectors.	I Love Gauteng e-shop established.	The annual target will be due for reporting at the end of the financial year. Indicator allocated to the operational plan.	The GTA focused on the refurbishment of the website, for the purposes of utilising it as a marketing platform.	Strategic tourism infrastructure.
Johannesburg's ranking status increased to position Johannesburg as a gateway to tourism in Gauteng.	Top 3 most visited African cities through Mastercard ranking. Moved 5 places up on the International Congress and Convention Association (ICCA) Ranking Destination Performance Index (DPI).	Moved 5 places up on the ICCA Ranking DPI.	Gauteng had to subscribe to Mastercard to utilise their reports.	Competitive advantage

13.1.3.1. PERFORMANCE IN LINE WITH THE ORIGINAL APP

13.1.3.1.1. PROGRAMME 1: STRATEGIC SUPPORT

Purpose: Provide strategic support for effective implementation of the GTA's mandate and increase public value and trust through improved governance and accountability.

Programme /Sub-programme: Strategic Support								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2019/2020**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2021/2022**	****Actual Achievement 2021/2022**	**Deviation from planned target to actual achievement 2021/2022**	**Reasons for deviations**
Increased public value and trust through improved governance and accountability.	Clean audit outcome for the GTA.	Clean audit outcome obtained from AGSA.	Clean audit outcome obtained from AGSA.	Clean audit outcome obtained from AGSA.	Clean audit outcome obtained from AGSA.	An unqualified audit opinion with material findings on permanence has been issued.	Target not achieved.	GTA reported performance in line with the sector priorities that is Calendar year which is useful for the sector and aligned to both International, regional and national priorities. AGSA did not accept the sector's reporting approach.
Inclusive growth and developmental partnerships with the private sector to develop new tourism products and 4IR-driven joint marketing initiatives.	Implemented partnership projects to drive tourism product diversification and 4IR-driven marketing initiatives.	Number of strategic partnership projects implemented to support tourism recovery programmes.	Indicator included in the revised APP, reported under the following outcome: Inclusive and sustainable tourism growth.					

13.1.3.1.1.1. Strategy to overcome areas of under performance
GTA will use both calendar year performance and financial year performance in order to comply with the sector's priorities and practices and to comply with AGSA's audit processes.

13.1.3.1.1.2. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions
Not applicable

13.1.3.1.2. PROGRAMME 2: DESTINATION MARKETING

Purpose: To stimulate demand for destination Gauteng tourism offerings and increase brand awareness in both domestic and international markets.

Programme / Sub-programme: Destination Marketing								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2019/2020**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2021/2022**	****Actual Achievement 2021/2022**	**Deviation from planned target to actual achievement 2021/2022**	**Reasons for deviations**
Greater uptake of destination Gauteng offerings and increased brand awareness to stimulate visitation into Gauteng city region.	Global marketing interventions that increase tourists' acquisition and conversions from key global source markets.	Number of destination joint marketing initiatives implemented in collaboration with tourism trade partners and SAT international source markets to increase number of international arrivals in Gauteng.	-	-	8 Target due for reporting in Q2: 3	3	0	Not applicable.
	MICE bids in GP high-growth sectors presented to position Gauteng as an events and conventions city region and leverage high-growth sectors.	Number of MICE bids presented for leveraging GGT2030 high growth sectors	22	26	30 Target due for reporting in Q2: 15	17	15	Two bids were submitted bids as a result of opportunities identified and leveraged.

13.1.3.1.2.1. Strategy to overcome areas of under performance
Not applicable.

13.1.3.1.2.2. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions
Not applicable.

13.1.3.1.3. PROGRAMME 3: DESTINATION MANAGEMENT AND DEVELOPMENT

Purpose: To provide for sustainable development and management of the tourism sector in the Gauteng city region.

Programme / Sub-programme: Destination Management and Development								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2019/2020**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2021/2022**	****Actual Achievement 2021/2022**	**Deviation from planned target to actual achievement 2021/2022**	**Reasons for deviations**
Greater uptake of destination Gauteng offerings and increased brand awareness to stimulate visitation into Gauteng city region.	New niche markets tourism routes developed to drive increased visitation, tourism rand value and geographic spread of visitors.	Number of new themed tourism routes developed to increase uptake of niche market travellers into Gauteng.	-	-	5 Target due for reporting in quarter 2:3	67% (2/3)	1	The project involved participation and interventions from businesses. Because of the slow development and implementation of tourism activities due to COVID-19, the GTA could not achieve its target.
	Tourism jobs for youth created by the Working for Tourism Programme.	Number of youth members who benefitted from the Working for Tourism Programme in support of the Tshepo 1Million project.	-	1000	2000 Target due for reporting in quarter 2: 1000	Indicator included in the revised APP as number of youth members employed due to the Working for Tourism Programme, reported under the following outcome: Inclusive and sustainable tourism growth		
	Enhanced visitor experiences and products in Gauteng.	Number of tourism businesses (products/ services/experiences quality assured.	-	-	800 Target due for reporting in quarter 2:400	197,25% (789/400)	389	Effective strategic partnership with the sector and TGSA.

13.1.3.1.3.1. Strategy to overcome areas of under performance
Not applicable.

13.1.3.1.3.2. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions
Not applicable.

13.1.3.2. PERFORMANCE IN LINE WITH THE REVISED APP

13.1.3.2.1. PROGRAMME 1: STRATEGIC SUPPORT

Purpose: To provide strategic support for the effective implementation of the GTA's mandate and increase public value and trust through improved governance and accountability.

Programme / Sub-programme: Strategic Support								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2019/2020**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2021/2022**	****Actual Achievement 2021/2022**	**Deviation from planned target to actual achievement 2021/2022**	**Reasons for deviations**
Inclusive and sustainable tourism growth.	Suppliers owned by previously disadvantaged individuals (PDIs) who served the GTA in delivering its business.	Number of designated groups of suppliers who benefitted from the GTA supplier development programme to reinforce procurement reform.	-	-	110	45.4% (50/110)	60	Due to the impact of COVID-19 GTA could not spend the allocated budget. This affected performance on meeting the target for the supplier development programme.
	Implemented partnership project to drive tourism product diversification and 4IR-driven marketing initiatives.	Number of strategic partnership projects implemented to support tourism recovery programmes.	-	-	8	100% (8/8)	0	Not applicable.

13.1.3.2.1.1. Strategy to overcome areas of under performance

Spend the allocated budget to ensure that the target for the supplier development programme is achieved.

13.1.3.2.1.2. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

13.1.3.2.2. PROGRAMME 2: DESTINATION MARKETING

Purpose: To stimulate demand for destination Gauteng tourism offerings and increase brand awareness in both domestic and international markets.

Programme / Sub-programme: Destination Marketing								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2019/2020**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2021/2022**	****Actual Achievement 2021/2022**	**Deviation from planned target to actual achievement 2021/2022**	**Reasons for deviations**
Inclusive and sustainable tourism growth.	Promoted new route.	Number of new airline routes into Gauteng City Region promoted.	-	-	3	100% (3/3)	0	Not applicable.
	International arrivals.	Number of international arrivals in Gauteng.	-	-	926753	101% (932 316 /926753)	5 563	Not applicable.
	African tourism arrivals.	Number of arrivals from African source market.	-	-	611657	117% (713 801/611657)	102 144	Not applicable.
	Length of stay in Gauteng.	Increased length of stay in Gauteng.	-	-	9	123% (11.1/9)	2.1	COVID-19 lock-down restrictions.
	Domestic trips undertaken in Gauteng.	Number of domestic trips undertaken in Gauteng.	-	-	3 349 500	96% (3 213 529 /3 349 500)	-135 971	The 2nd, 3rd, and 4th waves that crippled the country throughout 2021 as well as the discovery of the Omicron variant in December 2021.
	Rand value generated from the tourism sector in Gauteng.	Rand value generated from the tourism sector in Gauteng.	-	-	R2bn	1350% (27, 351bn /R2bn [R10bn-international; (17 179bn – Domestic)	R25 530bn	The target was set taking into consideration the lockdown restrictions, which prohibited hosting of events.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2019/2020	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
Inclusive and sustainable tourism growth.	SMMEs provided with access to markets.	Number of SMMEs provided with access to markets as a result of GTA marketing and events hosting initiatives.	-	-	45	104% (47/45)	2	Not applicable
	Johannesburg's ranking status positively increased.	Johannesburg's ranking status increased to position Gauteng as a top city for hosting conventions.	-	-	Moved up 5 places on the ICCA Ranking DPI.	(0/5) No report.	5	COVID-19 led to adjusted approaches for the implementation of some tourism activities, e.g., inclusion of hybrid approaches in tourism events. As a result, the ICCA could use original variables to assess performance.

13.1.3.2.2.1. Strategy to overcome areas of under performance

The GTA will continue to work with the industry by implementing destination marketing, management, and development programmes to ensure the full recovery of the sector. The authority will facilitate the adoption of new norms with relevant stakeholders, to help ensure the sector is aligned with current expectations and operations to position Gauteng as ideal for both conventional and hybrid tourism activities.

13.1.3.2.2.2. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

13.1.3.2.3. PROGRAMME 3: DESTINATION MANAGEMENT AND DEVELOPMENT

Purpose: To provide for sustainable development and management of the tourism sector in the Gauteng city region.

Programme / Sub-programme: Destination Management and Development								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2019/2020**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2021/2022**	****Actual Achievement 2021/2022**	**Deviation from planned target to actual achievement 2021/2022**	**Reasons for deviations**
Inclusive and sustainable tourism growth.	Aggregated support provided to tourism businesses as a measure to reignite the sector, accelerate transformation and ensure resilience and sustainability.	Number of Gauteng tourism businesses supported to access government relief support package.	-	-	100	0% 0/20)	100	Due to the 2nd, 3rd, and 4th waves of COVID-19, the Authority revised its original FY2021/22 APP to include intervention strategies to assist the sector to survive the challenges of the pandemic, which led to the adoption of these three indicators. However, the achievement of was highly dependent on the participation of businesses and availability of resources that the Authority had to identify and facilitate on behalf of the sector. Reduced activities in the sector as a result of the pandemic however led to limited participation of tourism businesses which in turn prohibited GTA from achieving this target.
		Number of jobs derived from the new themed tourism routes developed.	-	-	300	36% (108/300)	192	
	Core tourism infrastructure and assets maintained and upgraded to improve service quality offering.	Number of strategic tourism infrastructure assets funded to improve service quality offering.	-	-	20	10% (2/20)	18	
	Employment opportunities leveraged from the strategic tourism capital and operational expenditure.	Number people employed as a result of the Working for Tourism Programme.	-	-	2100 – This annual target takes the target for quarter 2 into consideration.	15.2% (320/2100)	1 780	The Authority planned to achieve this target by leveraging on supported events. However, the transition from conventional event hosting to hybrid approaches used in some of the hosted events limited the opportunities for job creation.
	Number of people who benefitted from the refocused tourism and hospitality reskilling programme.	Number of people who benefitted from the refocused tourism and hospitality reskilling programme	-	-	1500 - This annual target takes the target for quarter 2 into consideration.	105% (1575/1500)	75	High performance is attributed to effective implementation of projects with strategic partners

13.1.3.2.3.1. Strategy to overcome areas of under performance

Not applicable.

13.1.3.2.3.2. Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

Not applicable.

13.1.4. THE OVERALL ANNUAL PERFORMANCE CAN BE SUMMARISED AS FOLLOWS:

13.1.4.2.3.1. Performance in line with the revised APP: 56,25% (9/16);

13.1.4.2.3.2. Performance in line with the revised APP, including indicators that were due for reporting during quarter 1 and 2: 60% (12/20); and

13.1.4.2.3.3. Total performance: 60% (12/20).

PART C

GOVERNANCE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14. Introduction

GTA was established as a provincial public entity and a juristic person in terms of Section 3 of the Gauteng Tourism Act (10 of 2001), read with Sections 1, 48 and 49 and schedule 3C of the Public Finance Management Act PFMA (1 of 1999), ("the PFMA"). The GTA Board (Board), together with the CEO, constitutes its Accounting Authority. The Board is responsible for oversight of the operational performance and governance of the GTA. The Gauteng Provincial Legislature and the Executive Authority exercises its oversight role through the evaluation of the GTA's performance. Corporate governance embodies the processes and systems through which the entity is directed and purposed. It identifies who takes decisions, under what authority, and to what level of accountability. As a system of (internal and external) control, it ensures that leadership decision-making is exercised ethically and effectively towards the achievement of an ethical culture, good performance, effective control, and overall legitimacy. In other words, in a manner that balances the interests of all the stakeholders of the organisation. GTA subscribes to the principles of good corporate governance as set out in the King IV Report on Corporate Governance for South Africa and continuously reviews its compliance with the applicable corporate governance practices.

15. Executive Authority (MEC)

In accordance with the Act and sections 1 and Chapters 6 and 7 of the PFMA, the Member of the Executive Council responsible for tourism in the Gauteng Province is the Executive Authority of the GTA. In several administrative respects, the Executive Authority engages the GTA through the (GDED). The Board, the MEC and the GDED concluded a Shareholder's Compact and a Funding Agreement for the 2020-2021 financial year. The GTA reports on a quarterly basis to its Executive Authority on the progress towards the achievement of predetermined objectives.

16. Accounting Authority (Board)

The Act provides that the GTA Board must comprise a minimum of seven and a maximum of ten members. In terms of the Act, the Chairperson and CEO are separate positions. This is aligned to corporate governance best practice as recommended in the King IV Report on Corporate Governance. The CEO is an ex officio Board member. The Board, together with the CEO constitute the Accounting Authority of GTA, both in terms of the Act and the PFMA. The Board is appointed by the Executive Authority for a three-year term. The members constituting the Board were appointed on 1 October 2020, and their term will expire on 30 September 2023. The Executive Authority also appointed representatives to attend the GTA's Board meetings. These representatives do not participate or vote in meetings and only attend to aid the Executive Authority with oversight of the GTA's governance, strategy, and policy processes.

The GTA has a unitary board. The authority does not have a capital structure and all Board members (except for the CEO who is a full-time employee) are considered independent, non-executive members from a governance perspective. Operational authority has been delegated to the CEO through a documented system of delegations. The Board, as the Accounting Authority of GTA, is responsible for setting the strategic direction of the organisation in alignment with the socio-economic policy directives of the Executive Authority. Management develops operational strategies, policies, frameworks, and plans for Board approval. The Board oversees and monitors implementation and execution by management and ensures that there is accountability for the performance of the organisation. While the Board oversees the overall process and structure of governance, management is responsible for the implementation of good governance and adherence to the relevant normative and regulatory frameworks. The primary role of the GTA's Board, is to provide strategic alignment with the direction given by the Executive Authority and oversee the effective implementation of the authority's operational strategy as embodied in its APP, as well as to support the system of internal controls. The internal controls articulate, amongst others, the values of the organisation and the Board. Through ethical and effective leadership, the Board leads the business of the GTA in the best interest of the organisation and its stakeholders. The Board maintains oversight over the implementation of structured, good corporate governance principles in relation to strategy development, operational performance, and establishment of an internal control framework and assurance functions. Such functions include risk management and auditing.

16.1. Board composition and changes to the Board

The composition of GTA's Board is determined by the Executive Authority. During the year under review, the authority's Board comprised diverse members with an appropriate mix of knowledge, skills, and experience. This includes experience in business, commercial, and industry, all of which is essential to govern a tourism and destination marketing organisation. The details of the Board members are set out in the table below.

Name	Qualifications	Areas of Expertise	Other Directorships
Judi Nwokedi (Chairperson)	BA Social Sciences, leadership training, EDLP, Reading in Philosophy.	Government and private sector administration and leadership, international tourism, organisational design of complex multinational footprints, strategic and operational destination and tourism management, international tourism market development, organisational turnaround, governance risk and compliance, policy development and influence.	Current Affairs Films CC; Black Business Council (NPC); Nwokedi Consultants (Pty) Ltd; Free Women Films; LIFEOFJS; Futurum Business Solutions; African Icons Invitational; CONLOG; Tourvest Financial Services (Pty) Ltd; Travelex Africa Foreign Exchange; The Aids Consortium Company; Tourvest Group; Tourvest Holdings.
Thendo Ratshitanga (Deputy Chairperson)	Master's Degree in Public and Development Management, Post-Graduate Diploma in Public Policy and Development Management; Certificates in Programme Management Development and in Social Entrepreneurship.	Business and public sector management, organisational leadership, legislature and political administration, policy development.	Wa Gono Investments (Pty) Ltd; Simeka Harvest (Pty) Ltd; Kazi Farm (Pty) Ltd; Tshirundu Investments Holdings (Pty) Ltd; Vhatavhatsindi Investments (Pty) Ltd; Tshwane University of Technology (member of governing body).
Dan Lehutjo	BCom Education, Diploma in Marketing Management, Certificate in Corporate Governance, MBA	Financial management of public entities, PFMA, treasury regulations, supply chain management, risk management, corporate governance, strategic planning and internal controls.	Ramotlele Transport and Logistics (Pty) Ltd.
Shirley Koaho	BA Social Sciences (Economics), Brand Leadership, Strategic Marketing, Product Management and Brand Strategy.	Marketing communications at some of South Africa's biggest brands, working on national and international brands across selected African markets, product launches, market development, marketing strategy and segmentation financial services.	Strategic Media Options (Pty) Ltd; The Strategic Option (Pty) Ltd; Itataise Investments (Pty) Ltd; Ralco Build (Pty) Ltd; Savoured Journeys (Pty) Ltd; Itataise Exploration (Pty) Ltd; Mocca Life Retail CC.
Michael Sass	MCom, CIA, CTA, CA(SA), BCompt (Hons), BCom in Accounting (Hons).	General management, budgeting standard setting, auditing, risk management, accounting and financial management, strategy, policy setting, turnaround strategies, system implementation and general consulting on government systems and procedures.	City of Johannesburg Metropolitan Municipality (Risk Committee member).
Gugu Nkabinde	BA in Media Studies, Certificate in Strategic Brand Leadership, Chartered Marketer.	Brand and marketing management; brand positioning strategy, business planning, brand and communication strategy, start-up brand development, digital marketing, transformation and integration, NPO programme design, one-to-one and group coaching.	Mentor A Boy Child (NPC); Gugu Intimates (Pty) Ltd.

Collen Mpyane	Diploma in Philosophy, Diploma in Personnel and Training Management, African Management Program, Micro – MBA; National Diploma in Public Administration, Post Graduate Diploma in Public Management (current studies).	Policy development and legislative reform at a national level, Human resources management, civil society advocacy and lobbying, program and projects development.	SAHRA, AICOSA, AYONGO; Dipaakanyo Coffin and Furniture Manufacturers (Co-Op) Ltd; Moonlight Mushrooms Co-Op; Lemama K (Co-Op) Ltd; Lybeco Holdings (Co-Op) Ltd; Opelongmmetja Community Development (NPC); Mandlamuki Holdings (Pty) Ltd; Lemama Business Solutions and Consulting (Pty) Ltd; Alliance of Youth NGO'S (NPC); Alliance and Institutes for Civil Society Organisations of SA (NPC).
Mmatsatsi Ramawela	Master of Philosophy in Management Leadership in Emerging Countries, Bachelor of Social Sciences and Humanities, Bachelor of Administration (Hons), Graduate Diploma in Marketing Management, Diploma in Packaging Management.	Business administration, strategic leadership and management, and policy development. tourism development, planning and management including product development, sales and marketing; events management and organising, travel and tour planning and destination packaging services, human resources development including coaching and mentorship services.	International Institute of Peace through Tourism Southern Africa-IIPTSA (NPC); Bastion of the Deaf (Pty) Ltd; Tourism Transformation Council of SA (NPC); Gecko Sands Tourism Group (Pty) Ltd
Errol Magerman	Certificate in Governance and Leadership, Advanced Certificate in Governance and Public Leadership, Certificate in Project Management, Certificate in Policy Development, Certificate in Public Finance.	A long serving member of the Gauteng Provincial Legislature, Chairperson of various Portfolio Committees. Oversight over areas of work such as organisational performance, legislative and policy development, etc.	Matthew Goniwe School of Governance (NPC); VIP Consulting Engineers (Pty) Ltd.
Louis Seeco	Marketing Diploma, MBA.	Published author. Founder and director of various companies in the advertising and marketing industry, brand management strategy and development expert, brand recognition, perception, product usage and collective, top-of-mind awareness measurement systems	Brand Pilgrimage Marketing (Pty) Ltd; Elements Group Holdings (Pty) Ltd; Neh Africa Foods (Pty) Ltd; Vincent Tshabalala Education Trust; National Film and Video Foundation
Barba Gaoganediwe	Government Communications and Marketing Certificate, National Diploma in Public Administration, B.A in Strategic Brand Communications. ***Acting Chief Executive Officer: October 2020 - November 2021***	Strategic communication and marketing practitioner, inter-governmental coordination, brand development and activation, local and international media relations.	Olorato Africa Connect; Lutek Project Management; 2 Do Good Foundation; Hip Hop Summit SA (NPO); Olorato Media Connect; Kassi Style Events and Production.
Sthembiso Dlamini (Chief Executive Officer)	BA in Psychology (UKZN), Post Graduate Diploma in Project and Programme Management (Cranefield), Certificate in Executive Leadership (National School of Government), Global Executive Development Programme (GIBS), Professional Business Coaching Programme (GIBS) Master of Commerce in Programme Management (Cranefield, current studies).	She has worked for companies such as the National Development Agency, SARS, and South African Tourism. She has been involved in country market intelligence, developing regional strategic objectives, organisational strategy, brand and marketing strategies, adapting these into country specific marketing needs and leading business information systems management, the human capital management, organisational restructuring.	None.

Mr Michael Sass resigned with effect from 20 August 2021. Mr Sass served on the Board of the GTA since 2017. The Board extends its sincere appreciation to him for the invaluable contribution he made towards the authority's good corporate governance, and the technical input provided as the long-serving Chairperson of the Audit and Risk Committee (ARC). The latter we believe was instrumental in the GTA maintaining its seven consecutive clean audit reports from AGSA.

It was with great sadness that the Board learnt of the passing of Mr Dan Lehutjo after a short illness. The Board again extends its condolences to his family. He will be remembered for his great kindness and the diligent manner in which he conducted the GTA's business during his tenure.

16.2. Board Charter and Code

The Board conducts its affairs in accordance with an approved Board Charter. The Board Charter is reviewed from time to time and provides for the roles, functions, responsibilities, and powers of the Board. The practices and procedures of the Board on matters relating to corporate governance, declarations of interest, board meetings, and board meeting documents, board induction, training, and board evaluations.

In addition, the Board has adopted a board-specific Code of Conduct to better guide Board Members, and a Board Remuneration Policy to ensure a consistent approach to board remuneration. The remuneration of Board Members is discussed in more detail in the remuneration section of this report.

16.3. Board governance assessments

During the year under review, the Board conducted a series of governance self-assessments aimed at evaluating its performance against the recommended best practices set out in King IV as well as that of key role players such as the Board Chairperson, the CFO, and the Company Secretary. Following the independent assessment conducted in the previous financial year, the FY2021/22 assessments demonstrated an incremental improvement from past practice. An area of concern related to the maturity of the GTA's combined assurance model, which will be receiving attention in the ensuing year.

16.4. Board training

The Board members participated in two governance training sessions conducted during the year, under the auspices of the Institute of Directors in South Africa (IoDSA), which was arranged by the GDED Governance Unit. Subject to budget, the GTA will continue with professional training interventions for its Board members.

16.5. Board Subcommittees

The Board may, in terms of the Act, establish sub-committees to assist the Board to effectively execute its responsibilities. The standing sub-committees continued to operate during the year under review as set out in more detail below.

16.6. Audit and Risk Committee

At yearend, the Audit and Risk Committee (ARC) comprised three members; namely: Mr E Magerman (Chairperson), Ms S Koaho and Mr L Seeco. In terms of its Charter, the Audit and Risk Committee assists the Board in:

- Discharging its responsibilities relating to the safeguarding of assets;
- Evaluation of the adequacy and efficiency of internal control systems;
- Preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards;
- Technology and information governance;
- Risk management;
- Performance against set targets;
- Assessment of value for money; and
- Auditing processes applied in the day-to-day management of the GTA.

The committee also assists the Board by providing assurance on the adequacy and efficiency of the authority's internal control systems. The committee was reconstituted during the year, following the resignation of Mr Sass and the passing away of Mr Lehutjo. During the year, the committee held six meetings to which the external auditor of GTA was invited.

16.7. Marketing Committee

At yearend, the Marketing Committee (MARCOM) comprised four members, namely: Mr T Ratshitanga (Chairperson), Ms G Nkabinde, Ms M Ramawela and Mr L Seeco. The Marketing Committee assists the Board by providing strategic direction for the promotion of destination Gauteng.

The committee operates in terms of an approved charter and meets at least four times per year. The MARCOM met four times during the year under review to monitor and provide oversight over the performance of the core business units of GTA, to workshop the strategic direction of GTA's destination marketing and communication efforts, and to consider inputs into the GTA's annual reporting process.

16.8. Social, Ethics, and Governance Committee

At yearend, the Social, Ethics and Governance Committee (SEGC) comprised three members; namely: Ms S Koaho (Chairperson), Ms J Nwokedi and Mr C Mpyane. The SEGC assists the Board in matters related to corporate governance, human resources, remuneration, and ethics management.

The committee operates in terms of an approved charter which provides that the committee must, amongst others, monitor and strengthen the objectivity and credibility of the GTA's human resources policies and procedures, and remuneration system, ensuring that the authority has the appropriate human capital to deliver on its mandate and assist the Board with the oversight of social, governance, and ethical matters relating to GTA. The SEGC met five times during the year.

16.9. Meeting attendance

The table below summarises the Board and committee members' meeting attendance from 1 April 2021 to 31 March 2022:

Formal Board and Committee Members	Board	Audit & Risk Committee (ARC)	Social Ethics & Governance Committee (SEGC)	Marketing Committee (MARCOM)
Meetings #	11	6	5	4
J Nwokedi (Board Chair and SEGC member)	11	1	5	N/A
T Ratshitanga (Deputy Board and MARCOM Chair)	9	1	N/A	3
S Koaho (SEGC Chair and ARC[1] member)	10	2	5	N/A
E Magerman (ARC Chairperson[2])	11	6	N/A	N/A
G Nkabinde (MARCOM member)	11	1	N/A	4
L Seeco (MARCOM and ARC[3] member)	11	3	N/A	4
C Mpyane (SEGC member)	11	N/A	5	N/A
M Ramawela (MARCOM member)[4]	9	N/A	N/A	3
M Sass (ARC Chairperson[5])	4	4	N/A	N/A
D Lehutjo (ARC member[6])	3	1	N/A	N/A
B Gaoganediwe (acting CEO[7])	8	4	3	3
S Dlamini (Chief Executive Officer[8])	4	0	1	1

[1] Appointed to the ARC on 20 August 2021.
[2] Appointed as ARC Chairperson on 20 August 2021.
[3] Appointed to the ARC on 20 August 2021.
[4] M Ramawela was recused due to being a candidate for an internal position.
[5] ARC member. Resigned on 20 August 2021.
[6] ARC member. Passed away after a short illness.
[7] Acted as CEO from 1 April 2021 to 5 December 2021.
[8] Appointed as CEO on 6 December 2021. She attended one introductory meeting prior to her appointment.

16.10. Remuneration of Board Members

As stated above, the Board has adopted a Remuneration Policy to guide the implementation of the Executive Authority's directive on the remuneration of Board Members. Other costs payable for Board Members includes fees for representing GTA at official engagements and time spent attending to the business of the authority, airfares, accommodation, data costs, car hire and travel, as well as subsistence allowance in accordance with approved rates. The expenses were incurred by Board Members whilst executing duties for GTA. Shareholder representatives, when appointed, are not remunerated for their services. No performance-based remuneration or retainer fees were paid to Board Members.

17. Risk management

GTA maintains an approved Enterprise Risk Management Framework. In terms of the foregoing an annual risk assessment was conducted to identify new strategic and operational risks, and to ensure the necessary controls were implemented to treat the risks. The Audit and Risk Committee in terms of mandate on a quarterly basis monitored the effectiveness of management's risk mitigating and other treatment activities.

18. Internal control

GTA maintains a well-documented system of internal controls. As stated below, the authority has developed a schedule to monitor the relevance of its policy environment. The GTA's system of internal controls comprises several operational strategies, plans, policies, procedures, guidelines, codes, and work instructions. Compliance and implementation were routinely monitored, either through direct measurement and internal auditing, or through risk-based assessment.

19. Internal audit

GTA procured externally provided internal audit services as and when required through requests for quotations. Key audits related to the auditing of GTA's performance information throughout the year. Whilst not raising any findings on actual performance achievements, the internal auditor expressed concerns about the quality of the portfolios of evidence presented in support of performance. At year-end, GTA's tender for the appointment of an internal audit services provider for a period of three (3) years was being evaluated.

20. Compliance with laws and regulations

During the year under review, GTA participated in the compliance monitoring programmes of the Gauteng Provincial Treasury (statutory compliance), as well as that of GDED (governance compliance). The compliance universe of the authority is maintained on an ongoing basis, and as such, a risk-based compliance analysis was undertaken. Regular feedback on the mitigation of identified compliance risks were provided to National Treasury and the GDED.

The formal compliance framework will further be developed, going forward. Compliance with policies in general is the main subject matter of ongoing review, together with the GTA's tracking mechanism for the review of its controls environment. The use and impact of these operational instruments are addressed elsewhere in the report. More recently, a policy review committee, representative of junior job levels in the organisation, was appointed to aid in the further review and development of policy, as required.

21. Fraud and corruption

GTA has an approved Fraud and Anti-Corruption Policy. In line with this policy, employees are encouraged to use the GDED whistleblowing hotline to report fraudulent activities. The complaint lodged against the GTA (pertaining to certain identified employees of the GTA) with the Public Protector in 2019, was dismissed by the Public Protector with no findings against the authority. Cases reported to the GDED are routinely being investigated. Quarterly reports are provided to the ARC as well as the Board.

22. Minimising conflict of interest

GTA has documented Codes of Conduct for employees and Board Members. Minimising conflict of interest is expressly addressed in these codes. During the year, one of the new policies adopted by the authority served as a separate instrument to enhance the regulation of disclosure of financial interests by employees.

Employees and Board Members are required to make an annual declaration of business interests. Board Members' declarations are made available to AGSA during the annual auditing process. In addition, GTA maintains a standing protocol that provides for the declaration of any conflicts of interest when the business of the authority is discussed in formal meetings. Conflicts of interest, and related matters, are brought to the attention of the SEGC.

23. Codes of Conduct

As stated above, Codes of Conduct were adopted for the Board and employees. Board members and employees are required to uphold and maintain the highest standards of ethics to ensure that business practices are conducted in a manner that, in all reasonable circumstances, is beyond reproach. GTA is committed to conducting all its activities to the highest standard of competence, integrity, and ethical behaviour, and strives to ensure that its conduct is beyond reproach.

24. Health, safety and environmental management

GTA continued to ensure that the Occupational Health and Safety (OHS) of employees remained a priority. For the year under review, GTA participated in the OHS committees within the GDED group. This is a combined effort wherein entities deal with OHS matters at 124 Main building. As part of the GTA's contribution to ensure the safety of our employees, the organization continued to spread the safety messages especially in relation to the Covid-19 pandemic. We installed sanitizer stands at all GTA floors as part of our continues resolve to remind employees and visitors to sanitize and remain vigilant to the covid-19 pandemic albeit at reduced control levels. OHS remains an important part of our daily work and for the year under review, we ensured that the building is fumigated once a month and that staff offices a deep cleansed on a weekly basis. GTA resorted to a rotation of staff at the offices to avoid overcrowding during working hours. This was once of the safety measures amongst others that the organization implemented to keep its employees safe.

25. Company Secretary

During the year under review, the Board was assisted by a professional and independent Company Secretary, who provided guidance and advice to the Board and its members on their legal duties and who coordinated the functioning of the Board and its sub-committees. The Company Secretary had unfettered access to the Board to which it reported via the Board Chairperson on all statutory duties and functions performed in connection with the Board. Administratively, the Company Secretary reported to the CEO.

26. Audit and Risk Committee Report

26.1. Audit and Risk Committee responsibility

The ARC complied with its responsibilities arising from Sections 51(1)(a) and 77 of the PFMA and Treasury Regulation 27. The ARC discharges its responsibilities in terms of formal terms of reference (the Audit and Risk Committee Charter), has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

26.2. The effectiveness of internal controls

The internal audit function remains outsourced. All the reports issued were discussed between the internal auditors and the relevant business unit, before it was finalised. It is the CEO's responsibility to ensure that recommendations are implemented. The GTA's combined assurance remains a matter of concern for the ARC and will be receiving dedicated attention in the ensuing financial year.

26.3. In-year management and quarterly reports

The committee discussed the content and quality of in-year management, as well as monthly and quarterly reports prepared and issued by the CEO to be recommended to the Board for approval. GTA reported monthly and quarterly to the Provincial Treasury, as is required by the PFMA.

26.4. Evaluation of financial statements and the Auditor-General's report and prior year findings

The ARC reviewed and discussed the audited annual financial statements, the AGSA's management letter, management responses, and AGSA's final report for the 2021/2022 FY.

The ARC concurs and accepts the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the AGSA.

The committee also reviewed the GTA's implementation plan for audit issues raised in the previous year, and we are satisfied that the matters have been adequately resolved.

Mr Errol Magerman
Chairperson of the Audit and Risk Committee

PART D

HUMAN RESOURCE MANAGEMENT

27. INTRODUCTION

The Human Resources (HR) unit provides support in realising the GTA's strategy and organisational goals. It seeks to provide effective leadership on recruitment and selection according to best practices, remuneration and benefits, performance management, learning and development, organisational development and design; and employee relations. This is achieved by remaining abreast of relevant legislation and regulations, as well as aligning HR policies accordingly, to ensure appropriate HR services across the entire value chain.

27.1. Overview of HR matters at the public entity

Human Resources is integral to achieving the authority's strategy, and as such, it must be managed with great care and diligence to ensure that it is strategically positioned to: -

- Promote a culture of learning and development;
- Retain, engage and attract a highly competent, skilled and talented workforce;
- Promote and embrace a diverse workforce and inclusiveness; and
- Provide a safe and healthy environment to ensure optimum utilisation of skills and talents.

27.2. Set HR priorities for the year under review and the impact of these priorities

A major priority for the year under review, was to finalise the review of the functional and organisational structures of GTA, including that of the authority's value chain, and to review and develop HR policies and an operating model.

This process included the rationalisation of the tourism function, as GTA was mandated to play a leading role in promoting destination Gauteng to help ensure effective tourism management and contribute to the development and growth of tourism in the province.

The process has also necessitated an overhaul of functions that are aligned to the GTA's strategy. In this regard, GTA was mandated by the GDED to manage the affairs of the Ga-Rankuwa Hotel School as part of the tourism rationalisation process.

27.3. Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

Workforce planning is essential in ensuring that the operational objectives of GTA are met. Having a workforce plan in place ensures that the organisation has a contingency plan for scenarios that may present capacity constraints. This also requires the development of a multi-skilled and flexible workforce to enable the authority to rapidly adapt to an ever-changing operational environment.

To this end, GTA deploys various methodologies in its recruitment and placement processes. Amongst others, this includes a targeted selection methodology that incorporates personality profiling, psychometric assessments and presentations. These comprehensive methods significantly contribute to attracting a skilled and capable workforce.

28. Employee performance management framework

GTA has a performance management development system in place to manage employee performance through regular and consistent evaluation of employee performance at defined intervals and on an annual basis. This system also ensures that timeous corrective action is taken where there is a deviation from expected performance and outcomes. It further seeks to reward and recognise good performance where applicable. During the year under review, 60% of employees signed performance contracts and five bursaries were awarded to qualifying employees.

Six interns who were placed throughout the organisation in different business units for FY2020/21 were retained as their training was affected by COVID-19. Their training has been deferred to FY2021/22, ending in September 2022. The purpose of the internship was to provide experiential learning to learners from disadvantaged backgrounds who have completed tourism related qualifications. This process was executed in partnership with the Tshepo 1Million programme of the Gauteng Provincial Government.

29. Employee wellness programmes

GTA is committed to providing a comprehensive employee wellness programme that promotes balanced and healthy living to help maximise employee wellbeing and enable optimal performance, which in turn impacts on efficient and effective service delivery. The main objective of this programme is to establish a culture that is conducive to the wellbeing of employees on physical, social, emotional, occupational and financial levels.

30. Challenges faced by the public entity

One of the major challenge that GTA faces, is that the current policies and frameworks have minimal provision for disaster management. This will have a notable effect on how the authority will implement and embrace the fourth industrial revolution (4IR) without compromising quality of work. For this reason, a workforce readiness assessment was conducted to determine whether employees are ready to embrace the 4IR and identify which tools and skills are required to equip them for it. In the process, it was determined that there is a critical need to invest in information communication, and technology (ICT) skills and infrastructure.

31. Future HR plans and goals

The COVID-19 pandemic no doubt had a notable impact on the future HR plans of GTA. As such, the authority aims to integrate more people-centric approaches in its HR plans, so we can attract and retain top talent within the authority. These approaches will also be incorporated with the authority's activities pertaining to strengthening talent management; as well as its succession and retention plans.

In addition, GTA will focus on strengthening partnerships with the industry on skills exchange programmes that are in line with authority's strategic imperatives of being positioned as a learning organisation of choice. The objective is to yield a return on investment from the interventions deployed and to leverage people as a critical resource to achieve the broader objectives of the authority, in spite of the pandemic-related challenges.

32. Human resource oversight statistics

The following provides key information on human resources within GTA, in line with the prescriptions for annual financial statements of public entities. Where appropriate, reasons for variances in figures are provided.

32.1. Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	-	22 046 906,28	-	31	711191
Destination Marketing and Promotions	-	5 892 780,48	-	7	841826
Convention and Events Bureau	-	5 851 515,83	-	8	731439
Destination Management (Visitors Services, destination planning	-	12 369 152,58	-	17	727597
Total	-	46 160 355,17	-	63	732 704

32.2. Personnel cost by salary band

Level	Personnel expenditure (R'000)	% of Personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top management	906 713	1,96	1	906713
Senior management	12 174 506	26,37	7	1739215
Professional qualified	13 414 388	29,06	13	1031876
Skilled	14 965 882	32,42	25	598635
Semi-skilled	4 224 936	9,15	11	384085
Unskilled	473 929	1,03	6	78988
TOTAL	46 169 355	100	63	4739513

32.3. Performance rewards

Programme/activity/objective	Performance rewards	Personnel expenditure (R'000)	0% of performance rewards to total personnel cost (R'000)
Top management	-	-	-
Senior management	-	-	-
Professional qualified	-	-	-
Skilled	-	-	-
Semi-skilled	-	-	-
Unskilled	-	-	-
TOTAL	-	-	-

32.4. Employment and vacancies

Programme/ activity/objective	2021/2022 No. of Employees	2021/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of Vacancies
Administration (Office of the CEO, Finance, IT and HR)	27	41	27	14	17.7%
Destination Marketing and Promotions	6	9	6	3	3.7%
Convention and Events Bureau	5	8	5	3	3.7%
Tourism Services	17	21	17	4	5.0%
TOTAL	55	79	55	27	30.1%

Programme/ activity/ objective	2021/2022 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies	% of Vacancies
Top management	1	1	1	0	0%
Senior management	7	10	7	3	3.7%
Professional qualified	11	20	11	9	11.3%
Skilled	25	34	25	9	11.3%
Semi-skilled	11	14	11	3	3.7%
Unskilled	0	0	0	0	0%
TOTAL	55	79	55	24	30.1%

Reasons for deviations

The GTA embarked on an organisational structure review process which was approved by the Board. The GTA also identified critical vacancies to fill, which was also approved by the Board. Whilst the necessary approvals were granted, the GTA's budget was reduced. As a result, the authority had to review its critical list of vacancies in line with the limited resources available.

32.5. Employment changes

The following provides information on changes in employment during the financial year and highlights trends in the employment profile of the GTA.

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	0	1	0	1
Senior management	7	0	0	7
Professional qualified	10	1	0	11
Skilled	25	0	0	25
Semi-skilled	11	0	0	11
Unskilled	0	0	0	0
Total	53	2	0	55

32.6. Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	-
Resignation	2	-
Dismissal	0	-
Retirement	0	-
Ill health	0	-
Expiry of contract	1	-
Other	0	-
Total	4	-

As demonstrated in the table above, the GTA had two terminations which were due to one retirement and one resignation. An attempt was made to retain the employee who tendered the resignation, but this was unsuccessful.

32.7. Labour relations: Misconduct and disciplinary actions

Nature of disciplinary Action	Number
Verbal warning	0
Written warning	1
Final written warning	0
Dismissal	0

32.8. Equity targets and employment equity status

The following information relates to the performance of the GTA on its equity targets and employment equity status, and where relevant, reasons are provided for deviations.

	MALE							
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	0	0
Senior management	3	3	0	0	0	0	1	1
Professional qualified	5	5	0	0	0	0	0	0
Skilled	10	10	0	0	0	0	0	0
Semi-skilled	2	2	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	20	20	0	0	0	0	1	1

	FEMALE							
	African		Coloured		Indian		White	
Levels	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	1	0	0	0	0	0	0
Senior management	3	3	0		0	0	0	0
Professional qualified	5	5	0	0	0	0	1	1
Skilled	12	12	1	1	2	2	0	0
Semi-skilled	8	8	1	1	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	29	29	2	2	2	2	1	1

	DISABLED STAFF			
	Male		Female	
Levels	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	1	1
Semi-skilled	0	1	0	0
Unskilled	0	0	0	0
TOTAL	0	1	1	1

PART E

FINANCIAL INFORMATION


KYALAMI
GRAND PRIX CIRCUIT

GAUTENG
it starts here

Index

E

FINANCIAL INFORMATION

Report of the auditor-general to the Gauteng Provincial Legislature on the Gauteng Tourism Authority

Report on the financial statements

1. I have reviewed the financial statements of the Gauteng Tourism Authority set out on pages 118 to 159, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Gauteng Tourism Authority as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Emphasis of matter

3. I draw attention to the matter below. My conclusion is not modified in respect of this matter.

Restatement of corresponding figures

4. As disclosed in note 16 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2022.

Responsibilities of the accounting authority for the financial statements

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

6. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the review of the financial statements

7. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with the relevant ethical requirements.

8. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the public entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

9. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the usefulness and reliability of the reported performance information against predetermined objectives presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I performed procedures to evaluate the usefulness and reliability of the reported performance information on selected performance indicators in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice.

12. I performed the procedures in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an opinion or an assurance conclusion.

13. My procedures address the usefulness and reliability of the reported performance information on the selected performance indicators, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the selected performance indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

15. I selected the following material performance indicators contained in the Destination Marketing programme presented in the public entity's annual performance report for the year ended 31 March 2022 set out on page 88 I selected the indicators that measure the public entity's performance on its primary mandated functions and which are of significant national, community or public interest.

Performance indicators: Destination Marketing Programme
Number of new airlines routes into Gauteng city region promote
Number of international arrivals from Gauteng
Number of arrivals from African source market
Increased Length of stay in Gauteng
Number domestic trips undertaken in Gauteng
Rand value generated from the tourism sector in Gauteng
Johannesburg's ranking status increased to position Gauteng as a Convention's City

16. The material findings on the usefulness and reliability of the performance information of the selected material performance indicators contained in Destination Marketing are as follows:

17. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Performance indicator	Target:	Reported achievement:
Number of international arrivals from Gauteng	926 753	932 316
Number of arrivals from African source market	611 657	713 801
Increased Length of stay in Gauteng	9	11.1

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages 84 to 89 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 17 of this report.

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22. I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and adequately available to report in an understandable manner. The selection is done through an established AGSA process. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(b)(ii); 51(1)(e)(iii); Sections 53(4); Sections 55(1)(a) - (b); 55(1)(c)(i); 66(4)
Treasury regulations (TR)	TR 16A3.2(a); 16A 3.2 (fairness); TR 16A6.3(a) - (c); 16A6.4; 16A6.5; TR 16A6.6; 16A8.3 ; 16A8.4 TR 16A9.1(b)(ii); 16A9.1(d) - (f); TR 16A9.2(a)(ii); TR 30.1.1; 30.1.3(a) - (b); 30.1.3(d); TR 30.2.1; 31 .1 2(c); TR 33.1.1; 33.1.3
Preferential Procurement Regulations (PPR), 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulations 6.8; 7.8; 8.2; 8.5; Regulations 9.1; 10.1; 10.2; 11.1
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
NT SCM Instruction Note 04 of 2015-16	Par 3.4
NT SCM Instruction Note 03 of 2016-17	Par 8.1; 8.5
NT SCM Instruction Note 4A of 2016-17	Par 6
NT SCM Instruction Note 07 of 2017-18	Par 4.3
NT SCM Instruction note 03 of 2019-20 [Annexure A - FIPDM]	Par 5.5.1(vi); 5.5.1(x)
NT SCM Instruction Note 08 of 2019-20	Par 3.1.1; 3.6; 3.7.2; 3.7.6(i) - (iii)
NT SCM Instruction Note 03 of 2020-21	Par 3.6; 3.7; 5.1(i); 6.1; 6.3
NT SCM Instruction Note 05 of 2020-21	Par 3.2; 3.7; 4.3; 4 .6; 4.6(c); 4.6(d); 4.8; 4.9; 5.3
Erratum NT SCM Instruction Note 05 of 2020-21	Par 1; 2
Second Amendment to NT SCM Instruction Note 05 of 2020-21	Par 1
NT Instruction Note 11 of 2020-21	Par 3.1; 3.4(b); 3.9
SCM Practice Note 8 of 2007-08	Par 3.3.1; 3.4.1; 3.5
SCM Practice Note 7 of 2009-10	Par 4.1.2

23. I did not identify any material findings on compliance with the selected legislative requirements.

Internal control deficiencies

24. I considered internal control relevant to my engagements on the financial statements, reported performance information and compliance with key legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the selected material indicators included in the annual performance report.

25. The accounting authority did not adequately exercise oversight responsibility regarding performance reporting.

26. Management's internal controls and processes over the preparation of annual performance report were not able to ensure that the performance report was free from material misstatements.

Professional ethics and quality control

27. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

28. In accordance with the International Standard on Quality Control 1, the Auditor-General of South Africa maintains a comprehensive system of quality control that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor-General

Johannesburg
31 July 2022

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2022

ASSETS	Notes	2021/22 Actual R'000	2020/21 Actual R'000
Current assets		**83 919**	**62 966**
Cash and cash equivalents	**10,4**	77 649	62 527
Trade and other receivables from exchange transactions	**4,1**	6 271	439
Debtors	**4.1.1**	3 159	208
Deposits	**4.1.2**	4	-
Prepayments	**4.1.3**	3 108	231
Non-current assets		**2 006**	**2 039**
Property, plant and equipment	**2**	2 006	2 039
TOTAL ASSETS		**85 925**	**65 004**
LIABILITIES			
Current liabilities	**5**	**80 808**	**28 320**
Trade payables from exchange transactions	**5.1.1**	4 007	4 573
Other payables from exchange transactions	**5.1.1**	10 190	4 517
Provision - surrender of surplus funds to Treasury		41 214	-
Operating lease liability	**13,1**	759	214
Trade and other payables from non-exchange transactions - conditional grants	**5,2**	24 638	19 017
TOTAL LIABILITIES		**80 808**	**28 320**
Capital and reserves			
Accumulated surplus		**5 117**	**36 682**
TOTAL NET ASSETS AND LIABILITIES		**85 925**	**65 004**

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2021/22			2020/21		
		Budget	Actual	Variance	Budget	Actual	Variance
		R'000	R'000	R'000	R'000	R'000	R'000
REVENUE							
Revenue from non-exchange transactions		**133 138**	**126 817**	**-1 045**	**116 266**	**106 155**	**-10 111**
Government grants and subsidies	**6**	**109 898**	**109 898**	**-**	**97 850**	**97 850**	**-**
Government grant (Department of Economic Development)		109 898	109 898	-	97 850	97 850	-
Conditional grants and subsidies		**23 240**	**16 919**	**-1 045**	**18 416**	**8 305**	**-10 111**
Bidding and hosting (Department of Economic Development)		10 511	5 585	-	-	-	-
Craft Sector Profile (Department of Small Business Development)		1 000	408	-592	2 476	2 284	-192
Community Arts Project		3 500	3 150	-	-	-	-
National Tourism Careers Expo		8 229	7 776	-453	15 941	6 022	-9 919
Revenue from exchange transactions		**3 452**	**3 917**	**465**	**1 500**	**1 870**	**370**
Interest earned - external investments	**6,2**	1 500	1 965	465	1 500	1 870	370
Other income - GTA	**6,1**	1 952	1 952	-	-	-	-
TOTAL REVENUE		**136 590**	**130 734**	**-580**	**117 766**	**108 025**	**-9 741**
EXPENDITURE							
Employee-related costs	**7,1**	53 445	46 428	-7 017	54 265	46 572	-7 692
Depreciation	**7.2**	-	527	527	-	526	526
Surrender of surplus funds to Treasury	**7,4**	-	70 850	70 850	-	22 559	22 559
Finance charges	**7,6**	-	-	-	-	2	2
General expenses	**7,4**	82 625	44 527	-38 098	60 502	34 799	-25 703
TOTAL EXPENSES		**136 070**	**162 331**	**26 261**	**114 767**	**104 458**	**-10 308**

	Notes	2021/22 Budget R'000	2021/22 Actual R'000	2021/22 Variance R'000	2020/21 Budget R'000	2020/21 Actual R'000	2020/21 Variance R'000
OTHER GAINS / LOSSES							
Loss on disposal of assets	7,5	-	-	-	-	-	-
(Gains) on disposal of assets	7,5	-	-32	-32	-	-12	-12
SURPLUS FOR THE PERIOD FROM CONTINUING OPERATIONS		520	-31 565	-32 085	3 000	3 579	579
SURPLUS FROM OPERATIONS		**520**	**-31 565**	**-32 085**	**3 000**	**3 579**	**579**
Surplus/(Deficit) for the period		**520**	**-31 565**	**-32 085**	**3 000**	**3 579**	**579**

Explanation of material difference between the final budget and actual expenditure

Vacancies could not be filled in the financial year under review, due to the reduction of the budget for compensation of employees which serves to reduce the public sector wage bill as part of the Medium-Term Expenditure Framework (MTEF). In addition, the GTA underspent on its general expenses budget due to the following:

a) There was an underspend in the bidding and hosting budget due to the cancellation and postponement of events as a result of the COVID-19 regulations.
b) There was an underspend by the Destination Management and Development unit, due to adjustment challenges since the migration of the unit to the GTA from 1 April 2021. The necessary positions to enable implementation of this programme could not be filled due to aforementioned reductions in the budget for compensation of employees budget. As a result, the GTA had to engage with existing employees to take on additional work to ensure execution of the targets for this project. The unit only started utilising its budget towards the end of the financial year, when all the migration processes were completed.
c) There has been low expenditure in the Destination Marketing unit. The unit planned to appoint a digital services agency to ensure execution of its APP targets for the current financial year, but none of the bidders met the functionality criteria. Subsequently, the tender had to be cancelled, which had a notable effect on the expenditure budget for the year.

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Accumulated Surplus (Deficit)	Total
		R'000	R'000
Restated opening balance: 1 April 2020		**33,124**	**33,124**
Prior year adjustment	**18**	(21)	(21)
Restated balance		33,103	33,103
Surplus/(Deficit) for the year		3,579	3,579
Balance at 31 March 2021		**36,682**	**36,682**
Prior year adjustment			
Restated balance		36,682	36,682
Surplus/(Deficit) for the year		-31,565	3,000
Balance at 31 March 2022		**5,117**	**39,682**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2021/22 R'000	2020/21 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from grants		131 377	100 737
Refunds and re-imbursements		1 275	101
City of Johannesburg contribution for Meetings Africa		-	-
Finance income		1 965	1 870
Total receipts from operating activities		**134 617**	**102 709**
Employee costs		44 046	49 652
Payments to suppliers		45 351	39 340
Finance charges		-	2
Funds surrendered to Gauteng Treasury		29 636	22 559
Total payments from operating activities		**119 033**	**111 553**
NET CASH FLOW FROM OPERATING ACTIVITIES	**10,1**	**15 584**	**-8 844**
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	**10,2**	-494	-253
Additions to intangible assets		-	-
Proceeds from disposal of assets		32	12
NET CASH FLOW FROM INVESTING ACTIVITIES		**-462**	**-241**
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in finance liabilities	**13.2**	**-**	**-52**
NET CASH FLOW FROM FINANCING ACTIVITIES		**-**	**-52**
Net Increase/(Decrease) in cash and cash equivalents		**15 122**	**-9 137**
Cash and cash equivalents at beginning of year	**10.3**	**62 527**	**71 664**
Cash and cash equivalents at end of year	**10.4**	**77 649**	**62 527**

1. ACCOUNTING **POLICIES**

1.1 Basis of Preparation

The annual financial statements were prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 91(1) of the Public Finance Management Act (PFMA). These annual financial statements were prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African rand.

1.2 Presentation Currency

The financial statements are presented in South African rand which is the authority's functional currency. All amounts were rounded to the nearest one thousand rand (R1,000) in the statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statements. The notes to the annual financial statements were stated in rand terms.

1.3 Going Concern

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

1.4 Comparative Information

1.4.1 Prior year Comparatives

When the presentation or classification of items in the financial statements is amended, prior year comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a standard of GRAP. The nature and reasons for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively for as far as it is practicable, and the prior period comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively for as far as it is practicable and the prior period comparatives are restated accordingly. The presentation and classification of items in the current year is consistent with prior periods.

1.5 Standards, Amendments to Standards and Interpretations which became effective in the current Financial Year

In the current year, the following GRAP standards became applicable:

Standard		Effective Date: Years beginning on or after	Expected Impact
GRAP 34	Separate financial statements	01-Apr-20	Not applicable to the entity's operations.
GRAP 35	Consolidated financial statements	01-Apr-20	Not applicable to the entity's operations.
GRAP 36	Investments in associates and joint ventures	01-Apr-20	Not applicable to the entity's operations.
GRAP 37	Joint arrangements	01-Apr-20	Not applicable to the entity's operations.
GRAP 38	Disclosure of interests in other entities	01-Apr-20	Not applicable to the entity's operations.
GRAP 110	Living and non-living resources	01-Apr-20	Not applicable to the entity's operations.

1.6 Significant Judgements and Estimates

The use of judgements, estimates and assumptions is inherent to the process of preparing financial statements. These judgements, estimates and assumptions affect the amounts presented in the financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

1.6.1 Judgements

In the process of applying these accounting policies, management makes judgements that may have a significant effect on the amounts recognised in the financial statements. When this occurs, disclosure is made in the notes to the financial statements.

1.6.2 Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

1.6.3 Useful lives of property, plant and equipment - depreciation and amortisation

Depreciation recognised on property, plant and equipment is determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the asset.

1.7 Financial Instruments - Initial Recognition, Initial and Subsequent Measurement and Derecognition

Financial assets and financial liabilities are initially recognised in the authority's statement of financial position when the authority becomes a party to the contractual provisions of the instrument. Upon initial recognition, the authority classifies financial instruments as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that an instrument satisfies the definitions of a financial liability, a financial asset or a residual interest. The authority's financial instruments consist of cash and bank balances, trade and other receivables, and trade and other payables, and are measured at fair value plus transaction costs at initial recognition. Refer to note 17 of the notes to the financial statements. The financial instruments of the Authority are subsequently carried at amortised cost.

1.7.1 Derecognition

A financial asset is derecognised at trade date, when: The cash flows from the asset expire, are settled or waived; and a) significant risks and rewards are transferred to another party; or b) despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity. A financial liability is derecognised when the obligation is extinguished. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

1.7.2 Gains and losses

For financial assets and liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or liability is derecognised or impaired.

1.7.3 Offsetting

The GTA does not offset financial assets or liabilities, except where offsetting is either required or permitted by a standard of GRAP.

1.7.4 Impairments

All financial assets measured at amortised cost, or cost, are subject to an impairment review. At the end of each reporting period, the entity assesses whether there is any objective evidence that an individually significant financial asset or group of financial assets are impaired. Impairment is recognised in the statement of financial performance as a surplus/deficit.

1.8 Specific Financial Instruments

1.8.1 Investments at amortised cost

Investments which include short-term deposits invested with the South African Reserve Bank (SARB) and the authority's appointed bankers are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

1.8.2 Cash and cash equivalents

Cash and cash equivalents for the purposes of the cash flow statement and statement of financial position comprise cash at banks and cash on hand. Cash equivalents are held with the SARB and the authority's appointed banker. Cash and cash equivalents are subsequently measured at amortised cost.

1.8.3 Trade and other receivables

Trade and other receivables are measured at fair value plus transaction costs at initial recognition and are subsequently measured at amortised cost. All trade and other receivables are assessed at least annually for possible impairment. Bad debts are written off in the year when identified as irrecoverable.

1.8.4 Trade and other payables

Trade and other payables are measured at fair value plus transaction costs at initial recognition and are subsequently measured at amortised cost.

1.9 Property, Plant and Equipment

1.9.1 Initial recognition and measurement

Property, plant and equipment are tangible non-current assets that are expected to be used during more than one year. These items are initially recognised at cost in the statement of financial position when it is probable that future economic benefits or service potential associated with the item will flow to the authority and the cost of the asset can be measured reliably. The authority does not componentise any asset.

1.9.2 Depreciation

Depreciation commences when the item is available for use and is calculated on the straight line depreciation method to write off the cost of each asset over its estimated useful life as follows:

Leasehold improvements		Lease term	Finance lease		Lease term
Furniture and Fittings	3.33% - 10%	Per Annum	Computer equipment	5% - 33%	Per Annum
Equipment	3.33% - 10%	Per Annum	Motor Vehicles	10%	Per Annum

1.9.3 Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. All assets are reassessed annually to determine its useful life. Assets received as donations are measured at fair value at the date of recognition.

1.9.4 Subsequent expenditure

Subsequent cost on capitalised tangible assets is only capitalised when it increases the future economic benefit of the specific asset. All other expenditure is recognised in the statement of financial performance as an expense when incurred. The effect on the current year is to decrease the carrying amount of property, plant and equipment by the annual depreciation charge. Depreciation methods, useful lives and residual values are reassessed annually before 31 March, based on physical inspection of each asset by the IT and Office Manager. De-recognition on disposal is executed in terms of the authority's asset management policy whereby profits or losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with its carrying amount and are accounted for as such in the statement of financial performance.

1.9.5 Impairments

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. A cash-generating unit is the smallest identifiable company of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that is largely independent of the cash inflows from other assets.

The authority tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the statement of financial performance.

1.9.6 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the proceeds and the carrying value, and is recognised in the statement of financial performance.

1.10 Intangible Assets

Initial recognition and measurement

Intangible assets comprising computer software purchased, are identifiable non-monetary assets without physical substance and are initially recognised at cost in the statement of financial position, only when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Expenditure on research is recognised as an expense when incurred.

1.10.1 Amortisation

Amortisation commences when the asset is available for use and is calculated on the straight line depreciation method to write off the cost of each asset over its estimated useful life as follows:

Computer Software 33% Per Annum

1.10.2 Subsequent measurement

Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses. All intangible assets are reassessed annually to determine its useful life.

1.10.3 Impairments

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that is largely independent of the cash inflows from other assets or groups of assets.

The authority tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is immediately written down to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the statement of financial performance.

1.10.4 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of an intangible asset is determined as the difference between the proceeds and the carrying value and is recognised in the statement of financial performance.

1.11 Employee benefits

1.11.1 Short-term employee benefits

Short-term employee benefits encompass all those benefits that become payable in the short term, i.e., within a financial year or within 12 months after the financial year. Therefore, short-term employee benefits include remuneration and bonuses. Short-term employee benefits are recognised in the statement of financial performance as services rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short-term employee benefits are measured at their undiscounted costs in the period that the employee renders the related service or the specific event occurs.

1.11.2 Defined contribution plans

The authority operates a defined contribution provident fund for all its permanent employees, the assets of which are held in a separate trustee-administered fund, which is subject to the Pension Fund Act, No. 24 of 1956, as amended.

Contributions made towards the fund are recognised as an expense in the statement of financial performance in the period that such contributions become payable. This contribution expense is measured at the undiscounted amount of the contribution paid or payable to the fund. A liability is recognised to the extent that any of the contributions have not yet been paid.

1.12 Leasing

Operating leases

1.12.1 Recognition

Assets subject to operating leases, i.e., those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the statement of financial position. The operating lease expense is recognised over the course of the lease arrangement.

Lease payments by the authority as the lessee under an operating lease are recognised as expenses in the statement of financial performance on a straight-line basis over the lease period.

1.12.2 Finance lease

Assets subject to finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. The authority recognises asset acquired as assets under finance lease, and associated lease obligations are recognised as liabilities in the statement of financial position.

1.12.3 Measurement

The lease expense recognised for operating leases is charged to the statement of financial performance on a straight-line basis over the term of the relevant lease. This is to the extent that the straight-lined lease payments differ from the actual lease payments and the difference is recognised in the statement of financial position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability), as the case may be. This resulting asset and / or liability is measured as the undiscounted difference between the straight-line lease payments and the contractual lease payments.

1.13 Revenue

Revenue is derived from Government grants, donated assets (non-exchange transactions) as well as other income (exchange transactions), interest earned (external investment) and tourist guide registration fees.

1.13.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

1.13.2 Recognition and measurement

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

a) The amount of revenue can be measured reliably;
b) It is probable that the economic benefits or service potential associated with the transaction will flow to the company;
c) The stage of completion of the transaction at the reporting date can be measured reliably; and
d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame, unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by total services to be performed. Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services. Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

Interest income

Interest income is recognised in surplus or deficit as it accrues, using the effective interest rate method. Other exchange revenue and interest earned refer to revenue and interest that accrues to the entity for services rendered and interest on externalinvestment and are recognised when it can be measured reliably.

1.13.3 Revenue from non-exchange transactions

Revenue from non-exchange transaction arises when the entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

1.13.4 Recognition and measurement

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

Government grants are recognised on a systematic basis, either on the date of receipt or receivable as confirmed by the Gauteng Department of Economic Development (GDED).

1.14 Borrowing Costs / Finance Costs

In terms of the PFMA, the authority is prohibited from borrowing.

1.15 Foreign Currency Transaction

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded, are expensed. Transactions in foreign currency are accounted for at the spot rate of the exchange ruling on the date of the transaction.

Gains and losses arising from the transaction is dealt with in the statement of financial performance in the period in which they occur.

1.16 Surplus or Deficit

Gains and losses

Gains and losses arising from the disposal of assets are presented separately from other revenue in the statement of financial performance.

Income, expenditure, gains and losses are recognised in surplus or deficit, except for exceptional cases where recognition directly in net assets is specifically allowed or required by a standard of GRAP.

1.17 Irregular Expenditure

Irregular expenditure is expenditure that is contrary to the PFMA or that is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was incurred in vain and could have been avoided, had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible officials is probable. The recovery of unauthorised irregular, fruitless and wasteful expenditure is treated as other income.

1.20 Post-reporting Date Events

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified: a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Any known or anticipated event that may occur after the reporting period is declared in the notes to the financial statements.

The authority adjusts the amounts recognised in the financial statements to reflect adjusting events after the reporting date, once the event occurred.

The authority discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.21 Related Party Transaction

The GTA is exempt from disclosure requirements pertaining to related party transactions if that transaction occurs within the normal supplier and / or client / recipient relationship on terms and conditions that are no more or less favourable than those which is reasonably expected for the entity to have adopted if dealing with that individual entity or person in the same circumstances, and terms and conditions are within the normal operating parameters established by the reporting entity's legal mandate.

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

1.22 Accounting Policies - Additional

1.22.1 Contingencies / commitments / other liabilities (provisions / accruals) / other assets

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:
- Approved and contracted commitments;
- Where the expenditure has been approved and the contract has been awarded at the reporting date; and
- Where disclosure is required by a specific standard of GRAP.

Any known or anticipated contingent liability and asset that may occur is declared in the notes to the financial statements. The authority does not recognise a contingent asset and contingent liability, but discloses details of any contingencies in the notes to the financial statements.

Provisions are recognised when the authority has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, including amounts due to employees for accrued vacation pay. Accruals are reported as part of trade and other payables in the statement of financial position.

1.22.2 Budget information in financial statements

As per GRAP 1.12, a comparison of the budget and actual amounts for the reporting period are included in the financial statements. The authority's financial statements and budget are on the same basis of accounting (accrual) which is a pre-requisite for this inclusion. GRAP 24, which has been effective as from 1 April 2012, stipulates that entities may elect to make its approved budget available, subject to disclosing the reasons for material differences between the budget and actual amounts. The authority is of the opinion that disclosure of budget amounts compared to the actual amounts arising from execution of the budget may enhance the user of the financial statements' understanding and may also be used as a performance measure indicator.

1.22.3 Prepayments

The authority recognises prepayments made in respect of exchange transactions for the next financial year in the statement of financial position. Prepayments are reviewed at each statement of financial position date, and adjusted if necessary.

1.22.4 Deposits

The authority recognises deposits made in respect of exchange transactions as current assets in the statement of financial position.

1.22.5 Staff advances / loans

The authority recognises staff advances as current assets in the statement of financial position and any interest if applicable in the statement of financial performance. These advances are granted in terms of the authority's HR policy on staff loans and/or advances.

1.22.6 Financial risk management

The Authority's activities expose it to the following risks: Credit risk; liquidity risk; and market risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework of the authority. The Board has established the Audit and Risk Committee (ARC), which is responsible for developing and monitoring the authority's risk management policies. The committee reports regularly to the Members of the Board on its activities. The authority's risk management policies and systems are established to identify and analyse the risks the authority faces, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The authority reports on its risks on a monthly basis in terms of the Board approved risk register. These reports are consolidated into quarterly reports and presented to the ARC as a standing item on the agenda of the committee.

1.23 Foreign Exchange Gains/Losses

Foreign exchange gains/losses arising from international payments are recognised in the authority's statement of financial performance in the period in which they occur. Exchange differences arise when the rates at settlement of creditors are different from those initially recorded and expensed. Transactions in foreign currency are accounted for at the spot rate of the exchange ruling on the date of the transaction.

1.24 Transfer of functions between entities under common control

Transfers of functions between entities under common control are accounted for by the transferor by derecognising assets and liabilities at their carrying amounts at the date of transfer. Any difference between the assets and liabilities derecognised and consideration paid, if any, is recognised in accumulated surplus or deficit.

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

Year Ended 31 March 2022	Computer Equipment	Equipment	Furniture & Fittings	Leasehold Improvements	Motor Vehicles	Finance Lease	Total
Opening net carrying amount	**341 439**	**77 999**	**271 276**	**0**	**1 347 901**	**0**	**2 038 614**
Gross carrying amount	2 392 237	260 817	1 587 273	406 100	2 546 830	205 416	7 398 673
Accumulated depreciation	-2 050 797	-182 818	-1 315 998	-406 100	-1 198 930	-205 416	-5 360 059
Additions	**494 441**	**-**	**-**	**-**	**-**	**-**	**494 441**
Additions: Donations	-	-	-	-	-	-	-
Additions	494 441						494 441
Disposals	-	-	-		-		-
Cost	-111 027	-	-		-		-111 027
Depreciation charge – disposals	111 027	-	-		-		111 027
Depreciation charge	-205 325	-14 784	-52 130	-	-254 683	-	-526 922
Closing net carrying amount	630 556	63 215	219 146	0	1 093 218	0	2 006 134
Gross carrying amount	2 775 651,21	260 816,91	1 587 273,45	406 100,00	2 546 830,49	205 415,89	7 782 087,95
Accumulated depreciation	-2 145 095,65	-197 602,20	-1 368 127,60	-406 099,63	-1 453 612,88	-205 415,88	-5 775 953,84

Year Ended 31 March 2021	Computer Equipment	Equipment	Furniture & Fittings	Leasehold Improvements	Motor Vehicles	Finance Lease	Total
Opening net carrying amount	**190 013**	**92 783**	**323 406**	**56 964**	**1 602 584**	**45 773**	**2 311 522**
Gross carrying amount	2 216 962	260 817	1 587 273	406 100	2 546 830	205 416	7 223 398
Accumulated depreciation	-2 026 949	-168 034	-1 263 868	-349 136	-944 247	-159 643	-4 911 876
Additions	**253 146**	**-**	**-**	**-**	**-**	**-**	**253 146**
Additions: Donations	-	-	-	-	-	-	-
Additions	253 146	-	-	-	-	-	253 146
Disposals	0	-	-	-	-	-	0
Cost	-77 871	-	-	-	-	-	-77 871
Depreciation charge – disposals	77 871	-	-	-	-	-	77 871
Depreciation charge	-101 719	-14 784	-52 130	-56 964	-254 683	-45 773	-526 053
Closing net carrying amount	**341 439**	**77 999**	**271 276**	**0**	**1 347 901**	**0**	**2 038 614**
Gross carrying amount	2 392 236,55	260 816,91	1 587 273,45	406 100,00	2 546 830,49	205 415,89	7 398 673,29
Accumulated depreciation	-2 050 797,49	-182 818,25	-1 315 997,73	-406 099,63	-1 198 929,85	-205 415,88	-5 360 058,83

3. INTANGIBLE ASSETS - COMPUTER SOFTWARE

	Notes	2021/22	2020/21
Opening net carrying amount		**-**	**-**
Gross carrying amount		762 163	762 163
Accumulated amortisation		762 163	762 163
Accumulated impairment deficit		-	-
Additions		-	-
Cost		-	-
Amortisation			
Amortisation		-	-
Closing net carrying amount 31 March		**-**	**-**
Gross carrying amount		762 163	762 163
Accumulated amortisation		762 163	762 163
Accumulated impairment deficit		-	-

4. TRADE AND OTHER RECEIVABLES

		2021/22	2020/21
4. TRADE AND OTHER RECEIVABLES		**6 270 961**	**438 675**
4.1 Trade receivables from exchange transactions - balances		6 270 961	438 675
Prepayment		3 107 789	230 718
Deposits		4 197	0
Trade and other receivables from - Debtors		3 158 975	207 956

4.1.1 Ageing of trade & other receivables from exchange transactions (These assets are past due but not impaired)

	2021/22	2020/21
Current (0 - 30 days)	2 808 896	-
31 - 60 days	-	-
61 - 90 days	350 000	-
91 - 120 days	-	-
121 - 365 days	79	207 956
Total	**3 158 975**	**207 956**

The GTA's debtors are due to the following:
a) An amount of R1,951,752 from the City of Johannesburg for Meetings Africa;
b) An amount of R210,671 due from the National Department of Tourism for the National Tourism Careers Expo;
c) An amount of R500,000 due from CATHSSETA for the National Tourism Careers Expo;
d) An amount of R146,472 due from the North West Office of the Premier for a GTA-seconded employee; and
e) An amount of R350,000 from the Gauteng Department of Sports, Recreation, Arts and Culture for the Community Arts Project.

		Notes	2021/22	2020/21
4.1.2	**Deposits**		**4,197**	**-**
	Rental of premises at Lanseria International Airport (LIA)		4,197	-

The GTA paid a deposit towards the rental of premises for the Visitor Information Centre at LIA.

		Notes	2021/22	2020/21
4.1.3	**Current asset prepayments**		**3 107 789**	**230 719**
	VIP Payroll Licence		29 981	28 020
	Directors and officers' liability cover insurance		19 031	21 904
	SAGE Accounting software licence		5 111	3 583
	Draftworx software licence		53 667	-
	Boardworx quarterly licence			
	Rowing Masters		3 000 000	-
	Asset insurance		-	177 212

The prepayments arise as a result of contractual obligations.

		Notes	2021/22	2020/21
5.	**TOTAL LIABILITIES**		**80,807,515**	**28,321,083**
5.1	**Trade and other payables from exchange transactions**		**14,197,210**	**9,128,826**
5.1.1	**Trade payables from exchange transactions**		**4,007,086**	**4,573,629**
	Other payables from exchange transactions		**10,190,125**	**4,516,691**
	Accrual for thirteenth cheque	5.3.2	459 784	403 554
	Accrual for performance bonuses		-	-
	Allowed accumulated vacation leave accrual	5.3.1	3 762 269	2 937 886
	Other payables for salaries and Board allowances		91 010	95 251
	Accruals for general expenses	5.3.3	5 877 062	1 080 000

		Opening balance	Additions	Utilised during the year	Reversed during the year	Total
5.1.2	**Provisions**					
	Reconciliation of provisions - 31 March 2022					
	Provisions - Surplus retention	-	41 213 666	-	-	41 213 666
		-	**41 213 666**	**-**	**-**	**41 213 666**

In terms of National Treasury Instruction No.12 of 2020/21, accounting authorities of public entities listed in Schedules 3A and 3C to the PFMA must annually declare all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using their audited annual financial statements as the basis for calculation of the surpluses or deficits. Accounting authorities should not utilise surplus funds realised from a closed financial year, prior to obtaining written approval from the relevant Treasury to retain such surpluses. Public entities must surrender all surpluses that were realised in a particular financial year which were not approved for retention by the relevant Treasury, no later than 30 November of each year.

The GTA has surplus funds of R41,213,666 calculated in terms of the National Treasury instruction. The provision has been estimated based on the pre-audited figures using the formula stipulated in the National Treasury Instruction No.12 of 2020/21 which takes into account the bank balance, plus debtors, less current liabilities. The Gauteng Treasury is expected to provide feedback regarding the approval of the surplus application in December 2021. The GTA anticipates that approval will not be received, as this is in line with the decision taken for the 2019/20 and 2020/21 financial years to not grant approval. The COVID-19 pandemic has placed significant pressure on the fiscus, which in turn places pressure on the financial resources of Government. Additionally, based on the senior management team (SMT) meeting for the DED group, it was resolved that the unspent funds must be surrendered by the GTA to enable Treasury to redirect the funds to DED for the 2022/23 financial year. In light of this, the GTA anticipates that the surplus of R41,213,666 will be paid in January 2023.

		Notes	2021/22	2020/21
5.2	**Trade and other payables from non-exchange transactions**			
5.2.1	**Trade and other payables - conditional grants**		**24 637 566**	**19 016 582**
	Reconciliation of conditional grants			
	Restated opening balance		**19 016 582**	**25 135 598**
	Debtors - National Tourism Careers Expo		710 671	-
	Debtors - Community Arts Project		350 000	-
	Receipts - DED - additional conditional grants		21 479 330	2 887 221
	Unspent at year end			
	Bidding and hosting		**23 514 052**	**18 588 462**
	National Tourism Careers Expo		**453 002**	**-**
	Community Arts Project		**350 000**	**-**
	Industrial Development Corporation (IDC) Craft customised sector program (CSP)		**320 330**	**427 938**
	Tourism Monitors		**181**	**181**
	Reversal of grant amount by the Department of Small Business Development (DSBD)		-	-700 000
	Transferred to revenue / expenditure		-16 919 017	-8 306 237
	Closing balance		**24 637 566**	**19 016 582**

		Notes	2021/22	2020/21
5.3	**Reconciliation of Accruals**			
5.3.1	Accruals for leave pay - Balance as at 1 April		2,937,886	2,418,879
	Additional accrual			
	Unused amounts reversed		824,383	519,007
	Balance as at 31 March		**3,762,269**	**2,937,886**
5.3.2	Accruals for 13th Cheque - Balance as at 1 April		403,555	413,940
	Additional accruals		56,229	-
	Unused amounts reversed			-10,386
	Balance as at 31 March		**459,784**	**403,555**
5.3.3	Accruals for other general expenses - Balance as at 1 April		1,080,000	1,050,000
	Additional accruals		5,877,061	30,000
	Utilised amounts during the year		-1,080,000	-
	Balance as at 31 March		**5,877,062**	**1,080,000**

6. REVENUE

		Notes	2021/22	2020/21
	Revenue comprises revenue received in respect of:		**130,734,108**	**108,026,554**
	Non-exchange transactions - DED government grants		109,898,000	97,850,000
	Non-exchange transactions - Bidding and hosting		5,585,410	-
	Non-exchange transactions - Community Arts Project		3,150,000	-
	Non-exchange transactions - National Tourism Careers Expo		7,775,999	-
	Non-exchange transactions - NDT Safety Monitors		-	6,022,382
	Non-exchange transactions – IDC – CRAFT CSP		407,608	2,283,855
	Other income - exchange transactions	**6.1**	1,951,753	-
	Income from investments - exchange transactions	**6.2**	1,965,339	1,870,318
6.1	**Other income - exchange transactions**		**1,951,753**	**-**

6.1.1	**Other income**	**1,951,753**	**-**
	City Of Johannesburg contribution for Meetings Africa	1,951,753	-
6.1.2	**Other income**	**-**	**-**
6.2	**Income from investments**	**1,965,339**	**1,870,318**
	Interest from Corporation for Public Deposits	1,876,041	1,830,520
	Interest from current account	89,298	39,797

7. EXPENDITURE

7.1 Employee-related costs

	Notes	2021/22	2020/21
Wages and salaries		**46,427,639**	**46,572,483**
Accruals for leave pay		824,383	-175,425
Accruals for 13th cheque		56,229	403,554
Long service award		51,356	27,192
Employee wellness		127,066	-
Recruitment costs			
Accruals for performance bonus		-	-
Medical aid		3,819,621	3,754,427
PAYE		10,988,206	12,190,866
Provident fund		4,856,899	5,107,495
Salaries		25,324,458	24,897,134
UIF		232,151	215,310
Study assistance		147,270	151,930
		46,427,639	**46,572,483**
Employee-related costs include:			
CEO and senior managers' emoluments	**8.1.1**	12,860,448	15,217,571

		Notes	2021/22	2020/21
7.2	**Depreciation**		**526,922**	**526,051**
	Plant, machinery and equipment		14,784	14,783
	Computer equipment and peripherals		205,325	101,719
	Office furniture and fittings		52,130	52,129
	Leasehold improvements		-	56,964
	Motor vehicles		254,683	254,683
	Finance lease		-	45,773
7.4	**General expenses**		**44,526,865**	**34,799,397**
	Admin fees		-	64,602
	Audit fees - statutory		923,250	871,062
	Audit fees - internal		104,655	196,910
	Probity audits		79,800	-
	Bank charges		24,412	47,586
	Cleaning services		358,762	263,010
	Conferences and delegations		28,119	-
	Refreshments and office expenditure		309,160	4,931
	Electricity		1,017,311	2,832,228
	Insurance		368,456	451,938
	Integrated marketing and communications		27,922,296	8,850,209
	Community Arts Project		3,160,720	-
	Legal fees		6,068	697,590
	Parking		-	45,815
	Non-executive Board remuneration and allowances		979,503	753,028
	Postage		-	-
	Printing and stationery		-	-
	Rental of buildings		4,967,779	5,412,271
	Strategic planning		537,549	856,230
	Project evaluation		-	115,000

Recruitment	277,853	715,085
Rental of vehicles		
Security costs	358,762	265,040
Subscriptions and publications	50,592	49,057
Telephone costs	22,176	30,384
Craft workshop	407,608	2,283,855
Staff training and development	-	-
Information technology expenditure	2,355,217	2,111,817
Other	266,817	1,764,367

	Notes	2021/22	2020/21
7,4 Surrender of surplus funds to Treasury			
Surplus funds surrendered to Treasury: 2020/21 surplus paid in 2021/22		29 636 383	22 558 835
Surplus funds surrendered to Treasury: 2021/22 provision raised		41 213 666	-
		70 850 049	**22 558 835**
7.4.1 Tourism Monitors		**-**	**6 117 382**
Community facilitation		-	-
Administration		-	408
Stipend		-	5 195 370
Implementation		-	800 000
Work tools		-	121 604
Transport		-	-

		Notes	2021/22	2020/21
7,5	**Other gains / losses**			
	(Gains) on disposal of assets (Property, plant and equipment)		-32 398	-12 005
	Losses on disposal of assets (Property, plant and equipment		-	-
			-32 398	**-12 005**

The GTA submitted an insurance claim for two stolen laptops which was paid out by the insurance.

7,6	**Finance charges**			
	Finance charges - Finance lease		-	1 937

8. RELATED PARTIES

The authority's main related party is the DED who is primarily responsible for funding received by the GTA. The Gauteng Department of Agriculture and Rural Development, its entities, and the entities of the Gauteng Department of Economic Development (GDED) are also related parties of the authority as they are under common control of the same MEC. Other related parties are the MEC of the Gauteng Departments of Economic Development, Agriculture and Environment, members of key management and the GTA Board. All related parties except the GTA Board are within the same sphere of government and/or under common control.

All transactions between the GTA and its related parties occurred within normal terms and conditions and within the normal operating parameters established by the GTA's legal mandate. The nature of the transactions and balances with the GTA's related parties are as follows:

Gauteng Department of Economic Development - the GTA receives its budget from the GDED. In addition, the GDED has contracted with a landlord for the usage of 124 Main Street which houses the DED entities. The respective entities that are occupying the building enter into a memorandum of understanding (MoU) with the DED, which is related to their respective portion of usage of the building. The GTA pays rental, electricity, water, security and cleaning costs to the DED as agreed in the DED's contract with the landlord, and the GTA's MoU with the DED.

GTA Board - the GTA pays Board fees and allowances for meetings attended in line with the approved GTA Board remuneration policy.

GTA executive management - the GTA pays salaries to the executive management in line with the GTA remuneration policy.

Relationships	Entity
Ultimate controlling entity	Gauteng Department of Economic Development
Under common control	Gauteng Department of Agriculture and Rural Development
Gauteng Department of Economic Development Agencies	Gauteng Growth and Development Agency The Innovation Hub Management Company Supplier Park Development Company Constitution Hill Development Company Greater Newtown Development Company Gauteng IDZ Development Company Gauteng Gambling Board Gauteng Enterprise Propeller Gauteng Liquor Board Cradle of Humankind and Dinokeng

GTA Board and close family members (Note 8.1.2)
GTA executive management and close family members (Note 8.1.1)

	Notes	2021/22	2020/21
8.1.1 Executive Management Emoluments		**12 860 448**	**15 217 571**

Summary Executive Staff Members	Salary / Acting	Bonuses and perform payments	Prov Fund contrib	Cell/Med Aid contrib	Total
S Dlamini: Chief Executive Officer	892 931	-	-	-	892 931
MN Kubeka	1 718 513,81	-	-	-	1 718 514
KN Gaoganediwe: Acting Chief Executive Officer	2 154 503,82	-	-	-	2 154 504
FH Ngqobe	1 781 670,68	-	-	-	1 781 671
T Nkuna	1 184 490,79	86 703,76	81 154,71	48 316,50	1 400 666
M Kona	1 718 513,89	-	-	-	1 718 514
MS Manukuza: Chief Financial Officer	1 641 693,35	-	-	-	1 641 693
JF Dekker	1 551 955,17	-	-	-	1 551 955
Year ended 31/03/2022	**12 644 273**	**86 704**	**81 155**	**48 317**	**12 860 448**

Summary Executive Staff Members	Salary / Acting	Bonuses and perform payments	Prov Fund contrib	Cell/Med Aid contrib	Total
Y Kona: Chief Executive Officer	1 424 688	293 024	-	-	1 717 712
MN Kubeka	1 606 263	193 061	-	-	1 799 324
KN Gaoganediwe: Acting Chief Executive Officer	1 888 158	186 251	-	-	2 074 409
S Moeketsi	1 242 213	-	-	-	1 242 213
FH Ngqobe	1 813 854	200 360	-	-	2 014 213
T Nkuna	1 040 445	211 757	78 033	46 281	1 376 517
M Kona	1 606 263	-	-	-	1 606 263
MS Manukuza: Chief Financial Officer	1 547 782	186 032	-	15 950	1 749 764
JF Dekker	1 461 495	175 661	-	-	1 637 156
Year ended 31/03/2021	**13 631 163**	**1 446 144**	**78 033**	**62 231**	**15 217 571**

Mr K Gaoganediwe was appointed to act as the CEO from 6 October 2020 until the appointment of Ms S Dlamini as the CEO in December 2021.

		Notes	2021/22	2020/21
8.1.2	**Board Emoluments**		**979 503**	**753 028**
	Ms NM Mufamadi (Chairperson): until 30 September 2020		-	42 660
	Dr Z Zitha (Deputy Chairperson): until 30 September 2020		-	39 237
	Ms CGM Chiloane: until 30 September 2020		-	23 274
	Ms ME Ravele: until 30 September 2020		-	25 488
	Mr M Sass: until 30 September 2020			
	Mr DK Golding: until 30 September 2020		-	54 306
	Mr J Matongo: until 30 September 2020			
	Mr J Sekhitla: until 30 September 2020		-	27 153
	Ms S Koaho: from 1 October 2020		154 583	79 339
	Mr D Lehutjo: from 1 October 2020		27 875	54 734
	Mr E Margerman: from 1 October 2020		91 527	52 345
	Mr C Mpyane: from 1 October 2020		106 523	50 464
	Ms G Nkabinde: from 1 October 2020		81 231	53 001
	Ms J Nwokedi (Chairperson): from 1 October 2020		238 935	98 543
	Ms M Ramawela: from 1 October 2020		71 808	41 155
	Mr T Ratshitanga (Deputy Chairperson): from 1 October 2020		88 681	56 627
	Mr L Seeco: from 1 October 2020		118 340	54 702

The term of the previous Board came to an end on 30 September 2020. A new Board was appointed on 1 October 2020.

9. NOTES TO THE CASH FLOW STATEMENT

	Notes	2021/22	2020/21
9.1 Reconciliation of net (deficit)/surplus before taxation to cash (utilised) generated from operations			
Net (deficit)/surplus for the year		**-31 564 969**	**3 579 857**
Adjusted for:			
Depreciation		526 922	526 051
Amortisation			
Gains on disposal of asset		-32 398	-12 005
Losses on disposal of asset		-	-
Funds surrendered to Gauteng Treasury		41 213 667	-
Operating surplus/(deficit) before working capital changes		**10 143 221**	**4 093 902**
Other non-cash movements (Surplus / GHS surrender to Treasury)			
Working capital changes		**5 440 481**	**-12 938 554**
Decrease/(Increase) in accounts receivable		-5 832 287	266 766
Increase/(Decrease) in conditional grants		5 620 984	-6 119 015
Increase/(Decrease)/Increase in accounts payable		5 651 784	-7 086 306
Cash (utilised by)/generated from operations		**15 583 702**	**-8 844 652**

		Notes	2021/22	2020/21
9.2	**Adjustments to property, plant and equipment**			
	Additions to property, plant and equipment		**494 441**	**253 146**
	Computer equipment		494 441	253 146
	Furniture and fittings		-	-
	Equipment		-	-
	Leasehold improvements		-	-
	Motor vehicles		-	-
9.3	**Cash and cash equivalents at beginning of the year**		**62 526 883**	**71 663 821**
	Current bank account		13 690 672	24 658 900
	Corporation for Public Deposits Account (restricted use)		48 835 320	47 004 800
	Petty cash		891	121
9.4	**Cash and cash equivalents at end of the year**		**77 648 540**	**62 526 883**
	Current bank account		26 936 288	13 690 672
	Corporation for Public Deposits Account (restricted use)		50 711 361	48 835 320
	Petty cash		891	891

10. NOTES TO THE STATEMENT OF CHANGES IN NET ASSETS

The accumulated surplus reflects net assets and includes retained income for future use amounting to R5,117,299.

11. RETIREMENT BENEFIT OBLIGATIONS

The authority has made provision for a Liberty Life Group Provident Fund for GTA personnel. The authority contributes 100% of the amount payable to the provident fund for staff who join the scheme at 7.5%, and 50% of the amount payable for staff who join at 15%, which is recognised as an expense in the statement of financial performance. The Liberty Life Provident Fund is governed by the Pension Fund (Act No. 24 of 1956) and incorporated in the GTA staff policies.

12. OPERATING LEASE ARRANGEMENTS/NON-CAPITAL COMMITMENTS/COMMITMENTS-AUTHORISED EXPENDITU

		Notes	2021/22	2020/21
12.1	**Operating lease arrangements / non-capital commitments**			
	Operating lease liability		**759 072**	**214 181**

At the statement of financial position date, the GTA had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Notes	2021/22	2020/21
Not later than 1 year		5 513 280	5 143 617
Later than 1 year but not		16 238 281	21 601 978
later than 5 years		-	-
Later than 5 years		-	-
		21 751 561	**26 745 594**

The authority entered into a new lease agreement with the DED from 1 December 2020 until November 2025. The lease commenced upon expiry of the old lease which ended on 30 November 2020. The total value of the agreement of R28,426,514.54 was straight-lined and is listed in the lease note. The period of the lease is for five (5) years with a 6% escalation. The lease agreement does not impose any restrictions.

The authority also entered into a lease agreement with Lanseria International Airport from 1 August 2021 until 31 July 2024 for the rental of premises for the Visitor Information Centre. The total value of the agreement of R188,200.74 was straight-lined and is listed in the lease note. The period of the lease is for three (3) years with an 8% escalation on rental and 10% escalation on operating costs. The lease agreement does not impose any restrictions.

		Notes	2021/22	2020/21
12.2	**Commitments - authorised expenditure**			
	Authorised capital expenditure already contracted for but not provided for			
	Property, plant and equipment - computer assets			364 530

13. GOING CONCERN

The COVID-19 pandemic continues to pose a threat to the continuity of businesses at large, and the tourism sector in particular. The GTA has implemented alternative ways of doing business to ensure sustainability. This includes various revenue generation strategies which will enable the GTA to be self-sustaining in the long run. Hybrid events and online marketing continue to be the focal point to ensure the destination is marketed in spite of the pandemic.

The GTA has revised its strategic plan and annual performance plan (APP) for the 2022/23 financial year, and has been allocated sufficient funds over the MTEF to execute the objective and targets set out in the strategic plan.

14. SENSITIVITY ANALYSIS

The authority fulfilling its mandate under the auspices of the Provincial Government is reliant on Government as its major source of revenue. It therefore does not anticipate any interest rate risk caused by fluctuating interest rates as it does not operate a system of debtors of significant value. The authority also manages its risks through a risk management plan.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Notes	2021/22	2020/21
Categories of financial instruments at amortised cost			
Total financial assets			
Trade receivables from exchange transactions		3 158 975	207 956
Deposits		4 198	-
Cash and cash equivalents		77 648 540	62 526 883
Total		**80 811 712**	**62 734 839**
Total financial liabilities			
Trade payables from exchange transactions		4 007 086	4 573 629
Accrual for Board fees		91 010	95 251
Accrual for general expenses		5 877 062	1 080 000
Total		**9 975 157**	**5 748 879**

Capital risk management

The entity's strategy is to maintain a strong capital base to sustain future development of the organisation. The entity manages its capital base to ensure continuity as a going concern, while delivering sustainable services. The capital structure of the entity consists of cash and cash equivalents, debt and equity. Equity includes the accumulated surplus of the entity presented in the statement of changes in net assets.

Financial risk management objectives

The Board has overall responsibility for the establishment and oversight of the entity's risk management framework. The entity has risk policies in place including an enterprise-wide risk management framework that was established to identity and analyse risks faced by the entity, and to develop definite action plans to respond to identified risks. The financial assets and liabilities of the entity are generated by day-to-day operational activities of the entity.

The entity manages financial risks relating to the operations through internal policies and procedures. Operational risk registers have been developed to respond to risks emanating from day-to-day operations of the organisation. Compliance with policies and procedures is closely reviewed by the ARC and Board, as well as the external auditors. The entity does not enter into or trade financial instruments for speculative purposes. Further quantitative disclosures are included throughout these annual financial statements.

Significant risks

The entity has exposure to the following risks from its operations:

- Market risks;
- Interest rate risk;
- Credit risk; and
- Liquidity risk.

Market risk

The entity monitors its cash forecasts closely to ensure that cash reserves are banked at the SARB to maximise interest received.

Credit risk

The entity's debtors are as a result of overpayments to the DED for the 124 Main Street building as a result of an incorrect invoice from the landlord. Other debtors normally arise from amounts owed by other organs of state due to contractual obligations wherein the GTA partners with other organs of state to collaborate on matters of common interest. Credit risk consists mainly of cash deposited with banking institutions.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing the risk during the year under review. The entity's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. The entity did not have any impairments, write-offs and credit losses during the 2021/22 financial year.

The maximum credit risk exposure in respect of the relevant financial instruments is as follows:

	Notes	2021/22	2020/21
Trade and other receivables			
Trade receivables from exchange transactions		3 158 975	207 956
Deposits		4 198	-
Cash and cash equivalents		77 648 540	62 526 883
Total		**80 811 712**	**62 734 839**

Maximum credit risk exposure

The major concentrations of credit risk that arise from the entity's trade and other receivables are in relation to customer classification as follows:

	Notes	2021/22	2020/21
Trade receivables from exchange transactions:			
City of Johannesburg - Meetings Africa		62%	0%
Gauteng Department of Sport, Arts, Reacreation and Culture - Community Arts Project		11%	0%
National Department of Tourism - National Tourism Career Expo		7%	0%
CATHSSETA - National Tourism Career Expo		16%	0%
North West Office of the Premier - Reimbursement for seconded employee		5%	0%
Department of Economic Development – Electricity		0%	90%
Department of Economic Development - Sewerage		0%	4%
Department of Economic Development - Water		0%	6%
Total		**100%**	**100%**

Credit quality of financial assets:

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The GTA has assessed the credit rating of its debtors to be a good rating of debtors with a good paying behavior and minor risks.

None of the financial assets that are fully performing have been renegotiated in the year under review.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has approved the cash, banking, and investment management policy for the management of the entity's short-, medium-, and long-term funding and liquidity management requirements. The entity continuously monitors cash forecasts and actual cash flows and matches the maturity profiles of financial assets and liabilities.

Maturity analysis

The entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts. Expenditure trends are closely monitored to ensure that the entity has sufficient funds to cover commitments.

The following table details the entity's contractual maturity for its non-derivative financial liabilities. The table has been drawn up, based on the undiscounted cash flows of financial liabilities based on the earliest date on which the entity can be required to pay.

2021/22	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
Trade payables from exchange transactions	4 007 086	-	-	-
Accruals for Board fees	91 010	-	-	-
Accruals for general expenses	5 877 062	-	-	-
	9 975 157	**-**	**-**	**-**

2020/21	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
Trade payables from exchange transactions	4 573 628	-	-	-
Accruals for Board fees	95 251	-	-	-
Accruals for general expenses	1 080 000	-	-	-
	5 748 879	**-**	**-**	**-**

16. PRIOR PERIOD ERROR

		2020/21
16.1	**Corrections to property, plant and equipment balances**	
	Statement of financial performance	
	Decrease in depreciation	-70 281
	Decrease in loss on disposal of asset	-1 464
	Statement of financial position	
	Increase in accumulated depreciation: opening balance	20 511
	Decrease in accumulated depreciation: closing balance	51 234
	Notes to the cash flow statement	
	Increase in net surplus for the year	1 464
	Decrease in depreciation	-70 281

A correction of prior period year has been passed on property, plant and equipment to enable calculation of the depreciation as it was detected that some assets were not depreciated as per the GTA assets policy.

		2020/21
16.2	**Corrections to expenditure balances**	
	Statement of financial performance	
	Increase in general expenditure	135 138
	Statement of financial position	
	Increase in trade payables	135 138
	Notes to the cash flow statement	
	Decrease in net surplus for the year	135 138
	Decrease in operating surplus before working capital changes	135 138
	Notes to the financial statements	
	Financial instruments	
	Increase in trade payables from exchange transactions	135 138
	General expenses	
	Increase in electricity	73 896
	Increase in information technology expenditure	52 262
	Increase in other expenditure	8 980

Expenditure of R135,138 relating to the 2020/21 financial year was not recorded in the 2020/21 financial statements. This included sewerage to the value of R73,895.8, IT expenditure of R52,262.10 and other expenditure of R8,980,35.

		2020/21
16.3	**Corrections to casting errors**	
	Notes to the financial statements	
	Financial instruments	
	Decrease in trade payables from exchange transactions	-118 529
	Unspent conditional grants	
	Increase in unspent at yearend : Tourism Monitors grant	95 000

A casting error was noted on some balances wherein the amounts were not casted correctly.

		2020/21
16.4	**Corrections to financial instruments**	
	Notes to the financial statements	
	Financial instruments	
	Decrease in other payables from exchange transactions	-3 336 454

Certain employee rights and obligations under employee benefit plans to which the standard of GRAP on employee benefits was incorrectly applied are included in the financial instruments' disclosure. These amounts relate to the 13th cheque accrual and the accumulated vacation leave accrual.

		2020/21
16.5	**Corrections to prepayments**	
	Statement of financial performance	
	Prepayments	-38 506
	Trade payables	-38 506
	Notes to the financial statements	
	Prepayments	-38 506
	Trade payables	-38 506

The prepayments and trade payables were overstated by R38,506 which relates to an invoice received in advance for a service rendered.

		2020/21
16.6	**Corrections to surrenders of surplus funds to Treasury**	
	Statement of financial performance	
	Expenditure	22 558 835
	Surplus for the year	-22 558 835
	Notes to the financial statements	
	Surrender of surplus funds to Treasury	22 558 835
	Statement of changes in net assets	
	Accumulated surplus	22 558 835

The GTA applied for a retention of surplus funds for the 2019/20 financial year. This was not approved, and was sent back to Treasury during the 2020/21 financial year. The payment thereof was incorrectly recognised in the statement of financial performance as per the requirement of the National Treasury Instruction No.12 of 2020/2021.

17. IRREGULAR EXPENDITURE

	2021/22	2020/21
Opening balance	258 769	87 768
Add: irregular expenditure arising in the current year	38 506	258 769
Less: irregular expenditure condoned	-297 275	-87 768
	-0	**258 769**

Incident	Disciplinary steps taken	2021/22	2020/21
Supplier's contracts were extended without following the procurement process	Disciplinary steps not yet taken pending assessment	38 506	258 769
Supplier appointed without obtaining three quotations	Employee was issued with a warning letter	-	-
		38 506	**258 769**

Computer licence

The GTA previously applied Treasury Regulation 16A6.6 to participate in a contract arranged by the DED for computer software licences. The participation was for a period of three years. At the end of the participation period, the service provider continued to render services to the GTA. Invoices were submitted to the GTA for services rendered, but no payment was made. The service provider has since agreed to write off the amount, and as a result, the expenditure has been reversed.

		2021/22	2020/21
18.	**FRUITLESS AND WASTEFUL EXPENDITURE**		
	Opening balance	200 604	200 604
	Fruitless and wasteful expenditure arising during the current period	-	-
	Less amounts recovered	-	-
	Less amounts written off	-200 604	-
	Closing balance	**-**	**200 604**

Fruitless expenditure of R200,604 was incurred due to unauthorised usage of the organisation's cellphone card. The service provider was notified to block the SIM card to prevent further usage and warning letters have been issued to the user. The fruitless expenditure was written off.

NOTES


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