FINAL STRATEGIC PLAN
2016-2021

SOUTH AFRICAN TOURISM

Foreword by the Executive Authority

Throughout the world, tourism is an extraordinary industry. While much of it centers on the provision of fun, relaxation and interesting places to visit, successful tourism also makes a significant impact on the advancement of people and the economy of nations.

In South Africa, our ability to differentiate ourselves from the rest of the world and offer unique, memorable experiences excites tourists and influences their decision to visit us. Our offering is diverse and competes fiercely with prominent tourist destinations in providing an adventure that fulfils the desire of tourists for good weather, beautiful scenery, cultural interest and value for money.

South Africa has great national infrastructure, amazing tourism assets and scope for massive growth, which makes it one of the preferred business events destinations in the world.

Compelling marketing and communication is at the heart of our effort to realise the full potential of tourism to grow and contribute to the broader development of our country. SA Tourism undertakes this important job for our sector and our country, and we are confident that it is succeeding.

The impact of the visa regulations and the Ebola virus outbreak in West Africa is now receding. Furthermore, the devaluation of our currency presents an opportunity to maximise the country's value-for-money tourism offering in the short term. We expect the tourism industry to grow considerably in the next five years.

Tourism continues to support more than 1.4 million jobs in South Africa and contribute more than 9% to our country's gross domestic product (GDP). This demonstrates the sector's capacity to support economic and social advancement and fulfil the vision mapped out in the National Development Plan (NDP).
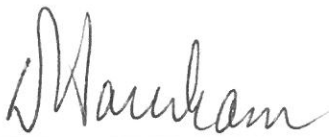
The implementation of the NDP is prioritised in the Medium-Term Strategic Framework (MTSF) for the next five years. These priorities are embodied in the plans and targets set by the tourism industry, and are underpinned by the National Tourism Sector Strategy (NTSS) and the Domestic Tourism Growth Strategy (DTGS).

We must constantly adapt and evolve our strategies as global and local economic circumstances change around us. We are therefore reviewing our key strategies to ensure that our plans for developing the sector, and for advancing domestic tourism, take prevailing economic conditions into account and satisfy our desire for transformative, inclusive growth.

This year, we will focus our efforts, our resources and our capacity for innovation to make domestic tourism accessible and affordable to more of our people, opening the way for them to experience our country's magnificent natural and cultural heritage for themselves.

As we move into the 2016/17 financial year, aligning our sector and institutions with the ideals of the NDP is critical. The Ministerial Review Report made a number of recommendations to improve the tourism sector in the country. It reinforced the need to build partnerships between government, industry and all other stakeholders to promote our destination successfully. It is encouraging that the renewed vigour that is being put into this partnership is already producing results.

Through collaboration, innovative thinking and efficient execution of our strategic intentions, we will succeed in increasing the tourism sector's contribution to economic growth and, in doing so, ensure that this growth includes more of our people and sustains more decent jobs.

Minister of Tourism
Derek Hanekom, MP

Introduction by the Chairperson of the Board

As the SA Tourism Board, we have an obligation to ensure that SA Tourism develops its Strategic and Annual Performance Plans to ensure the effective marketing of South Africa as a preferred leisure and business events destination, while encouraging South Africans to enjoy their own country.

SA Tourism will implement innovative and cost-effective strategies for brand building, growing international and domestic travellers in both leisure and business events categories and thereby generating tourism revenue. Underpinning this strategic intent is quality assurance through the Tourism Grading Council of South Africa (TGCSA) to enhance visitor experience and consumer confidence in the country's tourism products.

Under the leadership of the current Board and in consultation with key stakeholders, SA Tourism is reviewing its Tourism Growth Strategy – a corporate strategy that will set audacious goals to propel growth amid the challenging global environment. With improved stakeholder engagement and targeted partnership agreements, SA Tourism is well positioned to implement its marketing and sales campaigns as well as its activities to achieve growth. SA Tourism is embarking on a five-year Tourism Growth Strategy that will take into account new trends in tourism, such as information communication technology and a sharing economy (e.g. Airbnb), as well as changes in the global tourism landscape brought about by geographical conflicts and an aging population in the First World.

The weakening of the Rand may lead to a decline in outbound tourism from South Africa, which may be beneficial to domestic tourism; domestic travel for leisure may become more appealing and relatively affordable compared to international travel. By the same token, the weakening of the Rand makes South Africa a very affordable destination for international visitors.

Given the increasing cost of doing business and currency exposure, SA Tourism will continue to invest in markets that will grow volume (tourist arrivals) and value (tourism revenue) while positioning the South African brand among the top 10 long-haul business events destinations. In addition, SA Tourism will review its market portfolio as well as its

service model to achieve maximum market penetration at the best return on investment possible.

In order to further enhance the visitor experience by increasing the base of graded establishments in the next five years, the Tourism Grading Council (TGCSA), in collaboration with the National Department of Tourism, will undergo a policy review.

The Board is confident that this Strategic Plan will meet the objectives and mandate of SA Tourism as well as the expectations outlined in the Ministerial Review of 2015. We look forward to working with government, the tourism industry and all stakeholders to grow tourism as an economic sector, contributing substantially to South Africa's GDP, job creation and the quality of life of all of its people.

Acting Chairperson of the Board
Tanya Abrahamse

Preamble by the Acting Chief Executive Officer

This plan sets out the way forward for carrying out the SA Tourism mandate over the next five years.

In the drafting of this Strategic Plan, SA Tourism took into account the global tourism environment, market insights, the organisational and performance environment, funding, legislative parameters as well as stakeholder input. As a Schedule 3A Public Entity, listed in terms of the Public Finance Management Act (Act No. 1 of 1999) and accountable to the Minister of Tourism, SA Tourism receives approximately 90% of the funding for its operations from government and 10% from the collection of Tourism Marketing South Africa (TOMSA) levies.

The currency loss means SA Tourism has less in country marketing budget. For this reason SA Tourism with its partners, the National Treasury, the National Department of Tourism, the Tourism Business Council of South Africa (TBCSA) and TOMSA will continue to explore alternative funding strategies.
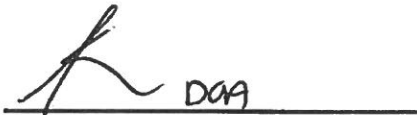
SA Tourism operates in a very fast-paced and competitive environment, necessitating its repositioning as the foremost authority in leisure tourism and the business events industry, underpinned by quality assurance. In the next five years, this will be achieved through the realignment and streamlining of SA Tourism's corporate strategy based on research, insights and analytics. It continues to be SA Tourism's strategic intent to grow domestic tourism by creating a culture of travel among South Africans while inspiring existing travellers to travel more frequently. To this end, SA Tourism will be refreshing and updating the variables in its domestic market segments to inform its marketing approach to domestic tourism.

SA Tourism's leisure tourism market portfolio will be revised in 2016/17 in line with market insights, to ensure that SA Tourism employs a focused investment strategy in prioritised markets and market segments from 2017/18 to 2019/20. To bring maximum value to the tourism economy and build positive awareness of the South African brand experience, SA Tourism will work with targeted partners locally and internationally to maximise synergies and close sales.

In the next five years, SA Tourism will develop and implement an optimal service model to improve marketing operations and operational return on investment. In order to improve the organisation's agility and operational efficiency, SA Tourism will also review its policies, continue to automate its business processes and provide a high-performance environment for our employees.

Our employees will remain a key focus of this transformation journey. We will continue to invest in employee development in order to build a strong leadership capability to deliver SA Tourism's mandate.

Acting Chief Executive Officer
Sthembiso Dlamini

Official Sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the management of SA Tourism and approved by its Board in line with the basic minimum requirements issued by National Treasury as the Framework for Strategic Plans and Annual Performance Plans;

- Takes into account all the relevant policies, legislation and other mandates applicable to the operations of SA Tourism; and

- Accurately reflects the strategic outcome-oriented goals and objectives that SA Tourism will endeavour to achieve over the period 2016/17 to 2020/21.

Tom Bouwer
Chief Financial Officer

Signature:

Sthembiso Dlamini
Chief Operating Officer and
Acting Chief Executive Officer

Signature:

Tanya Abrahamse
Acting Chairperson of the Board

Signature:

Derek Hanekom, MP
Minister of Tourism

Signature:

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Part A: Strategic Overview

1. Vision

To position South Africa as an exceptional tourist and business events destination that offers a value-for-money, quality visitor experience that is diverse and unique.

2. Mission

To contribute to inclusive economic growth by increasing the volume of travellers and the value contributed to the South African economy.

3. Values and Culture Cornerstones

In delivering the SA Tourism Strategic Plan, SA Tourism will put in place organisational culture-shaping programmes that will nurture and reward the following values:

- Respect: Everyone will be treated with the utmost dignity, inclusiveness, openness, tolerance and a sense of appreciation of diversity;

- Integrity: SA Tourism will do things consistently, regardless of the circumstances;

- Authentic caring: SA Tourism staff members will show genuine care to each other, customers, shareholders, partners, suppliers and businesses;

- Responsibility: SA Tourism will take personal responsibility for delivering work that exceeds internal and external customers' expectations; and

- Excellence: SA Tourism will take pride in, and commit to, always meeting and exceeding its customers' expectations.

In living these shared common values as demonstrated through employee behaviours and actions, SA Tourism's organisational culture will be anchored on the following three cornerstones:

- Teamwork demonstrated by supportive and trustworthy relationships, as well as by strong co-operation across departmental boundaries, as employees co-create innovative solutions;

- Every employee's passion and unwavering drive for excellence will contribute significantly to innovating and creating inspirational memories; and

- "Ubuntu" in all dealings at SA Tourism, which will ensure that people come first and relate to each other with compassion and consideration.

4. Legislative and other Mandates

4.1. Tourism Act, 2014

The SA Tourism Board is established in terms of the Tourism Act, 2014 (Act No. 3 of 2014), and listed as a public entity under Schedule 3A of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

4.2. Policy Mandate

SA Tourism contributes towards creating an environment for sustainable employment and inclusive economic growth through tourism. SA Tourism has specifically aligned its role to the National Development Plan 2030 as well as the New Growth Path.

With the volatile economy, tourism has been identified as one of the sectors that can contribute positively to the South African economy. The "quick wins" that could be explored to strengthen the business case for tourism include the following:

- Taking advantage of the devaluation of the Rand, which makes South Africa an even better-value destination than previously;

- Extending business travel into leisure travel;

- Converting tourists and business delegates into investors; and

- Using the opportunity to redress the economic imbalances of lack of transformation and unemployment.

4.3. National Tourism Sector Strategy (NTSS)

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

5. Situational Analysis

Considered in the situational analysis are the following: global tourism performance, South Africa's performance, competitor analysis, and future prospects in global travel and tourism. The analysis also considers the organisational environment that affects SA Tourism's ability to deliver on its mandate in its three business focus areas – leisure tourism, business events and quality assurance.

5.1. Performance Environment

5.1.1. Global Tourism in 2015

International tourist arrivals grew by +4.4% in 2015, reaching more than a billion arrivals, according to the United Nations World Travel Organisation (UNWTO) World Tourism Barometer. Despite global economic challenges, international tourism results were well above expectations: 50 million more overnight visitors travelled to destinations around the world in 2015, compared to 2014.

Demand for international tourism was strongest for destinations in Europe (+5%), the Americas (+4.9%), the Asia-Pacific region (+4.8%) and the Middle East (+3.1%), while Africa saw a decline (-3.3%). The leading sub-regions were the Caribbean (+7.4%), Central America (+7.1%), Central Europe (+6.4%), Northern Europe (+6.3%), North-East Asia (+4.4%), South-East Asia (+5.1%) and Western Europe (+3.7%).

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Europe led growth in absolute terms, welcoming an additional 29 million international tourists in 2015, raising the total for the region to 609 million. This growth (+5%) is above the region's average for the period 2005-2014 (+2.8% a year). This is a strong performance in view of the regional economic situation and as it follows an already robust 2014. By sub-region, Central Europe (+6.4%) and Northern Europe (+6.3%) experienced the best results.

Asia and the Pacific (+4.9%) recorded 13 million more international tourist arrivals last year to reach 277 million, with uneven results across destinations. Oceania (+7%) and South-East Asia (+5%) led growth, while South Asia and North-East Asia recorded an increase of +4%.

International tourist arrivals in the Americas (+4.9%) grew by nine million to reach 191 million, consolidating the strong results of 2014. The appreciation of the US dollar stimulated outbound travel from the United States, benefiting the Caribbean and Central America (+7.4% and +7.1% growth, respectively).

International tourist arrivals in the Middle East grew by an estimated +3% to a total of 54 million, consolidating the recovery initiated in 2014.

The limited available data for Africa points to a -3.3% decline in international arrivals, to 53 million. In North Africa, arrivals declined by -8% and in sub-Saharan Africa they dropped by -1%, though the latter region returned to positive growth in the second half of the year.

5.1.2. South Africa's Performance in 2015

Contrary to the positive global performance, the number of international tourists to South Africa declined by -6.8% (or 645 463) in 2015, with a total tourist arrival figure of 8 903 773.

This performance is below the aforementioned global average of a +4.4% increase in tourist arrivals. This decline emanated from the substantial drop in arrivals, particularly in the first two quarters of 2015, due to the aftermath of Ebola and the changes to immigration regulations. A gradual recovery is expected from most international markets in 2016. Some core and investment markets, however, remain in economic distress — such as Brazil, Japan and Russia — which affects their outbound tourism numbers.

Over the past 10 years, South Africa's brand equity has improved across most portfolio markets. The improvement within core markets has been better than that experienced in the investment and watch-list markets (*see pages 35 and 36 for a detailed breakdown of these markets*). Out of the 16 markets tracked, South Africa's conversion curve has improved in 13 markets (with nine markets showing a considerable improvement and four a moderate improvement). Given the reduced marketing budget due to the high cost of doing business as well as currency losses, South Africa will need to work hard to maintain its brand awareness.

5.1.3. Competitor Analysis

South Africa was ranked 33rd in the world in terms of international tourist arrivals in 2014, down from its previous rank of 30 in 2013. In Africa, South Africa was the third-most visited country in 2014, after Morocco and Egypt.

Among South Africa's competitors, Thailand experienced an increase of 5.1% in visitor numbers in 2015 over 2014, while Australia reported the highest growth of 7.8%. Brazil recorded growth of just 0.8% in 2014 (despite being the host of the Soccer World Cup that year) over 2013, while Kenya recorded an increase in arrivals of 4.9% in the same period.

From a brand-building perspective, South Africa maintained its performance on brand awareness and positivity, while key competitors Australia and Thailand were still ahead of South Africa on most parameters.

5.1.4. Immigration Regulations

Immigration regulations play a major role in travel and tourism, as well as in the movement of human capital in general, all over the world. Although traditional visas are still prevalent in some countries, others are making travel easier by providing visas on arrival, e-visas and visa exemptions.

Changes to South Africa's immigration regulations affected travel from visa-requiring countries, as well as travel with children from visa-exempt countries. Modifications are underway to ease these regulations in order to better facilitate travel. The changes currently being implemented include:

- The accreditation of travel agents and tour operators to apply for visas on behalf of travellers from China, India and Russia, with this possibly being extended to other visa-requiring markets too. This does away with the need for the traveller to apply for the visa in person, as biometric data will now be captured on arrival.

- Changes are being made to regulations relating to child travel from visa-exempt markets. In this regard, where either both parents or guardians are not present, Cabinet ruled that such travellers should now be *advised* to bring proof of the relationship and consent from the absent parent or guardian, rather than being *required* to do so. South Africa has also started issuing a long-term, multiple-entry visitors' visa for a period of between three months and three years for frequent travellers, such as business and academics.

- A 10-year visa waiver for business executives from BRICS countries has also been available since December 2014, allowing them to remain in the country for 30 days at a time.

- The granting of 10-year, multiple-entry visas to business travellers and academics from Africa.

- An increase in the number of visa facilitation centres (VFCs) in China, India, the United Kingdom, Nigeria, the Democratic Republic of Congo, Angola, Ghana, Kenya, Uganda, Zimbabwe, the United Arab Emirates and Botswana.

5.1.5. Future Prospects

The UNWTO forecasts international tourist arrivals to increase by +4% in 2016, in line with its long-term forecast of +3.8% per year between 2010 and 2020.

The UNWTO Confidence Index, based on feedback from more than 300 experts worldwide, suggests tourism growth will continue in 2016; however, growth is not expected to be as robust as that of the past two years.

The 2016 regional prospects are strongest for the Americas and Asia-Pacific region (growth of between +4% and +5% is projected for both) and a moderate increase is expected in Europe (between +3.5% and +4.5%). Africa and the Middle East are both expected to grow at between +2% and +5%.

Global GDP is expected to improve by 3.4% in 2016, according to the International Monetary Fund. In advanced economies, a modest and uneven recovery is likely to continue, with a gradual further narrowing of output gaps. The picture for emerging markets and developing economies is diverse and, in many cases, challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices and strains in some large emerging-market economies will continue to weigh on growth prospects in 2016/17.

Overall growth in emerging-markets and developing economies is projected to increase from 4% in 2015 — the lowest since the 2008/09 financial crisis — to 4.3% and 4.7% in 2016 and 2017, respectively. Growth in China is expected to slow to 6.3% in 2016 and 6% in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. India and other emerging Asian economies are generally projected to continue growing at a robust pace, although with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness.

Aggregate GDP in Latin America and the Caribbean is now projected to contract in 2016 as well, albeit at a lower rate than in 2015, despite positive growth in most countries in the region. This reflects the recession in Brazil and other countries in economic distress. Higher growth is projected for the Middle East, but lower oil prices and, in some cases, geopolitical tensions and domestic strife, continue to weigh on the outlook.

Emerging Europe is projected to continue growing at a broadly steady pace, albeit with some slowing in 2016. Russia, which continues to adjust to low oil prices and Western sanctions, is expected to remain in recession in 2016.

Most countries in sub-Saharan Africa will see a gradual pickup in growth, but with lower commodity prices, to rates that are below those seen over the past decade. This mainly reflects the continued adjustment to lower commodity prices and higher borrowing costs, which are weighing heavily on some of the region's largest economies (Angola, Nigeria and South Africa) as well as a number of smaller commodity exporters.

This projected performance environment will guide SA Tourism as the organisation embarks on the sixth portfolio review and an updated Tourism Growth Strategy to deliver optimum growth.

5.1.6. Domestic Tourism Landscape

There were 16.1 million domestic trips taken in the first nine months of 2015, which represents an 18.7% decrease compared to the 19.8 million trips taken during the same period in 2014. Visiting friends and relatives (VFR) remained the main reason for domestic trips, accounting for 71% of all trips in this period. The share of holiday trips increased from 9% to 10% in the same period when compared to 2014.

From an economic perspective, the third quarter of 2015 reflected a constrained economy (relative to previous years). While the Consumer Price Index (CPI) declined to 4.7% from 6.2% in the third quarter (Q3) of 2014, GDP performed poorly, with only 0.7% growth in Q3 2015 compared to 1.4% in the same period in 2014. During the same period, petrol prices decreased by 90 cents a litre to reach R12.95 in Q3 2015. According to the FNB/BER Consumer Confidence Index (CCI), consumers generally had a negative outlook on the economic prospects of the country and appeared disinclined to spend in excess during this period.

This performance is the backdrop to the constrained economic outlook that exerts pressure on consumers' disposable income, thereby affecting travel. According to the SA Tourism Domestic Survey of 2015, 48% of the adult population cited the non-affordability of travel, as well as unemployment or no income, as main reasons for their lack of travel.

However, notwithstanding the unfavourable conditions, according to the same survey, approximately 48% of the adult population is planning to take a domestic trip in the next 12 months.

5.1.7. Business Events Landscape

South Africa is the number one meetings destinations in Africa and number 32 globally, according to the International Congress and Convention Association (ICCA) ranking. The business events market will continue to be a sales-driven industry, with long lead times from bidding to converting sales into confirmed business for the destination. Improved forecasting ability for the destinations is required to create a realistic pipeline of secured business.

Corporate or incentive-driven business continues to demonstrate shorter lead times and turnaround times when placing business in host destinations. The duration of meetings is becoming shorter and, as a long-haul destination, South Africa needs to offer an integrated marketing strategy to ensure maximum economic impact through pre- and post-meeting tours.

Technology is becoming increasingly critical to the success of meetings. Creating a more streamlined and effective attendee experience is also important, with meeting planners increasingly using specialised delegate management software, social media and dedicated event applications (apps). The implementation of hybrid events as part of a wider, more environmentally conscious strategy is serving to complement traditional business events.

Delegate safety remains top of the agenda of meeting planners globally. Countries that experience political instability and health concerns face the prospect of events and meetings being cancelled or postponed. What is noteworthy is that South Africa is considered one of the safest countries in the world by meeting planners.

South Africa's prominence as the main entry point to the subcontinent is established, but countries like Nigeria, Ghana, Kenya and Zimbabwe are becoming more competitive. The new Victoria Falls Airport in Zimbabwe, for example, has recently extended its runway to 4km and is attracting interest from long-haul carriers.

Looking at the regional horizon, basing events in-country or in-region will minimise travel costs and carbon footprint, and help maintain delegate satisfaction through reduced travel times.

The average time frame between bidding for and securing business events is two years (i.e. in 2014, activities would have been focused on securing such events for 2016 and beyond). Lead generation is impacted on by the rotation cycles of business events. International conferences, for example, often rotate to different destinations.

Business events are business-to-business focused, rather than business-to-consumer focused. These events offer a higher yield per traveller than leisure visitors. Research shows that 90% focus on product sales (i.e. infrastructure, capacity and local knowledge base) and 10% on South's Africa's brand and experience.

Subvention (bid funding support) is a global lever impacting on the competitiveness of global business event destinations. The competitiveness of South Africa as a business events destination is negatively affected by the country's lack of sufficient bid support.

In terms of performance, South Africa saw a massive growth in the hosting of business events in 2014 compared to 2013. The following year, 2015, saw a contraction, but it still exhibited a strong growth trajectory compared to that of previous years (2012 and 2013).

5.1.8. Tourism Grading Landscape

The Tourism Grading Council of South Africa (TGCSA) – a business unit of SA Tourism – is a mandated enabler and accreditor of tourism quality assurance. Customers also seek predictability of service levels across the same category and class of accommodation facilities and spaces for meetings, events and exhibitions.

According to Statistics South Africa, South Africa's accommodation industry has more than 10 000 players. Approximately 50% of these establishments are graded, consisting of about 85% non-hotel establishments and 15% large hotel chains and facilities for meetings, exhibitions and special events. It is worth noting that the large hotel groups and conference facilities account for 50% of graded rooms. The remaining 50% of rooms are in small to medium-sized establishments.

The Tourism Act (Act No. 3 of 2014) allows for an expanded quality assurance mandate that goes beyond accommodation. This expanded mandate will ensure that the entire value chain of tourism is aligned with internationally recognised quality standards. Following a number of recent changes within TGCSA and the Ministerial Review of SA Tourism, it has become necessary to commence with a review process to address some possible policy amendments and updates to enable TGCSA to consider this expanded mandate. SA Tourism, in collaboration with the National Department of Tourism (NDT), will undertake this policy review. Linkages to the NDT's Tourism Incentive Programme (TIP) will also be considered to encourage establishments to become graded.

Recent market insights and trends show a dramatic increase in online user-generated consumer reviews, putting pressure on product owners to ensure service excellence and high-quality tourism offerings over and above the quality build, furniture and fittings of the physical establishment. The UNWTO Report on Online Guest Reviews and Hotel Classification Systems also shows that consumer reviews are complementing the quality grading programmes of a number of countries. Countries such as the United Arab Emirates (UAE) have already integrated consumer reviews within their quality assurance system to great success. The TGCSA has taken a lead from these initiatives and will begin to integrate online user-generated consumer reviews into the grading process, as this will allow establishment owners across South Africa to focus on and improve their service offerings. The NDT offers the Service Excellence Programme, aimed at improving service levels in the entire tourism value chain. This programme – which is targeting frontline staff – is independent of the grading system and its integration into the quality assurance system will improve the impetus of grading.

A number of surveys show that graded establishments experience improved perceptions of value from customers based on their participation in, and association with, grading systems. Although the cost of grading is a factor, the value gained – as perceived by establishments – will need to become more compelling, particularly given that grading is voluntary. The levels of attrition experienced to date will need to be addressed by the planned policy review.

    5.2. Organisational Environment

5.2.1. Business Focus Areas

SA Tourism's **business focus areas** are depicted in Figure 1 (below):
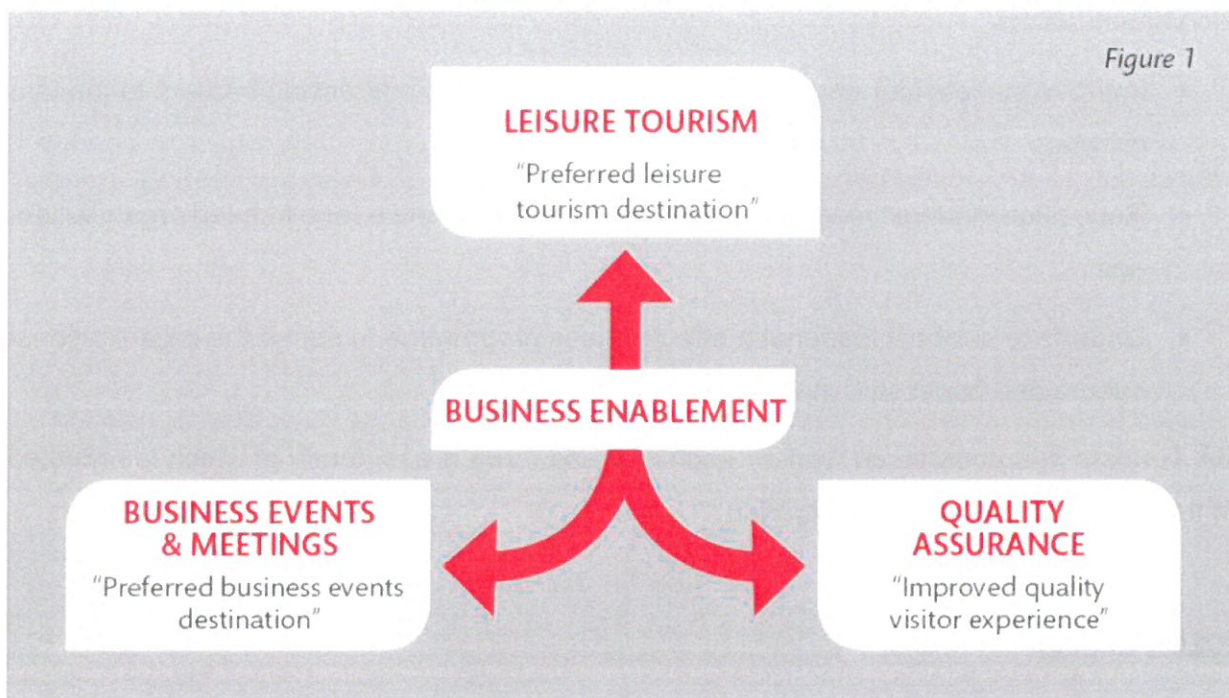
SA Tourism's **business focus areas** include:

- Leisure tourism: To position South Africa as a leading leisure tourism destination;

- Business events: To position South Africa as a leading business events and meetings destination; and

- Quality assurance: To deliver on **South Africa's** brand promise and provide an enhanced quality visitor experience.

5.2.2. Organisational Efficiency and Governance

Good corporate governance requires leadership that can integrate decision-making, strategy and sustainability. It also calls for an inclusive and collaborative approach with stakeholders, founded on the need for effective dialogue and engagement.

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The Minister set up a committee in 2015 to review SA Tourism's vision, mission, strategy and plan, and its performance against its mandate. As part of its brief, the committee was tasked with reviewing the institutional landscape and governance arrangements that inform SA Tourism's operations. The committee's review report made the following recommendations:

- Improve stakeholder engagement in order to facilitate addressing barriers to tourism growth;

- Reposition strategic research, for SA Tourism to become a research-led organisation; and

- Undertake a robust leadership effectiveness programme to define the organisational culture and boost staff morale.

SA Tourism has undertaken work in each of these three areas, much of which is reflected in the remainder of this Strategic Plan.

5.2.3. Funding

SA Tourism, as a global organisation with operations in about 13 international markets, has experienced approximately R350 million in currency losses in the past five years. This is due to the depreciation of the South African Rand against the major currencies.

This has substantially reduced SA Tourism's marketing budget (in real terms) – notwithstanding the CPIX-linked increases in its annual budget allocation – thus reducing its buying power. As part of SA Tourism's intention to reduce overheads and improve efficiency and return on investment, it will continue to reprioritise its market portfolio as well as its marketing operations through the hub model.

The TGCSA's expanded mandate – although it has been included in the TGCSA Strategy – also remains unfunded.

The cost of doing business abroad has also increased substantially, with the ratio between the marketing and overheads budget skewed to 65:35 – an unfavourable position, given the target of 70:30. The need to continually fund overheads from a declining budget in foreign currency has led to a substantially reduced marketing budget. By the end of December 2015, the estimated currency loss was R50 million.

The impact of this loss on the marketing budget has seen a drop in total awareness of South Africa as a leisure destination, as measured through SA Tourism's annual brand tracker study, from 80% in 2014 to 78% in 2015. Furthermore, those who indicated their likelihood of visiting South Africa in the future dropped from 22% in 2014 to 19% in 2015. Given that international tourists typically take anywhere between six weeks and 12 months from deciding on a destination to travelling to it, the expectation is that this will result in a decline in tourist arrivals from some long-haul markets in 2016.

Given the significant depreciation of the Rand in January 2016, SA Tourism stands to lose 21% compared to its international marketing budget of 2015/16 in US Dollar terms.

Over and above the grant allocation from government, SA Tourism receives about 9.4% of its budget from TOMSA levies through the TBCSA – as a contribution from the private sector. This partnership increases SA Tourism's ability to market South Africa internationally.

SA Tourism's capital expenditure has been stable in the past three years and it is envisaged that it will maintain a similar trend in the next five years.

5.2.4. Organisational Structure

Figure 2a

MINISTER OF TOURISM

NDT Director-General

South African Tourism Board

Chief Executive Officer

Company Secretary

Head: Internal Audit

Manager Office of the CEO

Chief Financial Officer

Chief Operating Officer

Chief Marketing Officer

Chief Quality Assurance Officer

Chief Convention Bureau Officer
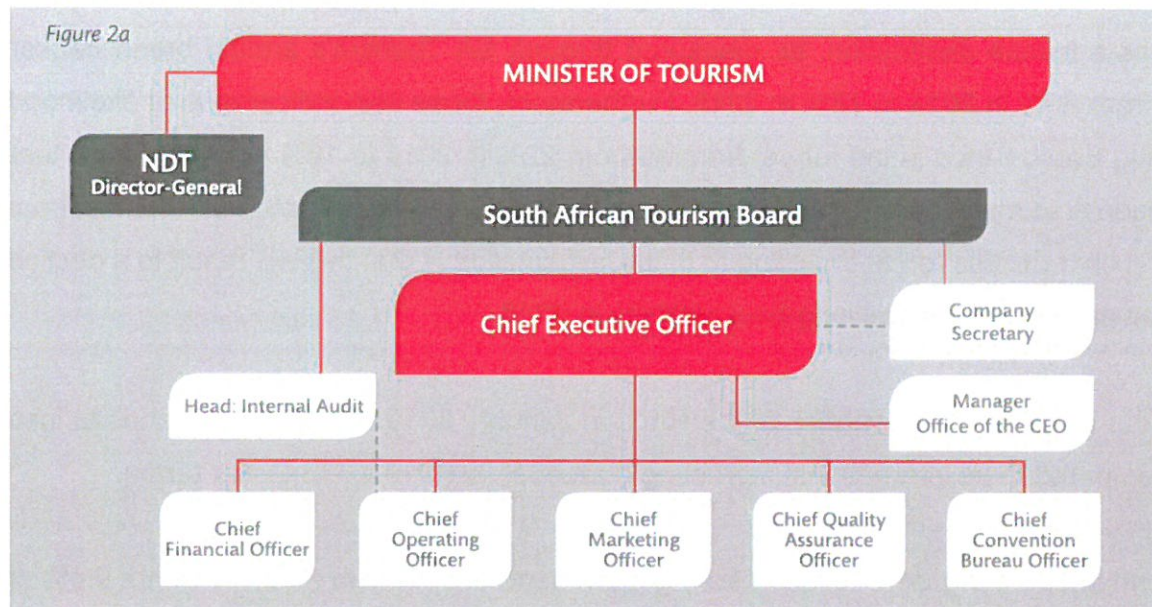
5.2.5. Strategic Planning Process

In line with the requirements of Treasury Regulation 30.1, each year SA Tourism embarks on a two-pronged strategic planning process: at an organisational level and at a divisional level. SA Tourism's planning process is in line with the National Treasury's Framework for Strategic Plans and Annual Performance Plans, issued in August 2010.

SA Tourism drafted its Strategic Plan and Annual Performance Plan (APP) in line with the Treasury's framework. The first draft Strategic Plan and APP that was submitted on 30 August 2015 included or considered the following inputs:

- The outcome of the three-day high-level planning session by the Executive Committee and Management Committee in June 2015;

- The outcome of the SA Tourism Board's Blue Skies strategic planning session in July 2015;

- The input from the TBCSA and NDT, received in July 2015; and

- The input from the Board and the Minister of Tourism during the August Board meeting, where approval for the first draft Strategic Plan and APP was secured.

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The second draft Strategic Plan and APP that was submitted on 30 November 2015 included or considered the following inputs:

- Recommendations of the Ministerial Review;

- Further inputs from the TBCSA;

- Insights from the Tourism Growth Strategy and divisional planning; and

- Input from the Board was sought and approval for the second draft Strategic Plan and APP was secured via round robin in November 2015.

The final Strategic Plan included or considered the following additional inputs:

- Input from the Management Committee in January 2016;

- Input from the Minister and NDT meeting of 15 January 2016, with SA Tourism Board representation;

- Input from the Board of the TBCSA on 10 February 2016;

- Final allocation letter and budget allocation, which has been used to set targets; and

- Input from the SA Tourism Board in its extraordinary Board meeting of 12 January 2016.

6. Strategic Outcome-Oriented Goal and Target

SA Tourism has one strategic outcome-oriented goal that identifies areas of organisational performance that are critical to the achievement of its mission.

Strategic Outcome-Oriented Goal	Market South Africa for increased contribution of the tourism sector to inclusive and sustainable economic growth.
Goal Statement	Implement marketing strategies that build brand positivity of South Africa as a tourism and business events destination, in order to attract travellers that will increase tourism revenue's contribution to the economy from a projected R91.2 billion in 2015 to R124.4 billion by 2020.

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Part B: SA Tourism Strategic Objectives

7. Strategic Objectives

Below are SA Tourism's strategic objectives, which will be achieved through the following strategies and measures:

	Strategic Objectives	Key Performance Indicator	Strategy
1.	Contribute to the South African economy by increasing the number of travellers to and within South Africa.	Number of international tourist arrivals	**Strategy 1:** Invest in selected markets for leisure tourism to deliver volume (travellers) and value (tourism revenue).
		Number of domestic holiday trips	**Strategy 2:** Work with trade partners to leverage resources to deliver travellers to and within South Africa.
		Total revenue achieved	
		Number of delegates hosted in South Africa	**Strategy 3:** Position South Africa among the top 10 long-haul business events destinations by 2025 while collaborating to convert business travellers into leisure tourists.
		Number of business events hosted in South Africa	

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	Strategic Objectives	Key Performance Indicator	Strategy
2.	Build positive awareness of the South African experience.	Percentage of brand positivity achieved by South Africa as a tourist destination	**Strategy 1:** Invest in selected markets for leisure tourism to deliver volume (travellers) and value (tourism revenue). **Strategy 3:** Position South Africa among the top 10 long-haul business events destinations by 2025 while collaborating to convert business travellers into leisure tourists.
3.	Reposition SA Tourism to be recognised as a tourism and business events industry leader in market intelligence, insights and analytics.	Reviewed leisure tourism market portfolio	**Strategy 7:** Position SA Tourism as the foremost authority in tourism and business events, underpinned by quality assurance.
4.	Collaborate with stakeholders and partners to deliver on SA Tourism's mandate.	Stakeholder satisfaction score Stakeholder engagement matrix in consultation with stakeholders	**Strategy 5:** Collaborate with partners and stakeholders for tourism growth.
5.	Improve visitor experience in line with the brand promise.	Number of graded establishments Number of graded rooms	**Strategy 4:** Revamp the value proposition of tourism grading to inspire partners and stakeholders to deliver on the brand promise and quality visitor experience.

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	Strategic Objectives	Key Performance Indicator	Strategy
6.	Create an organisational culture of work satisfaction, excellence and innovation to improve effectiveness and operational efficiency.	Staff satisfaction score Unqualified audit Percentage of staff turnover	**Strategy 6:** Create a culture of excellence and innovation to improve effectiveness and operational efficiency.

The following table demonstrates how SA Tourism's strategic objectives are linked to the NDP outcomes:

	Strategic Objective	Objective Statement	Baseline	Justification	Links
1.	Contribute to the South African economy by increasing the number of travellers to and within South Africa.	Implement an international marketing strategy to contribute to increased tourist arrivals from 9.5 million in 2014/15 to 11.3 million by December 2020.	9 549 236 tourist arrivals as at December 2014	Increased international tourist arrivals to the country translate into growth in revenue for the economy.	Outcome 11
		Implement a domestic marketing strategy to contribute to an increase in the number of holiday trips from 2.8 million in 2014/15 to 4.1 million by December 2020.	2.8 million as at December 2014	By creating a culture of travel among South Africans, increased domestic tourism revenue will contribute to the economy.	Outcome 4
		Market South Africa as a business events destination and provide support for bids to increase the number of business events hosted in South Africa from 124 in 2014/15 to 169 by December 2020.	124 as at December 2014	This objective is to create a strong focus on the marketing and selling of South Africa as a meetings destination.	Outcome 4

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	Strategic Objective	Objective Statement	Baseline	Justification	Links
1.	Contribute to the South African economy by increasing the number of travellers to and within South Africa.	Market South Africa as a business events destination and provide support for bids to increase the number of business delegates hosted in South Africa from 69 955 in 2014/15 to 95 364 by December 2020.	69 955 as at December 2014	This objective is to create a strong focus on the marketing and selling of South Africa as a meetings destination.	Outcome 4
		Market South Africa in a manner that will attract tourists, thereby ensuring growth in tourism revenue from R91 billion in 2014/15 to R124.4 billion by December 2020.	R91 billion as at December 2014	This objective will ensure that South Africa targets growth in travellers (volume) as well as growth in spend (value), to ensure that tourism's revenue contribution to the economy increases.	Outcome 4
2.	Build positive awareness of the South African experience.	Improve brand positivity from 38% in 2014/15 to 41% by December 2020	38% as at November 2014 (New indicator)	Increased brand positivity results in higher tourist arrivals and spend – thus contributing to economic growth.	Outcome 4
3.	Reposition SA Tourism's corporate brand to be recognised as a tourism and business events industry leader in market intelligence, insights and analytics.	South African Tourism should become a tourism and business events industry leader in market intelligence, insights and analytics. A baseline will be set by 31 March 2017.	(New indicator)	In order to improve SA Tourism's competitiveness as well as its agility to adapt to the changing environment, SA Tourism is required to be more innovative.	Outcome 4
4.	Collaborate with stakeholders and partners to deliver on SA Tourism's mandate.	Improve satisfaction with SA Tourism in how it engages with its stakeholders and partners for tourism growth. A baseline will be set by 31 March 2017.	(New indicator)	Improved stakeholder relations, as well as co-operative and leveraged marketing.	Outcome 4

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	Strategic Objective	Objective Statement	Baseline	Justification	Links
5.	Improve quality assurance.	Implement an enhanced tourism grading system to increase graded establishments from 5 369 in 2014/15 to 7 935 by March 2021.	5 369 as at March 2015	This objective will result in the marketing – through word of mouth – of the quality experience offered by South Africa.	Outcome 4
		Implement an enhanced tourism grading system to increase graded rooms from 114 429 in 2014/2015 to 172 075 by March 2021.	114 429 as at March 2015 (New indicator)	This objective will result in the marketing – through word of mouth – of the quality experience offered by South Africa.	Outcome 4
6.	Create an organisational culture of work satisfaction, excellence and innovation to improve effectiveness and operational efficiency.	Energise and empower people to innovate and excel, to increase the staff satisfaction score from 3.09 in 2012/13 to 3.7 by March 2021.	3.09 (New indicator)	An empowered organisation delivers on its mandate and targets.	Outcome 4 and 11
		To maintain an unqualified report by the Auditor-General of South Africa (AGSA).	Clean audit (New indicator)	An empowered organisation delivers on its mandate and targets.	Outcomes 4 and 11
		To maintain a staff turnover rate of no more than 7%.	7.6% (New indicator)	An empowered organisation delivers on its mandate and targets.	Outcomes 4 and 11

- Targets over the Medium-Term Expenditure Framework (MTEF) period (2020/2021) have been set using the approved methodology (refer to Annexure 1).

- The number of rooms is linked to the targeted annual total number of visitors.

- The outer years' targets i.e. 2017/18 to 2020/2021 dependent on funding in line with expanded mandate as per the Tourism Act.

SA Tourism's strategic objectives will be achieved through the following strategies:

Strategy 1: Invest in selected markets for leisure tourism to deliver volume (travellers) and value (tourism revenue);

Strategy 2: Work with trade partners to leverage resources to deliver travellers to and within South Africa;

Strategy 3: Position South Africa among the top 10 long-haul business events destinations by 2025 while collaborating to convert business travellers into leisure tourists;

Strategy 4: Revamp the value proposition of tourism grading to inspire partners and stakeholders to deliver on the brand promise and quality visitor experience;

Strategy 5: Collaborate with partners and stakeholders for tourism growth;

Strategy 6: Create an organisational culture of work satisfaction, excellence and innovation to improve effectiveness and operational efficiency; and

Strategy 7: Position SA Tourism as the foremost authority in tourism and business events, underpinned by quality assurance.

These strategies are delivered by SA Tourism's key business focus areas of leisure tourism marketing, business events and tourism grading, supported by the business enablement function:

7.1. Leisure Tourism Marketing

Strategy 1: Invest in selected markets for leisure tourism to deliver volume (travellers) and value (tourism revenue).

Strategic Objective: Contribute to the South African economy by increasing the number of travellers to and within South Africa.	
Key Performance Indicator	Strategy
1. Number of international tourist arrivals in South Africa	The "defend and grow" approach will be applied to South Africa's traditional and emerging markets, respectively. This will require:
2. Percentage of brand positivity achieved by South Africa as a tourist destination	• Repositioning the South African brand as a leisure and business events destination in order to improve awareness, positivity and consideration;
3a. Total tourism revenue: Total tourist foreign direct spend (TTFDS)	• Streamlining and refocusing SA Tourism's offices abroad to educate and enable trade to sell South Africa, to improve conversion as well as generate leads on incentives;
	• Using a well-researched market selection tool (portfolio review). In 2016/17 SA Tourism will review its leisure tourism market portfolio, i.e. the select markets that will be serviced in the next three years;
	• Continuing over the next five years to position South Africa as the ultimate year-round explorer destination, highlighting the country's points of difference and unique selling points;

Strategic Objective: Contribute to the South African economy by increasing the number of travellers to and within South Africa.	
Key Performance Indicator	Strategy
	• Co-creating and co-ordinating the implementation of an effective global communications strategic framework and plan that supports leisure tourism, business events and grading;
	• Co-creating and co-ordinating the implementation of an effective stakeholder engagement plan to ensure collaborative delivery of the tourism mandate;
	• Reversing the downward spiral and driving growth in arrivals from the African region by implementing the recently launched, insights-led "Allow Us to Indulge You" campaign for the African travel market, supported by strong trade interventions (roadshows, exhibitions and ongoing educational events);
	• Repositioning itself to become a research-led organisation and the foremost authority in leisure, business events and tourism grading, supported by a robust stakeholder engagement and communication plan; and
	• Improving seasonality and geographical spread through collaborative marketing initiatives with provincial and city tourism agencies as well as trade.

7.1.1.   International Markets

In the next five years, SA Tourism's strategy to increase the contribution of tourism to the South African economy will be to grow volume (tourist arrivals) and value (tourism revenue). SA Tourism will defend its market share in key source markets and target markets that show future growth potential.

SA Tourism determines its leisure tourism market portfolio using a well-researched market selection tool. The factors considered are gross domestic product purchasing price parity growth (GDP PPP), the size of the outbound market (volume and value), the cost of investing in each market and the return on investment. The market portfolio is divided into five categories – core, investment, tactical and watch-list markets, as well as markets of strategic importance.

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

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

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

- **Watch-list Markets**: These markets are less attractive and more difficult to reach from a tourism-marketing point of view. However, limited exploratory marketing – largely in conjunction with South Africa's diplomatic offices/missions and tour operators – is being undertaken. The anticipation is that in the future, these markets might grow into more prominent markets for South Africa from a tourism point of view. Approximately 5% of the organisation's effort (in terms of human capital and budget) is deployed in these markets.

- **Markets of Strategic Importance**: These markets are placed under surveillance due to future growth prospects arising from their position as growing logistics hubs or any other economic rationale.

Table 1 depicts SA Tourism's fifth leisure market portfolio – effective from 01/04/2014 – 31/03/2017:

Table 1	AFRICA & MIDDLE EAST	AMERICAS	ASIA & AUSTRALIA	EUROPE
CORE MARKETS	Angola Domestic Kenya Mozambique Nigeria Tanzania	Brazil USA	Australia China India	France Germany Netherlands UK
INVESTMENT MARKETS	Botswana DRC Ghana Lesotho Uganda Zimbabwe	Canada	Japan South Korea	Italy Russia
TACTICAL MARKETS	Namibia UAE Zambia	-	Singapore	Switzerland
WATCH-LIST MARKETS	Ethiopia Malawi Swaziland	Argentina	New Zealand	Austria, Belgium, Denmark, Finland, Norway, Spain, Sweden, Turkey
STRATEGIC IMPORTANCE	Egypt Israel Morocco Saudi Arabia Tunisia	-	Malaysia	-

The world has changed considerably since SA Tourism completed the fifth portfolio review in 2013. In the fifth market portfolio, SA Tourism Hubs were created to improve SA Tourism's capacity to service the investment, tactical and watch-list markets using core markets in the same geographical area. SA Tourism's fifth leisure tourism market portfolio will be revised in 2016/17 in line with the current market insights, to ensure that the organisation employs a focused investment strategy in prioritised markets and market segments from 2017/18 to 2019/20.

Further assessment against budget availability, human resources, geographic spread and ease of marketing will be reviewed regularly to ensure that a return on investment is achieved.

In order to expand the global footprint that gives South Africa volume (tourists) and value (tourism revenue), as informed by market insights, as well as the escalating cost of doing business and currency losses, SA Tourism's operating model is as follows:

- Adoption of a hub approach: This approach involves clustering markets into regional hubs for ease of marketing operations and international trade relations;

- Shift from bricks and mortar to virtual offices: This approach involves appointing trade relations managers to service "thin" markets so as to exploit the gains arising from such markets; and

- General marketing agency: This approach focuses on appointing a marketing agency representative to service markets with high setup costs and lengthy registration processes.

Strategy 2: Work with trade partners to leverage resources to deliver travellers to and within South Africa.

SA Tourism will achieve this through a collaborative effort, by working with trade partners to leverage resources to deliver travellers to and within South Africa. Through this partnership the South African brand will be built and trade partners will be enabled to sell South Africa, in the following manner:

- Creating awareness and positivity for South Africa as a tourism destination, among consumers and trade, to deliver travellers to and within South Africa;

- Initiating an integrated approach between SA Tourism and trade, resulting in the greater collection and leveraging of data;

- Conducting trade mapping in each market, looking at structure, concentration of tour operators and distribution networks;

- Educating the trade to sell South Africa better, including addressing perceptions around safety and security, seasonality, geographic spread as well as infrastructure;

- Choosing partners carefully and illustrating the benefits of packaging, promoting and selling South Africa by deconstructing the country into easy-to-understand and easy-to-do itineraries. Guiding the trade to package their tours suitably, with the aim of getting tourists to stay longer and spend more in South Africa; and

- Using co-operative agreements, SA Tourism will partner with and educate trade, in order to drive information provision and travel bookings. Criteria for the selection of trade partners are reviewed regularly to ensure that they deliver on value and volume. To derive optimal value from engagements with trade in the next five years, a trade strategy will be developed.

SA Tourism, through its global and country-based teams, co-creates and contributes **towards South Africa's brand awareness and positivity. Given** the increased use of destination-specific websites and social media, SA Tourism will develop and enhance online content to make it easy for travellers to find information when planning and considering their journeys.

7.1.2. Regional Africa

Given Africa's future growth prospects, SA Tourism, in collaboration with the National Department of Tourism, developed an Africa Growth Strategy to exploit the potential tourism gains. The strategy differentiates between Africa air and land markets in terms of their contribution towards volume and value. The differentiated strategy therefore requires different marketing approaches and investment levels for the various markets.

To derive maximum value in support of the Africa Growth Strategy, SA Tourism adopted an African Hub Strategy for the air markets and a robust marketing activity plan for the land markets in order to grow arrivals from the continent. The hub strategy recommended using only two of the portfolio review market classifications (core and investment) to create hubs. Angola, Botswana, Kenya and Nigeria were considered core and the majority of resources were deployed in those markets. The DRC and Mozambique were identified as investment markets, with Lesotho and Swaziland emerging as tactical markets with limited leveraging opportunities.

As more information and market insights have emerged, the 2012 Africa Growth Strategy has been slightly updated to better seize the opportunities offered by the continent.

The implementation of the strategy focuses on five key drivers to retain existing consumers, thus defending current market shares and attracting new ones in an integrated approach. This integrated approach assists in ensuring that tourist arrivals are increased in a manner that achieves the goals set out in the NTSS and the NDP.

In line with the NTSS, which identifies the rest of Africa as the main source of foreign arrivals for South Africa and outlines the tourism goals for continent, SA Tourism will pursue the following:

- Increasing regional awareness of South Africa as a tourism and leisure destination;

- Improving market presence in key African markets; and

- Implementing regional tourism programmes.

It therefore outlines the following action points:

- Cater for African travellers domestically to expand the impact of the tourism industry;

- Do further research to understand the needs and travel requirements of this market;

- Identify the various issues inhibiting growth from these markets, such as visa restrictions and poor flight frequency;

- As most of these travellers come to South Africa to shop, an opportunity exists to find ways to cater for these needs while converting them into leisure tourists;

- Identify ways to create partnerships with South African companies doing business on the continent so as to jointly promote tourism; and

- Promote "Destination Southern Africa" by facilitating transport and accommodation packages that make travel across the sub-region hassle-free.

An elaborate model was used to determine the best communication and creative strategies. Unlocking opportunity in sub-Saharan Africa requires a renouncing of the age-old labels, clichés and stereotypes. Africans today are refusing to be defined by which part of the socio-economic pyramid they inhabit, their spending ability or their economic stature.

Instead, Africans are forming new behaviours and preferences, based on their own definitions, interests and passions. For South Africa to be successfully marketed to the continent, it is crucial to understand what each consumer group considers important.

Currently, South Africa is perceived in some quarters as unwelcoming, intimidating and closed off to African visitors. The country is widely seen as Africa's "Big Brother", rather than as a friendly neighbour. Such perceptions are difficult to dispel, which is why SA Tourism has a role to play to make South Africa more hospitable.

7.1.3. Domestic Tourism

The NTSS has identified domestic tourism as a critical priority in sustaining the South African tourism industry and promoting job creation. Market insights reveal that South Africans have limited disposable income to take holiday breaks and frequently do not see the benefits or the value of travel. Research also indicates that domestic consumers feel that the destination has become too expensive and that in some instances road conditions are neither ideal nor safe. All these factors, are contributing to the decline in domestic travel.

In order to access the potential of domestic tourism, marketing must go beyond encouraging travel in the short term and rather position it more sustainably as a much-needed and beneficial lifestyle choice. Domestic tourism marketing campaigns of the recent past, most notably the "Sho't Left" campaign, have proven instructive in the task of stimulating domestic travel.

These learnings have formed the basis of the additional funding allocations now in place to help develop a culture of travel among South Africans.

Keeping in mind the NTSS targets, the most attractive segments on which to focus activation efforts were identified based on SA Tourism's ability to create awareness (embed a culture of travel) and ultimately grow the market (convert people into leisure tourists), and comparing those scores against the organisation's ability to win in the market. SA Tourism used action segmentation methodology, whereby the South African population of more than 50 million was filtered by a household income of more than R3 000 per month – which constitutes only 8.2 million adults.

This group was further segmented into a total of 14 distinct target segments, which were later refined into five prioritised segments. Currently, SA Tourism is embarking on a domestic target market refreshing exercise.

In order to grow domestic holiday trips and total domestic direct spend (TDDS), SA Tourism will undertake the following strategies:

Strategic Objective: Contribute to the South African economy by increasing the number of travellers to and within South Africa.	
Key Performance Indicators	**Strategy**
3b. Total tourism revenue: total tourist domestic direct spend (TDDS)	• Inspire domestic tourism market segments to take more holiday trips by showcasing a variety of desirable experiences through engaging, rich, informative content;
4. Number of domestic holiday trips	• Partner with and educate the channels (where consumers book travel) to promote relevant, value-for-money deals with supporting content on activities so that prioritised market segments are motivated to book; • Create awareness and a travel culture among South Africans; • Promote suitable deals and travel packages, particularly during off-peak season, in order to improve seasonality; • Maximise the use and leverage of provincial signature events through activations and media engagements to improve the geographical spread of travel; and • Improve seasonality and geographical spread through collaborative initiatives with provincial and city tourism agencies (PTAs and CTAs) as well as trade.

In order to grow domestic holiday trips and total domestic direct spend, SA Tourism will create awareness among South Africans while partnering with and enabling trade, with a view to realising higher conversion rates.

SA Tourism will drive demand for consumers to take shorter holiday trips more frequently and throughout the year. SA Tourism's key job will be to inspire these travellers through an inherent desire for new experiences. Likewise, SA Tourism will demonstrate the profitability and value of domestic tourism to trade, encouraging the selling of travel packages that are in line with market needs. Furthermore, marketing efforts will be reinforced to promote suitable deals and travel packages during off-peak season.

In order to achieve the long-term objective of developing a travel culture in South Africa, SA Tourism, through the implementation of the Domestic Growth Strategy, will embark on programmes that will seek to create a culture of travel. As part of its programmes, SA Tourism will create real-life travel experiences for South Africans to participate in, focusing on the youth.

This has been made possible by the additional budget of approximately R320 million over the Medium-Term Expenditure Framework (MTEF) period ending 2017/18 – 30% of which will be expended in influencing conversion, with the rest allocated to creating future demand among South Africans who are not travelling presently.

SA Tourism will also maximise, use and leverage provincial signature events through activations and media engagements. Through SA Tourism's partnerships with provincial and city tourism agencies and the NDT, it will support new entrants by ensuring that their products are included in the itineraries. The Domestic Survey will be expanded to include consumer feedback – which will be built into and drive the Domestic Strategy.

To grow domestic tourism, SA Tourism leverages off targeted strategic events through the hosting of trade and media, as well as other forms of activations. The ownership of these signature events remains with the provincial and city tourism agencies, while SA Tourism contributes towards increasing media exposure of the provinces' tourist attractions and experiences as well as enhancing their public relations value. The role of provinces is also to generate content that can be used on social media platforms to enable consumers to find information.

7.2. Business Events

> **Strategy 3: Position South Africa among the top 10 long-haul business events destinations by 2025 while collaborating to convert business travellers into leisure tourists.**

SA Tourism, through the South African National Convention Bureau (SANCB), will review its Business Events Strategy to position South Africa in the top 10 long-haul business events destinations according to the ICCA and Union of International Associations (UIA) ranking.

This will be achieved through the collaborative convincing of key decision-makers that South Africa can be trusted to deliver memorable experiences and successful business events, while ensuring that international delegates in South Africa extend their length of stay before or after their meetings. Here, the conversion tactics to encourage business events delegates to return to South Africa for leisure are worth noting.

In addition to the benefit of the tourism revenue that business events hosted in South Africa contribute to the economy, the country will focus on building its knowledge economy.

The business focus areas of the SANCB will continue to be meetings, incentives, conventions and exhibitions (MICE). Its one-stop solution or advice service offering in aspects of hosting and organising business-related events in South Africa is benchmarked regularly to remain globally competitive.

In its assessment of South Africa's ability to attract international delegates from the MICE business, the SANCB Strategy identified conventions and incentives as two areas of strong potential. In the future, efforts will be strengthened to exploit more opportunities arising from the exhibitions sub-sectors.

To improve South Africa's competitiveness during bidding, SANCB will continue to explore alternative bid support strategies. Further bid support will be sought through partnerships with product owners and professional conference organisers (PCOs).

South Africa's aspiration to be in the top 10 long-haul business events destinations will be achieved by implementing the following:

Strategic Objective: Contribute to the South African economy by increasing the number of travellers to and within South Africa.	
Strategic Objective	**Strategy**
5. Number of business events hosted in South Africa 6. Number of business delegates hosted in South Africa	Collaboratively convince key decision-makers that South Africa can be trusted to deliver memorable experiences and successful business events. This will require: • Reconfiguring the SANCB to generate more quality association leads that convert into bids, while focusing on African opportunities; • SA Tourism focusing on the empowerment of its offices abroad to generate leads, offer support and facilitate incentive-driven business leads to achieve a more integrated organisation and optimal return on investment; • Enhancing delegate-boosting platforms to leverage SA Tourism's marketing campaigns and expertise, in order to convert the business events delegates into leisure tourists; • Repositioning the brand to drive awareness, positivity and consideration of South Africa as the leading meetings destination in Africa and an appealing destination for delegates. • Continuing to explore alternative bid support strategies;

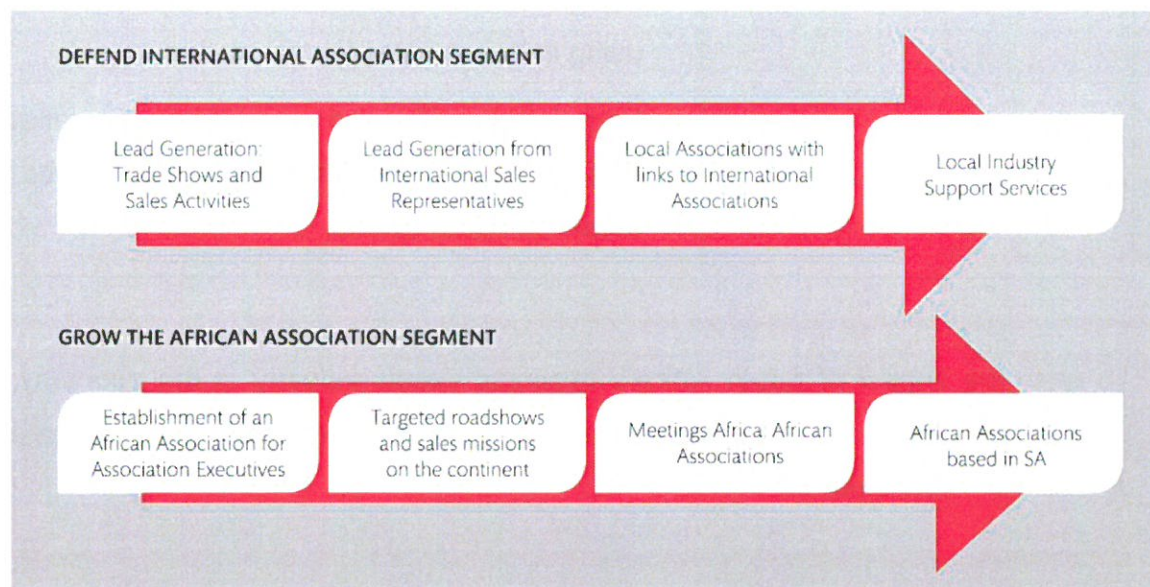|	
	• Generating sales using a sales representation model in some markets and, in others, direct sales using in-house sales teams; and
	• Negotiating with and managing the strategic partner for better positioning of the Indaba and Meetings Africa events.

To grow the impact of South Africa's business events industry in the economy, the SANCB will collaborate with associations and corporates from the following markets, as depicted in Table 2 below:

Table 2	MEETINGS	INCENTIVES	CONVENTIONS	EXHIBITIONS
TARGETED GEO-GRAPHIC LOCA-TIONS	SADC, Europe, USA and Asia	UK, Europe, USA, BRICS and Asia	Europe, USA and Africa	South Africa, Europe and US
TARGET AUDIENCE	African product launches and user groups, as well as African regional meetings of multinational corporations	Incentive companies, corporate agancies, and in-house planners	Associations with South African key contacts or areas of specialisation	Internationalising national shows and African versions of existing titles
SOUTH AFRICA'S POTENTIAL	Limited	Strong	Strong	Limited

SA Tourism will achieve growth as follows:

The conversion of business delegate to leisure tourist will be as follows:

In implementing this strategy, the SANCB will generate sales using a sales representation model in some markets and, in others, direct sales using its in-house sales teams.

The intrinsic benefits associated with the sales representation model are cost-effectiveness and the ability to reach a wider audience in regions where it is used. Performance of the independent sales representatives is managed via the sales representation agreements.

In the next five years, SA Tourism will implement its Events Management Strategy in order to improve the competitiveness of Indaba and Meetings Africa as per international best practice. Furthermore, negotiations with, and management of, the strategic partner for better positioning of Indaba and Meetings Africa will be undertaken. This partnership will ensure that the South African trade shows are more prominently featured in the calendar of international events to attract buyers.

SA Tourism will leverage off the expertise in the SANCB for all planning and management of **strategic events as well as South Africa's participation in trade shows.** Frameworks and protocols to measure the socio-economic impacts and returns on investment for events will be developed.

7.3. Quality Assurance

> *Strategy 4: Revamp the value proposition of tourism grading to inspire partners and stakeholders to deliver on the brand promise and quality visitor experience.*

SA Tourism, through the TGCSA, will continue to contribute towards enhancing visitor experience and consumer confidence in the tourism products of South Africa by encouraging establishments to participate in, and remain members of, the voluntary grading system. This delivery arm of SA Tourism works synergistically to ensure the fulfilment of the brand promise in support of leisure and business events.

Grading – unlike leisure and business events – uses a sector-based approach to determine its market portfolio. In addition to its traditional sector that incorporates accommodation and lodging as well as meeting and exhibition facilities, in the future the market for grading could be expanded to include tour operators, tourist attractions, transport services and restaurants – among other suppliers in the value chain – in line with the Tourism Act.
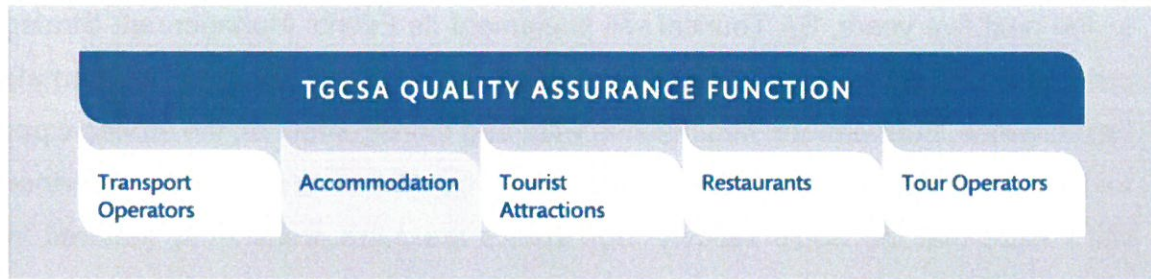
Figure 3: Expanded Mandate of Grading/Quality Assurance (Tourism Act)

The TGCSA's pursuit of enhancing visitor experience and consumer confidence in the tourism products of South Africa will be achieved by implementing the following:

Strategic Objective: Improve visitor experience in line with the brand promise.	
Key Performance Indicators	**Strategy**
7. Number of graded establishments 8. Number of graded rooms	• Review the policies related to grading; • Drive positive perceptions and the appeal of grading in the industry by refining the grading value proposition in line with the consumer insights and associated communication plans per client category; • Grow the customer base through a targeted sales strategy that emphasises the grading value proposition and closes the deal; • Retain the customer base by delivering the grading value proposition through a Customer Relationship Framework; • Explore and implement tactical opportunities for "special" or "light" grading with more flexibility than normal membership, around strategic events, meetings and conferences;

	• Enhance and improve the integrity of the grading criteria and process. A review of the grading criteria will be conducted in 2015/16 for a further three years;
	• Implement globally benchmarked capacity-building and knowledge-transfer programmes to improve the integrity of the grading assessors, as well as to ensure optimal transitioning from an outsourced to an in-house assessor model; and
	• Partner with tourism quality assurance bodies, universities, the tourism industry and the Culture, Art, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA) to professionalise tourism quality assurance.

The current grading criteria for accommodation, lodging and meeting venues have recently been reviewed and will now be implemented over the next three years. Key considerations that have gained importance in the grading system are sustainable tourism, universal accessibility and tourism security initiatives, particularly for resorts. Following a thorough review of the current TGCSA policies, a decision will be taken on the implementation of grading criteria for the other touch points in the tourism value chain.

Grading largely relies on an outsourced assessor model for new business acquisition and renewals across all regions. As part of the policy review, an optimal business model and organisational structure will be explored for the effective delivery of the expanded mandate.

SA Tourism, through the TGCSA, will continuously review its grading value proposition in line with consumer insights and fundamentals that lead to business growth. Feedback from online reviews defines value as those benefits that lead to business growth, transformation, profitability and improved supplier relationships, with improved efficiency and market access as well as reduced costs. Additionally, targeted tourism and business nodes, where a sizeable number of travellers from within South Africa and abroad are expected, will be prioritised for implementing tactical opportunities.

Over and above this, SA Tourism – through the TGCSA – will also enhance and improve the integrity of the grading criteria and process through the following:

- Globally benchmarked capacity-building and knowledge-transfer programmes that will be implemented to improve the integrity of the grading assessors; and

- Partnerships that will be forged with other tourism associations and tourism quality assurance bodies as well as with universities, the tourism industry and CATHSSETA to professionalise tourism quality assurance.

7.4. Business Enablement

In the next five years, SA Tourism will re-organise and re-engineer its business processes, systems and people in order to enable delivery of the business strategy by:

- Collaborating with partners and stakeholders for tourism growth;

- Energising and empowering people to innovate for excellence; and

- Positioning SA Tourism as the foremost authority in tourism and business events.

7.4.1.   Collaborate with partners and stakeholders for tourism growth

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<tr><td style="background:red;color:white">***Strategy 5: Collaborate with partners and stakeholders for tourism growth.***</td></tr>
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Strategic Objective: Collaborate with stakeholders and partners to deliver on SA Tourism's mandate.	
Key Performance Indicators	**Strategy**
9. Stakeholder satisfaction score	SA Tourism will strengthen its stakeholder engagement to innovatively align strategies for tourism growth with the recommendations of the Ministerial Review, commissioned by the Minister of Tourism.
10. Stakeholder engagement matrix in consultation with stakeholders	

In collaboration with the targeted stakeholders, SA Tourism will facilitate addressing the following barriers to tourism growth:

- Delayed release, inaccuracy and unavailability of tourism statistics;

- Negative perceptions about safety and security;

- Lack of integrated public transport systems;

- Perception of the lack of price competitiveness and/or value for money of the destination;

- Difficulty of access. This includes, but is not limited to:

    o A shortage of viable and insights-led air routes;

    o Inadequate air lift, including air capacity and airline licensing, which needs to be improved to achieve geographic spread and regional tourism growth; and

    o Immigration (i.e. visa processing) capacity constraints in some of South **Africa's key source markets**, as well as a lack of clarity and/or co-ordinated communication about the visa requirements;

- Lack of cohesive destination marketing and branding;

- Currency exposure, which erodes tourism marketing budgets, thus reducing South Africa's competitiveness, visibility and top-of-mind position in the market compared to its competitors;

- Inadequate industry transformation to cater for universal accessibility and responsible tourism practices, as well as to address the developmental objectives of the tourism and business events sector in line with the new broad-based black economic empowerment (BBBEE) Sector Codes;

- Shortcomings in public/private sector co-operation to build a strong business case for tourism and business events, as well as to share common goals to deliver on the NTSS objectives;

- Lack of development of critical skills in the tourism industry, grading and business events; and

- Misalignment of strategies among players in tourism-related industries, thus stifling tourism growth. These stakeholders may include airlines, airport companies, creative industries and the knowledge economy.

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7.4.2. Create a culture of excellence and innovation to improve effectiveness and operational efficiency

Strategy 6: Create a culture of excellence and innovation to improve effectiveness and operational efficiency.	
Strategic Objective: Create an organisational culture of work satisfaction, excellence and innovation to improve effectiveness and operational efficiency.	
Key Performance Indicators	**Strategy**
11. Staff satisfaction score	For SA Tourism to deliver on its mandate, it is required to prioritise the following:
12. Unqualified audit	• Operational efficiencies;
13. Percentage of staff turnover	• Energising and empowering people; and • Efficient and transparent budgeting and financial decision-making.

For SA Tourism to deliver on its mandate, it is required to:

• **Drive operational efficiency in all activities:** SA Tourism will continue to reassess its service model in order to achieve improved returns on investment and efficient marketing operations. Furthermore, the mapping and automation of business processes will be prioritised to improve operational efficiencies. To improve agility and operational efficiencies, SA Tourism will also review its policies.

Energise and empower people to innovate for excellence: The organisation's staff complement remains the cornerstone of its success. The management and the Board will continue to create an environment conducive to high performance and excellence. To deliver this, SA Tourism will implement a human resources strategy that is aligned to its overall business strategy. As part of building an inspiring and energised organisation, SA Tourism will implement the Leadership Development Programme.

It is believed that this programme, underpinned by an executive mentoring and coaching programme, will improve organisational development and business effectiveness to ensure that SA Tourism delivers on its mandate of promoting South Africa as a tourism and business events destination towards the betterment of its people.

More development programmes and policy changes will be implemented to address leadership gaps and improve staff morale and operational efficiencies, as recommended in the SA Tourism Ministerial Review, commissioned by the Minister of Tourism. These include:

o Culture Alignment Programmes as part of the Brand Ambassador Programme, including training, orientation and re-orientation as well as new-leader-on boarding. The full implementation of the Brand Ambassador and the robust Think-Tank programmes will create a commonly shared organisational DNA/culture for the effective delivery of strategies. Furthermore, SA Tourism will reconfigure itself to deliver on strategy by conducting capacity assessment, organisational development and resource placement.

o Talent Management and Succession Planning Programme: This will be underpinned by workforce planning, staff retention and work skills planning. In line with the recent decision to convert its employment model from fixed-term contracts into permanent employment contracts, SA Tourism will be implementing its integrated talent management plans to ensure high performance, innovation and staff retention. This programme is based on the strategic thrust of re-establishing and defending SA Tourism as a research-

led destination marketing organisation, while energising and empowering its people and partners to innovate for excellence and tourism growth; and

o Organisational Review: This includes the reconfiguration of the functional and organisational structure in line with the business requirements.

- **Implement a more efficient and transparent budgeting and financial decision-making system:** Given the high cost of doing business as well as reduced budgets due to currency exposure, SA Tourism will continue to seek alternative sources of revenue to increase its budget. SA Tourism will also continue to engage with National Treasury to find strategies to mitigate currency losses. In light of the shrinking national budget, the competing priorities of government as well as tourism's potential to generate jobs and increase GDP contribution to the South African economy, SA Tourism will collaborate with partners to develop a Tourism Business Case. In line with government's clean audit initiative, SA Tourism will continue to be in the forefront of entities that promote good corporate governance and compliance while delivering on its mandate.

7.4.3. Position SA Tourism as the foremost authority in tourism and business events, underpinned by quality assurance

Strategy 7: Position SA Tourism as the foremost authority in tourism and business events, underpinned by quality assurance.

Strategic Objective: Reposition SA Tourism to be recognised as a tourism and business events industry leader in market intelligence, insights and analytics.	
Key Performance Indicators	**Strategy**
14. Reviewed market portfolio model in consultation with industry	SA Tourism will position itself as the foremost authority in leisure tourism, business events and meetings, underpinned by quality assurance, in line with the recommendations of the Ministerial Review, commissioned by the Minister of Tourism. This plan will be achieved through rebranding, expansion and resourcing of SA Tourism's strategic research function to market intelligence, insights and analytics. It is envisaged that in the next financial year, budget expenditure for research and development will be increased substantially. Market intelligence and insights will be taken into account in strategic planning and decision-making.

This paradigm shift will also contribute to the tourism industry becoming a knowledge-based industry with an expanded knowledge footprint.

Partnerships with tourism-related and other industries, such as airlines and airports, will also be forged to ensure that new data feeds are utilised. This interconnectedness among various industries will also bring best practice, innovation, best methodologies and solutions.

The partnership with Statistics South Africa will be expanded to include Domestic Surveys. The benchmarking of South Africa's competitiveness in leisure and business events will deepen SA Tourism's understanding of new practices, online research information sources and performance in each area.

SA Tourism will invest in online and offline platforms for the packaging and sharing of integrated market intelligence, insights, data reports and analytics for leisure, business events and grading. The efficacy of these platforms will be reinforced by a robust communication strategy that will promote dialogue among thought leaders and influencers for information sharing, knowledge transfer and innovation, as informed by the Stakeholder Engagement Plan.

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8. Risk Management

At the time of finalising this Strategic Plan, SA Tourism was embarking on a risk assessment to identify risks that might have a negative impact on the achievement of its strategic objectives. This process will be concluded at the end of March 2016. SA Tourism will continue to monitor emerging risks to ensure delivery on its mandate. The matrix below consists of identified risks and mitigating strategies.

No.	Strategic Risks	Contributing Factors	Risk Consequences or Impact	Mitigating Strategy	Link to Strategic Objectives

1	Currency loss and increased costs of doing business abroad	• Currency fluctuations and loss of the Rand's strength against major currencies; and
		 • Escalating cost of doing business in country offices.
			• Overall budget reduction in real terms;
			 • Reduction of marketing budget; and
			 • Negative impact on marketing activities:
			   • Decline in brand awareness; and
			   • Low closure ratio.
				• Advance release of marketing budget to country offices;
				 • Compliance with budget and expenditure reporting; and
				 • Expanded marketing budget through co-operative and joint marketing initiatives.
					1

No.	Strategic Risks	Contributing Factors	Risk Consequences or Impact	Mitigating Strategy	Link to Strategic Objectives
2	Possible decline in tourism industry performance	• Immigration regulations and visa processing constraints; • Perceptions that South Africa is not a safe destination to travel to due to concerns over safety and security, health, etc; • Reputational risk and brand impact: South **Africa's appeal as a** tourist and business events destination (brand awareness and positivity); and	• Ease of travel being negatively affected by the immigration regulations and visa processing constraints; • South Africa declining in ranking as a preferred tourism and business events destination; and • Declining brand awareness and positivity as well as tourist arrivals, revenue, business events and delegates.	• Implementation of the Tourism Growth Strategy; • Refine leisure market portfolio review for improved ROI; and • Interim leisure market portfolio reviews for agility and enhanced ROI.	1

No.	Strategic Risks	Contributing Factors	Risk Consequences or Impact	Mitigating Strategy	Link to Strategic Objectives
		• Not investing in markets that do not maximise return on investment (ROI).			
3	Lack of assurance over tourism statistical data	• Delays in the release and lack of integrity of the tourism data; and • Misaligned methodologies and approaches adopted.	• Reputational risk and lost confidence associated with unreliable data for strategy formulation and reporting.	• Engagement with NDT, Department of Performance Monitoring and Evaluation (DPME), Department of Home Affairs and Statistics South Africa (Stats SA) in enforcing the existing service-level agreements; and • Third-party confirmation of data.	1

No.	Strategic Risks	Contributing Factors	Risk Consequences or Impact	Mitigating Strategy	Link to Strategic Objectives
4	Lack of management of human capital (people management, talent management, etc)	• Ineffective human resources strategy; • Low or poor staff morale; and • Policies and procedures that do not promote agility and high performance.	• Low or poor staff morale; • Non-compliance with policies and procedures; and • High staff attrition rate.	• Approved human resources policies and procedures; • Culture Alignment Programmes; • Leadership Development Programmes and on boarding; • Employee Wellness Programme and rolled-out activities; • Integrated Talent Management Plan; and • Planned Organisational Development Review Project (OD), capacity assessment and optimal resourcing.	All

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No.	Strategic Risks	Contributing Factors	Risk Consequences or Impact	Mitigating Strategy	Link to Strategic Objectives
5	Information technology (IT) risks [system integrity (QiT), IT security, governance, business continuity, ICT Strategy supporting organisational strategy]	• Prolonged dependency on consultants, inadequate skills and loss of institutional memory that affects business continuity; • Lack of training; and • Lack of ICT architectural design aligned to business and ICT Strategy.	• Unavailability of systems and unsatisfactory user experience; • Uncontrolled access to SA Tourism systems; • Unauthorised data and/or email indexing; and • Compromise of data security.	• Business information systems policy and ICT Strategy; • Establish IT Steering Committee, supported by Change Control Committee, and monitor service-level agreements with contracted service providers; • Backup systems with disaster recovery and business continuity solutions, as well as anti-virus, firewall and user access controls at network and private folder (password) levels; and	All

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No.	Strategic Risks	Contributing Factors	Risk Consequences or Impact	Mitigating Strategy	Link to Strategic Objectives
				• Review system logs.	

9. **Resource Considerations**

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

In terms of all functional units identified, expenditure is expected to grow by CPIX plus expected budget allocation as per the 2015 Medium-Term Expenditure Framework (MTEF) budget submission to achieve the following:

- To mitigate currency exposure of R350 million over the past five years by allocating an additional R240 million over the MTEF period;
- To increase the number of graded establishments and enhance the credibility of the assessor model (which is part of the approved but unfunded TGCSA Strategy) by allocating an additional R54.7 million over the MTEF period ending 2018/19;
- To increase the number of international tourist arrivals to South Africa and TTFDS, SA Tourism plans to increase its marketing and advertising spend by R169 million over the MTEF period; and
- To increase the number of business events, a bid support equivalent to R34.8 million over the MTEF period.

A combination of additional marketing budget for regional Africa and domestic tourism, as well as new tactics, will be expended and deployed in the next five years.

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

Following the Ministerial Review, SA Tourism's capacity to deliver the five-year strategy will be reassessed through an Organisational Development Review Project (OD), which will cover a skills audit, a capacity assessment and resource reconfiguration. The implementation of the hub approach will also have an impact on the staff complement. Subsequently, the table below depicts the anticipated growth of SA Tourism's staff complement (before considering the OD outcomes):

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	2015/16 (Current)	2016/17	2017/18	2018/19	2019/20
Anticipated Number of Staff	172	187	196	201	212
Percentage Growth	5%	7%	5%	3%	5%

10. Definitions, Abbreviations and Acronyms

10.1. Definitions

Activity refers to the processes or actions that use a range of inputs to produce the desired outputs and, ultimately, outcomes. In essence, activities describe "what we do".

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

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

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

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

Brand Equity is the value premium derived from perceptions of South Africa's tourism brand.

Conversion Curve reflects the brand journey of a tourist from brand awareness, positivity and long-term consideration to planning to gather information and planning to visit.

Deputy Minister refers to the Deputy Minister of Tourism.

Evaluation is the systematic and objective assessment of an ongoing or completed programme, project or policy, and its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, and the development of efficiency,

effectiveness, impact and sustainability. Evaluation provides information that is credible and useful – enabling the incorporation of lessons learned into decision-making processes.

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

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

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

Long-Haul refers to any travel by air of more than five-and-a-half hours.

Minister refers to the Minister of Tourism.

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

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

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

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

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

Performance Information in the public sector is a generic term for non-financial information about government services and activities. In addition, "performance indicator" and "performance measure" are sometimes used interchangeably. The Strategic Plan and APP will use the term "performance indicator".

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

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

SA Tourism is the South African Tourism Board as defined in the Tourism Act, 2014 (Act No. 3 of 2014), and the destination marketing organisation of the South African Tourism Board.

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

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

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

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

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

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

10.2. Abbreviations and Acronyms

AGSA – Auditor-General of South Africa

APP – Annual Performance Plan

BBBEE – Broad-Based Black Economic Empowerment

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

CATHSSETA – Culture, Art, Tourism, Hospitality and Sports Sector Education and Training Authority

CCBO – Chief Convention Bureau Officer

CCI – Consumer Confidence Index

CEO – Chief Executive Officer

CFO – Chief Financial Officer

CMO – Chief Marketing Officer

COO – Chief Operating Officer

CPI – Consumer Price Index

CPIX – Consumer Price Index (excluding mortgage costs)

CQAO – Chief Quality Assurance Officer

DG – Director-General of the NDT

DIRCO – Department of International Relations and Co-operation

DMC – Destination Management Companies

DPME – Department of Performance Monitoring and Evaluation

DTGS – Domestic Tourism Growth Strategy

EME – Exempted Micro-Enterprise

ENE – Estimates of National Expenditure

EXCO – Executive Management Committee of SA Tourism

GDP – Gross Domestic Product

GDP PPP – Gross Domestic Product Purchasing Price Parity Growth

ICCA – International Congress and Convention Association

ICT – Information and Communications Technology

IT – Information Technology

JMA – Joint Marketing Agreement

LSM – Living Standards Measure

MICE – Meetings, Incentives, Conventions and Events

MTEF – Medium-Term Expenditure Framework

MTSF – Medium-Term Strategic Framework

NDP – National Development Plan

NDT – National Department of Tourism

NT – National Treasury

NTSS – National Tourism Sector Strategy

OD – Organisational Development Review Project

PCO – Professional Conference Organisers

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

PTA – Provincial Tourism Agency

ROI – Return on Investment

SADC – Southern African Development Community

SA Tourism – South African Tourism

SANCB – South African National Convention Bureau

SAPS – South African Police Service

SMME – Small, Medium and Micro-Enterprise

SONA – State of the Nation Address

SRU – Strategic Research Unit

Stats SA – Statistics South Africa

TBCSA – Tourism Business Council of South Africa

TDDS – Total Domestic Direct Spend

TGCSA – Tourism Grading Council of South Africa

TIP – Tourism Incentive Programme

TOMSA – Tourism Marketing South Africa

TTFDS – Total Tourist Foreign Direct Spend

UAE – United Arab Emirates

UIA – Union of International Associations

UK – United Kingdom

UNWTO – United Nations World Travel Organisation

USA – United States of America

VFC – Visa Facilitation Centre

VFM – Value for Money

VFR – Visiting Friends and Relatives

SOUTH AFRICAN TOURISM