

GAUTENG TOURISM AUTHORITY - ANNUAL REPORT

# ANNUAL

GAUTENG  
TOURISM  
AUTHORITY

REPORT



2018  
2019

TOURISM



GAUTENG  
*it starts here*



## "Gauteng Gauteng... My Gauteng

The province of my home. You've always occupied a special and welcoming place in the hearts and lives of many South Africans.

You continue to welcome everyone from far afield. Many crafted their dreams and their lives around you.

You are the smallest of the provinces, yet you have the biggest embrace.

Many continue to come to you. They find shelter, hope, homes, comfort, wealth and health. They also find hopelessness, poverty, inequality and unemployment. You also shattered some dreams. But you can offer more to all.

You are stronger than you appear. You are more than the sum of your parts.

Lift your arms and embrace all; and inject progress and insinuate in the lives of the people of this Province.

Root out poverty and inequality, create jobs. Be my Gauteng, be our Gauteng, be our golden hope.

Rise Gauteng Rise!"

**President Cyril Ramaphosa  
South Africa, 2017**

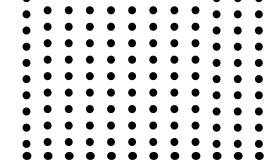
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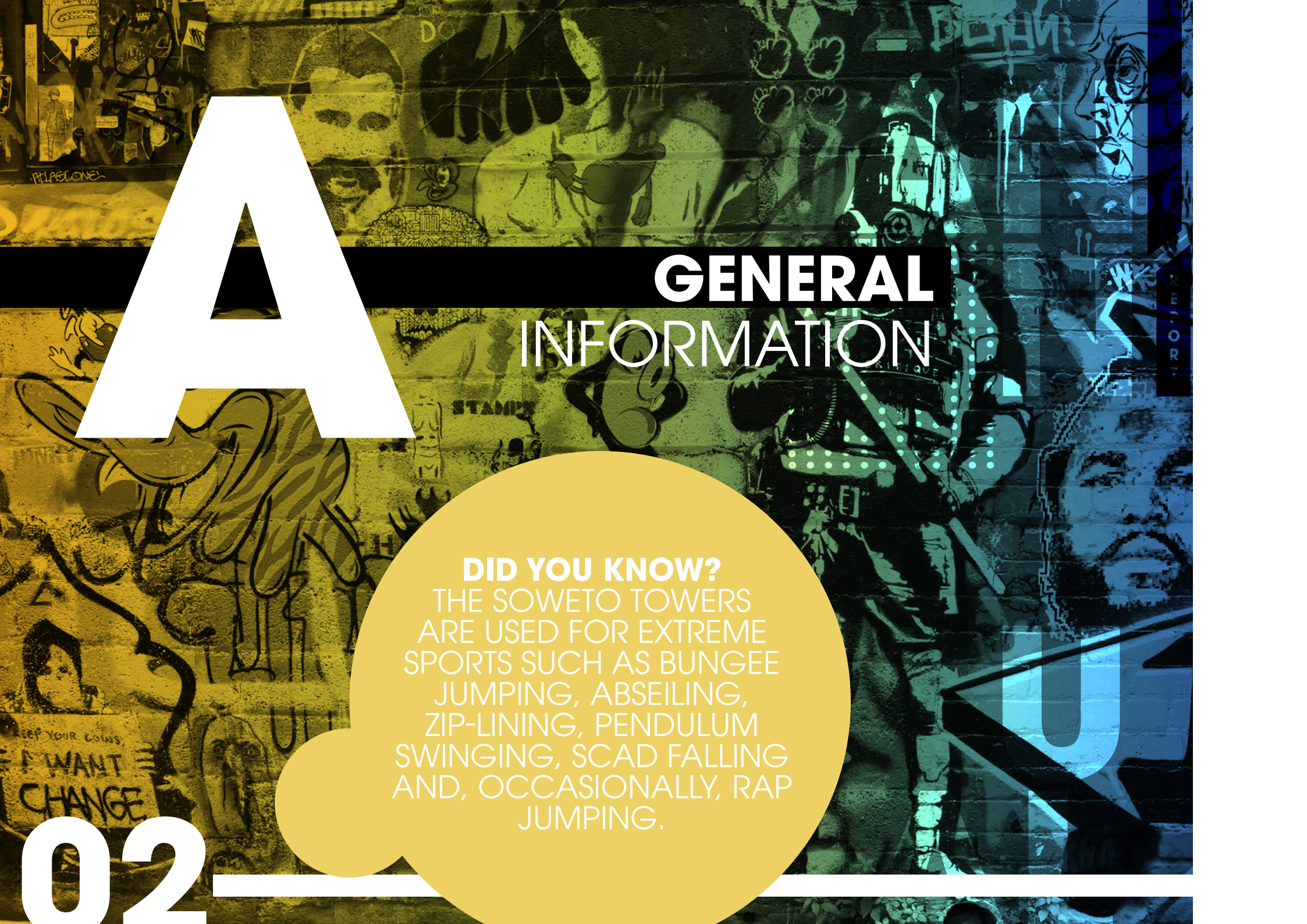
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# A

## GENERAL INFORMATION

### **DID YOU KNOW?**

THE SOWETO TOWERS ARE USED FOR EXTREME SPORTS SUCH AS BUNGEE JUMPING, ABSEILING, ZIP-LINING, PENDULUM SWINGING, SCAD FALLING AND, OCCASIONALLY, RAP JUMPING.

# 02

## 1.1 GAUTENG TOURISM AUTHORITY GENERAL INFORMATION

<b>REGISTERED NAME:</b>	Gauteng Tourism Authority
<b>PHYSICAL ADDRESS:</b>	124 Main Street Marshalltown Johannesburg South Africa
<b>POSTAL ADDRESS:</b>	PO Box 155 Newtown 2113
<b>TELEPHONE NUMBER/S:</b>	(011) 085-2500
<b>EMAIL ADDRESS:</b>	info@gauteng.net
<b>WEBSITE ADDRESS:</b>	www.gauteng.net
<b>BANKERS:</b>	ABSA/First National Bank/SA Reserve Bank
<b>EXTERNAL AUDITORS</b>	Auditor-General of South Africa www.agsa.co.za

### **DID YOU KNOW?**

'GAUTENG' IS A SESOTHO WORD MEANING "PLACE OF GOLD". IT IS THE SMALLEST PROVINCE OF SOUTH AFRICA AND ALSO THE MOST POPULOUS AND URBANISED.

## 1.2 LIST OF ABBREVIATIONS AND ACRONYMS

<b>ACSA</b>	Airports Company South Africa	<b>MOAs</b>	Memoranda of Agreements
<b>AFS</b>	Annual Financial Statements	<b>MOU</b>	Memorandum of Understanding
<b>AGSA</b>	Auditor-General of South Africa	<b>MEC</b>	Member of the Executive Council
<b>APP</b>	Annual Performance Plan	<b>MICE</b>	Meetings, Incentives, Conferences and Exhibitions
<b>BBBEE</b>	Broad-Based Black Economic Empowerment	<b>MTEF</b>	Medium-Term Expenditure Framework
<b>BRICS</b>	Brazil, Russia, India, China and South Africa	<b>MTSF</b>	Medium-Term Strategic Framework
<b>CEO</b>	Chief Executive Officer	<b>NDP</b>	National Development Plan
<b>CFO</b>	Chief Financial Officer	<b>OHSA</b>	Occupational Health and Safety Act
<b>COHWHS</b>	Cradle of Humankind World Heritage Site	<b>OHS</b>	Occupational Health and Safety
<b>CRM</b>	Customer Relationship Management	<b>PA</b>	Per Annum
<b>CSD</b>	Central Supplier Database	<b>PFMA</b>	Public Finance Management Act
<b>DMO</b>	Destination Marketing Organisation	<b>REF</b>	Request for Event Proposal
<b>FMPPI</b>	Framework for Managing Programme Information	<b>SA</b>	South Africa
<b>FY</b>	Financial Year	<b>SADC</b>	Southern African Development Community
<b>GCEB</b>	Gauteng Convention and Events Bureau	<b>SAPS</b>	South African Police Services
<b>GCR</b>	Gauteng City Region	<b>SAT</b>	South African Tourism
<b>GCREDP</b>	Gauteng City Region Economic Development Plan	<b>SCM</b>	Supply Chain Management
<b>GDED</b>	Gauteng Department of Economic Development	<b>SDIP</b>	Service Delivery Improvement Plan
<b>GEGDS</b>	Gauteng Economic Growth and Development Strategy	<b>SMME</b>	Small, Medium and Micro Enterprise
<b>GDP</b>	Gross Domestic Product	<b>SSA</b>	Statistics South Africa
<b>GEP</b>	Gauteng Enterprise Propeller	<b>TBCSA</b>	Tourism Business Council of South Africa
<b>GRAP</b>	Generally Recognised Accounting Principles	<b>TER</b>	Township Economic Revitalisation
<b>GTA</b>	Gauteng Tourism Authority	<b>TMR</b>	Transformation, Modernisation and Re-Industrialisation
<b>GTSS</b>	Gauteng Tourism Sector Strategy	<b>TR</b>	Treasury Regulations
<b>HR</b>	Human Resources	<b>T&amp;T</b>	Travel and Tourism
<b>IAGR</b>	International Association of Gaming Regulations	<b>UNWTO</b>	United Nations World Tourism Organisation
<b>KPA</b>	Key Performance Area	<b>VFR</b>	Visiting Friends, Family and Relatives
<b>KPI</b>	Key Performance Indicator	<b>VIC</b>	Visitor Information Centre



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# FOREWORD

BY THE CHAIRPERSON OF THE  
GAUTENG TOURISM AUTHORITY

The mandate of the Gauteng Tourism Authority (GTA) is to position the Gauteng province as a globally competitive tourism destination. In pursuit of this mandate, the GTA has developed world class tourism products and offerings which guarantee that prospective tourists receive value-for-money experiences. This mandate is derived from the Gauteng Tourism Act, which also establishes the Gauteng Tourism Authority Board of Directors (the Board). The Board is responsible for the provision of quality and sound corporate governance and oversight services to the GTA.

In the period under review, the GTA went through a series of internal renewal activities in order to enhance its operating systems and processes. These activities were aimed at building a capable and developmental tourism agency for the Gauteng City Region (GCR). It was also the period in which we started our new three-year term as the new Board of Directors collective, inspired by the opportunity to lend a hand in service to our country.

Guiding our oversight and governance work was the drive to consolidate the efforts made in the past five-year term of government, and to optimise the GTA's investment decisions for high-yield impact driven results that stimulate demand for travel experiences in Gauteng.

We established the required governance sub-committees of the Board, which all executed their work with total dedication. Supporting this work was a steadfast Shareholder on whose behalf we act to deepen interventions in the tourism sector. The tourism sector makes an immense contribution to government's task of unlocking inclusive growth and employment opportunities.

We paid special attention to the revitalisation of the township economy as a means towards radical socio-economic transformation in line with the GCR Transformation, Modernisation and Reindustrialisation (TMR) agenda.

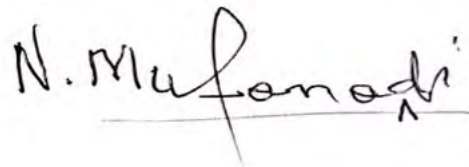
This was achieved through heightened positioning of destination Gauteng as a leading tourism brand in Africa and a preferred destination for business and leisure (bleisure) tourism.

To ensure that the GTA fulfils its mandate as a destination marketing organisation (DMO) and an influential driver of tourism development in the province, we adopted a five-year strategic plan covering the period 2019–2024. We implemented all deliverables listed on our Annual Performance Plan (APP) and presided over an intensive organisational re-engineering process, with special emphasis on sound internal policies, systems and procedures.

Other important areas of focus in the period under review was the mainstreaming of stakeholder management, market intelligence driven tourism marketing campaigns and customer satisfaction and feedback mechanisms. This is critical to the delivery of tourism services as the sector is industry-led, government-supported, community-based

and labour-intensive. These are all the puzzle pieces that come together to make a successful and impactful tourism destination marketing organisation.

I take this opportunity to thank my fellow Board members, the executive management team, staff members, the Shareholder and all our tourism stakeholders for another successful year of growing tourism together in Gauteng.



**Mrs Nomusa Mufamadi**  
**Chairperson of the Board**  
**Gauteng Tourism Authority**  
**Date: 31 July 2019**





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# BOARD OF DIRECTORS



- 1** NOMUSA MUFAMADI - CHAIRPERSON OF THE BOARD
- 2** DR LULAMA ZITHA - DEPUTY CHAIRPERSON OF THE BOARD, CHAIRPERSON OF THE SOCIAL, ETHICS AND GOVERNANCE COMMITTEE
- 3** MICHAEL SASS - CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE
- 4** MUDITAMBI RAVELE - CHAIRPERSON OF THE MARKETING COMMITTEE
- 5** JOLIDEE MATONGO - MEMBER OF THE BOARD
- 6** JULIA SEKHITLA - MEMBER OF THE BOARD
- 7** DESMOND GOLDING - MEMBER OF THE BOARD
- 8** MOROESI CHILOANE - MEMBER OF THE BOARD
- 9** YOLAND KONA - CHIEF EXECUTIVE OFFICER



# FOREWORD

## OF THE CHIEF EXECUTIVE OFFICER

The year under review ushered in a renewal of purpose and collective commitment to revitalise and grow the provincial economy with tourism at the center. Growing the visitor economy is a key priority, and the GTA is keen to drive this agenda through the implementation of the Gauteng Tourism Sector Strategy (GTSS), the Gauteng City Region Economic Plan (GCREP) and the National Development Plan (NDP).

As the GTA, we are excited and encouraged by the new optimism engulfing the country. As the economy recovers from the technical recession period, we stand ready to use this opportunity to compete with the rest of the world for a tourism market share armed with our TMR programme.

We kicked off the year under review with an annual gathering to review our business plan and operational processes. We invested a lot of energy in developing strategic interventions aimed at economic recovery and job creation efforts. Internally, we focused on reengineering

our corporate policies and systems to enable the GTA to be a learning and competitive agency to drive the vision of a growing tourism sector in the province.

The visitor economy in the province remained resilient and competitive despite concerning downward trends in terms of international arrivals and domestic trips. Gauteng's declining market share in 2017 was driven by significant declines from the Asian and African air markets. Similarly, there was a significant decline of 16,6% in revenue generated by Gauteng. The decline is attributed to the decrease in the number of foreign visitors, recorded at 6,2% in 2017 as well as the decrease in the average spend by foreign visitors.

While the province remains a leading destination for the visiting friends and relatives (VFR) travel segment across domestic and international markets year-on-year, the above declining figures continue to erode the advances we have made over the past 10 years as a competitive tourism destination. In arresting this trend, the GTA in the period

under review developed a 5-year strategic plan to reposition the agency and the visitor economy in the province.

This plan is encouraged by the government's commitment to address major barriers to improved tourism growth in the country like the visa regime, curbing incidents of crime and investing in domestic tourism marketing efforts.

The Gauteng City Region contributes significantly to the national economic outlook. This positioning dovetails into the travel and tourism sector hence the need for the province to record above average performances. We reviewed in this period, the GTSS and the GCR Integrated Marketing Strategy to prepare the organisation for this massive task of gaining ground in terms of tourism market share.

In the year under review, we joined hands with South African Tourism (SAT) in engaging with tourism stakeholders around the new vision and plan to drastically increase domestic trips and international arrivals in the country. We reworked and aligned our domestic tourism marketing activities and investment guidelines with the SAT's shot 'left campaign. We worked with Brand SA in key source markets like the United Kingdom and United States of America in the promotion of our unique paleo sciences and lifestyle events experience.

The Gauteng Convention and Events Bureau (GCEB) continued in the period under review to be a leading driver of increased tourism revenue generated in the province. During this period the agency generated over R1,9billion from facilitating and hosting major and significant conferences, exhibitions, events and incentives in the province. This

includes the African Investment Forum, Meetings Africa, the Metropolis Annual General Meeting, Development Bank Conference, World Choir Games, AFROPUNK, and Comic Con Africa Exhibition amongst others.

Events like the Standard Bank Joy of Jazz, Delicious International Music & Food Festival, Feather Awards and the various fashion weeks are the major demand generators for increased African and domestic visitation. For GTA, these are not just entertainment events, they are part of the destination story that inspires hope and creates more reasons for the continent to visit the golden city region.

Accordingly, we used these platforms in the past year to collaborate with travel trade in developing travel packages for weekend breaks as part of the agency's "Stay Another Day" marketing drive. These events further helped our communications and content machinery to generate editorial content that influence travel to the province. The hosting of quality events helps to grow the destination profile and increase the revenue base.

This is the space we want to continue to build and invest in as part of our drive to sustain our competitive and comparative advantages in the travel, tourism and events space. To enable the GTA to be a top of mind DMO in Africa, internally we need to review our operating and business model. DMO's of the future invest in human capital projects that yield high performance and innovation driven work force. They invest in information and communications technology and systems ready to take advantage of the opportunities associated with the 4th Industrial Revolution.

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A competitive and combative organisation, the one we are striving to build, must be able to leverage private sector collaboration and build relationships with regional, continental and international travel and tourism bodies in pursuit of sustainable and responsible tourism growth.

Informed by the above perspective, the GTA in the period under review commissioned work to develop a cutting-edge remuneration strategy and policy. We also reviewed our organisational design and business process with the vision to reengineer and streamline our offerings.

Digital marketing continues to anchor our destination marketing efforts in the year under review. The GTA scooped the Generation X Blogging Excellence award in gold at the 2018 digital awards. Our social media channels grew in leaps and bounce, dominating the landscape with engaging, relevant, informative and call to action driven content. In repositioning the organisation as a DMO of the future, we will be investing more in these channels to power our model and vision to be self-sustainable without losing our go-to and influential tag in the digital travel and tourism sector. Our Digital Symposium platform has grown to be a much sought after and must attend digital marketing lekgotla with insightful travel and tourism digital trends.

We take pride in the recognition and declaration by the influential Forbes International Magazine in the year under review of the Maboneng Precinct as the coolest urban destination in the world alongside Kalk Bay in the Western Cape. This is a phenomenal breakthrough achieved through

years of heightened stakeholder collaboration and the drive to create liveable spaces to work, play and stay.

We welcomed new Board Members and started in earnest with the composition of various Board Committees to ensure effective corporate governance and oversight. Looking forward, the vision for a prosperous GCR is taking shape. Encouraged by the strides we recorded and the learnings that characterised the past financial year, the drive towards a growing visitor economy is Gauteng is on course.

We look forward to renew our working commitment with the tourism industry to build a sustainable and responsible sector. Guided by the We Do Tourism philosophy, we pledge to continue working with our municipalities to build a united tourism front that does tourism in deed and actions. This is the united body and approach we will be using in the year ahead to mobilise our communities and the broader residents of Gauteng to appreciate and recognise the value of tourism.

In conclusion, I would like to take this opportunity to thank the honorable MEC, our esteemed Board of Directors, the GTA Management collective and staff for their continued support and trust in the work we do. We draw tremendous courage and inspiration from your guidance, participation and input in building a united front to transform the tourism sector into a winning, responsible and sustainable industry that creates jobs and supports our economic growth agenda.

With tourism, we Grow Gauteng City Region Together.



**Yoland Kona**  
**Chief Executive Officer**  
**Gauteng Tourism Authority**  
**Date: 31 July 2019**





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# EXECUTIVE MANAGEMENT



- 1 YOLAND KONA - CHIEF EXECUTIVE OFFICER
- 2 MBALENHLE MANUKUZA - CHIEF FINANCIAL OFFICER
- 3 BARBA GAOGANEDIWE - SENIOR MANAGER: DESTINATION COMMUNICATIONS
- 4 NONNIE KUBEKA - SENIOR MANAGER: BIDDING AND HOSTING
- 5 TINYIKO NKUNA - SENIOR MANAGER: STRATEGIC PLANNING, MONITORING AND EVALUATION
- 6 FEZILE NGQOBE - SENIOR MANAGER: MARKET INTELLIGENCE
- 7 MBUYISELO KONA - SENIOR MANAGER: TOURISM SERVICES

# STATEMENT OF RESPONSIBILITY

## AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements (AFS) audited by the Auditor-General of South Africa (AGSA).

The Annual Report is complete, accurate and free of any omissions.

The Annual Report has been prepared in accordance with the guidelines for annual reports as issued by National Treasury.

The AFS (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the authority.

The Accounting Authority is responsible for the preparation of the AFS and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the AFS.

The external auditors have been engaged to express an independent opinion on the AFS.

In my opinion, the Gauteng Tourism Authority Annual Report fairly reflects the operations, performance information, human resources information and financial affairs of the agency entity for the financial year ended 31 March 2019.



**Yoland Kona**

**Chief Executive Officer**

**Date: 31 July 2019**

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AUTHORITY

TRAVEL

**DID YOU KNOW?**  
THE MAGALIESBERG  
MOUNTAIN RANGE IS VISIBLE  
FROM JOHANNESBURG.

## 1.8 STRATEGIC OVERVIEW

In the 2018/19 financial year, the Board of Directors of the Gauteng Tourism Authority (the Board) reaffirmed the authority's vision, mission, values and strategic goals.

### VISION

Gauteng is Africa's must-see, big-city region experience!

### MISSION

To effectively, efficiently and professionally grow the visitor economy and enhance visitors' experiences by:

- branding, marketing and promoting tourism in Gauteng;
- bidding for, as well as hosting mega, major, significant, local and community events; and
- providing and managing visitor information services to leverage tourism for inclusive socio-economic development.

**DID YOU KNOW?**  
GAUTENG PROVINCE  
HOLDS THE RECORD OF  
THE LARGEST DIAMOND IN  
THE WORLD. THE BIGGEST  
DIAMOND WAS FOUND  
IN GAUTENG IN 1905. IT  
WAS THE 3 106.75-CARAT  
CULLINAN DIAMOND.

# GAUTENG TOURISM AUTHORITY – CORE VALUES



## STRONG FOCUS ON TRANSFORMATION & SUSTAINABILITY

- Ensure that alternative approaches to work are effective in meeting business and individual needs
- Actively engages with strategic policy
- Delivers strategy and delivery plans using evidence based best practice
- Politically aware and identifies key players
- Implement programmes according to the BBBEE scorecard
- Cultivate healthy business relationships while scrupulously avoiding conflict of interest

01

02

## INTEGRITY & ETHICAL BUSINESS PROCESSES

- Honesty in all one's dealings
- Consistency in decision-making
- Impartiality
- Fairness
- Advancing the goals/values of Gauteng Tourism Authority
- Acting in good faith and in the best interest of Gauteng Tourism Authority
- Display high-level discipline
- Be reliable and trustworthy in carrying out assignments and responsibilities in an impeccable manner



## PROFESSIONALISM AND EXCELLENCE

- Keeping the industry informed
- Changing mindsets
- Modelling the way
- Creating an enabling and challenging environment
- Sensitivity to the environment
- Plan, organise and control to achieve results effectively
- Showing consistency at all times
- Challenging the hearts and the minds, and the status quo
- Facilitation, coaching, motivating and developing skills

03

04

## INNOVATION AND PASSION

- Strive for continuous improvement of efficiency and results
- Knowledge of the external internal environment
- Strive for optimisation of all resources
- Be part of the solution and not the problem; the front runner; an activist for socio-economic justice; creative and a catalyst for change
- Take initiative and act proactively to prevent crisis
- Revise current practices and procedures, and come up with meaningful suggestions
- Implement procedures for effective inter-role accountability
- Challenge the status quo; and focus on the environment and look at new ideas for empowerment
- Creative ideas on how to break down silos



## COMMITMENT TO PROGRESSIVE CORPORATE GOVERNANCE

- Display good manners
- Comply with all applicable Gauteng Tourism Authority policies
- Sound application of corporate governance principles as it applies to Gauteng Tourism Authority (King IV Report)
- Stay abreast with current legislation and tendencies in the external environment
- Sound knowledge of internal policies/procedures, and ensuring that they are understood and applied correctly at all times
- Accept accountability and responsibility for own actions and performance

05

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## ALLIANCE AND PARTNERSHIP

- Build a competent, empowered, high-performance team committed to an inspired, shared vision
- Build an environment conducive to high performance
- Ensure trust, respect and acceptance
- Ensure openness and transparency
- Ensure clarity on roles and allocated areas of responsibility
- Alignment of stakeholders to the vision of Gauteng Tourism Authority
- Positive feedback from stakeholders, which includes staff members
- Empower people to enable delivery of service excellence
- Prompt delivery of quality service
- Enthusiastic, passionate commitment to customers
- Going the extra mile
- Showing empathy
- Care for stakeholder both internal (staff) and external



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## 1.9 LEGISLATIVE AND OTHER MANDATES

The National Tourism Act (No. 3 of 2014) provides for the effective domestic and international marketing of South Africa as a tourist destination; promotion of growth in development of the tourism sector; and responsible tourism, which, inter alia, seeks to generate greater economic benefits for local people and host communities.

The Gauteng Tourism Act (No. 10 of 2001), provides for the establishment of the GTA. Section 4 of the same Act stipulates the powers and duties of the GTA. The Act aims to provide for the promotion and sustainable development of tourism in Gauteng. The GTA derives its legislative mandate from the Gauteng Tourism Act, as amended by Act No. 3 of 2006. The GTA is an implementing agency of the Gauteng Department of Economic Development (GDED).

## 1.10 OTHER RELEVANT LEGISLATION AND POLICY DOCUMENTS

- Public Finance Management Act, No 1 of 1999
- National Tourism Act, No 3 of 2014
- Consumer Protection Act 68 of 2008
- National Tourism Sector Strategy, 2010
- Gauteng City Region (GCR) Perspective
- Gauteng Employment, Growth and Development Strategy
- Gauteng Revitalising Township Economies Strategy
- White Paper on Transforming Public Service Delivery
- National Youth Policy and Development Framework, 2002 - 2008
- Gauteng Monitoring and Evaluation Policy Framework, 2010
- Gauteng Broad-Based Black Economic Empowerment Strategy, 2010
- Gauteng Cooperatives Strategy, 2010

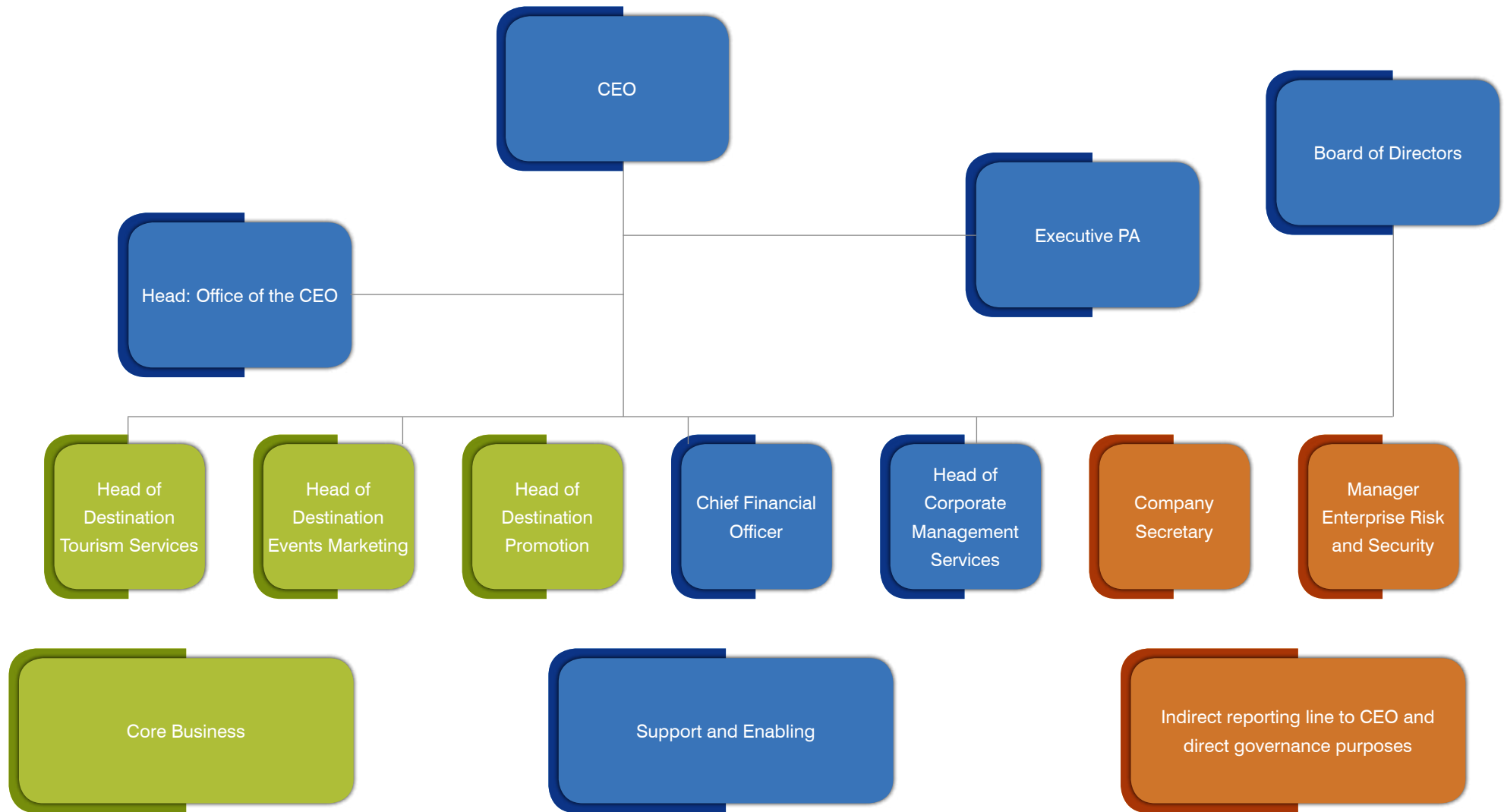
## 1.11 RELEVANT COURT RULINGS

There were no court rulings relevant to the GTA during the year under review.





## 1.12 ORGANISATIONAL STRUCTURE



8115

VILAKAZI ST  
ORLANDO WEST  
SOWETO

MANDELA HOUSE

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# B

## PERFORMANCE INFORMATION

**DID YOU KNOW?**  
THE NELSON MANDELA  
BRIDGE AT 284-METRES-  
LONG IS THE LARGEST  
CABLE-STAYED BRIDGE IN  
SOUTHERN AFRICA.

## 1.1 AUDITOR-GENERAL'S REPORT ON PRE-DETERMINED OBJECTIVES

The AGSA recently performed the necessary audit procedures on the GTA's performance information in order to determine accountability and good governance. The audit conclusion on the performance against the predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading, in the report on other legal and regulatory requirements section of the Auditor's report.

Refer to pages 90-93 of the Auditor's Report, published as Part E: Financial Information.

**DID YOU KNOW?**  
THE JOHANNESBURG  
STOCK EXCHANGE IN  
SANDTON IS THE LARGEST  
STOCK EXCHANGE ON THE  
CONTINENT AND ONE OF  
THE 20 BIGGEST BOURSES IN  
THE WORLD.

# 1.2 OVERVIEW OF GTA PERFORMANCE

## 1.2.1 DESTINATION PERFORMANCE

### International Tourism Trends

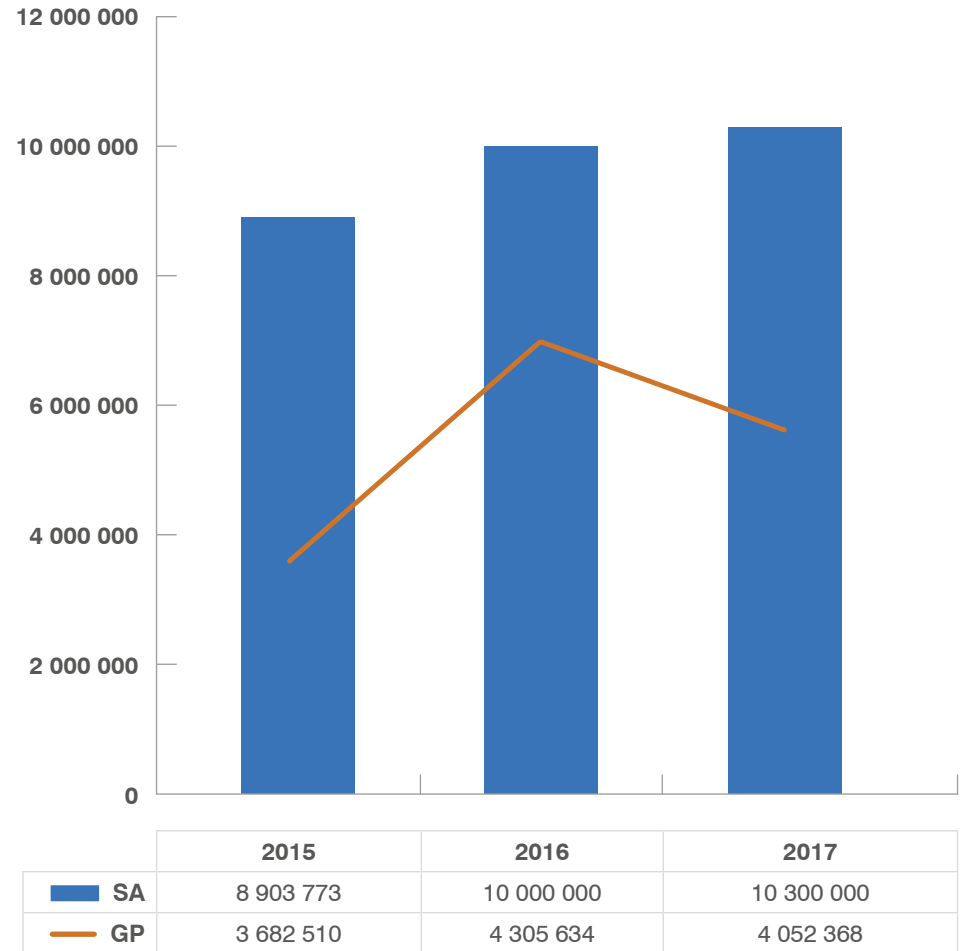
In 2017, over 1,326 billion tourists travelled globally, translating into a 7% increase in foreign tourist arrivals over 2016 UNWTO, 2018. Reasons cited for this growth include a recovery in markets suffering from security challenges in recent years, the global economic upswing resulting in strong outbound demand from virtually all source markets, and other related factors. Africa experienced above average growth of 8,6%, with a positive outlook for tourism on the continent.

According to the World Economic Forum, by 2030 most of the growth in international travel will come from Africa, Asia, and the Middle East. Emerging markets will not only become larger source markets, but they will become more attractive destinations. Strong growth projections from outbound emerging markets like Brazil, Russia, India and China present opportunities for destinations in Africa.

As depicted in Figure 1, in 2017, foreign tourist arrivals to SA grew by 2.4%, to reach 10.3 million tourist arrivals and contributing R80.7 billion to the country's economy representing a 6.9% increase from 2016.

Over the past three years, foreign visitor arrivals to SA increased by 15%. Gauteng experienced an increase of 10% in foreign visitor arrivals during the same period. However, this increase demonstrated a decrease in growth when compared with the previous years, recording a 6,2% decrease in foreign visitor arrivals between 2016 and 2017.

FIGURE 1: Foreign Visitor Arrivals to SA vs Gauteng – 2015 to 2017



Source: SAT Annual Report, 2018

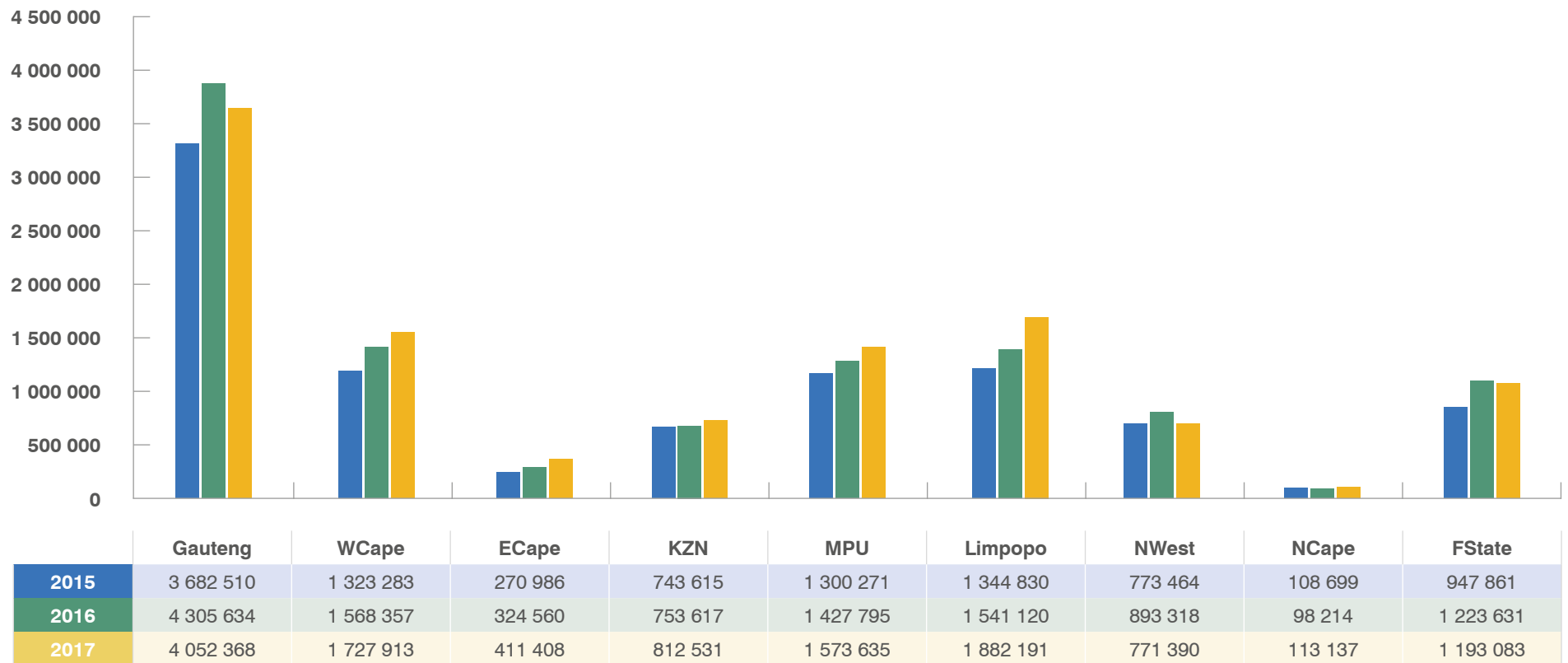
Gauteng's core market is the African land market, recording 66% against the total tourism source markets. The core market is driven largely by Mozambique, Lesotho and Zimbabwe. Gauteng's African air market, which consists mainly of Nigeria, Angola and Tanzania, recorded 6% of tourism air market.

Overseas visitors to Gauteng come mainly from the United States (US), United Kingdom (UK), Germany and France. Upon closer analysis, as highlighted in Figure 2 below,

Gauteng's declining market share in 2017 was driven by significant declines from the Asian and African air markets. Growing markets include Brazil (48%), Angola (12,3%), India (10,6%), Lesotho (8,8%) and France (4,1%).

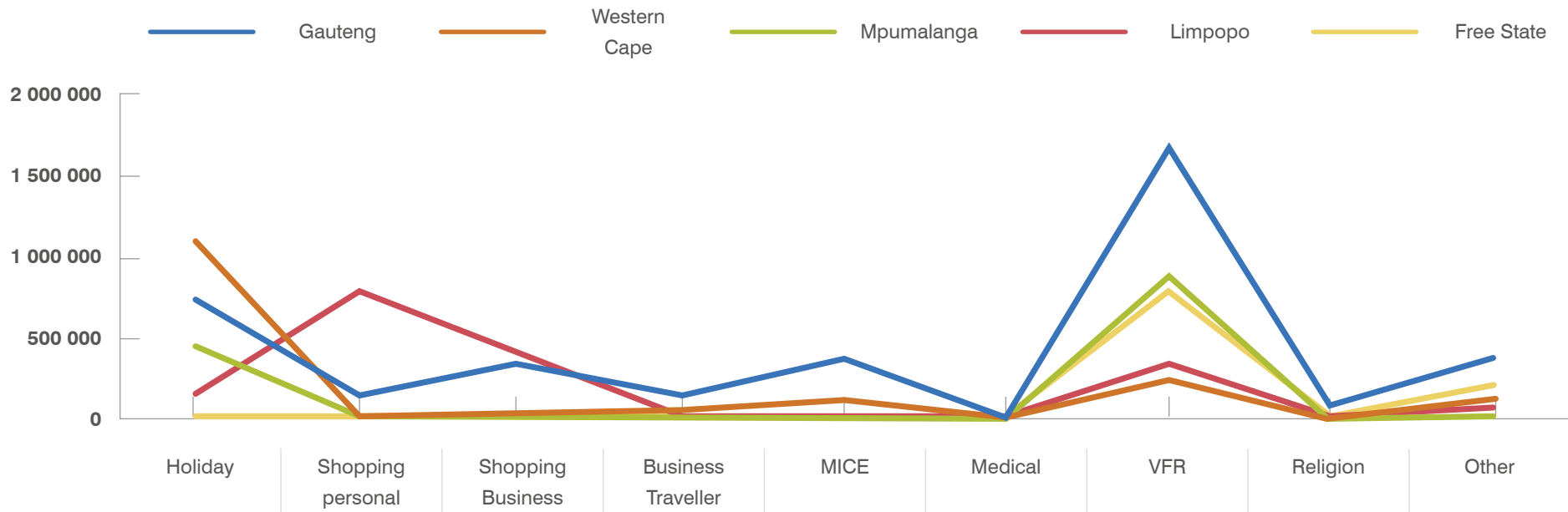
Figure 2 illustrates that Gauteng received the largest share of foreign visitors in relation to other provinces. However, provinces such as the Western Cape, Mpumalanga and Limpopo have experienced significant growth in foreign visitor arrivals over the past three years.

**FIGURE 2: Provincial Distribution of Foreign Visitors – 2015 to 2017**



Source: SAT Annual Report, 2018

As illustrated in Figure 3, the main purpose of visits for foreigners to Gauteng is to VFR. Gauteng attracts most foreigners for shopping, business and meetings, incentives, conferences, and exhibitions (MICE) events. These further strengthen Gauteng's position as a business travel destination.



**FIGURE 3: Purpose of Visit – Foreign Visitors by Province 2017**

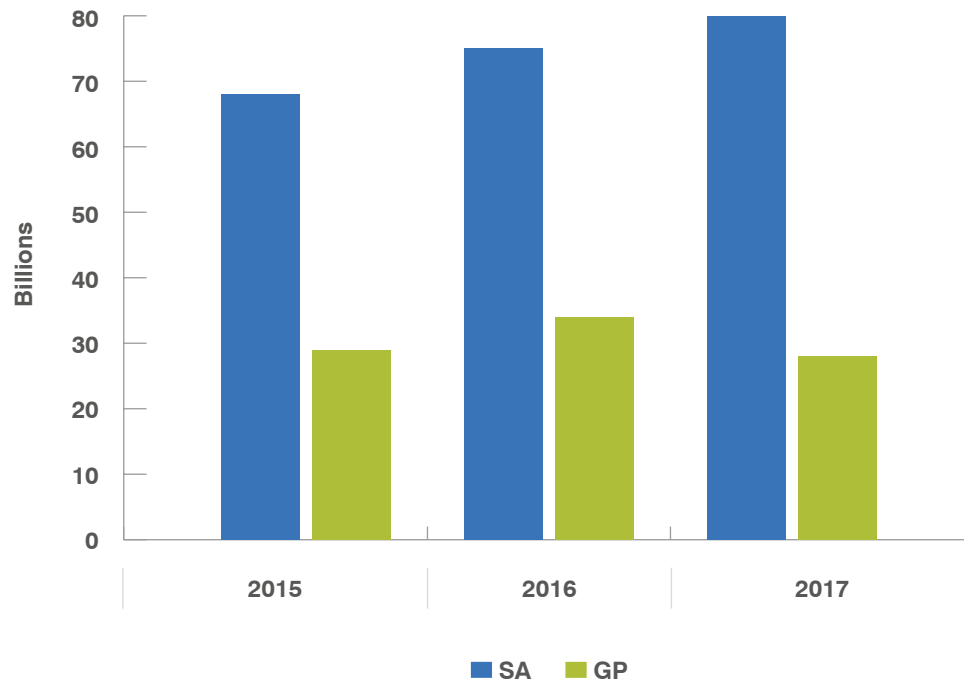
Source: SA Tourism Annual Report, 2018



Figure 4 illustrates that while revenue for the country increased from R68 billion in 2015 to R80.7 billion in 2017, there was a significant decline by 16,6% in revenue generated by Gauteng.

The decline is attributed to the decrease in the number of foreign visitors, recorded at 6,2% in 2017, as well as the decrease in the average spend by foreign visitors.

**FIGURE 4: Foreign Tourist Revenue – SA vs Gauteng – 2015-2017**



Source: SAT Annual Report, 2018

According to the World Travel and Tourism Council in 2014, travel and tourism directly contributed R113.4 billion to SA's Gross Domestic Product (GDP), compared to R127.9 billion in 2016. It was forecasted to rise by 2.7% in 2017, and 4.5% pa from 2017 to 2027. The total contribution (direct, indirect, and induced) of travel and tourism to SA's GDP was R357 billion in 2014 and R402.2 billion in 2016. It was forecasted to rise by 2.5% in 2017 and 4.2% pa to R624.2 billion projecting 11.5% in 2027.

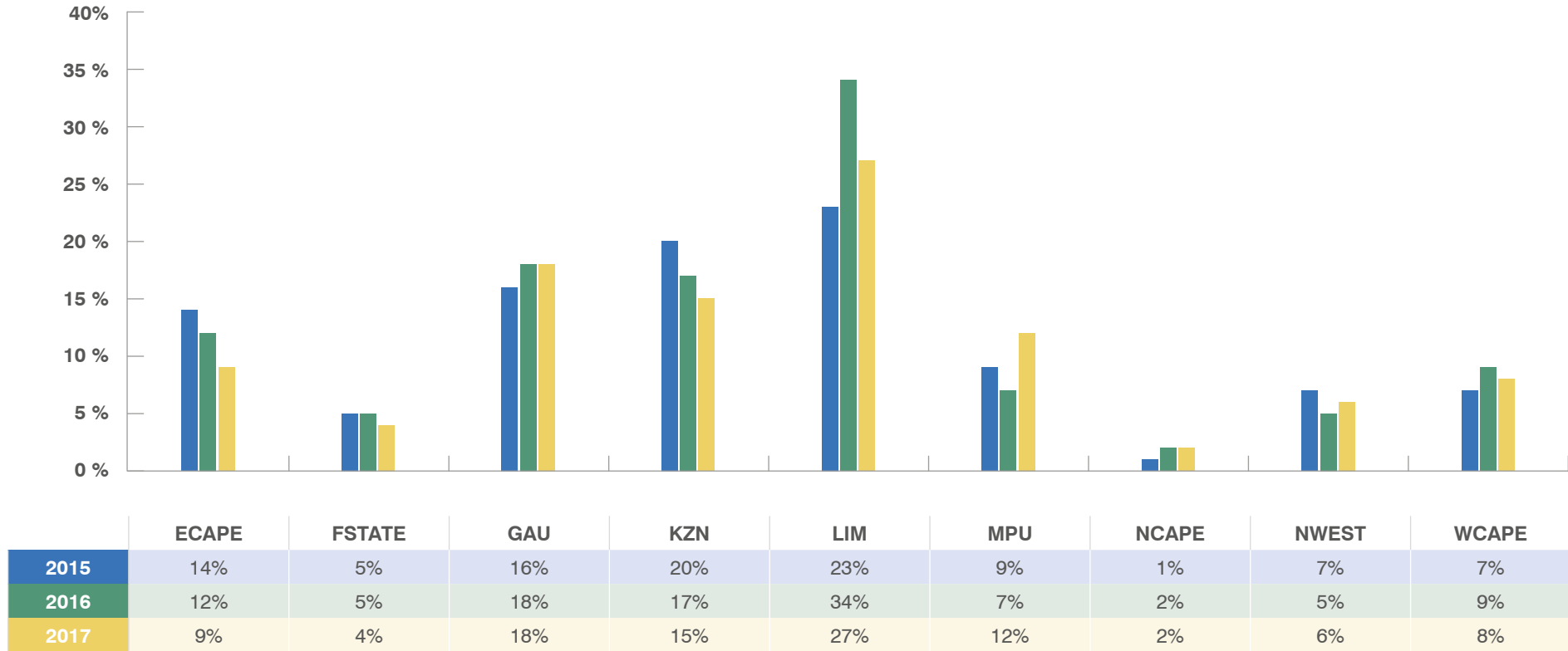
Statistics on the contribution of the travel and tourism sector in job creation peaked in 2014, when travel and tourism directly supported 679,500 jobs (4,5% of total employment). In 2016, travel and tourism (T&T) directly supported 716,500 jobs (4.6% of total employment). This was expected to rise by 3.6% in 2017 and 4.1% pa to 1,110,000 jobs (6.0% of total employment) in 2027. The total contribution to employment in 2014 was 1,497,500, which is 9.9% of total employment.

In 2016, the total contribution of T&T to employment, was 9.8% of total employment (1,533,000 jobs). This is expected to rise by 6.7% in 2017 to 1,636,500 jobs and 4.2% pa to 2,459,000 jobs in 2027 (13.2% of total).

#### Domestic Tourism Trends

In 2017, 17.2 million domestic trips were taken in SA, a decline of 29.3% compared to 2016 that had a record of 24.3 million domestic trips. Approximately 9.9 million SA adults undertook domestic trips in 2017, a 15.4% decline compared to the 11.7 million travellers in 2016. The number of domestic trips has been on a decline since 2015 mainly due to unfavourable economic conditions. Figure 5 illustrates that Limpopo attracted the greatest number of domestic visitors compared to other provinces. All provinces, except for Mpumalanga and the North West, experienced growth in 2017. Gauteng and the Northern Cape's domestic visitor numbers remained unchanged in 2016 and 2017.

**FIGURE 5: Domestic Trips by Destination Province – Percentage Share of Total Trips Taken, 2015 - 2017**



Source: SAT Annual Report, 2018

Accordingly, Gauteng, with a predominantly VFR market, attracted more than three million domestic trips in 2017. Although there was a 25% decline in the VFR market in 2017, there was an increase of 57% in domestic visitors travelling to the province for holiday purposes. Business travel to Gauteng declined by 28%, which resulted in a decrease in bed nights from 4,8 nights in 2016 to 2,5 nights in 2017.

In 2017, the national domestic tourism spend was R22,1 billion, which is a decrease of 16.6% since 2016. Of the national domestic spend, Gauteng accounts for 17%, amounting to R3,7 billion. This is a sharp decrease from the 2016 generated rand value of R4,4 billion.

## 1.2.2 SITUATIONAL ANALYSIS

The projects by the GTA for the 2018/2019 financial year were informed by government-wide priorities that are detailed in the NDP, the Gauteng City Region Economic Development Plan (GCREDP) and the GTSS. The NDP envisions the rising of employment, productivity and income rates as long-term solutions to achieve a reduction in inequality, an improvement in living standards, and a dignified existence for all South Africans. The GCREDP places African economic integration and the re-industrialisation agenda at the heart of all the tourism marketing and broader economic development initiatives. The NDP, on the other hand, recognises tourism as one of the main drivers of employment and economic growth, through a focus on the following priorities:

- Elimination of poverty and reduction of inequality;
- Faster and more inclusive growth;
- Effective partnerships across society — increasing investment, employment, productivity and generating incomes;
- A capable and developmental state that can act to redress historical inequities;
- South Africa's foreign policy must be shaped by the interplay between diplomatic, political, security, environmental, economic and regional co-operative dynamics; and
- South Africa should improve collaboration and co-operation through deeper integration and increased trade with its regional trade partners in Africa and the global community, and emphasis should be placed on the role that South Africa can play in mediating the role and influence of the Brazil, Russia, India, China and South Africa (BRICS) group and other African countries.

The GTSS continues to guide the work of tourism promotion and management in the province of Gauteng. This work is broadly housed under the following themes:

- Destination Coordination
- Enhanced Visitor Experience
- Market Competitiveness and Diversification
- Responsible Tourism in the Smart City Context
- Tourism Transformation

## 1.2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no policy initiatives or changes on legislative.

## 1.3 STRATEGIC OUTCOME-ORIENTED GOALS

During the year under review, the GTA centred its programmes on the GTSS and the Integrated Gauteng City Region Destination Marketing Strategy priorities due to their relevance and alignment with the authority's core mandate.

Performance in line with these priorities is detailed below as programmes implemented in the context of the authority's strategic outcome-oriented goals:

Strategic Goal	Goal Statement	Performance against Strategic Goal
<p><b>Goal 1:</b></p> <p>Grow visitor economy through enhanced visitor experience</p>	<p>This goal is intended to increase the number of visitors to Gauteng, and thereby position Gauteng as a tourism destination of choice in South Africa and Africa, focusing on the local and global marketing of Gauteng's tourism offerings and experiences.</p> <p>Marketing messages and themes respond to visitors' needs and promote visitor experiences such as quality of infrastructure, unique and globally competitive products and experiences, service excellence, and visitor safety and recourse.</p> <p>All of the GTA's marketing and promotion interventions are researched and evidence-based, utilising new tools and technology and cutting-edge multimedia marketing to keep Gauteng front-of-mind to:</p> <ul style="list-style-type: none"> <li>• increase demand for Gauteng's visitor economy;</li> <li>• attract first time and repeat visitors; and</li> <li>• develop a niche market approach offering unique experiences, e.g. destinations and themes.</li> </ul>	<ul style="list-style-type: none"> <li>• In 2018/19 financial year, the GTA implemented its mandate through three core programmes, namely, <ul style="list-style-type: none"> <li>- <b>Programme: Destination Communications</b> promoted destination Gauteng through the implementation of media, digital, and brand communications and management projects.</li> <li>- <b>Programme: Bidding and Hosting</b> promoted Gauteng as the preferred destination to host quality meetings, conferences and exhibitions.</li> <li>- <b>Programme: Leisure, Trade and Visitor Services</b> executed its work through the development and promotion of leisure travel packages, establishing working relations with travel trade, management and provision of quality visitor information services, as well as the management of the tourism safety initiatives.</li> </ul> </li> </ul>
<p><b>Goal 2:</b></p> <p>Enable core services to perform optimally</p>	<p>This goal is intended to ensure that the GTA can deliver and implement its core-function programmes and projects through the provision of support services.</p>	<ul style="list-style-type: none"> <li>• In the year under review, finance and human resource management projects were implemented, including the targeted training for staff, the review of various policies and the development of the remuneration policy and strategy.</li> <li>• The GTA conducted a business intelligence study, which focused on various sectors and co-ordination with SAT in the management of the tourism satellite account, including the utilisation of research tools.</li> <li>• Furthermore, a research project was conducted to determine the number of jobs that the tourism industry generates in Gauteng.</li> </ul>

# 1.4 PROGRAMME PERFORMANCE INFORMATION

## 1.4.1 PROGRAMME 1: ADMINISTRATION

### *Purpose*

The purpose of the programme is to provide strategic leadership, support, and transversal business solutions to enable the Board of Directors of the Gauteng Tourism Authority, the CEO and all staff to effectively deliver on the mandate of the organisation.

### *Sub-programmes*

The programme includes the following sub-programmes:

#### **Office of the Chief Executive Officer**

The purpose of the sub-programme is to provide strategic direction to the Gauteng Tourism Authority (GTA). The sub-programme fulfils the following functions:

- Service delivery and implementation as well as compliance management
- Functioning of the GTA Board
- Stakeholder management and relations
- Strategic business planning, monitoring and evaluation

#### **Financial Management**

This sub-programme provides financial management services to the organisation, whilst performing the following functions:

- Financial management
- Management accounting
- Supply chain management
- Risk management

#### **Corporate Management**

The Corporate Management sub-programme supports the GTA value chain in terms of the following functions:

- Human resource management
- Information technology and communication
- Facilities management

#### ***Significant Achievements***

The market intelligence and research sub-programme provided strategic tourism sector information throughout the financial year, which informed the development of the Annual Performance Plan and organisational strategic interventions. This allowed the GTA to direct its planning and performance against our mandate.

The stakeholders and the strategic partners of the GTA continue to play an important part in every aspect of the organisation. The GTA undertook a Public Perception Survey in Quarter 2 and in Quarter 4 to gauge the sentiment regarding the GTA's services to stakeholders. The results

were positive and exceeded the target of 65%, with 71% of the public viewing the GTA positively. The survey provided useful information regarding how the stakeholders would like to engage with the GTA. These recommendations will be implemented in the new financial year.

The GTA is the custodian of a numerous stakeholder relationships across the business units of the organisation. Formal agreements with our strategic partners and stakeholders continue to be the best route to solidifying relationships in order to produce the best results for tourism in the Gauteng Province. Agreements signed included those with the Melrose Arch Shopping Mall, Lanseria International Airport, 5 W Winery and the Mozambique Tourism Authority.

The GTA signed an agreement with Melrose Arch, the purpose of which is to foster a closer working relationship between the GTA and the Melrose Arch Shopping Centre to provide visitor information services from the centre.

It is envisaged that the centre will be a prime site for the GTA to promote events and information to local, domestic and international visitors, especially after the opening of the new Marriott Hotel in late 2019. The centre is also host to the African Pride and the Protea Fire and Ice hotels, as well as serving numerous corporates and residential apartments in the immediate area.

The agreement signed between GTA and 5 W Winery during the BRICS Summit in Sandton, in July 2018. Representation of 5 W Winery is done by CTS, the largest Chinese tour operator owned by the Chinese Government and they have undertaken the promotion of Gauteng's tourism products to visitors from China.

The Memorandum of Understanding (MOU) signed with the Mozambique Tourism Authority (MTA) gives both entities access to the marketing expertise of the Gauteng region as well as that of Mozambique. This is a true collaboration agreement, whereby best practice in

the tourism management and marketing of a destination benefits both sides. Both organisations have agreed to market events to attract visitors from both sides of the border. Sharing of best practice has taken place online thus far, and in the 2019/2020 financial year we will be hosting face-to-face knowledge sharing programmes.

#### **Challenges and Opportunities**

The main challenge for the year under review is capacity constraints facing the organisation at large and specifically within the Human Resources (HR) business unit. In

mitigating this challenge, the GTA reviewed its functional structure and its operating model. In addition, an HR Specialist was appointed on a contractual basis in order to assist with the HR function. The revised functional structure will inform the review of the organisational structure, ensuring that the organisation is capacitated to deliver in the new financial year.

#### **1.4.1.1 Strategic Objective Performance Indicators, Planned Targets and Actual Achievements**

<b>Strategic Objective Indicator</b>	<b>Actual Achievement 2017/18</b>	<b>Planned Target 2018/19</b>	<b>Actual Achievement 2018/19</b>	<b>Deviation from Planned Target to Actual Achievement</b>	<b>Comment on Deviation</b>
<b>Strategic Objective:</b> To strengthen relations between the GTA and tourism stakeholders					
Percentage of public that rated GTA positively per annum	New indicator as from 2018/19	65%	71.5%	6.5%	A higher percentage of the public rated the GTA positively. Thus, the target was surpassed resulting in a positive deviation.
<b>Strategic Objective:</b> To provide economic intelligence for strategic decision making					
Number of economic intelligence projects implemented	2	4	4	0	n/a
<b>Strategic Objective:</b> To capacitate the GTA with human resource for optimal performance					
Number of employees who benefitted from Skills Development Programme	30	30	30	0	n/a
Percentage of employee contract management processes handled	100%	100%	96%	-4%	Some employees did not meet the submission deadline as per the set target. They submitted their documentations after the prescribed timeline. Thus, the target was not met.
<b>Strategic Objective:</b> To provide strategic leadership, support and transversal business solutions to enable the GTA to meet its mandate					
Percentage of organisational allocated budget spent per annum	101.95%	96%	103.25%	7.25%	The overspend was due to overachievements of targets in certain units.

#### 1.4.1.2 Key Performance Indicators, Planned Targets and Actual Achievements

Performance Indicator	Historical Performance			Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement	Comment on Deviation
	2015/16	2016/17	2017/18				
<b>Strategic Objective:</b> To strengthen relations between the GTA and tourism stakeholders							
<b>Strategic Objective Indicator:</b> Percentage of public that rated the GTA positively per annum							
Percentage of public that rated the GTA positively per annum	New indicator as from FY2018/19	New indicator as from FY2018/19	New indicators as from FY2018/19	65%	71.5%	6.5%	A higher percentage of the public rated the GTA positively. Thus, the target was surpassed resulting in a positive deviation.
<b>Strategic Objective:</b> To provide economic intelligence for strategic decision-making.							
<b>Strategic Objective Indicator:</b> Number of economic intelligence projects implemented							
Number of business intelligence evaluations conducted	New indicator as from FY2017/18	New indicator as from FY2017/18	2	2	2	0	n/a
Number of competitive intelligence evaluations conducted	New indicator as from FY2017/18	New indicator as from FY2017/18	2	2	2	0	n/a
<b>Strategic Objective:</b> To capacitate the GTA with human resource for optimal performance							
<b>Strategic Objective Indicator:</b> Number of employees who benefitted from Skills Development Programme							
Number of targeted employees trained in line with WSP	New indicator as from FY2017/18	New indicator as from FY2017/18	30	30	30	0	n/a
<b>Strategic Objective:</b> To capacitate the GTA with human resources for optimal performance							
<b>Strategic Objective Indicator:</b> Percentage of employee contract management processes handled							

Performance Indicator	Historical Performance			Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement	Comment on Deviation
	2015/16	2016/17	2017/18				
Percentage of performance contracts signed within the prescribed timelines	New indicators as from FY2017/18	New indicators as from FY2017/18	100%	100%	95.5%	-4.5%	Some employees did not meet the submission deadline as per the set target. They submitted their documentations after the prescribed timeline. Thus, the target was not met.
Percentage of employee reviews completed within the prescribed timelines	New indicator as from FY2017/18	New indicator as from FY2017/18	100%	100%	96.7%	-3.3%	
<b>Strategic Objective:</b> To provide strategic leadership, support and transversal business solutions to enable the GTA to meet its mandate							
<b>Strategic Objective Indicator:</b> Percentage of organisational allocated budget spent per annum							
Percentage of Support Services allocated budget spent per annum	New indicators as from FY2017/18	New indicators as from FY2017/18	96%	96%	89%	-7%	The underspend was due to vacancies.
Percentage of Destination Communications allocated budget spent per annum	New indicators as from FY2017/18	New indicators as from FY2017/18	112%	96%	119%	23%	The overspend was due to additional media activities that were undertaken.
Percentage of Gauteng Convention Bureau (Bidding and Hosting) allocated budget spent per annum	New indicators as from FY2017/18	New indicators as from FY2017/18	97.8%	96%	128%	32%	The overspend was due to a pre-payment on the World Choir Games.
Percentage of Leisure and Visitor Services allocated budget spent per annum	New indicators as from FY2017/18	New indicator as from FY2017/18	102%	96%	77%	-19%	Some items were not procured as planned for the Tourism Monitors Project, which caused the underspend.



### Strategy to Overcome Areas of Underperformance

The GTA is in the process of reviewing its functional and organisational structures. These structures will be finalised for implementation in the new financial year. Thus, all vacant

positions will be filled. The review of the tourism safety monitors project is near finalisation. Improvements to this project will be implemented in the first quarter of the next financial year.

### Changes to Planned Targets

There were no changes to the planned targets during the year under review.

### Linking Performance with Budgets

PROGRAMME	2017/18			2018/19		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	50 712	48 824	1 888	49 292	45 231	4 061
<b>Total</b>	<b>50 712</b>	<b>48 824</b>	<b>1 888</b>	<b>49 292</b>	<b>45 231</b>	<b>4 061</b>

The Administration programme spent R45,2 million of its budget of R49,2 million. The under-spending relates mainly to vacancies which will be filled in the new financial year.

## 1.4.2 PROGRAMME 2: DESTINATION COMMUNICATIONS

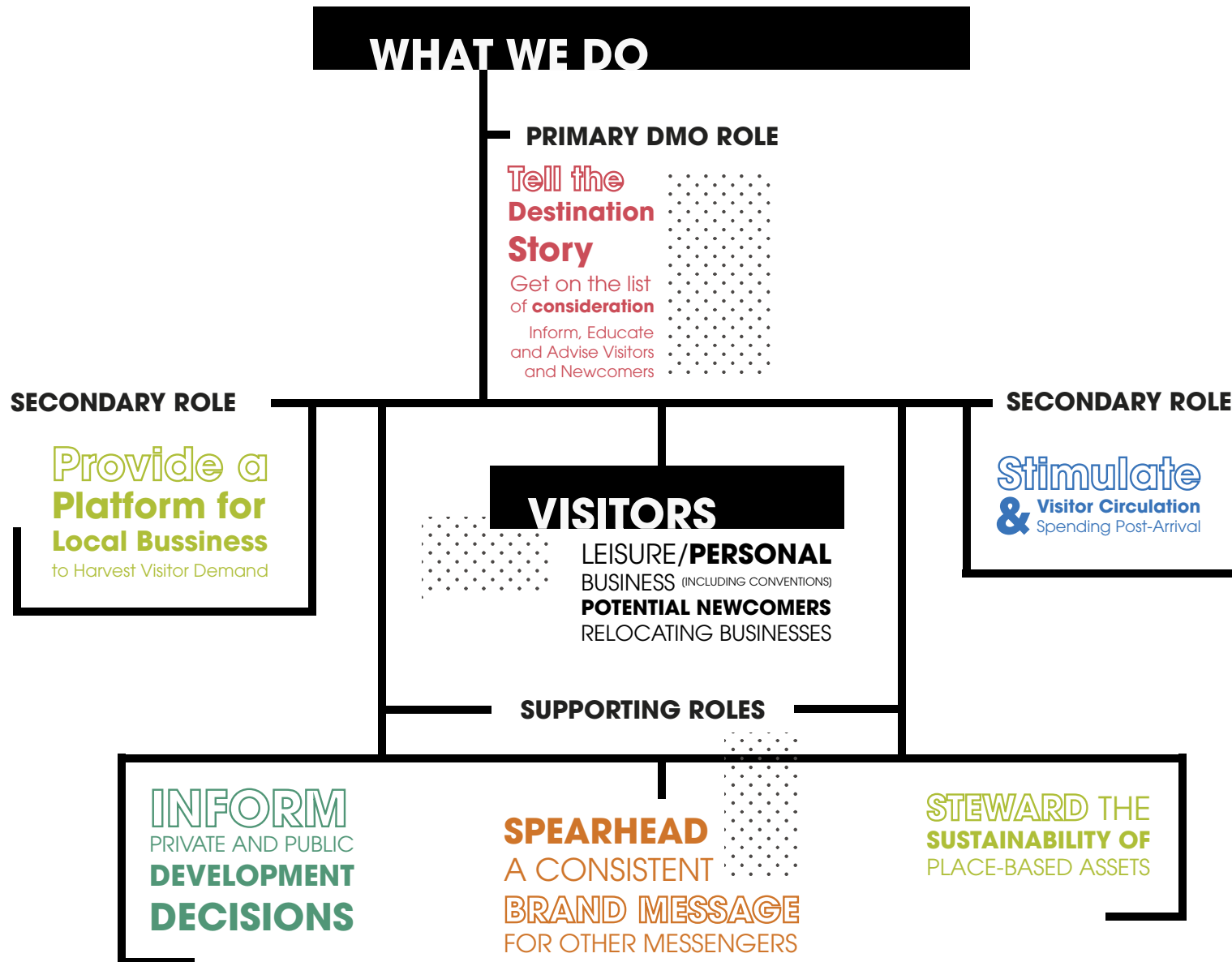
### Purpose

The main purpose of this programme is to provide integrated communication services that aide the GTA to position the province as a leading leisure and business tourism destination in Africa. The unit serves as a reliable point of contact and disseminator of Gauteng tourism

information and services to key role-players and partners, and as a resource for both internal and external clients. The functions of this programme are:

- Brand Communications Management;
- Digital Marketing (including the management of GTA's 11 social media channels); and
- Communications, Media Relations and Content Management.

FIGURE 6: The Destination Communication Process



During the period under review, the programme planned to achieve integrated brand communications targets that not only supported the work of the unit, but which could also drive the broader core business of the organisation. This included targeted brand awareness campaigns, media partnerships, digital campaigns, the management of GTA's social media channels, the hosting of key media and influencers, and the continued drive to tell the destination story on both domestic and international platforms.

### **Significant Achievements**

In the period under review, the business unit set itself increased organisational targets focusing on telling the destination's tourism story through domestic and international editorial coverage with relevant and targeted media outlets, commentators and influencers. It is important to recognise the fact that media promotions are an excellent way to increase awareness of and interest in destination Gauteng's offerings, and help the organisation to acquire significant print, web, social media and television and/or video exposure with a limited advertising budget.

Accordingly, the unit integrated a dedicated promotion drive for Gauteng's township experiences, products and neighbourhoods into this mix. This was to give effect to the province's transformation agenda of mainstreaming the township economy into the overall provincial economy that is integrated, inclusive, responsible and creating sustainable livelihoods.

The unit implemented projects in an integrated manner, ensuring that the organisation generates value for the

destination, while not only focusing on the set targets but ensuring that the work of the organisation impacts the broader value chain. Our brand communications outreach activities, supported by digital marketing efforts, enabled the business unit to fully deliver on its planned targets.

Destination Gauteng travel content continued in the year under review as a major part of the broader South African and African travel media networks. The business unit used GTA's signature events as demand generators for travel and tourism editorial content with leading media channels in the country and abroad. During the financial year, the GTA won the Gold Award for Blogging Excellence at the 2018 New Generation Social and Digital Media Awards. This award recognised the quality of the GTA's primary online presence — the blog on its website.

The 'What's on Gauteng' weekly blog aims to showcase world-class attractions, events and essential industry news from across the GCR, in engaging and compelling ways. In this regard, the following was achieved:

- The GTA's website attracted more than 720 000 visitors between 1 April 2018 and 31 March 2019, which is an increase of 11.25% year-on-year, with users viewing a total of 1.47 million pages, which is up from 10.11% from 1.33 million pages in the previous year.
- This equates to an estimated 1 970 visitors to the website every single day of the year.
- Attraction entries were viewed 818 556 times between 1 April 2018 and 31 March 2019. Visitors spent an average of two minutes and 26 seconds on entries, thus suggesting engagement with the content.

- Blog posts on the GTA's website were viewed 258 420 times during the same period, with visitors spending an average of two minutes and 31 seconds on a blog page.
- This amounts to more than 500 blog posts being viewed on average per day, for a length of time that indicates that users are reading and absorbing content. Some blog posts have been read more than 13 000 times.

Digital communication forms the backbone of the GTA's marketing strategy, allowing the business unit to maximise efforts to promote and benefit the province, its attractions and its various experiences. Strong, relevant and original blogging is essential to the success of any content marketing strategy across websites and social media platforms. It takes time and dedication to build a loyal and engaged audience, especially in the highly competitive tourism space. In this regard, the GTA's commitment to world-class digital communications remains an inspiration to the broader destination marketing organisations in the country and the continent.

### **Strategic Communications Support**

Strategic communications support is an integral part of any project or programme we envisage as an organisation. Not only do we focus on guiding the messaging of the event, but we provide tactical support in relation to the entire narrative.

We help in shaping the programme content and its focus, and how this will enhance our reputation and advance our stakeholder engagement initiatives.

During the year under review, the unit provided solid media relations support to the work of our GCEB team. We assisted in drafting media pitches and media briefing content that seeks to promote this specific area of our work.

This includes overall communication of business and events tourism messaging, staging of press conferences and scheduling of media interviews related to key activations like Meetings Africa, Discorp Africa, Africa Investment Forum and the Presidential Investment Conference.

In the period under review, we provided communications support to projects like the tourism safety monitors launch, the promotion of domestic tourism initiatives, and showcasing of the advances made in positioning the destination as a leading business events destination, as well as providing government communications support in relation to group GDED initiatives.

During the first quarter of the financial year, the unit focused its participation on the annual Rand Show, ITB Berlin (with special emphasis on music tourism), Tourism Indaba in Durban, GP Lifestyle events media support, promotion and the hosting of key media and influencers during the Human Rights Festival at Constitution Hill, and the hosting of African Month tourism promotion activities.

The unit strengthened working relationships with the Department of Economic Development's Communication and Media Relations Unit, the South African Tourism Global Communication Unit, and Brand SA. We also established sound working relations with our respective municipalities'

communications machinery and forged strategic relations with a number of media houses — including Sunday Sun, Kaya FM, Metro FM, SABC 404, eNCA, Gauteng News, Tourism Update, Travel News Weekly, Joburg Style Magazine, SowetoLife Magazine, Township Stokvel Magazine, and the ZCC's publication, as well as taxi rank outdoor advertising and various other blogs and online platforms.

The unit's global media relations programme continued to assist the organisation in generating editorial content that influences travel into the destination in a cost-effective manner.

The GTA partnered with Metro FM in the hosting of the I am a Woman Experience at the Women's Jail section at the iconic Constitution Hill. Similarly, we entered a 13-month weekly tourism content partnership with Sunday Sun, which resulted in the province receiving a tourism attraction review every Sunday.

Destination Communication joined hands with the newly launched Moja TV channel in promoting the work we do with the Lesbian, Gay, Bisexual, Transgender, Intersex, Queer, etc. (LGBTIQ+) community around pink tourism offerings. In that regard we partnered with the channel in showcasing the Mzansi Pride gay festival in Johannesburg.

Community media remains an important vehicle in which developmental communication and active citizenry is encouraged. To that effect, GTA partnered with Lekoa FM community radio station in promoting domestic tourism

around the Sedibeng regions and activities building up to the Human Rights Day festivities in Sharpeville.

Prestigious magazine Forbes International in July 2018 named Maboneng as one of the world's 'coolest' neighbourhoods, beating its counterparts in big global cities such as London, New York and Paris. As the GTA, we celebrated this global recognition of Maboneng as a world-class, liveable, and chic space that attracts local and international tourists, with the hosting of a media event broadcasted live by CNBC Africa and recorded by SABC 404 channel as well as a host of other local and regional media channels.

Research indicates a sizeable portion of arrivals in Gauteng are from visiting friends and relatives. We therefore need more and more of our residents visiting and being exposed to exciting spaces in the province — such as Maboneng. It is only through familiarising themselves with the destination's leisure offerings that they can become champion hosts and great Gauteng brand ambassadors. To encourage residents of the province to explore their own backyard, the GTA rolled out the #GPSHo'tLeft campaign which kicked off with the Maboneng celebration.

In line with the broader provincial government drive to mainstream the township economy into the bigger city region's economy, the issues of township tourism promotions, experience development and enterprise support continued to be the main drivers of the GTA's marketing and promotional efforts in the period under review.

The hustling and bustling township of Soweto continued to be the country's model of successful township tourism development and promotional efforts, supported by all spheres of government, private sector and community-based establishments.

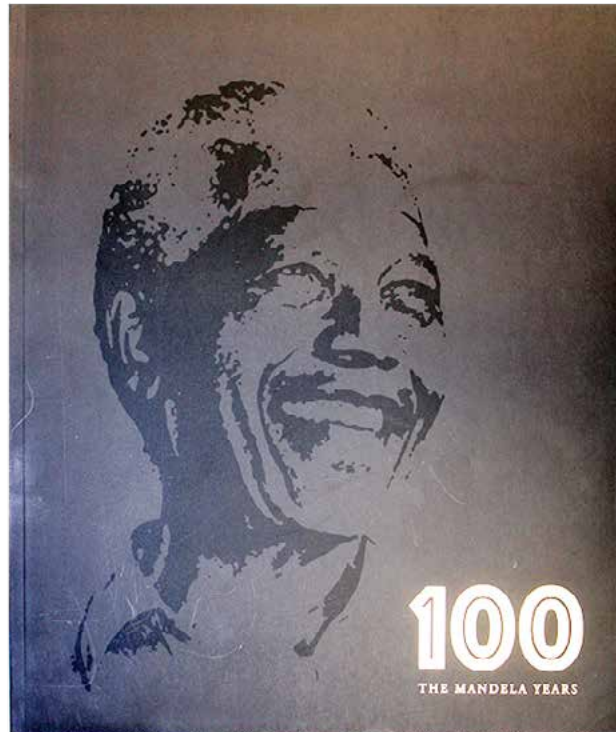
The authority successfully used the Makhelwane Festival, Soweto Fashion Week, Soweto Wine Festival, Soweto Soccer Derbies, Soweto Marathon, Soweto Camp, Soweto Wine Festival and the LoCrate Market, to mention but a few, as anchors of the province's domestic tourism marketing work and the broader tourism promotion agenda in the famous township. The unit used all of these events to generate positive media and editorial coverage, with special partnerships with local influencers and products.

While Soweto is the most magnetic and attractive brand that gives visitors into our city region and an impressive kasi experience, other townships like Mamelodi, Alexandra, Sharpeville, Boipatong, Kagiso, Atteridgeville, Katlehong, Vosloorus and Tembisa also offer a variety of kasi lifestyle offerings for discerning tourists to experience.

The unit hosted key media and influencers in some of these townships in the period under review. We also hosted local and international media using our major events as a drawcard. Furthermore, we hosted a media FAM that coincided with the hosting of the Standard Bank Joy of Jazz, Delicious International Music and Food Festival and the globally acclaimed AFROPUNK Festival in December to usher in the new year in style. Similarly, we hosted, for the second year running, our Digital Symposium (DigSym) on

the sidelines of the Attractions Africa Conference at Gold Reef City in Johannesburg.

In the month of July, the GTA joined the world in celebrating the centenary of our statesman and founding president of a democratic South Africa, Tata Nelson Mandela. Apart from using the occasion to promote many of the Nelson Mandela related tourism attractions and experiences in the province, we also partnered with the Nelson Mandela Foundation in producing a Nelson Mandela Centenary coffee table book.



Considered the Olympic Games of Choirs, the World Choir Games 2018 marked the first time the event was hosted in the Southern Hemisphere and on the African continent. Without a doubt, the staging of this global event continued our upswing of being the home to global lifestyle, business, sporting, entertainment and cultural events. This multifaceted event, which was supported and organised by Gauteng Tourism together with the Department of Sports, Arts, Culture and Recreation in association with the City of Tshwane, attracted approximately 345 choirs and up to 19 000 visitors to the country — particularly in Tshwane and Gauteng.

The event held under the theme 'Various Voices – One Harmony' once again supported the destination's positioning as a perfect host venue for mega lifestyle, entertainment and sporting events, and as a place to do business, work, invest and shape Africa's renaissance. These games assisted the province in generating global media coverage and leverage over their two weeks. Global media coverage and feeds continued a positive media narrative intertwined with the global celebrations of the Mandela Centenary.

As the digital landscape continues to evolve, destination marketing has become extremely competitive within the online environment. Visitors increasingly use digital technologies and platforms to explore, research, confirm and ultimately share their experiences online. As this user demand continues to increase, the use of digital technologies has subsequently become critical for achieving strategic competitiveness within this space.

The GTA continues to follow the latest developments in digital marketing (both locally and globally) to remain current and stay on trend with digital marketing practices, mobile platforms, branding, media relations, internal and external communication, global trends and visions. The GTA is therefore committed to pursuing these efforts to reinvent itself in adapting to the pervasiveness of the digital marketing industry and the possibilities it offers for easier and faster delivery of content.

The GTA's website, found at <http://www.gauteng.net/>, is the official tourism website of Gauteng and one of the main pillars of the Gauteng brand.

The website serves multiple purposes and there are various business units that are directly and indirectly involved in and dependent on the website.

For first-time visitors to Gauteng, the website is the first port of call regarding pertinent information about each of the province's regions. The website offers locals and visitors alike the latest information and a Trip Planner showing how to get to Gauteng, what to do upon arrival in the province, how to get around the provincial regions and the top attractions, and the experiences and events to look out for during a trip to Gauteng.

As the heartbeat of the SA economy, Gauteng is often the main destination for business travellers. The business section of the website is targeted at those looking for business opportunities within the province.

At the centre of our efforts is a good digital content strategy that is backed up by a digital campaign strategy so that awareness of the content and the organisation can be

raised. The promotion of township attractions, experiences and events for the 2018/19 financial year did the following:

- Increased the demand for Gauteng as a holiday destination through international and local marketing strategies
- Attracted more first-time visitors to Gauteng townships
- Increased the number of repeat visitors to Gauteng townships
- Offered unique experiences to visitors in the form of 'Hidden Gems'
- Put Gauteng front of mind for tourists of all kinds as well as in the general tourism industry
- Ensured that all media used present a united and consistent front
- Improved the natural online search traffic

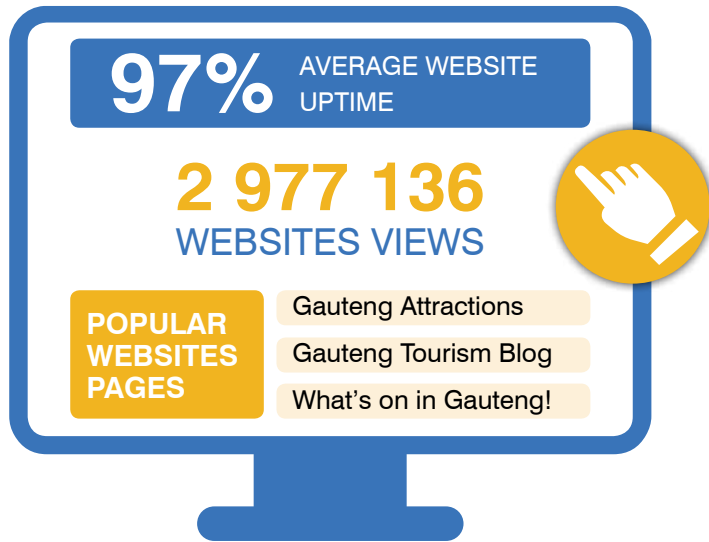


**SOCIAL MEDIA GROWTH**

**f** I Love Gauteng:  
**103 796 – 104 634**  
Likes

**t** @visitgauteng  
**236 912 – 261 307**  
Followers

**i** @visitgauteng  
**5 600 – 9 616**  
Followers



We have always emphasised that tourism is industry-led and government-supported. Consistent with this philosophy, the GTA has in the period under review engaged various stakeholders in the execution of its planned targets and projects.

The following table represents some of the activities and engagement with some of our key stakeholders:

Name of Stakeholder	Report on interaction & collaboration
<b>Media Stakeholders</b>	
Television and Radio Partnerships	We continue to forge strategic and tactical relations with our regional and national television and radio platforms. We use both editorial and advertorial platforms to engender travel content and influence the path to purchase.
Now Media Publications (Tourism Update, Travel News Weekly)	We have a working collaboration with Now Media through its channels which are an authority in the travel and tourism sector. We engage and share content monthly via these channels.

Name of Stakeholder	Report on interaction & collaboration
Community Radio Stations	We have a long-standing partnership with the National Community Radio Forum (NCRF) in which we buy a certain amount of airtime across GP radio stations. We also empower the stations with weekly tourism information and run campaigns to communicate opportunities in the tourism industry — including careers.
Digital Media	<p>The GTA has a cordial working partnership with a number of digital booking engines to provide world-class tourism information. We continue to engage with other role players through our digital agencies to leverage opportunities for tourism in the digital media space. For the past two years running, the GTA's digital work won gold at the Next Generation Digital Awards Ceremonies.</p> <p>This is as a result of ongoing support and collaborative partnership with the travel and digital sectors in the country.</p>
Events Owners and Partners	We continue to co-ordinate with event organisers to use events as key content channels and drivers of increased visitation in the city region. We partner and engage with them to give access to the media.
<b>Government bodies and departments</b>	
Office of the Premier Communications	Worked together on brand Gauteng promotion and securing space on government communication mediums like Gauteng News.
South African Tourism Media & Communications	The unit worked with SAT in the alignment of activities and programmes, co-hosting of media FAMS, content sharing and collaboration around the Short Left programme.
Brand SA	Worked together on country branding and destination messaging. We also jointly hosted media and shared content that encouraged visitation and jointly activated AFROPUNK promotion in New York.

### Challenges and Opportunities

The biggest challenge faced by the unit in the period under review has been that of capacity. The envisaged functional and organisational structure will address this challenge in the long-term. However, processes are near finalisation to employ short-term capacity to render the required functions.

The unit hopes to conclude the appointment of a full digital agency to support the unit's drive in positioning digital

marketing as the backbone of our destination marketing work and philosophy.

The Fourth Industrial Revolution presents the GTA and the unit with an opportunity to direct the work of the GTA towards current discourse around robotics, cloud computing, augmented reality, virtual tourism and growth in user-generated content and usage.

The sharing economy, consisting of sharing platforms like WhatsApp and a host of other social media channels,

presents countless opportunities for GTA's communications efforts to be cutting edge, agile, responsive and directed by a distinct call to action as well as measurement tools and systems.

Constant communication and liaison with the parliamentary committees and co-ordination with municipalities and regional tourism bodies will be another focus area guided by intergovernmental relations protocols and an institutional framework. Community media remains one of the most effective ways of communicating with the public.



The unit will strive in the new financial year to support such media channels and empower them with information to disseminate to our communities. The need for our communities to understand and appreciate the value of tourism cannot be overemphasised, and it will continue to form the main narrative of our communications efforts.

Corporate communications, with a special focus on staff programmes, internal communications and the building of a corporate brand and image will be another key priority work area. In this regard, the vision is to transform our staff members into our true organisation and destination brand ambassadors. We will also, in the new financial year,

focus on the promotion of our domestic tourism offerings and experiences to the rest of the Gauteng provincial government work force and the people of Gauteng, under the auspices of the #ChampionHost drive.



#### 1.4.2.1 KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objective Indicator	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement	Comment on Deviation
<b>Strategic Objective:</b> To promote Gauteng townships tourism attractions and experiences through an electronic marketing programme.					
Number of township tourism promotions projects implemented	26	100	100	0	n/a
<b>Strategic Objective:</b> To promote destination Gauteng through media.					
Number of media projects implemented	72	14	16	2	Additional opportunities for media projects were presented by the Maboneng Precinct after it was named one of the World's Coolest Neighbourhoods. This resulted in the positive deviation.
<b>Strategic Objective:</b> To promote destination Gauteng through the GTA's digital marketing platforms					
Number of digital marketing projects implemented	18	12	16	4	The overachievement was informed by the Nelson Mandela and Albertina Sisulu Centenary Campaign, Nirox Afro Soul and the outbound tour operator association of India.
<b>Strategic Objective:</b> To market destination Gauteng tourism brand.					
Number of destination Gauteng brand awareness projects implemented	20	10	12	2	During the year under review, additional awareness projects such as Elevator Brand Wrap and Indian Dinner Tour  Operator were opportunities identified which contributed to the overachievement.

#### 1.4.2.2 Key Performance Indicators, Planned Targets and Actual Achievements

Performance Indicator	Historical Performance			Planned Target 2018/19	Actual Achievement 2018/19	Deviation from the planned target to the Actual Achievement	Comment on Deviation
	2015/16	2016/17	2017/18				
<b>Strategic Objective:</b> To promote Gauteng townships tourism attractions and experiences through an electronic marketing programme.							
<b>Strategic Objective Indicator:</b> Number of township tourism promotions projects implemented.							
Number of township tourism attractions and experiences promoted on the GTA's digital channels	New indicators as from 2017/18	New indicators as from 2017/18	26	100	100	0	n/a
<b>Strategic Objective:</b> To promote destination Gauteng through media.							
<b>Strategic Objective Indicator:</b> Number of media projects implemented.							
Number of media familiarisation tours hosted	New indicators as from FY2017/18	New indicators as from FY2017/18	10	10	12	2	Additional opportunities for media projects were presented by the Maboneng Precinct after it was named one of the World's Coolest Neighbourhoods. This resulted in the positive deviation.
Number of media collaborations created	New indicator as from FY2017/18	New indicator as from FY2017/18	17	4	4	0	n/a
<b>Strategic Objective:</b> To promote destination Gauteng through the GTA's digital marketing platforms							
<b>Strategic Objective Indicator:</b> Number of digital marketing projects implemented							
Number of digital marketing campaigns hosted	New indicator as from FY2017/18	New indicator as from FY2017/18	28	12	16	4	The overachievement was informed by the Nelson Mandela and Albertina Sisulu Centenary Campaign, Nirox Afro Soul and the outbound tour operator association of India.

Performance Indicator	Historical Performance			Planned Target 2018/19	Actual Achievement 2018/19	Deviation from the planned target to the Actual Achievement	Comment on Deviation
	2015/16	2016/17	2017/18				
<b>Strategic Objective:</b> To market destination Gauteng tourism brand.							
<b>Strategic Objective Indicator:</b> Number of brand Gauteng projects implemented.							
Number of destination brand awareness project implemented	New indicator as from FY2017/18	New indicator as from FY2017/18	20	10	12	2	Additional awareness projects such as Elevator Brand Wrap and Indian Dinner Tour Operator Dinner were undertaken.

#### Strategy to Overcome Areas of Underperformance

Not applicable.

#### Changes to Planned Targets

There were no changes to the planned targets for the period under review.

#### Linking Performance with Budgets

PROGRAMME	2017/18			2018/19		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Destination Marketing and Promotions	14 265	16 004	(1 739)	13 418	13 625	(207)
<b>Total</b>	<b>14 265</b>	<b>16 004</b>	<b>(1 739)</b>	<b>13 418</b>	<b>13 625</b>	<b>(207)</b>

Destination Marketing and Promotions spent R13.6 million against a budget of R13.4 million. The overspending of R207 000 relates to the 2017/18 surplus which was approved for retention for the payment of 2017/18 commitments.



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## 1.4.3 PROGRAMME 3: GAUTENG CONVENTION & EVENTS BUREAU (GCEB)

### Purpose

To identify, attract, aggressively bid for and support the hosting of small, medium and large high-yield, world class MICE with researched potential of significant return on investment, and to raise destination awareness of Gauteng's wide range of business tourism-related venues and associated services to grow the visitor economy. The strategic goals and objectives of the programme are:

- To identify and collaborate with strategic partners to identify, bid, secure and support in hosting diverse range of high-yield events in Gauteng.
- To create a systematic, balanced and sustainable portfolio of world-class events that deliver and generate a long-term economic, social and cultural legacy for the people of Gauteng which includes job creation.
- To create and mobilise opportunities and market access for township-based and SMME businesses.

### Sub-Programmes

- **BID LEAD DEVELOPMENT:** Bid lead development is a core activity in bidding and hosting. It aims to identify and qualify business leads and new bidding opportunities in the business events sector, from diverse sources. The main focus areas are as follows:
  - Identify strategic partners to bid for major events
  - To prepare and compile bid documents
  - Present the bid (if required)

- Facilitate site inspection pre- and post-awarding activities
- **MICE:** The aim of this sub-programme is to generate high-yield business by attracting, identifying, hosting and supporting investment opportunities, business events and tourism for Gauteng. The GTA continues to work with corporates, associations, government, exhibition and events planners from Gauteng and interprovincial event planners, and opening relations in Africa and the world to showcase the kaleidoscope into the tapestry of the continent's culture that Gauteng offers, while making visitors feel at home at the same time.
- **EVENTS:** The aim of this sub-programme is to attract significant participation/attendance, visitor numbers and media interest to destination Gauteng. It also contributes significantly to the economy by providing decent work, an inclusive economy, sustainable economic growth, and a developmental and equitable society.

### Significant Achievements

Tourism has emerged as the dominant tool for economic growth, and good niches exist specifically in business events for developing and transitioning economies.

Business Tourism (MICE) and events are one of the GTA's focal points, and the aim of our programmes is to generate high-yield business by attracting, developing and supporting business tourism to Gauteng.

The GTA continued to leverage on the major events to strengthen marketing and promotion efforts targeted at investors, and work with associations, government organisations exhibition and events planners in Gauteng, and interprovincial event planners, while opening relations in Africa and the world to showcase Gauteng's offerings — thus making visitors feel at home.

### BID LEAD DEVELOPMENT

During the year under review, the GTA put more effort into the development and submission of bid proposal documentation at national and international platforms. Through this activity, the profile of Gauteng within business events and exhibition market segments was promoted to reflect a destination that has both the capacity and world-class infrastructure necessary to stage major conferences and events. Working against a target of 20, the GCEB, with its partners, formulated and prepared 22 business event proposals during the review period —14 of which were secured to be hosted in Gauteng between 2018 and 2022.

Of the 14 confirmed, four of them were confirmed to be hosted for three consecutive years in Gauteng. Some of the confirmed business events are the African Investment Forum 2018-2021, the Pan-African Society of Cardiology and Heart Congress 2019-2021, the 42<sup>nd</sup> World Tourism Congress 2019, African Gymnastics 2020, the International Conference of Information Science 2020, World Rally Cross 2020-2022, the International Conference of Music Therapy 2020, the International Association of Toy Libraries 2020,

the International Exhibition Logistics Association 2020, the Girls Friendly Society 2020, the 11th General Assembly of the African Alliance of YMCA, World YMCA 2019, Meetings Africa 2018-2022, and the International Conference of Constitutional law 2022.

These events are likely to attract more than...



**86 550 DELEGATES**  
to Gauteng and create an estimated total economic impact of some



**R2,75 billion**  
for the local economy.

Four additional events were also secured in previous years.

These events are set to attract



**5 580 DELEGATES**  
and have an economic impact of



**R266 million**

The tremendous effort put into the development and submission, nationally and internationally, of bid proposal documentation has played a considerable role in heightening Gauteng's profile within the MICE and events

market segments as a destination with both the necessary capacity and infrastructure to stage major events in an idyllic environment.

Gauteng continues to grow in popularity as a world-class business events destination, attracting a high calibre of national and international business events year on year, and improving its position in the business events industry.

The GCEB used business events secured to encourage delegates to participate in pre- and post-conference and events tours, thus helping to spread the tourism flow to better encompass the province's townships and rural areas. It also utilised site inspections to stage tours to such areas, appealing to prospective clients to include these tourism components in their conference and or events itineraries.

Site inspections often assist potential clients in making decisions about business event venues and the GCEB regards this component of its business activities as pivotal. Accordingly, the GCEB set out to organise and host 13 site inspections on behalf of prospective clients during the period under review.

Bidding processes endorsements and bid submissions involve heightened stakeholder engagement and support. We continue to collaborate with key stakeholders in the hosting of site inspections during pre- or post-awarding of events that we bid for. Similarly, this collaborative work

continues during the hosting of events when they are awarded. The following are key stakeholders we work with in the delivery of our work, as guided by the events strategy and the national and international conventions protocols:

- Office of the Premier
- Gauteng Department of Economic Development
- South African Tourism (National Convention Bureau)
- City of Johannesburg Convention Bureau
- City of Tshwane Convention Bureau
- City of Ekurhuleni
- Cradle of Humankind and Dinokeng
- Conference Venues, tourism attractions, entertainment venues, stadia, universities and parks
- Professional conference organisers, event planners, exhibition organisers and associations
- Transport companies, tour operators and taxis

A critical aspect of the GCEB's activities is to continuously identify new bidding opportunities in the business events sector and to generate new business leads for upcoming business events.

In the furtherance of this vital business element, the GCEB actively participated in two international trade shows during the 2018/19 financial year and secured an average of 36 one-on-one business appointments at each of them.





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## MICE MARKETING

Gauteng hosted business delegates, many of whom also stayed to enjoy its leisure attractions. In the 2018/19 financial year, the GCEB hosted 52 international conferences and exhibitions — namely Meetings Africa, the African Investment Forum, the Global RoundTable 9<sup>th</sup> Annual World Congress, the International Tourism Studies Association Congress, the Metropolis Annual General Meeting, the Enterprise Financing Forum, the U.S.-Africa Infrastructure Conference, and Decorex SA. The business events hosted generated revenue with an economic value R1,371 billion, 5 630 employment opportunities.

The GTA also participated in a Women-in-Tourism business exchange event in the 2018/2018 financial year, hosted by the Deputy Minister of Tourism. A total of 250 woman-owned tourism enterprises were invited to participate, alongside provincial tourism authorities, with the platform being utilised to expose these entrepreneurs to exceptional networking opportunities with major role-players in the field, while showcasing their business attributes to a diverse range of new markets. The GTA also participated in the province's primary domestic exhibition, the Gauteng Business Events and Exhibition Industry with a diverse group of local small business role-players, allowing them to gain broad exposure to trade representatives and tour operators.

The GTA successfully hosted the African Investment Forum, a three-day forum that successfully mobilised investors from 87 countries across the globe, with eight heads of state and 45 ministers. This resulted in

an investment interest valued at US\$ 38.7 billion being secured across 49 deals.

The GTA also assisted in facilitating the provincial leg of the Lilizela Tourism Awards, a tremendously important initiative encouraging local service providers to enter the diverse range of categories and be judged on their service delivery ability and capability. Pleasingly, local entrants did the organisation and the province they represented proud, with several national winners emerging from destination Gauteng in the review period. Recognition of excellence in the tourism sector is key to promoting the need for professional service strengthening this economic sector going forward.

The GCEB also used business events it had secured to encourage delegates to participate in pre- and post-conference tours, thus helping to spread the tourism flow to better encompass the province's townships and rural areas. It also utilized certain site inspections to stage tours to such areas, appealing to prospective clients to include these tourism components in the conference itineraries. The introduction of this exciting new sub-programme enabled the GCEB to develop more detailed work programmes and specific targets in the 2018/19 financial year.

## EVENTS MARKETING

The development of long-term relationships with compatible private and public sector organisations is regarded as key to the effective promotion of destination Gauteng. Accordingly, the active involvement by Gauteng

with such partners in strategic events provides the catalyst for improving tourist volumes visiting the province.

The 2018/19 financial year saw the GTA utilise partnerships again in a range of major events, creating familiarity with and an appreciation of Gauteng as a primary South African tourism destination in the continuous quest to grow visitor numbers. Some of the crucial events that Gauteng was able to impact upon were the ever-popular Standard Bank Joy of Jazz, the Delicious festival, AFROPUNK, the Gauteng Summer Cup, Future Champions, Whiskey Live, and the Arnold Classic Africa festival (held annually in Johannesburg). These significant Gauteng events were major attractions for visitors both from throughout the province as well as further afield.

They offered an ideal opportunity to package travel experiences, hosting several important media representatives and tour operators from SADC countries, thus significantly boosting awareness of Gauteng tourism offerings in neighbouring countries — in the pursuit of growing visitor numbers from Southern Africa.

The GTA also collaborated with event organizers from all regions and districts to geographically spread the economic, socio-economic and media impact to the outskirts of Gauteng. Events such as the Sedibeng Summer festival, the WesBank Historic Cars festival, the Homecoming Africa Festival, the MTN Joyous Celebration, Centenary of Nelson Mandela Fashion Experience, Moretele Park Tribute Concert, the West Rand Arts Festival, the Vaal Weekly Combo, the Kagiso Festival of Peace, and the

Soweto Wine Festival were designed to offer participants a pleasant country-district and community environment in which to enjoy a cool extravaganza, while providing a platform to promote the province as a premier destination. The 22 events generated revenue with the economic value of R1,144 billion, with 11 352 employment opportunities created and 532 SMME suppliers utilised.

During the year under review, the GTA hosted, the 10<sup>th</sup> World Choir Games 2018 (WCG 2018), an INTERKULTUR event based on the Olympic ideals, whose aim is to peacefully unify nations and connect them through song — and it was a great success. It was also the first time that the WCG (the 187<sup>th</sup> event of the INTERKULTUR event series) was held on the African continent.

The WCG featured 303 choirs and participants from more than 60 countries from all continents. Thousands of singers took part in more than 400 competition performances and over 50 concerts. Furthermore, there were

**201 GOLD**



**196 SILVER**



**15 BRONZE**



medals awarded, along with diplomas, during emotional award ceremonies — spanning 28 competition categories, which covered all styles and genres of choral singing. South Africa represented the biggest nation, with 162 choirs, followed by China, Russia and the USA.

The competitions were evaluated by 49 international jurors from 41 countries, who rank among the world's most renowned choral experts. The international jury announced 26 champions of the WCG altogether. The event contributed direct and indirect economic impact to the value of R1,399 billion, showing a return on investment of 1041% while creating 1 548 temporary employment positions over 14 days. Youth accounted for 80% of the temporary employment positions and 56% of the positions were filled by women.

Many national and international guests, representatives of different organisations and countries, government officials, ambassadors and delegations, and of course thousands of enthusiastic singers, travelled to Tshwane to experience the biggest international choir festival in 2018.

#### TOWNSHIP ECONOMIC REVITALISATION

During the 2018/19 financial year, the GCEB dedicated itself to empowering emergent township-based business event service providers in becoming actively involved in a hugely important sector which has historically been notably underrepresented in terms of enterprises owned by historically disadvantaged individuals. In a new move, the GCEB began driving transformation in Gauteng's business events industry, facilitating the creation of opportunities for capacity-building, socio-economic development, and innovation, as well as providing prospects for youth empowerment and the promotion of business development.

The sub-programme also seeks to offer assistance to small-scale enterprises in securing business opportunities in the events sector. In this regard, the GCEB was committed to making established businesses seeking direct or related services for events aware of emergent enterprises and encouraging engagement with such service providers. The organisation continued playing a vital advisory role, utilising a series of 'how to' workshops to publicise existing and new business opportunities in the local tourism industry widely across the province, while simultaneously exposing emergent business operators to the full spectrum of new markets in which to make an impact as professional service providers.

In addition, a major business advice service workshop was held for potential entrepreneurs, sharing information with prospective new tourism enterprise owners keen to establish businesses within the sector. The majority of participants sought information about starting events and operating tours or accommodation-related enterprises, while a number of existing small business owners required particulars about becoming compliant with the relevant tourism-related legislation.

During 2018/19 financial year the GCEB successfully facilitated **750** business opportunities, with an estimated income of **R287 million** coming into the sector for transport suppliers, entertainers, crafters, photographers, event management companies and critically — a historically disadvantaged professional conference organiser, who was appointed to work on two business

events and who delivered excellent results in 2018, following the delivery of powerful presentations to clients.

It was recognised that business events lend themselves to youth empowerment through the creation of numerous temporary employment opportunities, enabling students to gain work exposure by assisting in a range of support roles

at events. Numerous opportunities were thus created for young people tapping into the business events sector in the 2018/19 financial year.

#### 1.4.3.1 Strategic Objective Indicators, Planned Targets and Actual Achievements

Strategic Objective Indicator	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement	Comment on Deviation
<b>Strategic Objective:</b> To work with strategic partners to secure events in implementing the Gauteng Events Strategy					
Number of events that benefitted from the MICE Support Programme	18	22	22	0	N/A
<b>Strategic Objective:</b> To generate economic value through the Events Support Programme.					
Value of economic benefit generated from events	R892 214 090	R950 000 000	R1,144,303,880	R194 303 880	These indicators were overachieved due to an increased number of participants and visitors in events supported by GTA.
	9 768 jobs	4913 jobs	11352 jobs	6439 jobs	
	New indicators as from 2018/19	90 supported SMMEs	532 supported SMMEs	442 supported SMMEs	
<b>Strategic Objective:</b> To work with strategic partners to secure business (MICE) events in implementing the Gauteng Events Strategy.					
Number of business events that benefitted from the MICE Support Programme	60	52	52	0	N/A
<b>Strategic Objective:</b> To generate economic value through the business (MICE) Events Support Programme					
Value of economic benefit generated from the MICE Support Programme	R1 007 420 550	R1 100 000 000	R1,371,173,640	271 173 640	These indicators were overachieved due to an increased number of international participants and visitor arrivals for the World Choir Games 2018 (major event supported by the GTA).
	17 462 jobs	1636 jobs	5630 jobs	3994 jobs	
	New indicators as from FY2018/19	40 supported SMMEs	218 supported SMMEs	178 supported SMMEs	
<b>Strategic Objective:</b> To collaborate with strategic partners to secure bids					
Number of bids submitted for hosting events in Gauteng	10	20	22	2	The GTA identified and leveraged on two joint association bid opportunities.

### 1.4.3.2 Key Performance Indicators, Planned Targets and Actual Achievements

Performance Indicator	Historical Performance			Planned Target 2018/19	Actual Achievement 2018/19	Deviation from the planned target to the Actual Achievement	Comment on Deviation
	2015/16	2016/17	2017/18				
<b>Strategic Objective:</b> To work with strategic partners to secure events in implementing the Gauteng Events Strategy							
<b>Strategic Objective Indicator:</b> Number of events benefitted from the Events Support Programme							
Number of signature events supported	27	7	6	7	7	0	n/a
Number of regional events incubated into signature events	New indicator as from FY2016/17	7	6	7	7	0	n/a
Number of township events supported	New indicator as from FY2017/18	New indicator as from FY2017/18	6	8	8	0	n/a
<b>Strategic Objective:</b> To generate economic value through the Events Support Programme							
<b>Strategic Objective Indicator:</b> Value of economic benefit generated from events							
Rand value of economic benefit generated from supported events	New indicator as from FY2017/18. However, the indicator formed part of the R1 000 000 000 achieved in 2015/16	New indicator as from FY2017/18. However, the indicator formed part of the R1.594 000 000 achieved in 2016/17	R892 214 090	R950 000 000	R1,144,303,880	194 303 880	These indicators were overachieved due to increased number of participants and visitors in events supported by the GTA.
Number of jobs generated from events	New indicators as from FY2017/18	New indicators as from FY2017/18	9 768	4913	11352	6439	These indicators were overachieved due to increased number of participants and visitors in events supported by the GTA.
Number of SMMEs supported through Events Support Programme	New indicators as from FY2018/19	New indicators as from FY2018/19	New indicators as from 2018/19	90	532	442	

Performance Indicator	Historical Performance			Planned Target 2018/19	Actual Achievement 2018/19	Deviation from the planned target to the Actual Achievement	Comment on Deviation
	2015/16	2016/17	2017/18				
<b>Strategic Objective:</b> To work with strategic partners to secure Business (MICE) events in implementing the Gauteng Events Strategy.							
<b>Strategic Objective Indicator:</b> Value of economic benefit generated from Business (MICE) Support Programme							
Number of MICE events supported.	46	52	50	52	52	0	N/A
Rand value of economic benefit generated from supported MICE events	New indicator as from FY2017/18. However, the indicator formed part of the R1 000 000 000 achieved in FY2015/16	New indicator as from FY2017/18. However, the indicator formed part of the R1.594 000 000 achieved in FY2016/17	R1 007 420 550	R1 100 000 000	R1,371,173,640	271 173 640	These indicators were overachieved due to the increased number of international participants and visitor arrivals for the World Choir Games 2018 (major event supported by the GTA).
Number of jobs generated from MICE events	New indicators as from FY2017/18	New indicators as from FY2017/18	17 462	1636	5630	3994	These indicators were overachieved due to increased number of international participants and visitor arrivals for the World Choir Games 2018 (major event supported by the GTA).
Number of SMMEs supported through MICE Support Programme	New indicators as from FY2018/19	New indicators as from FY2018/19	New indicators as from FY2018/19	40	218	178	
<b>Strategic Objective:</b> To collaborate with strategic partners to secure bids							
<b>Strategic Objective Indicator:</b> Number of bids submitted for hosting events in Gauteng							
Number of association bids submitted	New indicator as from FY2018/19.	New indicator as from FY2018/19.	New indicator as from FY2018/19.	18	20	2	GTA identified and leveraged on two joint association bids opportunities.
Number of event bids submitted	New indicator as from FY2018/19.	New indicator as from FY2018/19.	New indicator as from FY2018/19.	2	2	0	N/A

### Strategy to Overcome Areas of Underperformance

Not applicable.

### Changes to Planned Targets

There were no changes to the planned targets for the period under review.

### Linking Performance with Budgets

PROGRAMME	2017/18			2018/19		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Gauteng Convention and Events Bureau	30 961	30 267	694	49 500	62 484	(12 984)
<b>Total</b>	<b>30 961</b>	<b>30 267</b>	<b>694</b>	<b>49 500</b>	<b>62 484</b>	<b>(12 984)</b>

GCEB spent R62,4 million against a budget of R49,5 million. The overspending of R12,9 million is mainly due to the prepayment for World Choir Games of R12.4million which was paid in 2017/18 and recognised as expenditure in the current financial year.



## 1.4.4 PROGRAMME 4: VISITOR SERVICES

### *Purpose*

The purpose of the programme is to inform and provide tourism support to visitors by collaborating and partnering with the industry to achieve visitor economic growth, deliver a GCR integrated membership system and create a memorable visitor experience. The programme objectives are to:

- Promote Gauteng tourism attractions and experiences,
- Promote Gauteng township tourism attractions and experiences
- Work with strategic partners to attract tourism trade for Gauteng
- Provide tourism visitor infrastructure
- Implement tourist safety programmes aimed at preventing crime

### *Sub-programmes*

The sub-programmes within this programme are as follows:

- Leisure Marketing
- Visitor Information Services
- Tourism Support
- Membership Co-ordination
- Trade and Partnerships
- Tourism Marketing

### *Significant Achievements*

The GTA hosted and participated in tourism marketing roadshows and exhibitions which were used to enhance Gauteng's tourism product and experience consumption, thereby increasing direct deals and consumption of destination offerings. This was mainly executed through direct and indirect tourism marketing, providing tourism information closer to the face and hands of the consumers through awareness activation campaigns, workshops, and the like.

A number of international marketing activations were executed in targeted international source markets, with the sole purpose of increasing visitor numbers to Gauteng.

The GTA's Mobile Visitor Information Centre (VIC) was in high demand, as it provided resources for the distribution and provision of tourism information. The focus for some of the interventions included providing platforms to township tourism businesses within the broader tourism value chain.

Coordination of tourist products and experiences for the provision of quality-assured tourism information mainly caused by tourism growth consumption market demands continued to be in high demand during the period under review. The emergence of the 'new' tourist who uses the latest technologies motivated the GTA to align its tourism provisioning mechanisms to adopt the imperatives of the Fourth Industrial Revolution, including digitalisation platforms and channels.

The GTA used market access to activate its marketing and promotions programme, with a key drive to expose township products, while also promoting entertainment and lifestyle events, offerings and experiences. Under the auspices of the #GPLifestyle promotion drive, the aim was to target big events inside and outside of the province to showcase Gauteng's offerings, create top-of-mind destination brand awareness and use the platform to network with potential sponsors, supporters and stakeholders in the drive to make Gauteng a preferred tourism destination.

The Tourism Monitors Project is aimed at facilitating support to tourists in distress at various tourist attractions. The project continued to provide its intended essential services to tourists, by focusing on tourism safety awareness and tourism information within the identified regional tourist attractions. The project also created economic opportunities to unemployed youth who are deployed throughout Gauteng's regions.

During the period under review the business unit engaged tourism stakeholders through collaborative partnerships meant to enhance direct product and experience consummation and conversions. Key highlights of this included partnerships with SAT, as well as major inbound and outbound tour operators from key source markets. Some of these partnerships resulted in formalised joint marketing agreements that directly assisted in the achievement of the set targets.



Domestic tourism promotion continued to provide a platform to leverage on opportunities for inclusive economic growth and transformation imperatives. Some of the successful platforms for domestic markets included exposure to the DSTV Delicious festival, the Makhelwane Township Tourism Festival, the Soweto Marathon, the Rand Show, and the Sansui Summer Cup. These platforms were used to encourage direct interaction with potential travellers thereby increasing visitation, economic deals, and product and experience consumption.

Both TMR and TER are an integral focus for the GTA, and the organisation provides tourism information and awareness platforms to be used as leverage for direct economic opportunities. During this period, Visitor Services provided specific market access platforms for township tourism products and experiences to provide direct exposure to potential consumers and travellers.

Access to markets for SMMEs continued to be a critical priority in our quest to grow our enterprises, create jobs and grow an inclusive and dynamic economy.

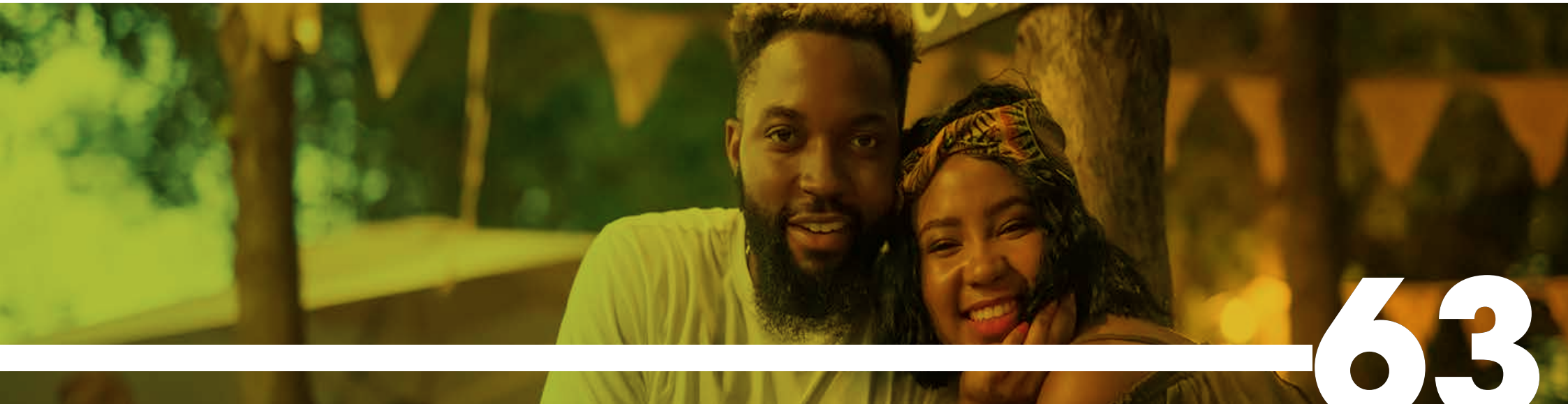
The role of the GTA was to create a conducive environment for the development and growth of small businesses and cooperatives through the provision of enhanced financial and non-financial support services, competitiveness, market access, and the promotion of entrepreneurship — advancing localisation and leveraging on public and private sector procurement.

The GTA supported a number of SMMEs and cooperatives through their own events platforms. This was to ensure that SMMEs and cooperatives participate in both domestic and international markets, as well as to ensure sustained growth and broad-based benefits, especially for women, youth and people living with disability — particularly from townships and rural areas. Furthermore, the Gauteng SMMEs participation at these events enabled the SMMEs to interact directly with the buyers and industry role-players, thus effectively promoting their products and experiences. The participation by township SMMEs enabled the GTA to create exposure about township tourism offerings and destination Gauteng, not only among business decision-makers, but also to potential visitors to the province. It will

also assist the GTA in forging new relations with top buyers and thus create a solid database of these stakeholders.

### *Challenges and Opportunities*

The tourism demand and tourism supply division of functions continue to impact tourism marketing. Insufficient quality assurance leads to tourism marketing efforts promoting products and experiences that are not up to standard. The creation and management of a central database of new and existing tourism products and experiences remains one of the challenges faced by the unit. The creation of a single tourism portfolio will lead to better coordination of tourism marketing in the province.



#### 1.4.4.1 Strategic Objective Performance Indicators, Planned Targets and Actual Achievements

Strategic Objective Indicator	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Deviation from Planned Target to Actual Achievement	Comment on Deviation
<b>Strategic Objective:</b> To promote Gauteng tourism attractions and experiences.					
Number of Gauteng tourism promotion projects implemented	27	50	70	20	The GTA took advantage of Meetings Africa and hosted 31 countries from Africa through Tourism Leisure.
<b>Strategic Objective:</b> To promote Gauteng townships tourism attractions and experiences.					
Number of township tourism promotion projects implemented	121	150	181	31	Through the Domestic Tourism campaign, the GTA obtained more township SMMEs for the market access programme as a result of collaboration with regions and tourism associations.
<b>Strategic Objective:</b> To work with strategic partners to attract tourism trade for Gauteng.					
Number of tourism trade Initiatives implemented	4	8	11	3	The GTA leveraged its SAT partnership on international trade and exhibitions within the Africa markets.
<b>Strategic Objective:</b> To provide tourism visitor information centre infrastructure					
Number of tourism Visitor infrastructure projects implemented	The indicator was not part of the 2017/18 APP	3	3	0	n/a
<b>Strategic Objective:</b> To implement tourist safety support programmes aimed at preventing tourist incidents					
Percent of tourism safety project implemented	New indicator as from 2018/19	100%	96%	-4%	Resignations of tourism safety monitors led to the deviation from 100% deployment.

#### 1.4.4.2 Key Performance Indicators, Planned Targets and Actual Achievements

Performance Indicator	Historical Performance			Planned Target 2018/19	Actual Achievement 2018/19	Deviation from the planned target to the Actual Achievement	Comment on Deviation
	2015/16	2016/17	2017/18				
<b>Strategic Objective:</b> To promote Gauteng tourism attractions and experiences.							
<b>Strategic Objective Indicator:</b> Number of Gauteng tourism promotion projects implemented							
Number of Gauteng tourism marketing initiatives implemented in the key international source market	New indicator as from 2016/17	7	6	39	59	20	The entity leveraged Meetings Africa and hosted 31 countries from Africa and other continents.
Number of Gauteng tourism marketing initiatives implemented in the domestic markets	New indicator as from 2017/18	New indicator as from 2017/18	14	11	11	0	n/a
<b>Strategic Objective:</b> To promote Gauteng township tourism attractions and experiences.							
<b>Strategic Objective Indicator:</b> Number of township tourism promotion projects implemented							
Number of township products exposed to the market through the Market Access Programme	New indicator as from 2017/18	New indicator as from 2017/18	121	150	181	31	Through the Domestic Tourism campaign, the GTA obtained more township SMMEs for the market access programme because of collaboration with regions and tourism associations.

<b>Strategic Objective:</b> To work with strategic partners to attract tourism trade for Gauteng.							
<b>Strategic Objective Indicator:</b> Number of tourism trade Initiatives implemented							
Number of packaged Gauteng destination promoted globally	New indicator as from 2017/18	New indicator as from 2017/18	2	4	7	3	The GTA leveraged the SAT partnership on international trade and exhibitions within the Africa.
Number of joint international trade partnerships agreement signed	New indicator as from 2017/18	New indicator as from 2017/18	2	4	4	0	n/a
<b>Strategic Objective:</b> To provide tourism visitor information centre infrastructure							
<b>Strategic Objective Indicator:</b> Number of tourism visitor infrastructure projects implemented							
Number of VICs established	New indicator as from 2016/17	2	The indicator was not part of the 2017/18 APP	3	3	0	n/a
<b>Strategic Objective:</b> To implement tourist safety support programmes aimed at preventing tourist incidents							
<b>Strategic Objective Indicator:</b> Percent of tourism safety project implemented							
Percentage of safety monitors deployed	New indicator as from 2018/19	New indicator as from 2018/19	New indicator as from 2018/19	100%	96%	-4%	Resignations of tourism safety monitors led to the deviation from 100% deployment.

### **Strategy to Overcome Areas of Underperformance**

The Tourism Monitors Project is under review and based on the findings and recommendations of the review. An implementation plan to address the challenges experienced will be developed for implementation in the new financial year.

### **Changes to Planned Targets**

There were no changes to the planned targets for the period under review.

### Linking Performance with Budgets

PROGRAMME	2017/18			2018/19		
	BUDGET	ACTUAL	(OVER)/UNDER	BUDGET	ACTUAL	(OVER)/UNDER
	R'000	EXPENDITURE	EXPENDITURE	R'000	EXPENDITURE	EXPENDITURE
Leisure and Visitor Services	34 473	23 172	11 301	30 370	25 640	4 730
<b>Total</b>	<b>34 473</b>	<b>23 172</b>	<b>11 301</b>	<b>30 370</b>	<b>25 640</b>	<b>4 730</b>

Leisure and Visitor Services was allocated R30,3 million, and spent R25,6million, with an underspending of R4.7million. The underspending is mainly due to the Tourism Monitors project which runs for a period of 36 months.

## 1.5 REVENUE COLLECTION

The GTA does not collect revenue.

## 1.6 CAPITAL INVESTMENT

During the 2018/19 the GTA did not construct any asset.

**DID YOU KNOW?**  
VILAKAZI STREET IS  
NAMED  
AFTER DR BENEDICT  
WALLET VILAKAZI, A  
DISTINGUISHED WRITER  
AND EDUCATOR WHO  
WROTE THE FIRST POETRY  
BOOK PUBLISHED IN  
ZULU.

VILAKAZI STR

NGAKANE STR



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## CORPORATE GOVERNANCE

# ANNUAL

REPORT

**DID YOU KNOW?**  
GAUTRAINS RUN EVERY 10  
MINUTES DURING PEAK  
COMMUTING PERIODS OF THE  
DAY. AT OTHER TIMES, TRAINS  
DEPART THE STATIONS AT  
20-MINUTE INTERVALS.

## 1.1 INTRODUCTION

The GTA is a provincial public entity established as a juristic person in terms of section 3 of the Gauteng Tourism Act (10 of 2001), read with schedule 3C of the Public Finance Management Act (1 of 1999). The Gauteng Tourism Authority Board, as the Accounting Authority, is accountable for oversight over the operational performance and governance of the GTA.

Corporate governance embodies the processes and systems through which the entity is directed, controlled and held to account. The GTA continuously reviews its compliance with governance principles and regulations, to ensure that leading practice standards are maintained, and to also ensure compliance with the sound corporate governance practices enshrined in the King IV Report on Corporate Governance for South Africa 2016.

The Gauteng Provincial Legislature and the Executive Authority exercised its oversight role through the evaluation of the GTA's performance.

## 1.2 RISK MANAGEMENT

In line with the governance compliance requirements prescribed in the PFMA and the King Code on Corporate Governance, the GTA implements enterprise-wide risk management processes to manage business risk. The GTA Risk Management Policy was approved by the Board during the year under review.

An annual risk assessment to identify new and emerging risks and to ensure the necessary controls are in place to mitigate them was undertaken. The GTA Audit and Risk Committee, delegated by the Board, and made up of non-executive members of the Board, is responsible for monitoring the effectiveness of the risk management system, as well as deliberations on the status of the risks and addressing possible concerns by providing an advisory role.

A register of strategic risks aligned to the mandate and objectives of the organisation was monitored and tabled at the Audit and Risk Committee meetings as part of the risk monitoring process.

**DID YOU KNOW?**  
GAUTRAIN IS AN  
80-KILOMETRE COMMUTER  
RAIL SYSTEM IN GAUTENG,  
SOUTH AFRICA, WHICH  
LINKS JOHANNESBURG,  
PRETORIA, EKURHULENI  
AND O. R. TAMBO  
INTERNATIONAL AIRPORT.

## 1.3 FRAUD AND CORRUPTION

The authority has an approved fraud and corruption prevention plan and employees are encouraged to use the GDED whistleblowing hotline to report fraudulent activities. No cases were reported to the fraud hotline for the year under review. The policies of the organisation and all legislated laws and regulations are pillars that assist in the management of fraud and corruption.

## 1.4 MINIMISING CONFLICT OF INTEREST

Conflict of interest is minimised through the declaration of interest by all employees. Employees are obliged to complete a Declaration of Interest form annually and newly appointed employees are also required to complete the form as part of the recruitment process. Board Members also declare their interest annually and at all board and committee meetings.

## 1.5 CODE OF CONDUCT

Board members and employees are required to uphold and maintain the highest standard of ethics to ensure that business practices are conducted in a manner that, in all reasonable circumstances, is beyond reproach. Ethical conduct is an integral part of the GTA. The Board has an approved Code of Conduct in place. The GTA is committed to conducting all its activities to the highest standard of competence, integrity and ethical behaviour, to ensure that its conduct is beyond reproach. The GTA is also committed to providing a working environment that values diversity among its employees.

HR policies, procedures and activities create a respectful workplace in which every employee has an opportunity to reach his/her highest potential.

## 1.6 HEALTH SAFETY AND ENVIRONMENTAL MATTERS

The Occupational Health and Safety Act (OHSA) provides for the health and safety of persons at work and for the health and safety of persons in connection with the activities of health and safety. It is the responsibility of the Accounting Authority (CEO) to appoint health and safety (OHS) representatives who will establish an OHS Committee. Such OHS representatives come from various hierarchies within the entity. The OHS Committee is responsible for enforcing health and safety standards, carrying out inspections, preventing regulatory violations and generally ensuring the health and safety of the whole organisation.

The general responsibility of employers is to provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his/her employees. Employees' responsibility is to take reasonable care for the health and safety of themselves and of other persons who may be affected by their acts or omissions. The GTA continues to work with the relevant stakeholders, sister agencies, and landlords to ensure OHS issues are adhered to in relation to its employees, with OHS inspections being conducted on a monthly basis.

## 1.7 PORTFOLIO COMMITTEES

The GTA engages with Portfolio Committees through the GDED, as its Shareholder.



## 1.8 EXECUTIVE AUTHORITY (SHAREHOLDER)

In accordance with section 52 of the PFMA, the Member of the Executive Council responsible for Tourism in the Province, MEC Maile, was the Executive Authority of the GTA during the year under review. The Board concluded a shareholder's compact with the Executive Authority for the 2018/19 financial year. The GTA reports on the progress towards the achievement of predetermined objectives to the MED and the GDED on a quarterly basis.

## 1.9 ACCOUNTING AUTHORITY

The Gauteng Tourism Act provides that the Board must comprise a minimum of seven and a maximum of ten directors. The Chief Executive Officer is an ex officio Board member. The Board is appointed by the MEC for a three-year term; the current Board having been appointed by the MEC with effect from 1 October 2017. The GTA applies a unitary board structure and the majority of board members are independent and non-executive.

The roles of Chairperson and Chief Executive Officer do not vest in the same person, in order to ensure a clear separation of roles. The Chairperson of the Board is an independent non-executive member, in line with the recommendations of King IV. The Executive Authority further appoints shareholder representatives who do not have voting rights on the Board to sit in Board meetings. The shareholder representative(s) are further appointed to Board Sub-Committees by the Board.

The Board, as the Accounting Authority of the GTA, is charged with the responsibility of governance oversight. It is responsible for setting the strategic direction of the organisation, with management developing policies, frameworks and plans for Board approval. The Board oversees and monitors implementation and execution by management, and ensures that there is accountability for the performance of the organisation. While the Board oversees the overall process and structure of governance, business units are responsible for the implementation of good governance and adherence to the relevant normative and regulatory frameworks.

The Board has a vital role to ensure the performance of the organisation while retaining full and effective control. The Board's primary responsibilities are to:

- lead, control and manage the business of the GTA;
- satisfy itself that the GTA is governed effectively in accordance with best corporate governance practice, risk management policies and general oversight;
- determine GTA's strategy and strategic objectives;
- monitor the implementation of strategies and policies through a structured approach; and
- determine and set the tone for the organisation's values and principles of ethical practice.

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

## Composition of the Board for 2018/19 Financial Year

Name	Qualifications	Areas of Expertise	Other Directorships
Ms Nomusa Mufamadi (Board Chairperson)	BCompt Diploma in Industrial Relations, Human Resources & Management of Change	Auditing, Tax Consultant, Project Management, Business Development & Corporate Governance.	Magalies Water Board, Road Traffic Management Corporation, Energy & Water Seta
Dr Lulama Zitha (Deputy Board Chairperson)	BSc Accounting; Project Management MBA PhD	Public Finance & Economic Development, Project Management, Feasibility Studies, Financial Modelling, Corporate Governance.	Industrial Development Trust
Ms Moroesi Chiloane	Senior Teacher's Diploma; BA(Hons) in African Literature Master's Degree in management and Public Development	Education Specialist, Research, Strategic Planning & Management, and Financial Management	Buvhezi Trading 755cc
Ms Julia Sekhitla	Diploma in General Nursing. Diploma in Midwifery.  Diploma in Business Management (RAU). Certificate in Business Sector Development (RAU). Tourism Certificate (THETA). Corporate Governance Certificate (IoDSA). Capacity Building Tourism Practitioners at Local Government Certificate (UNISA). Board Leadership Core Programme Certificate (Gordon Institute of Business Science, UP). Executive Development Programme for Women in Tourism (Graduate School of Business Leadership, UNISA).		The View Guesthouse, Merafe Travel & Tourism, Mmamerafe  Construction & Civil Engineering, Tembisa Tourism Association, South Africa Women in Tourism, Ekurhuleni Travel & Tourism Association, Gauteng Gambling Board, Mpumalanga Tourism Parks Agency

Name	Qualifications	Areas of Expertise	Other Directorships
Ms Muditambi Ravele	Certificate in Marketing Certificate in Public Relations Diploma in Sports Management Strategic Executive Marketing Programme Athletes Management & Football Players Management BTech in Business Administration	Corporate Communications, Project Management, Marketing & Event Management & Business Management	Boxing South Africa, Brand South Africa Trust
Ms Khusela Diko	BCom HDip in Integrated Marketing Communications Diploma in Project Management.	Strategic Communication, Stakeholder Management, Public Policy, Political Communication and Media Strategy.	Constitution Hill, Alfred Nzo Development Agency
Mr Desmond Golding	Oxford Advanced Leadership & Management Programme Finance for Senior Executives Master of Laws MA International Relations BProc Postgraduate Diploma in Macro Economics.	Tourism, Economics, Finance, Law, Trade, Commerce, Corporate Governance, Strategy.	Co-operatives Bank Development Agency (CBDA), SAFA
Mr Jolidee Matongo	Postgraduate Diploma in Management BTech in Public Management National Diploma in Management Diploma in Personnel & Training Management	Project Management, Training Facilitation, Policy Making and Communication Facilitation	Gauteng Liquor Board
Mr Michael Sass	MCom CIA CTA CA(SA) BCompt (Hons) BCom in Accounting (Hons)	General Management, Budgeting Standard Setting, Auditing, Risk Management, Accounting & Financial Management, Strategy, Policy Setting, Turnaround Strategies, System Implementation and general Consulting on Government Systems and Procedures.	SAIBA, GPG Cluster 3, CIPC, University of Pretoria, National Gambling Board.

## **Board Sub-Committees**

The Board may, in terms of the GTA Act, establish committees in order to effectively carry out its responsibilities. The following committees were formed by the board during the 2018/2019 financial year:

### ***Audit and Risk Committee***

In terms of its Charter, the Audit and Risk Committee assists the GTA in discharging its responsibilities relating to the safeguarding of assets, the evaluation of the adequacy and efficiency of internal control systems, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, technology and information governance, risk management, performance against set targets, and value for money and auditing processes applied in the day-to-day management of the GTA.

The Committee also assists the Board by providing assurance on the adequacy and efficiency on the organisation's internal control systems. The Committee consists of three members, operates in terms of an approved Charter and meets at least four times per year. During the year under review, the Committee held eight

meetings which were also attended by the internal auditor and auditors from the Auditor-General's Office. The increase in the number of meetings was, amongst other reasons, due to the reconfiguration of the GTA and preparation for the new five-year term.

### ***Marketing Committee***

The Marketing Committee assists the Board by providing strategic direction on how destination Gauteng should be promoted. The Committee comprises four members, operates in terms of an approved Charter and meets at least four times per year.

The Committee met five times during the year under review to, in terms of its Charter, monitor and provide oversight over the quarterly performance of the principal business units of the GTA and to conduct a workshop to inform the strategic direction of the GTA's destination marketing and communication efforts.

### ***Social, Ethics & Governance Committee***

The Social, Ethics and Governance Committee assists the Board with matters related to corporate governance, human resources, remuneration, ethics and stakeholders.

The Committee consists of three members (including the Chairperson of the Board). The Committee operates in terms of an approved Charter which provides that the Committee must, amongst other duties, monitor and strengthen the objectivity and credibility of the GTA's human resources policies and procedures and remuneration system, ensure that the GTA has the appropriate human capital to deliver on its mandate, and assist the Board with the oversight of social, governance and ethical matters relating to the GTA.

### ***World Choir Games Ad Hoc Committee***

The World Choir Ad Hoc Committee was appointed to play an oversight role in the organising of the World Choir Games 2018 (WCG 2018). The committee, consisting of five members, operated in terms of its terms of reference and only focused on the organising of the WCG 2018.

The following table summarises the attendance to meetings by Members of the Board and its sub-committee, from 1 April 2018 to 31 March 2019:

NAME	Board		Audit & Risk Committee		Marketing Committee		Social, Ethics & Governance Committee		WCG Ad Hoc Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
N Mufamadi	12	12	-	-	-	-	8	6	-	-
L Zitha	12	11	-	-	-	-	8	8	-	-
M Chiloane	12	9	-	-	-	-	8	7	-	-
J Sekhitla	12	11	-	-	5	5	-	-	-	-
M Ravele	12	7	-	-	5	5	-	-	-	-
K Diko*	12	0	-	-	-	-	-	-	-	-
D Golding	12	9	-	-	5	5	-	-	-	-
M Sass	12	10	8	8	-	-	-	-	-	-
J Matongo	12	12	8	8	-	-	-	-	-	-

\*Ms Khusela Diko resigned from the GTA Board on 14 May 2018 before attending any scheduled meetings.

#### Remuneration of Board Members

Board members were remunerated in accordance with the National Treasury guidelines and the determination by the Member of the Executive Council. Other costs payable for Board members included airfares, accommodation, car hire and travel and subsistence allowance in accordance with approved rates.

The expenses were incurred by Members while carrying out duties for the GTA. Shareholder representatives were not remunerated for their services. No performance-based remuneration or retainer fees were paid to Board members.

## 1.10 COMPANY SECRETARY

The Company Secretary is responsible for ensuring compliance with procedures and applicable statutes and regulations. To enable the Board to function effectively, the GTA provided Board members full access to its information and records to assist them in discharging their fiduciary duties effectively and efficiently. In line with best practice, the appointment and removal of the Company Secretary is managed by the Board. The Company Secretary proactively renders strategic support services to the Board.

## **1.11 PRIOR MODIFICATIONS TO AUDIT REPORTS**

There were no modifications to the prior year's audit reports.

## **1.12 COMPLIANCE WITH LAWS AND REGULATIONS**

Compliance with the policies, procedures and applicable legislation was strictly monitored. In order to improve on internal controls, various policies and procedures were reviewed and implemented. The GTA Audit and Risk Committee oversaw compliance matters within the GTA.

## **1.13 INTERNAL AUDIT**

The internal audit was provided by an independent assurer, and its activity played a crucial role in ensuring that systems of internal control, risk management, and corporate governance were maintained within the organisation.

## **1.14 PROMOTION OF ACCESS TO INFORMATION ACT, ACT NO. 2 OF 2000 (PAIA)**

The PAIA is intended to foster a culture of transparency and accountability in public and private institutions, by giving effect to the right of access to information as enshrined in section 32(1) of the Constitution of the Republic. The GTA complied with the requirements of the PAIA during the financial year.



# AN N

GAUTENG  
TOURISM  
AUTHORITY

REPORT

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# HUMAN RESOURCES MANAGEMENT

## DID YOU KNOW?

DINOKENG IS ONE OF SOUTH AFRICA'S PRIME BIRDWATCHING AREAS, AND IS SECOND ONLY TO NDUMO IN THE ST LUCIA AREA IN TERMS OF ITS NUMBERS OF BIRD SPECIES

78



## 1.1 INTRODUCTION

The HR function within the Gauteng Tourism Authority plays an enabling role to provide both strategic and operational support for the organisation to retain, engage and attract highly competent, skilled and talented employees. The unit promote a workforce that is diverse and inclusive, and provide an environment that is conducive for learning and for optimal productivity.

## 1.2 HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

The GTA continues to implement the Performance Management and Development System to manage staff performance and development. In the financial year under review, all employees signed performance contracts, conducted mid-year and end of term performance assessments and developed performance development plans in line with GTA's Strategic Plan, the APP and Operational Plans.

The GTA awarded bursaries to 16 employees to improve their tertiary qualifications, in line with their personal development plans. Training was provided for 30 employees on a range of business skills. Seven interns were placed throughout the organisation in different business units. The purpose of the internship was to provide experiential learning to learners from disadvantaged backgrounds who have completed tourism related qualifications. This process was done through the Tshepo One Million programme of the Gauteng Provincial Government.

## 1.3 EMPLOYMENT EQUITY

By the end of the financial year, the GTA employment equity profile against the national and provincial targets was as follows:



### WOMEN IN SENIOR MANAGEMENT

**50%**

achieved against a national target of 50%



### PEOPLE WITH DISABILITY

**1%**

achieved against a national target of 2%.



### YOUTH

**36%**

achieved within the overall workforce.

**DID YOU KNOW?**  
THE DINOKENG GAME RESERVE IS GAUTENG'S ONLY BIG FIVE GAME RESERVE. THE DINOKENG GAME RESERVE IS LOCATED 45KM NORTH OF TSHWANE (PRETORIA) AND AN HOUR'S DRIVE FROM OR TAMBO INTERNATIONAL AIRPORT.

## 1.4 EMPLOYEE RELATIONS

The GTA dealt with all labour matters according to its policies and other related legislative frameworks. Meetings were held with the labour union to attend to matters affecting staff and their membership. The meetings helped to build a working relationship between the GTA, staff and labour.

## 1.5 EMPLOYEE WELLNESS

The GTA held an employee wellness day for all GTA employees. The day was set aside for all GTA employees to consult with medical practitioners from Discovery Health. Individual screenings were done for diabetes, HIV/Aids, High Blood Pressure, weight, etc.

## 1.6 POLICY REVIEW AND DEVELOPMENT

The GTA reviewed a total of 16 HR policies in line with relevant legislation. The purpose of this review process was to:

- Address inconsistencies in the application and implementation of people-related decisions and initiatives within the organisation;
- Promote fairness and employment equity;
- Create a high-performance culture through an effective performance management system;
- Effectively manage employee work-life balance through our wellness initiatives; and
- Promote sound labour relations between the employer and employees.

## 1.7 FUTURE PLANS

The GTA's future HR plans are to finalise the review of the functional and organisational structures including the GTA value chain and operating model. Furthermore, the GTA has concluded significant work towards reviewing its Remuneration Strategy and related policy, in order to ensure that suitable candidates are attracted and retained within the organisation, in line with market trends. In terms of skills development, the organisation intends to conduct a skills audit and develop a workplace skills plan, to ensure that the training plan addresses the strategic imperatives of the GTA as a learning organisation.

## 1.8 HR OVERSIGHT STATISTICS

The following tables provide audited information on HR statistics:

### 1.8.1 PERSONNEL RELATED EXPENDITURE

The following two tables summarise the personnel related expenditure by programme and by salary bands:

PROGRAMME/ ACTIVITY/ OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration (CEO Office, Corporate Management, Finance)	45 231	23 876	17.34%	36	663
Destination Marketing and Promotions	13 625	5 614	4.08%	8	702
Convention and Events Bureau	62 484	5 075	3.69%	8	634
Tourism Services	16 382	12 292	8.93%	22	559
<b>TOTAL</b>	<b>137 722</b>	<b>46 857</b>	<b>34.04%</b>	<b>74</b>	<b>633</b>

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	1 116	2.38%	1	1 116
Senior Management	11 721	25.01%	10	1 172
Professionally Qualified	16 500	35.21%	16	1 031
Skilled	12 642	26.99%	27	468
Semi-Skilled	4 451	9.50%	13	342
Unskilled	427	0.91%	7	61
<b>TOTAL</b>	<b>46 857</b>	<b>100%</b>	<b>74</b>	<b>633</b>

Note: These figures in the above tables are based on the actual head count of 2018/19 financial year which includes interns and 1 contract worker.

## 1.8.2 EMPLOYMENT AND VACANCIES

The following tables summarise the organisation's position with regards to employment and vacancies, within each programme and across levels, as well as employment changes during the financial year:

PROGRAMME	2018/2019 NO. OF EMPLOYEES	2018/2019 APPROVED POSTS	2018/2019 VACANCIES	% OF VACANCIES
Administration	31	38	7	9.2
Destination Marketing and Promotions	7	9	2	2.6
Convention and Events Bureau	7	8	1	1.3
Tourism Services	19	21	2	2.6
<b>TOTAL</b>	<b>64</b>	<b>76</b>	<b>12</b>	<b>15.7</b>

PROGRAMME	2018/2019 NO. OF EMPLOYEES	2018/2019 APPROVED POSTS	2018/2019 VACANCIES	% OF VACANCIES
Top Management	0	1	1	1.3
Senior Management	8	9	1	1.3
Professionally Qualified	16	19	3	3.9
Skilled	28	34	6	7.9
Semi-Skilled	12	13	1	1.3
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>64</b>	<b>76</b>	<b>12</b>	<b>15.7</b>

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD 1 April 2018	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF PERIOD 31 March 2019
Top Management	0	0	0	0
Senior Management	8	2	2	8
Professionally Qualified	16	0	3	13
Skilled	22	0	1	25
Semi-Skilled	12	0	0	12
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>62</b>	<b>2</b>	<b>6</b>	<b>58</b>

Note: These tables exclude interns and contract workers.

### 1.8.3 REASONS FOR STAFF LEAVING

The following table outlines reasons for the vacancies noted above:

REASON	NUMBER
Death	0
Resignation	2
Dismissal	1
Retirement	2
Ill-Health	0
Expiry of Contract	1
Other	0
<b>TOTAL</b>	<b>6</b>

Note: This table excludes interns and contract workers.

## 1.8.4 EMPLOYMENT EQUITY

The following tables present the employment equity profile of the organisation for the FY2018/19:

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0	0	0	0	0
Senior Management	4	4	0	0	1	1	1	1
Professionally Qualified	6	6	0	0	0	0	0	0
Skilled	10	5	0	1	0	1	1	1
Semi-Skilled	2	10	0	1	0	1	0	0
Unskilled	3	2	0	0	0	0	0	0
<b>TOTAL</b>	<b>25</b>	<b>27</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	1	0	0	0	0
Senior Management	4	3	0	0	0	0	0	1
Professionally Qualified	9	8	0	1	0	0	1	1
Skilled	11	7	1	1	3	3	0	1
Semi-Skilled	9	10	1	1	0	1	0	1
Unskilled	7	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>40</b>	<b>29</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>4</b>

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professionally Qualified	0	0	1	1
Skilled	0	0	0	0
Semi-Skilled	0	0	0	0
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

## 1.8.5 TRAINING AND DEVELOPMENT

The following table outlines costs related to training and development:

BAND	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVG TRAINING COST PER EMPLOYEE
Top Management	1 116	0	0%	0	0
Senior Management	11 721	27	0.06%	6	4 500
Professionally Qualified	16 500	66	0.14%	14	4 700
Skilled	12 642	41	0.09%	9	4 600
Semi-skilled	4 451	25	0,05%	3	8 300
*Unskilled	427	0	0	0	0
<b>TOTAL</b>	<b>46 857</b>	<b>159</b>	<b>0.34%</b>	<b>32</b>	<b>4 969</b>

## 1.8.6 PERFORMANCE REWARDS

The following table outlines the payment of performance rewards for the financial year:

PROGRAMME/ ACTIVITY/ OBJECTIVE	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
Top Management	144	1 116	0.3%
Senior Management	650	11 721	1.39%
Professionally Qualified	779	16 500	1.66%
Skilled	632	12 642	1.35%
Semi-Skilled	318	4 451	0.68%
*Unskilled	0	427	0%
<b>TOTAL</b>	<b>2 523</b>	<b>46 857</b>	<b>5.08%</b>

Note: \*Unskilled personnel refer to interns appointed on a 12 months programme, who do not qualify for performance bonuses as per GTA Performance Management Policy

## 1.8.7 LABOUR RELATIONS

The following table outlines the nature of disciplinary action taken during the year under review:

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	1
Final Written Warning	0
Dismissal	1
<b>TOTAL</b>	<b>2</b>





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# AN

## FINANCIAL INFORMATION

REPORT

**DID YOU KNOW?**  
CONSTITUTIONAL HILL, THE  
ONCE INFAMOUSLY CRUEL  
PRISON SITE HAS NOW BECOME  
A SYMBOL OF SOUTH AFRICA'S  
SUCCESSFUL STRUGGLE FOR  
FREEDOM AND DEMOCRACY.

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# REPORT OF THE AUDITOR-GENERAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE GAUTENG TOURISM AUTHORITY

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the GTA set out on pages 94 to 150, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, the statement of changes in net assets and the statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the GTA as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised

Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) Public Finance Management Act (PFMA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes) and the ethical requirements that are relevant to my audit in SA. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of accounting authority for the financial statements

6. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the GTA's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

# REPORT OF THE AUDITOR-GENERAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## Auditor-general's responsibilities for the audit of the financial statements

- My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

- In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to

report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

- My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2: Destination communications	39 – 50
Programme 3: Gauteng convention and events bureau	53 – 61

- I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:
  - Programme 2: Destination communications
  - Programme 3: Gauteng convention and events bureau.

# REPORT OF THE AUDITOR-GENERAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## Other matter

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

## Achievement of planned targets

16. Refer to the annual performance report on pages 36 to 38 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a number of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

18. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## Other information

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

## Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal controls.

*Auditor-General*

Johannesburg  
31 July 2019



AUDITOR-GENERAL  
SOUTH AFRICA

# ANNEXURE

## AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the entity's compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority
  - conclude on the appropriateness of the board of directors, which constitutes the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gauteng Tourism Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

# ADMINISTRATIVE INFORMATION

Annual Financial Statements for the year ended 31 March 2019

## BOARD MEMBERS

Messrs	Board Meetings Attended
M Sass	10
J Matongo	12
DK Golding	9
L Ngcayisa	1

Mesdames	Board Meetings Attended
L Zitha (Dr) - Deputy Chairperson	11
G Chiloane	9
NM Mufamadi - Chairperson	12
K Diko	0
ME Ravele	7
J Sekhitla	11
L Ngcayisa	2

## AUDIT COMMITTEE

Messrs	Meetings Attended
M Sass - Chairperson	8
J Matongo	8
C Pitso	4

## CHIEF EXECUTIVE OFFICER

Yoland Kona

## CHIEF FINANCIAL OFFICER

Mbalenhle Manukuza

## AUDITORS

Auditor-General South Africa  
61 Central Street  
Houghton  
2198

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## WEBSITE

www.visitgauteng.net



# STATEMENT OF RESPONSIBILITY

BY THE MEMBERS OF THE BOARD ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The Board Members are responsible for monitoring the preparation and the integrity of the financial statements and related information included in the annual report.

## INTERNAL AND ACCOUNTING CONTROLS

In order for the Board to discharge its responsibilities, management has developed and continues to maintain an effective and efficient system of internal control through its policies as per Item 3.1 of the Report of the Board. The system of internal controls is designed to provide reasonable assurance as to the integrity and reliability of the financial records of the Authority and to safeguard and maintain accountability of the Authority's assets. The Audit and Risk Committee and the Board regularly review the system of internal control and policies are revised as legislative and operational conditions change. The system of internal control includes a comprehensive budgeting system operating within strict deadlines and monitored by Management, the Board, the Audit and Risk Committee and the Internal Auditor.

As part of the system of internal control, GTA's has appointed independent Internal Auditors, which internal audit function conducts internal audits in accordance with

the standards set by the Institute of Internal Auditors on risk-based, rolling 3-year internal audit plan. The Board is satisfied that the system of internal control is adequate so that the financial records and system may be relied upon for the preparation of financial statements and maintaining accountability of the assets and liabilities.

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Board meets at least four times a year. The Audit and Risk Committee ensures effective communication between the Board, Internal Audit and the Auditor-General. The Auditor-General and the Internal Auditor have unfettered access to the Audit and Risk Committee. The Audit and Risk Committee operates within the framework of formal terms of reference approved by the Board and has discharged its responsibilities for the 2018/19 financial year in compliance with its terms of reference. Mr M Sass, was appointed the Audit and Risk Committee Chairperson on 29 October 2017.

## ANNUAL FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with the applicable Statements of Generally Recognised

Accounting Practice as approved by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, and incorporate disclosures in line with the accounting policies of the Authority.

The annual financial statements are based on appropriate accounting policies as set out in the notes to these financial statements, which policies are consistently applied and supported by reasonable and prudent judgements and estimates within the requirements of the Public Finance Management Act.

The annual financial statements have been prepared on the going concern basis as the Board members have every reason to believe that the Authority has adequate resources in place to continue in operation for the year ahead.

The Board believes that the annual financial statements fairly present, in all material respects, the financial position of the Authority as at 31 March 2019 and the results of its operations and cash flows for the year then ended.

# REPORT OF THE BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 1. INTRODUCTION

The GTA was established as an Authority on 1 April 2000 in terms of the Gauteng Tourism Act of 1999 and succeeded the Gauteng Tourism Agency, a Section 21 Company. The Authority received tax clearance from SARS and confirmation of deregistration from the Registrar of Companies during the 2001/02 financial year. The Authority was deregistered for VAT on 1 October 2005 due to the fact that National Treasury and SARS considered section 3(c) entities as VAT exempt.

The Gauteng Tourism Act No 10 of 2001 was promulgated on 5 February 2002 with the CEO as the Accounting Authority in terms of section 49(2)(b) of the Public Finance Management Act No 1 of 1999. On 7 June 2006, Act No. 3 of 2006 came into effect, resulting in the establishment of a Board that became operational as from 1 February 2007. The Board then became the Accounting Authority of GTA.

## 2. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The financial statements reflecting the financial position of the Authority as at 31 March 2019 and the results of its operations for the year then ended are summarised as follows:

### INCOME

#### Provincial Grant - GTA

Provincial Grant - Bidding and hosting
Marketing and events
GTA Other Income
Department of Tourism - Tourism Monitors Project
IDC - Craft
Interest received
Profit on Sale of Disposal of Assets

Actual R'000	Budget R'000	Deviation %
93 541	93 541	0,0%
38 361	25 997	47,6%
3 354	690	386%
7 298	5 500	32,7%
9 258	13 445	-31,1%
985	2 025	-51,4%
3 549	2 400	47,9%
14	0	
<b>156 359</b>	<b>143 598</b>	<b>8,9%</b>

# REPORT OF THE BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## EXPENDITURE PER BUSINESS UNIT

Visitor Information Services  
Conventions and events Bureau  
Destination Marketing  
Strategic Management, Governance and Administration

**Sub Total:** Operational cost

Capital expenditure

### Total expenditure

Surplus/(Deficit) for the year including Capital Expenditure

Net Surplus/(Deficit) for the year excluding Capital Expenditure

Actual R'000	Budget R'000	Deviation %
25 640	30 370	-15,6%
62 484	49 500	26,2%
13 625	13 418	1,5%
45 231	49 292	-8,2%
<b>146 980</b>	<b>142 581</b>	<b>3,1%</b>
<b>115</b>	<b>1 018</b>	<b>-88,7%</b>
<b>147 095</b>	<b>143 598</b>	<b>2,4%</b>
<b>9 265</b>		
<b>(9 380)</b>		

The GTA received revenue of R156 million, which is 8,9% more than the budgeted revenue of R143 million. The variance of 8,9% is caused by conditional grants from the 2017/18 financial year which were recognized as revenue in the current financial year.

The operational costs of R146 million, which amount to 3,1% overspending against the budget, are mainly due to prepayments from the 2017/18 financial year which were recognized as expenditure in the current financial year.

Capital expenditure was R115 000 against a budget of R1 million. Capital expenditure was however committed in the current financial year, and payments will take place in the 2019/20 financial year.

The net loss for the year, excluding capital expenditure, is R9.3 million. The Authority also has contractual commitments of R5 million which will be dealt with in the 2019/20 financial year. The Authority will therefore, in terms of Section 53(3) of the PFMA, request approval to retain the cash surplus for 2018/19 financial year as this will ensure

that all commitments as at the Statement of Financial Position date are dealt with.

## 3. BUSINESS ACTIVITIES

### 3.1 Founding Legislation

Repealing the Gauteng Tourism Act 18 of 1998, the Gauteng Tourism Act 10 of 2001 was promulgated on 1 December 2001 and came into effect on 5 February 2002. The 2001 Act amongst others provided for the constitution

# REPORT OF THE BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

of the Authority as a Board and was amended in 2006 to further clarify the Gauteng Tourism Authority's status as a schedule 3C provincial public entity regulated by the Public Finance Management Act 1 of 1999 (PFMA) and further regulating the appointment of members of the Board and the Chief Executive Officer.

As such, the Gauteng Tourism Authority is a separate juristic entity duly established in terms of section 3 of the Gauteng Tourism Act and a provincial public entity in terms of schedule 3C of the PFMA. In compliance with the PFMA, GTA has adopted several financial, procurement, asset and cash management policies to give effect to the prescribed financial framework; principal among which are GTA's Risk Management Framework, Receivables Policy, Supply Chain Management Policy, Cash, Banking and Investment Policy, Materiality Framework, Petty Cash Policy and Asset Management Policy.

### **3.2 Governance and Management**

In terms of the Gauteng Tourism Act, 2001 (as amended) the Board of GTA is its Accounting Authority. The Board is appointed by the Executive Authority being the Member of the Executive Council (MEC) of the Gauteng Provincial Government responsible for tourism, currently the MEC for

Economic Development, Agriculture and Environment. The Board acts in terms of the powers and duties conferred set out in the Gauteng Tourism Act, which have in part been delegated to the CEO in terms of a written system of delegation of authority. The current board was appointed for a 3-year term on 1 October 2017, which term will expire on 30 September 2020.

As its Accounting Authority, the Board retains full control over GTA's longer term strategic planning and medium term expenditure framework, ensuring that these are aligned with and crafted to give effect to the statutory mandate and policy priorities set by its Executive Authority. Annually, the management team led by the CEO prepares, for approval by the Board, a budget and time-based Annual Performance Plan to give practical effect to the foregoing.

The Board, collectively with the CEO, remains accountable for the implementation of GTA's strategy and operational objectives, revenue and expenditure plans, compliance with legislation and its system of internal controls. The Board monitors and evaluates GTA's business activities through regular operational and financial reports supported by effective risk management and performance management systems.

In discharging its responsibilities, the Board is assisted by an Audit & Risk Committee, a Marketing Committee and a Social, Ethics and Governance Committee. From time to time, ad hoc board committees are convened if the need arises. The Board and the board committees operate in terms of terms of reference approved by the Board. To aid in transparency and overall policy alignment, the meetings of the Board and the board committees are attended by observers appointed by the Executive Authority who acts as shareholder representatives in those meetings.

### **3.3 Planning and Mandate**

The Authority follows a strategic approach resulting in a Strategic Plan, three year Business Plan and MTEF Budget and is in compliance with the requirements of the PFMA. This is done in accordance with the Annual Planning Programme. The Strategic Plan is revised on an annual basis, resulting in revising the Business Plan and Annual Performance Plan accordingly. The Gauteng Tourism Development Strategy was approved by the Gauteng Executive Council during November 2007 and has been implemented as from the 2008/9 financial year. These documents guide the Authority throughout the decision-making process in order to meet the Authority's Vision and Mission namely:

# REPORT OF THE BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

**Vision:** Gauteng is Africa's must-see, big-city region experience!

**Mission:** To effectively, efficiently and professionally grow the visitor economy and enhance visitors' experiences, by branding, marketing and promoting tourism in Gauteng; bidding for, and hosting mega, major, significant, local and community events; and providing and managing visitor information services to leverage tourism for inclusive socio-economic development.

### 3.4 CEO's Responsibility

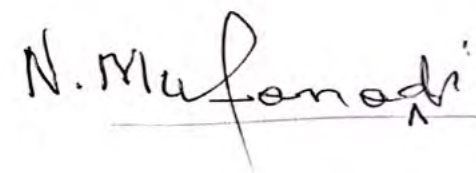
The CEO is responsible for monitoring the preparation and the integrity of the financial statements and related information included in this report. Management has developed and continues to maintain a sound accounting system and internal controls. During the 2009/10 financial year, internal controls, policies and procedures were further adjusted to incorporate the Board in terms of the new Delegation of Authority as approved by the Board. The

Board and CEO reviews the operations of the Authority on a regular basis in conjunction with the Internal Auditor and the Audit Committee. The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Authority's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties and monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework. The financial statements are prepared in accordance with Standards of GRAP as approved and incorporate responsible disclosure in line with the accounting philosophy of the Authority. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. During this financial year the Authority's Strategic Plan, Business Plan and Annual Performance Plan were revised and subsequently

implemented. An effective system of monitoring and evaluation was introduced to ensure ongoing progress towards reaching the targets set out in the above-mentioned plans.

### 4. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the Gauteng Tourism Authority for the financial year ended 31 March 2019 are hereby approved.



**Ms NM Mufamadi**  
**Chairperson of the Board**  
**Date: 31 July 2019**

# AUDIT AND RISK COMMITTEE REPORT

## Audit and Risk Committee Members and Attendance

The Audit and Risk Committee consists of the members listed hereunder. The Committee met eight times during the year under review.

- Mr. M Sass was appointed as a Committee member and Chairperson on 30 October 2017. He attended eight Audit and Risk Committee meetings
- Mr. J Matongo was appointed as a Committee member on 30 October 2017 and attended eight Audit and Risk Committee meetings
- Mr. C Pitso, a Shareholder Representative was appointed on 31 May 2018, he attended four Audit and Risk Committee meetings

## The Audit and Risk Committee's Responsibilities

The Audit and Risk Committee's responsibilities arise from section 51(1)(a) of the Public Finance Management Act ("the Act") and Treasury Regulations 3.1.13, 27.1.8 and 27.1.10. The Audit and Risk Committee also adopted formal terms of reference as its Charter and regulates its affairs in compliance with its Charter and the regulatory framework.

## The Effectiveness of Internal Controls

In line with the PFMA and the King IV Report on Corporate Governance, the Internal Audit function provides the Audit and Risk Committee and management with the assurance that the internal controls in place are adequate and effective. This is achieved by adhering to the risk management processes, as well as the identification of corrective actions and recommended enhancements to the controls and processes. A risk identification process was conducted in the year under review, and the board prioritised the effective monitoring and management of the strategic risks that affected the entity.

The audit findings register is monitored and corrective actions to address findings raised by both the internal and external auditors are taken. Accordingly, the Audit and Risk Committee can confirm that internal controls for the period under review were efficient and effective. The Audit and Risk Committee, as part of its responsibilities, reviews the predetermined objectives and key performance indicators quarterly in line with the approved GTA Strategic Plan and the APP. In addition to the non-financial performance information, the Audit and Risk Committee monitored that the GTA complied with all applicable laws.

In line with the principles of combined assurance, the Audit and Risk Committee worked with Internal Audit to ensure quality assurance while Internal Audit and the Audit & Risk Committee maintained independence.

## Internal Audit

The internal audit function was outsourced. Audits were performed in accordance with an approved risk coverage plan and a three-year rolling audit plan. All of the reports issued were discussed between the internal auditors and the relevant business unit before finalisation. It is management's responsibility to ensure that recommendations are implemented.

## The Quality of In-Year Management and Monthly/Quarterly Reports Submitted in Terms of the Public Finance Management Act

The Audit and Risk Committee discussed the content and quality of in-year management as well as monthly and quarterly reports prepared and issued by the CEO to be recommended to the Board for approval.

### **The Chief Financial Officer**

Ms. M Manukuza is the Authority's Chief Financial Officer.

### **Evaluation of Financial Statements**

The Audit and Risk Committee has reviewed and discussed the audited annual financial statements, the Auditor-General's management letter, management responses and the Auditor-General's final report for the 2018/19 financial year. The Audit and Risk Committee concurs with the audit opinion expressed by the Auditor-General.

A handwritten signature in black ink, appearing to read 'M Sass', written in a cursive style.

**Mr M Sass**

**Chairperson of the Audit & Risk Committee**

**Date: 31 July 2019**

# STATEMENT OF FINANCIAL POSITION

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## ASSETS

### Current assets

Cash and cash equivalents

### Trade and other receivables from exchange transactions

Debtors

Deposits

Prepayments

### Non-current assets

Property, plant and equipment

Intangible assets

## TOTAL ASSETS

## LIABILITIES

### Current liabilities

### Trade and other payables from exchange transactions

Trade and other payables - Trade creditors

Trade and other payables - Staff Leave accruals

Trade and other payables - Other creditors

### Trade and other payables from non-exchange transactions

Trade and other payables - Conditional Grants

### Non-current liabilities

Finance lease

## TOTAL LIABILITIES

### Capital and Reserves

#### Accumulated Surplus

Accumulated surplus

## TOTAL NET ASSETS AND LIABILITIES

Notes

	2018/19 Actual R '000	2017/18 Actual R '000
	<b>43 269</b>	<b>56 751</b>
10,4	41 397	42 799
	1 872	13 952
4,1	1 815	40
4,1	16	45
4,2	41	13 868
	<b>2 407</b>	<b>2 953</b>
2	2 407	2 907
3	0	45
	<b>45 677</b>	<b>59 704</b>
5	<b>24 840</b>	<b>48 182</b>
5,1	<b>13 355</b>	<b>13 306</b>
	6 485	6 651
	2 350	2 434
	4 520	4 221
5,2	<b>11 485</b>	<b>34 876</b>
	-	-
5.1.2	<b>51</b>	<b>122</b>
	<b>24 891</b>	<b>48 304</b>
	<b>20 785</b>	<b>11 400</b>
	20 785	11 400
	<b>45 677</b>	<b>59 704</b>



# STATEMENT OF FINANCIAL PERFORMANCE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019



	Notes	2018/19 budget R'000	2018/19 actual R'000	2018/19 variance R'000	2017/18 budget R'000	2017/18 actual R'000	2017/18 variance R'000
<b>REVENUE</b>							
<b>Revenue from non-exchange transactions</b>							
<b>Government grants and subsidies</b>							
	6	<b>135 698</b>	<b>145 499</b>	<b>9 801</b>	<b>128 605</b>	<b>111 307</b>	<b>(17 297,82)</b>
DED Government Grant		93 541	93 541	-	63 195	63 195	-
<b>DED additional Government Grants</b>		<b>690</b>	<b>3 354</b>	<b>(2 664)</b>	<b>32 473</b>	<b>28 750</b>	<b>3 723</b>
Marketing and events		690	3 354	(2 664)	32 473	28 750	3 723
<b>Conditional Grants</b>		<b>41 467</b>	<b>48 604</b>	<b>(7 137)</b>	<b>32 937</b>	<b>19 362</b>	<b>13 575</b>
Bidding and Hosting		25 997	38 361	(12 364)	12 497	11 747	750
IDC Grants		2 025	985	1 040	2 450	1 378	1 072
Tourism Monitors		13 445	9 258	4 187	17 990	6 237	11 753
<b>Revenue from exchange transactions</b>							
Interest earned - external investments	6,2	2 400	3 549	(1 149)	2 500	2 628	128
Other Income - GTA	6,1	5 500	7 298	(1 798)	-	788	788
<b>TOTAL REVENUE</b>		<b>143 598</b>	<b>156 346</b>	<b>12 747</b>	<b>131 105</b>	<b>114 723</b>	<b>(16 382)</b>
<b>EXPENDITURE</b>							
Employee related costs (Incl. Remuneration of Executive Committee)	7,1	50 137	48 868	1 269	50 999	50 999	-
Depreciation	7,2	-	604	604	600	595	(5)
Amortisation	7,3	-	45	45	46	45	(1)
Finance charges	7,6	16	16	-	-	7	-
General expenses	7,4	92 429	97 447	5 018	78 765	66 622	(12 143)
<b>TOTAL EXPENSES</b>		<b>142 581</b>	<b>146 980</b>	<b>4 399</b>	<b>130 410</b>	<b>118 267</b>	<b>(12 142)</b>

# STATEMENT OF FINANCIAL PERFORMANCE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019



Notes	2018/19 budget R'000	2018/19 actual R'000	2018/19 variance R'000	2017/18 budget R'000	2017/18 actual R'000	2017/18 variance R'000
<b>OTHER GAINS / LOSSES</b>						
(Gains)/Loss on disposal of assets	-	(13)	(13)	-	(13)	(13)
<b>SURPLUS FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	1 017	9 379	8 362	695	(3 532)	(4 227)
<b>SURPLUS FROM OPERATIONS</b>	1 017	9 379	8 362	695	(3 532)	(4 227)
<b>Surplus/(Defecit) for the period</b>	1 017	9 379	8 362	695	(3 532)	(4 227)

#### Explanation of material difference between the final budget and actual expenditure

The variation between Revenue Budget and Actual (inclusive of Interest income) of R9.8 million is due to vacancies, underspending on Tourism monitors project and Craft workshop project.

# STATEMENT OF CHANGES IN NET ASSET

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## Balance at 01 April 2017

Balance brought forward  
Surplus/(Deficit) for the year  
Prior Year Adjustment  
Surplus surrendered to Treasury

## Balance at 31 March 2018

## Balance at 01 April 2018

Balance brought forward  
Prior year adjustment  
Surplus/(Deficit) for the year

## Balance at 31 March 2019

Notes	Accumulated Surplus/ (Deficit) R '000		TOTAL R '000
	14 930		14 930
	14 930	14 930	
	(3 532)	(3 532)	
	2	2	
	-	-	
	<b>11 400</b>	<b>11 400</b>	
	11 400	11 400	
	11 400	11 400	
	5	5	
18	9 380	9 380	
	<b>20 785</b>	<b>20 785</b>	

# STATEMENT OF CASH FLOWS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## CASH FLOW FROM OPERATING ACTIVITIES

Cash receipts from Grants

Cash paid to suppliers and employees

**Cash generated/ utilised from operations**

Interest paid

Interest received

**NET CASH FLOW FROM OPERATING ACTIVITIES**

## CASH FLOW FROM INVESTING ACTIVITIES

Additions to property, plant and equipment

Additions to intangible assets

Proceeds from disposal of assets

**NET CASH FLOW FROM INVESTING ACTIVITIES**

## CASH FLOW FROM FINANCING ACTIVITIES

Increase/(Decrease) in finance liabilities

**NET CASH FLOW FROM FINANCING ACTIVITIES**

**Net Increase/(Decrease) in cash and cash equivalents**

Cash and cash equivalents at beginning of year

Cash and cash equivalents at end of year

Notes

	2018/19 Actual R '000	2017/18 Actual R '000
	127 652	125 598
	(132 451)	(115 448)
10,1	(4 798)	10 150
7,7	(16)	(7)
6,2	3 549	2 628
	<b>(1 265)</b>	<b>12 771</b>
10,2	(115)	(437)
	-	-
	42	18
	<b>(73)</b>	<b>(419)</b>
	<b>(64)</b>	<b>(20)</b>
	<b>(64)</b>	<b>(20)</b>
	<b>(1 402)</b>	<b>12 332</b>
10,4	42 799	30 467
10,5	41 397	42 799

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## 1. ACCOUNTING POLICIES

### 1.1 Basis of Preparation

The annual financial statements were prepared on the accrual basis in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations and directives of such statements issued by the Accounting Standards Board in accordance with Section 55(1) of the Public Finance Management Act, (Act No 1 of 1999).

### 1.2 Presentation Currency

The financial statements are presented in South African Rand which is the Authority's functional currency. All amounts have been rounded to the nearest one thousand Rand (R1,000) in the statements and in Note 8.1; 10.1 to 13.2 and 19 in the Notes to the Financial Statements. The detailed Statement of Financial Performance (Annexure 1) is stated in Rand terms.

### 1.3 Going Concern

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

### 1.4 Comparative Information

#### 1.4.1 Prior year Comparatives

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

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

### 1.5 Standards, Amendments to Standards and Interpretations issued but not yet effective

The following Standards of GRAP and / or amendments thereto have been issued by the Accounting Standards Board, but will only become effective in future periods by the Minister of Finance. The entity has not early-adopted any of these new Standards or amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## 1. ACCOUNTING POLICIES - continued

	Standard	Effective Date	Applicable
GRAP 20	Related Party	1-Apr-19	Yes
GRAP 32	Service Concession Arrangements: Grantor	1-Apr-19	No
GRAP 108	Statutory Receivables	1-Apr-19	Yes
GRAP 109	Accounting by Principals and Agents	1-Apr-19	No
IGRAP 17	Service Concession Arrangements where grantor controls a significant Residual Interest in an Asset	1-Apr-19	Yes

### 1.6 Significant Judgements and Estimates

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

#### 1.6.1 Judgements

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

#### 1.6.2 Estimates

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

#### 1.6.3 Useful lives of Property, Plant and Equipment - Depreciation and amortisation

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

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## 1. ACCOUNTING POLICIES - continued

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

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

#### 1.7.1 Derecognition

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

#### 1.7.2 Gains and losses

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

#### 1.7.3 Offsetting

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

#### 1.7.4 Impairments

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

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## 1. ACCOUNTING POLICIES - continued

### 1.8 Specific Financial Instruments

#### 1.8.1 Investments at amortised cost

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

#### 1.8.2 Cash and cash equivalents

Cash and cash equivalents for purposes of the Cash Flow Statement and Statement of Financial Position comprise cash at banks and cash on hand. Cash equivalents are held with the Reserve Bank and the Authority's appointed banker. Cash and cash equivalents are subsequently measured at amortised cost.

#### 1.8.3 Trade and other receivables

Trade and other receivables are measured at fair value plus transaction costs at initial recognition subsequently measured at amortised cost. All trade and other receivables are assessed at least annually for possible impairment.

Bad debts are written off in the year when identified as irrecoverable.

#### 1.8.4 Trade and other payables

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

### 1.9 Property, Plant and Equipment

#### 1.9.1 Initial recognition and measurement

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

#### 1.9.2 Depreciation

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## 1. ACCOUNTING POLICIES - continued

### 1.9.3 Subsequent measurement

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

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

### 1.9.4 Subsequent expenditure

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

### 1.9.5 Impairments

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

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019



## 1. ACCOUNTING POLICIES - continued

### 1.9.6 Derecognition

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

### 1.10 Intangible Assets

#### Initial recognition and measurement

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

#### 1.10.1 Amortisation

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

#### 1.10.2 Subsequent measurement

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

#### 1.10.3 Impairments

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

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## 1. ACCOUNTING POLICIES - continued

### 1.10.4 Derecognition

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

### 1.11 Employee benefits

#### 1.11.1 Short term employee benefits

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

#### 1.11.2 Defined contribution plans

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

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

### 1.12 Leasing

Operating leases

#### 1.12.1 Recognition

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

Lease payments by the Authority as the lessee under an operating lease are recognised as expenses in the Statement of Financial Performance on a straight line basis over the lease period.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## 1. ACCOUNTING POLICIES - continued

### Finance lease

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

### 1.12.2 Measurement

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

### 1.13 Revenue

Revenue is derived from Government grants, donated assets (non-exchange transactions) as well as other income (exchange transactions), interest earned (external investment) and Tourist Guide Registration Fees.

#### 1.13.1 Revenue from Exchange Transactions

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

#### 1.13.2 Recognition and Measurement

##### Rendering of services

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

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## 1. ACCOUNTING POLICIES - continued

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

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

### Interest income

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

### 1.13.3 Revenue from Non-Exchange Transactions

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

### 1.13.4 Recognition and Measurement

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019



## 1. ACCOUNTING POLICIES - continued

Government grants are recognised on a systematic basis, either on the date of receipt or receivable as confirmed by the GDED.

### 1.14 Borrowing Costs / Finance Costs

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

### 1.15 Foreign Currency Transaction

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

Transactions in foreign currency are accounted for at the spot rate of the exchange ruling on the date of the transaction.

Gains and losses arising on the translation are dealt with in the Statement of Financial Performance in the period in which they occur.

### 1.16 Surplus or Deficit

#### Gains and Losses

Gains and losses arising from the disposal of assets are presented separately from other revenue in the Statement of Financial Performance.

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

### 1.17 Irregular Expenditure

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## 1. ACCOUNTING POLICIES - continued

### 1.18 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.19 Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

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

### 1.20 Post-reporting Date Events

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

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

The Authority will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

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

### 1.21 Related Party Transaction

The Authority operates within the auspices of its parent organisation, the GDED Development who is primarily responsible for funding and is therefore regarded as its related party. Other related parties are Cradle of Humankind, Dinokeng, GEDA, Gauteng Gambling Board, Gauteng Film Commission, GGDA, Gauteng Liquor Board, Key Management and GTA Board.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

## 1. ACCOUNTING POLICIES - continued

The above other related parties except the GTA Board are entities within the same sphere of government and under common control of the GDED.

The Authority has internal controls in place to aid in the identification of related parties. All prospective service providers must complete a declaration of interest form prior to appointment.

All transactions with related parties are disclosed.

Other related party transactions are also disclosed in terms of the requirements of the standard. The objective of the standard and the annual financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of these transactions.

### 1.22 Accounting Policies - Additional

#### 1.22.1 Contingencies / Commitments / Other Liabilities (Provisions / Accruals) / Other Assets

Any known or anticipated contingent liability and asset that may occur is declared in the notes to the financial statements. Commitments at year end are listed in the Commitment Register and declared in the notes to the financial statements. Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments.

Provisions are recognised when the Authority has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, including amounts due to employees for accrued vacation pay. Accruals are reported as part of trade and other payables in the Statement of Financial Position. The Authority does not recognise a contingent asset and contingent liability but discloses details of any contingencies in the notes to the financial statements.

#### 1.22.2 Budget Information in Financial Statements

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019

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## 1. ACCOUNTING POLICIES - continued

### 1.22.3 Prepayments

The Authority recognises prepayments made in respect of exchange transactions for the next financial year in the Statement of Financial Position. Prepayments are reviewed at each Statement of Financial Position date and adjusted if necessary.

### 1.22.4 Deposits

The Authority recognises deposits made in respect of exchange transactions in the Statement of Financial Position as current assets.

### 1.22.5 Staff Advances / Loans

The Authority recognises staff advances in the Statement of Financial Position as current assets and any interest if applicable in the Statement of Financial Performance. These advances are granted in terms of the Authority's HR Policy on Staff Loans and/or Advances.

### 1.22.6 Financial Risk Management

The Authority's activities expose it to the following risks:

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

### 1.23 Foreign Exchange Gain/Loss

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

GAUTENG TOURISM AUTHORITY

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019



1. **ACCOUNTING POLICIES - continued**

1.24 **Transfer of functions between entities under common control**

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

**Year Ended 31 March 2019**

Opening net carrying amount

Gross carrying amount

Accumulated depreciation

**Additions**

Additions

Disposals

Cost

Depreciation charge - disposals

Depreciation charge

Closing net carrying amount

Gross carrying amount

Accumulated depreciation

	Computer Equipment R'000	Equipment R'000	Furniture & Fittings R'000	Leasehold Improvements R'000	Motor Vehicles R'000	Finance Lease R'000	Total R'000
Opening net carrying amount	363 481	62 669	367 516	262 551	1 668 681	182 592	2 907 491
Gross carrying amount	1 992 100	250 606	1 553 359	406 100	2 146 830	205 416	6 554 411
Accumulated depreciation	(1 628 619)	(187 937)	(1 185 843)	(143 549)	(478 149)	(22 824)	(3 646 920)
<b>Additions</b>	<b>114 816</b>	-	-	-	-	-	<b>114 816</b>
Additions	114 816						
							-
Disposals	(10 765)	(10)	(32)	-	-	-	(10 808)
Cost	59 489	17 668	13 960	-	-	-	91 117
Depreciation charge - disposals	(48 724)	(17 658)	(13 928)	-	-	-	(80 309)
Depreciation charge	(128 939)	(24 002)	(69 774)	(98 457)	(214 683)	(68 472)	(604 327)
Closing net carrying amount	<b>338 593</b>	<b>38 657</b>	<b>297 710</b>	<b>164 095</b>	<b>1 453 998</b>	<b>114 120</b>	<b>2 407 172</b>
Gross carrying amount	2 047 427	232 938	1 539 399	406 100	2 146 830	205 416	6 372 694
Accumulated depreciation	(1 708 834)	(194 281)	(1 241 689)	(242 005)	(692 832)	(91 296)	(4 079 642)

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

Year Ended 31 March 2018	Computer Equipment R'000	Equipment R'000	Furniture & Fittings R'000	Leasehold Improvements R'000	Motor Vehicles R'000	Finance Lease R'000	Total R'000
Opening net carrying amount	<b>533 800</b>	<b>86 681</b>	<b>442 149</b>	<b>361 008</b>	<b>1 439 235</b>		<b>2 862 873</b>
Gross carrying amount	2 050 966	252 505	1 553 359	406 100	1 709 982		5 972 912
Accumulated depreciation	(1 517 165)	(165 825)	(1 111 210)	(45 092)	(270 747)		(3 110 039)
Additions					436 848	205 416	<b>642 264</b>
Donations							-
Disposals	(4 773)	-	-		-		<b>(4 773)</b>
Cost	58 866	1 899	-	-	-	-	60 765
Depreciation charge - disposals	(54 093)	(1 899)	-	-	-	-	(55 992)
Depreciation charge	(165 547)	(24 011)	(76 565)	(98 457)	(207 402)	(22 824)	(594 806)
Closing net carrying amount	<b>363 481</b>	<b>62 669</b>	<b>367 516</b>	<b>262 551</b>	<b>1 668 681</b>	<b>182 592</b>	<b>2 907 491</b>
Gross carrying amount	1 992 100	250 606	1 553 359	406 100	2 146 830	205 416	6 554 411
Accumulated depreciation	(1 628 619)	(187 937)	(1 185 843)	(143 549)	(478 149)	(22 824)	(3 646 920)

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 3. INTANGIBLE ASSETS - COMPUTER SOFTWARE

#### Opening net carrying amount

Gross carrying amount  
Accumulated amortisation  
Accumulated impairment deficit  
Additions  
Amortisation

Amortisation

#### Closing net carrying amount 31 March

Gross carrying amount  
Accumulated amortisation

Notes	2018/19 R'000	2018/17 R'000
	<b>45 432</b>	<b>90 864</b>
	762 163	762 163
	716 731	(671 299)
	-	-
	45 432	45 432
	-	-
	<b>-</b>	<b>45 432</b>
	762 163	762 163
	762 163	716 731
	<b>1 872 316</b>	<b>13 952 286</b>
	<b>1 831 243</b>	<b>84 640</b>
	16 230	45 058
	1 815 013	39 581
	<b>16 230</b>	<b>45 058</b>
	6 240	6 240
	9 990	38 818

### 4. TRADE AND OTHER RECEIVABLES

#### 4.1 Trade Receivables from exchange transactions - Balances

Trade and other receivables - Deposits  
Trade and other receivables from - Debtors

Trade receivable includes R1.7 million for CoJ for Meeting Africa event that took place in February 2019

##### 4.1.1 Deposits

Deposit: JHI Retail Eastgate Shopping Centre  
Deposit: Rental Premises from exchange transactions

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 4. TRADE AND OTHER RECEIVABLES - CONTINUED

### 4.1.2 Ageing of Trade & other receivables from exchange transactions (These assets as past due but not impaired)

Older than 30 Days

**Total**

No provision for doubtful debts was made due to the fact that R16230 relates to a deposit paid for leasing.

### 4.2 Current Asset Prepayments

The prepayments arise as a result of contractual obligations.

## 5. TOTAL LIABILITIES

### 5.1 Trade and other payables from exchange transactions

#### 5.1.1 Trade and other payables - Creditors

#### Trade and other payables - Other Creditors

Accrual for Thirteenth Cheque

Accrual for Statutory Costs

Accrual for Board Remuneration / Salaries

Allowed accumulated vacation leave accrual

Staff Claims

Provision for lease

Finance lease liability

Notes	2018/19 R'000	2018/17 R'000
	16 230	45 058
	<b>16 230</b>	<b>45 058</b>
	<b>41 073</b>	<b>13 867 646</b>
	<b>24 891 484</b>	<b>48 303 880</b>
	<b>13 355 122</b>	<b>13 306 303</b>
	<b>6 484 761</b>	<b>6 651 423</b>
	<b>6 870 360</b>	<b>6 654 880</b>
5.3.1	377 793	446 400
	-	-
	1 194 652	13 600
5.3.2	2 350 199	2 434 329
	-	4 018
	2 877 091	3 692 600
	70 627	63 933

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 5. TOTAL LIABILITIES - CONTINUED

	Notes	2018/19 R'000	2018/17 R'000
<b>5.1.2 Non current liabilities</b>			
Finance lease	13,1	51 147	121 775
<b>5.2 Trade and other payables from non-exchange transactions</b>			
<b>5.2.1 Trade and other payables - Conditional Grants</b>		<b>11 485 216</b>	<b>34 875 802.30</b>
<b>Reconciliation of Conditional Grants</b>			
<b>Balance at the beginning of the year</b>		34 875 802	24 053 977
<b>Receipts - DED - Additional Conditional Grants</b>		33 567 315	38 778 533
<b>Unspent at year end</b>			
Bidding and Hosting		8 385 990	20 750 000
Research and Planning		81 207	81 207
Skills Development		93 899	93 899
Product Development		59 318	59 318
Township SMME Development		48 153	48 153
Additional DED funding		1 059 038	3 723 001
IDC Craft CSP		1 264 809	530 513
Tourism Monitors		492 802	9 589 711
<b>Transferred to revenue / expenditure</b>		<b>(56 957 901)</b>	<b>(27 956 708)</b>
<b>Closing Balance</b>		<b>11 485 216</b>	<b>34 875 802</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 5. TOTAL LIABILITIES - continued

		Notes	2018/19 R'000	2018/17 R'000
<b>5.3</b>	<b>Reconciliation of Accruals</b>			
<b>5.3.1</b>	Accrual for Leave Pay - Balance as at 1 April		2 434 331	1 800 613
	Additional accrual		-	633 718
	Unused amounts reversed		(90 601,75)	
	Balance as at 31 March		<b>2 343 729</b>	<b>2 434 331</b>
<b>5.3.2</b>	Accrual for 13th Cheque - Balance as at 1 April		446 400	541 498
	Additional accrual			
	Unused amounts reversed		(68 607)	(95 098)
	Balance as at 31 March		<b>377 793</b>	<b>446 400</b>
<b>6.</b>	<b>REVENUE</b>		<b>156 345 545</b>	<b>114 722 779</b>
	Revenue comprises revenue received in respect of:			
	Non-exchange transactions - DED Government Grants		93 541 000	63 195 000
	Non-exchange transactions - DED - Additional Grants		3 354 027	28 749 999
	Non-exchange transactions - Bidding and hosting		38 361 011	11 747 000
	Non-exchange transactions - NDT Safety Monitors		9 257 820	6 236 822
	Non-exchange transactions - IDC-CRAFT		985 043	1 377 887
	Other Income - exchange transactions	6,1	7 297 713	788 401
	Income from Investments	6,2	3 548 931	2 627 670
<b>6.1</b>	<b>Other Income - exchange transactions</b>		<b>7 297 713</b>	<b>788 401</b>
<b>6.1.2</b>	<b>Other Income</b>		<b>7 297 713</b>	<b>788 401</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 6. REVENUE - CONTINUED

### 6.2 Income from Investments

Interest from Corporation for Public Deposits  
Interest from Current Account

## 7. EXPENDITURE

### 7.1 Employee related costs

Wages and salaries

Employee related costs include:

CEO and Senior Manager's emoluments  
Fees for Non-executive Board Members

### 7.2 Depreciation

Plant, machinery and equipment  
Computer equipment and peripherals  
Office furniture and fittings  
Leasehold Improvements  
Motor Vehicles  
Finance lease

### 7.3 Amortisation

Notes	2018/19 R'000	2018/17 R'000
	<b>3 548 931</b>	<b>2 627 670</b>
	3 341 154	2 490 870
	207 777	136 800
	<b>146 979 764</b>	<b>118 267 459</b>
	<b>48 867 589</b>	<b>50 999 078</b>
8.1.1	12 444 905	13 896 306
8.1.2	1 212 531	1 196 912
	<b>604 327</b>	<b>594 806</b>
	24 002	24 011
	128 939	165 547
	69 774	76 565
	98 457	98 457
	214 683	207 402
	68 472	22 824
	<b>45 432</b>	<b>45 432</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 7. EXPENDITURE - CONTINUED

### 7.4 General expenses

	Notes	2018/19 R'000	2018/17 R'000
		<b>97 446 724</b>	<b>66 621 541</b>
Admin fees		13 117	13 180
Audit fees - Statutory		714 854	603 633
Audit fees - Internal		248 211	353 954
Bank Charges		56 643	41 390
Cleaning Services		535 757	487 246
Conference and delegations		1 438 288	2 081 843
Refreshments		47 754	58 374
Electricity		673 216	645 004
Insurance		355 558	391 351
Integrated Marketing and Communications		68 683 875	38 170 906
Legal Fees		1 340 898	388 586
Parking		205 365	176 963
Printing and stationery		111 128	220 636
Rental of buildings		6 912 635	7 009 773
Rental of vehicles		-	35 103
Security costs		539 824	491 005
Subscriptions and publications		102 820	57 367
Telephone costs		424 634	409 952
Craft workshop		985 043	1 565 867
Staff Training and Development		158 862	381 155
Information technology expenditure		1 876 199	1 949 211
Other		2 764 220	4 852 219

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 7. EXPENDITURE - CONTINUED

Certain comparative figures have been reclassified to enhance comparability i.e. Office and Vehicle Expenditure  
Increase in Integrated Marketing and Communication is due to WCG (R17 mil)and MAM events (R13 mil)  
Increase in legal cost is due to labour matters that are still in progress.

### 7.4.1 Tourism Monitors

Community Facilitation  
Training  
Administration  
Uniform  
Screening  
Marketing  
Stipend  
Implementation  
Work Tools  
Transport

The Tourism Monitors project is an EPWP project that is fully owned and budgeted for by the National Department of Tourism and implemented by GTA through a contract entered into.

The Project entails the identification of unemployed community members to serve as Community Tourism monitors at key regional attractions.

### 7.5 Other gains / losses

(Gains)/Loss on disposal of assets (Property, plant and Equipment)

### 7.6 Finance charges

Finance charges - Finance lease

Notes	2018/19 R'000	2018/17 R'000
	<b>9 257 820</b>	<b>6 236 822</b>
	464 988	509 640
	-	1 316 360
	2 350	547 359
	-	572 159
	-	224 000
	-	443 119
	7 590 482	1 667 505
	1 200 000	300 000
	-	241 500
	-	415 180
	<b>(13 492)</b>	<b>(12 776)</b>
	<b>15 693</b>	<b>6 603</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 8. RELATED PARTIES

Joint Ventures	N/A	Associates	N/A
Members of key management	Yes	Close family member of key management	N/A

The Authority's main related party is the Department of Economic Development who is primarily responsible for funding. Other related parties during the period under review were Members of Key Management and the GTA Board.

All related parties except the GTA Board are within the same sphere of government and/or under common control of the Department.

### 8.1 Related Party Transactions

Department of Economic Development-grant  
 Department of Economic Development - transactions  
 Constitutional Hill (A subsidiary of GGDA)  
 Executive Management Remuneration (Note 8.1.1)  
 GTA Board Emoluments (Note 8.1.2)

#### Balances

Certain comparative figures have been reclassified to enhance comparability

	2018/19 R'000	2018/19 R'000	2017/18 R'000	2017/18 R'000
	Transactions	Receivable (Payable)	Transactions	Receivable (Payable)
	120 228	-	108 165	-
	10 723	(17)	9 539	(16)
	731	(150)	612	-
	12 445	-	13 896	-
	1 213	-	1 197	-
	<b>145 339</b>	<b>(167)</b>	<b>133 409</b>	<b>(16)</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 8. RELATED PARTIES - CONTINUED

## 8.1.1 CEO and Senior Managers Emoluments

12 445

13 896

**Executive Staff Members**

Y Kona : CEO (Acting Allowance)

MN Kubeka: SM

Dest Marketing

KN Gaoganediwe: SM

Corp Communication

S Moeketsi: SM

Corporate Services

Y Asmal: CFO until August 2018

FH Ngqobe:

Head in the CEO Office

T Nkuna: SM

Research and Strategy

M Kona: SM

Regional Tourism

MS Manukuza: CFO from September 2018

JF Dekker: Company Secretary from Jan 2019

Salary / Acting	Bonuses and performance payments	Prov Fund contribution	Cell/ Med Aid contribution	Total
R'000	R'000	R'000	R'000	R'000
940 940	-	-	-	940 940
1 544 484	180 429	-	-	1 724 913
1 449 420	169 325	-	-	1 618 745
1 602 876	-	-	-	1 602 876
849 139	-	-	-	849 139
1 602 876	187 251	-	-	1 790 127
978 863	194 786	72 988	35 492	1 282 129
1 544 484	-	-	-	1 544 484
787 956	-	-	-	787 956
303 596	-	-	-	303 596
<b>11 604 634</b>	<b>731 791</b>	<b>72 988</b>	<b>35 492</b>	<b>12 444 905</b>

Year ended 31/03/2019

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

**8. RELATED PARTIES - CONTINUED**

S Ngwenya: CEO  
 FH Ngqobe: Head CEO Office  
 MN Kubeka: SM  
     Dest Marketing  
 KN Gaoganediwe: SM  
     Corp Communication  
 S Moeketsi: SM  
     Corporate Services  
 Y Asmal: CFO  
 T Nkuna: SM Research  
 M Kona: SM - RT

YEAR ENDED 31/03/2018

Salary / Acting	Bonuses and performance payments	Prov Fund contribution	Cell/ Med Aid contribution	Total
R	R	R	R	R
2 590 440	302 621	-	-	2 893 061
1 498 008	112 500	-	-	1 610 508
1 443 432	103 403	-	-	1 546 835
1 354 596	126 598	-	-	1 481 194
1 498 008	129 254	-	-	1 627 262
1 878 372	234 797	-	-	2 113 169
909 504	53 125	68 213	46 602	1 077 444
1 443 432	103 403	-	-	1 546 835
<b>12 615 792</b>	<b>1 165 701</b>	<b>68 213</b>	<b>46 602</b>	<b>13 896 308</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 8. RELATED PARTIES - CONTINUED

### 8.1.2 Board Emoluments

Ms NM Mufamadi
Dr Z Zitha
Ms CGM Chiloane
Ms ME Ravele
Mr M Sass
Mr DK Golding
Mr J Matongo
Mr J Sekhitla
Mr H Ntshingila until 30 October 2017
Ms KLN Sangoni until 14 May 2018
Mr S Mthembu (Chairperson) until 30 October 2017
Mr M Nkomfe until 19 March 2018
Mr H Moolla until 30 October 2017

Notes	2018/19	2017/18
	R '000	R '000
	<b>1 212 531</b>	<b>1 196 912</b>
	187 057	211 635
	195 622	154 593
	85 338	71 992
	124 019	107 852
	176 102	102 510
	128 007	91 431
	231 048	100 854
	85 338	46 548
	-	11 745
	-	19 037
	-	142 663
	-	106 380
	-	29 672

## 9. CONTINGENCIES /OTHER LIABILITIES (PROVISIONS /ACCRUALS) / OTHER ASSETS

9.1. As from 1 April 2009 when GRAP 19 became effective, provisions for accrued leave and thirteenth cheque were reclassified retrospectively as accruals under Trade and other payables as to ensure compliance with GRAP 19.17. Refer to 1.22 in the Accounting Policies.

Accruals were made in the following manner:

- Leave Pay is set at 100% of all outstanding allowed accumulated leave at statement of position date;
- Thirteenth Cheque is made for January to March and is calculated on the actual December payout of the current financial year divided by four.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 9. CONTINGENCIES /OTHER LIABILITIES (PROVISIONS /ACCRUALS) / OTHER ASSETS - CONTINUED

	Notes	2018/19 R '000	2017/18 R '000
9,2	Other contingent liability during the period under review is the cash surplus of R41 397 964. The Authority will therefore in terms of TR and Section 53(3) of the PFMA, requested approval to retain the surplus for the 2018/19 financial year as this will ensure that all commitments as at Statement of Financial Position date be dealt with.		
9,3	A letter of demand was received from Attorneys in March 2019, acting on behalf of service provider demanding R638 000 from GTA. The investigation is still in progress.		

## 10. NOTES TO THE CASH FLOW STATEMENT

### 10.1 Reconciliation of net (deficit)/surplus before taxation to cash (utilised) generated from operations

Net (deficit)/surplus for the year		9 380	(3 532)
Adjusted for:			
Depreciation		604	595
Amortisation		45	45
(Gain)/loss on disposal		(13)	(13)
Interest paid		16	7
Investment income		(3 549)	(2 628)
Operating surplus/(deficit) before working capital changes		6 483	(5 525)
Other Non-cash movements (Surplus / GHS surrender to Treasury)		-	-



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 10. NOTES TO THE CASH FLOW STATEMENT - continued

Notes	2018/19 R '000	2017/18 R '000
Working capital changes	<b>(11 281)</b>	<b>15 676</b>
Decrease/(Increase) in Accounts Receivable	12 075	(137)
Increase/(Decrease) in Conditional Grants	(23 391)	10 822
Increase/(Decrease)/Increase in accounts payable	34	4 991
Cash (utilised by)/generated from operations	<b>(4 798)</b>	<b>10 150</b>
<b>10.2 Adjustments to property, plant and equipment</b>	<b>115</b>	<b>437 054</b>
Additions to property, plant and equipment	115	205
Computer equipment	-	-
Furniture and Fittings	-	-
Equipment	-	-
Leasehold improvements	-	-
Motor Vehicles	-	436 848
<b>10.3 Cash and cash equivalents at beginning of the year</b>	<b>42 799</b>	<b>30 467</b>
Current bank account	15 283	4 442
Corporation for Public Deposits Account (restricted use)	27 510	26 019
Petty cash	6	6
<b>10.4 Cash and cash equivalents at end of the year</b>	<b>41 397</b>	<b>42 799</b>
Current bank account	7 540	15 283
Corporation for Public Deposits Account (restricted use)	33 851	27 510
Petty cash	6	6

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 11. NOTES TO THE STATEMENT OF CHANGES IN NET ASSETS

The Accumulated Surplus reflects net assets and includes retained income for future use amounting to R20 785 068

## 12. RETIREMENT BENEFIT OBLIGATIONS

The Authority has made provision for a Liberty Life Group Provident Fund for GTA personnel. The Authority contributes 100% of the amount payable for provident fund for staff who join the scheme at 7.5% and 50% of the amount payable for staff who join at 15% is recognised as an expense in the Statement of Financial Performance. The Liberty Life Provident Fund is governed by the Pension Fund (Act No. 24 of 1956) and incorporated in the GTA Staff Policies.

## 13. OPERATING LEASE ARRANGEMENTS/NON-CAPITAL COMMITMENTS/COMMITMENTS-AUTHORISED EXPENDITURE

### 13.1 Operating lease arrangements / Non-capital Commitments

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

Not later than 1 year

Later than 1 year but not  
later than 5 years

Later than 5 years

	Mar-19 R'000	Mar-18 R'000	
	9 509	8 754	Office Rental Lease
		91	MTN, Vodacom
	4	3	Mineral waterman, 62 Waters
	6 758	16 373	Office Rental Lease
	2	-	62 Waters
	-	-	
	<b>16 273</b>	<b>25 220</b>	

The Authority is in a lease agreement with the Department of Economic Development until November 2020. The total value of the agreement of R53,253,495 was straightlined and is listed in the lease note. The period of the lease was for 9 years and 11 months from inception with a 10% escalation. The lease agreements do not impose any restrictions.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 13. OPERATING LEASE ARRANGEMENTS/NON-CAPITAL COMMITMENTS/COMMITMENTS-AUTHORISED EXPENDITURE - CONTINUED

	Notes	2018/19 R '000	2017/18 R '000
<b>13.2 Finance lease obligations</b>			
Total future minimum lease payments		133	212
Within 1 year		80	80
Later than 1 year but not later than 5 years		53	133
Later than 5 years		-	-
Less: Future finance charges		(11)	(27)
Present value of minimum lease payments		122	186
Present value of minimum lease payments due		122	186
Within 1 year		71	64
Later than 1 year but not later than 5 years		51	122
Later than 5 years		-	-
Non current liability		51	122
Current liability		71	64
The Authority leased three printers from Konica from 1 December 2017			
The period of the lease is 3 years and interest rate is 10%			
The lease agreement does not provide for contingent lease payments			
<b>13.3 Commitments - Authorised Expenditure</b>			
<b>Already contracted for but not provided for</b>			
- Operating expenditure (as per Commitments Register)		5 053	6 688
		<b>5 053</b>	<b>6 688</b>

The commitments include operating expenditure relating to PO issued before year end.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019



	Notes	2018/19 R '000	2017/18 R '000
<b>14</b>	<b>EVENTS AFTER REPORTING DATE</b>		
	There are no known developments that may have an impact on the Authority after the period under review.		
<b>15</b>	<b>SENSITIVITY ANALYSIS</b>		
	The Authority fulfilling its mandate under the auspices of the Provincial Government is reliant on Government as its major source of revenue. It therefore does not anticipate any interest rate risk caused by fluctuating interest rates as it does not operate a system of debtors of significant value. The Authority also manages its risks through a Risk Management Plan.		
<b>17.</b>	<b>FINANCIAL INSTRUMENTS - continued</b>		

		2017/18 R '000
<b>Assets</b>	<b>Trade and other receivables</b>	
	Trade receivables	1 831 243
	Staff Debtors	-
	Prepayments	41 073
	Cash and bank	41 397 065
	<b>Total</b>	<b>43 269 381</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 17. FINANCIAL INSTRUMENTS - continued

		2018/19 R '000
<b>Liabilities</b>	Trade and other payables	6 484 761
	Trade payables - Creditors	-
	Payments received in advance	11 485 216
	Conditional Grants	2 350 199
	Staff leave accrual	377 793
	Thirteenth cheque accrual	4 193 517
	Other creditors	
	<b>Total</b>	<b>24 891 485</b>
		2017/18 R '000
<b>Assets</b>	<b>Trade and other receivables</b>	
	Trade receivables	75 554
	Prepayments	13 867 646
	Cash and bank	42 799 062
	<b>Total</b>	<b>56 742 263</b>
<b>Liabilities</b>	<b>Trade and other payables</b>	
	Trade payables	6 651 423
	Payments received in advance	-
	Staff leave accrual	2 434 329
	Thirteenth cheque accrual	446 400
	Conditional Grants	34 875 802
	Other creditors	3 706 757
	<b>Total</b>	<b>48 114 711</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 17. FINANCIAL INSTRUMENTS - CONTINUED

### Financial Assets carried at Amortised Cost

The financial assets carried at amortised cost expose the entity to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets at amortised cost:

Cash and cash equivalents  
Trade and other receivables from exchange transactions  
Other current financial assets

Notes	2018/19	2017/18
	R '000	R '000

41 397 065	42 799 062
1 825 003	78 400
41 073	13 867 646

### Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 17. FINANCIAL INSTRUMENTS - CONTINUED

### 2019

Gross operating lease obligations  
Trade and other payables  
13th Cheque accrual  
Leave accrual  
Other

Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
61 030,87	122 061,74	549 277,83	2 144 720
6 484 761	-	-	-
-	-	377 793	-
195 850	391 700	1 762 649	-
1 194 652	9 445 028	2 772 558	-

### 2018

Gross operating lease obligations  
Trade and other payables  
13th Cheque accrual  
Leave accrual  
Other

Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
61 031	122 061,74	549 277,83	2 960 230
6 651 423	-	-	-
-	-	541 498	-
202 861	405 722	1 825 747	-
17 618	24 473 001	11 036 613	-

### 17.1 Financial Risk Management

The Authority's exposure to credit, liquidity and market risks is dealt with in terms of its risk management policies and systems in place as stipulated in accounting policy 1.22.6.

During the period under review, no impairment, write offs and/or credit losses were identified.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019



	Notes	2018/19 R '000	2017/18 R '000
<b>18. PRIOR PERIOD ERROR</b>			
<b>Statement of financial performance</b>			
Depreciation		-	2
<b>Statement of financial position</b>			
Accumulated depreciation		-	2
Trade and other payables		5	-
<b>Statement of Changes in Net Assets</b>			
Accumulated surplus		(5)	-
Adjustment relating to journals that was incorrectly processed in prior year			
<b>19 CHANGE IN ACCOUNTING ESTIMATE</b>			
The impact of the change in estimates is as follows			
<b>Statement of financial performance</b>			
Depreciation		-	212
<b>Statement of financial position</b>			
Accumulated depreciation		-	212



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## MATERIALITY FRAMEWORK

Annual Financial Statements for the year ended 31 March 2019

(Unaudited supplementary schedules)

The Authority's Materiality Framework is as follows:

Legislative reference	Quantity level	Quality level
<p>PFMA sec 50(1)(C)</p> <p>1. The accounting authority for a public entity must - (c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that of the legislature.</p>	<p>All figures that might influence the decision by the executive authority. Monthly reports to the DED will include explanatory notes if the actual expenditure / revenue per business unit deviates more than 5% from budget.</p>	<p>Any item or event of which specific disclosure is required by law. All facts discovered of which its omission or misstatement in the Board's opinion, could influence the decision by the executive authority.</p>
<p>PFMA sec 54(2)</p> <p>Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:</p> <p>(a) establishment or participation in the establishment of a company; (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement; (c) acquisition or disposal of a significant shareholding in a company; (d) acquisition or disposal of a significant asset; (e) commencement or cessation of a significant business activity; and (f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>	<p>All transactions as required.</p>	<p>All figures as applicable</p>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

**MATERIALITY FRAMEWORK - continued**

Legislative reference	Quantity level	Quality level
PFMA sec 55(2)(b)(i) (2) 'The annual report and financial statements referred to in subsection (1)(d) must- (b) any material losses through criminal conduct and any irregular expenditure and fruitless expenditure that occurred and wasteful during the financial year.	Any loss through criminal conduct identified. Any loss through irregular/fruitless/wasteful expenditure and if the combined total exceeds the planning materiality figure used by the external auditors for the year under review.	Any loss identified through criminal conduct.

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

**INCOME**

DED Subsidy
DED Additional Subsidy
IDC-Craft
NDT Safety Monitors
Other - Income
Grant Bidding and Hosting
Interest Received
Profit on Disposal of Assets

**EXPENDITURE****FINANCE**

Fin - Provision for Leave
Fin - Provision for Thirteenth cheque
Fin - Accounting Fees
Fin- Audit Internal
Fin - Audit External
Fin - Bank charges
Fin - Conference & Meetings
Fin - Financial Planning
Fin - Insurance
Fin - Staff Total
Fin - Scrapped Assets
Fin - Amortisation
Fin - Depreciation

	Budget 2018/19 R'000	Actual 2018/19 R'000	Budget 2017/18 R'000	Actual 2017/18 R'000
	<b>143 598 233</b>	<b>156 359 483</b>	<b>131 104 532</b>	<b>114 735 648</b>
	93 541 000	93 541 000	63 195 000	63 195 000
	690 064	3 354 027	32 473 000	28 749 999
	2 025 000	985 043	2 450 000	1 377 887
	13 445 169	9 257 820	17 989 532	6 236 822
	5 500 000	7 297 713	-	788 401
	25 997 000	38 361 011	12 497 000	11 747 000
	2 400 000	3 548 931	2 500 000	2 627 670
	-	13 938	-	12 868
	<b>7 153 202</b>	<b>7 142 063</b>	<b>7 909 732</b>	<b>7 663 806</b>
	-	-	402 000	633 718
	-	-	133 529	(95 098)
	32 177	13 117	34 773	13 180
	450 000	248 211	363 000	353 954
	744 065	714 854	701 948	603 633
	57 055	56 643	41 390	41 390
	16 000	15 693	-	6 603
	108 456	108 002	101 561	76 665
	434 332	355 558	482 807	391 351
	5 311 117	4 979 778	5 002 724	4 998 079
	-	447	-	92
	-	45 432	46 000	45 432
	-	604 327	600 000	594 806

# DETAILED STATEMENT OF FINANCIAL PERFORMANCE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## OFFICE OF THE CEO

### Board and Forum Matters

Board Secretariat  
 Annual Report  
 Attend conf & Forums Local  
 Attend conf & Forums Intern  
 Attend conf & Forums Board Local  
 Attend conf & Forums Board Intern  
 CEO Project  
 Board Payments & Allowanbes  
 CEO Entertainment  
 Stakeholder management  
 Craft Workshop

	Budget 2018/19 R'000	Actual 2018/19 R'000	Budget 2017/18 R'000	Actual 2017/18 R'000
	<b>5 756 352</b>	<b>3 738 332</b>	<b>7 330 879</b>	<b>6 633 242</b>
	452 874	452 392	464 978	464 979
	328 244	287 218	276 337	183 483
	354 997	176 642	179 242	229 446
	504 991	209 266	346 406	336 983
	-	26 234	360 000	344 335
	-	13 243	20 000	26 415
	817 246	316 376	2 000 000	2 261 423
	1 213 000	1 212 531	1 208 916	1 196 912
	-	-	852	852
	60 000	59 388	24 148	22 549
	2 025 000	985 043	2 450 000	1 565 867

# DETAILED STATEMENT OF FINANCIAL PERFORMANCE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## CORPORATE SERVICES

### Operational Cost

#### Human Resources

CS - Employee Wellness
CS - Staff Development & Training
CS - Labour Relations
CS - Organisational Development
CS - Recruitment
CS - Study Assistance
CS - conference and Meetings
CS - courier and Postage
CS - Legal Fees
CS - Motor Vehicle Expenses
CS - Office Maintenance & consumables
CS - Office Electricity
CS - Office Rent
CS - 124 Main St Cleaning
CS - Parking Official
CS - Motor Vehicle Lease
CS - Printing & Stationery
CS - Refreshments
CS - Security & Safety
CS - Subscriptions & Library
CS - Telephones
CS - Cell Phones and Data cards
CS ICT - Dev/Maint of IT, Tel, Audio, etc.
CS - Staff Total

Budget 2018/19 R'000	Actual 2018/19 R'000	Budget 2017/18 R'000	Actual 2017/18 R'000
<b>34 362 236</b>	<b>32 853 270</b>	<b>33 366 739</b>	<b>32 497 447</b>
56 327	19 866	201 169	201 169
166 138	158 862	416 040	381 155
-	-	9 981	1 250
-	-	55 820	55 820
422 500	422 403	155 659	147 474
560 411	508 554	89 647	89 647
-	-	20 977	1 551
-	-	12 625	-
1 340 898	1 340 898	395 000	388 586
163 749	153 382	189 311	188 921
61 449	61 050	72 877	72 606
1 103 427	673 216	740 189	645 004
7 002 506	6 912 635	7 023 770	7 009 773
536 043	535 757	487 246	487 246
290 000	205 365	193 315	176 963
-	-	259 400	35 103
186 754	111 128	221 584	220 636
49 250	48 336	57 536	57 522
540 253	539 824	505 597	491 005
102 895	102 820	145 185	57 367
299 013	246 623	276 867	165 243
231 514	178 012	335 390	244 709
2 134 527	1 876 199	1 884 337	1 949 211
19 114 583	18 758 340	19 617 217	19 429 486

# DETAILED STATEMENT OF FINANCIAL PERFORMANCE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019



	Budget 2018/19 R'000	Actual 2018/19 R'000	Budget 2017/18 R'000	Actual 2017/18 R'000
<b>VIS and Leisure</b>	<b>16 925 268</b>	<b>16 381 856</b>	<b>16 482 023</b>	<b>16 934 893</b>
<b>Staff costs</b>	<b>13 125 268</b>	<b>12 300 640</b>	<b>12 507 368</b>	<b>12 302 977</b>
Staff	-	-	-	-
	13 125 268	12 300 640	12 507 368	12 302 977
	<b>3 800 000</b>	<b>4 081 217</b>	<b>3 974 655</b>	<b>4 631 916</b>
Information service	1 000 000	817 521	1 172 243	1 542 630
Leisure	2 000 000	2 014 858	2 000 000	1 972 549
Trade	800 000	1 224 957	802 412	1 116 738
	-	-	-	-
<b>Conventions and events bureau</b>	<b>49 499 956</b>	<b>62 484 089</b>	<b>30 961 431</b>	<b>30 267 425</b>
MICE Bid Support	4 120 487	4 604 779	1 950 265	1 950 265
MICE Sales & Marketing Programme	-	-	28 747	28 747
MICE Sales Missions	-	-	11 801	11 801
International MICE Trade Shows	-	-	12 031	12 031
Signature Event Support	7 711 426	7 687 398	11 000 000	11 055 994
WCG and MAM	18 212 365	30 612 366	-	-
Bidding and Hosting	15 111 233	14 506 233	12 497 000	11 747 000
Staff	4 344 445	5 073 314	5 461 588	5 461 588

# DETAILED STATEMENT OF FINANCIAL PERFORMANCE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

**Destination Marketing****Digital Marketing**

Digital Agency & Digital Partnerships  
Development and Engagement

**Destination communication**

National Media Relations Prog

**Brand & creative Services**

Photography & Video  
Branding

**Brand collateral**

Collateral Development  
Airport TV  
Staff

**RESEARCH AND STRATEGY**

Strategic Research Plan (60%DF)  
Strategic Planning (60%DF)  
Conference & Seminars (DF)  
Monitoring and Evaluation  
Staff

	Budget 2018/19 R'000	Actual 2018/19 R'000	Budget 2017/18 R'000	Actual 2017/18 R'000
	<b>13 418 380</b>	<b>13 625 447</b>	<b>14 264 983</b>	<b>16 004 014</b>
	4 000 000	3 166 146	-	2 452 336
	-	-	1 548 500	1 548 500
	2 340 060	4 204 762	6 500 000	2 915 607
	-	-	209 147	348 578
	1 089 397	662 376	4 174	489 362
	-	-	260 442	103 460
	-	-	-	2 417 940
	5 988 923	5 592 163	5 742 720	5 728 231
	<b>2 020 000</b>	<b>1 496 886</b>	<b>2 104 184</b>	<b>2 029 810</b>
	700 000	40 983	-	-
	500 000	443 000	60 000	58 558
	820 000	1 012 903	940 000	1 143 114
	-	-	-	-
	-	-	1 104 184	828 138

# DETAILED STATEMENT OF FINANCIAL PERFORMANCE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

**NDT SAFETY MONITORS**

Community Launch - Facilitation  
 Training  
 Administration  
 Uniform  
 Screening  
 Marketing  
 Stipend  
 Implementation  
 Work Tools  
 Transport

**DISCONTINUED OPERATIONS**  
**GARANKUWA HOTEL SCHOOL**
**Total Expenditure****Net Surplus/Deficit For The Year**

Budget 2018/19	Actual 2018/19	Budget 2017/18	Actual 2017/18
<b>13 445 169,00</b>	<b>9 257 820</b>	<b>17 990 507</b>	<b>6 236 822</b>
690 000,00	464 988	509 640,00	509 640
2 120 000,00	-	3 000 000,00	1 316 360
200 431,00	2 350	554 969,00	547 359
700 000,00	-	1 462 000,00	572 159
-	-	230 000,00	224 000
400 000,00	-	541 996,00	443 119
7 834 738,00	7 590 482	9 504 000,00	1 667 505
1 200 000,00	1 200 000	541 996,00	300 000
300 000,00	-	1 230 726,00	241 500
-	-	415 180,00	415 180
R	R	R	R
-	-	-	-
-	-	-	-
<b>142 580 564</b>	<b>146 979 764</b>	<b>130 410 480</b>	<b>118 267 460</b>
<b>1 017 669</b>	<b>9 379 719</b>	<b>694 052</b>	<b>(3 531 812)</b>



# NOTES

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**IT'S** *YOUR* **GP**  
**ENJOY IT**



**NOTHING'S MORE FUN THAN A  
SHO'T LEFT**





GAUTENG  
TOURISM  
AUTHORITY

REVOLUTION

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