

TOURISM



GAUTENG TOURISM AUTHORITY

ANNUAL REPORT | 2019/20

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.



IT'S *YOUR* GP

ENJOY IT

DID YOU KNOW?

Making the first and final stretches of daily commutes easier, or the so-called "last-mile problem", is the Holy Grail of transport planning. In Diepsloot, in Johannesburg's far northern reaches, the proverbial last mile is a very long one. And for thousands, it is taken by bicycle.



NOTHING'S MORE FUN THAN A
SHO'T LEFT

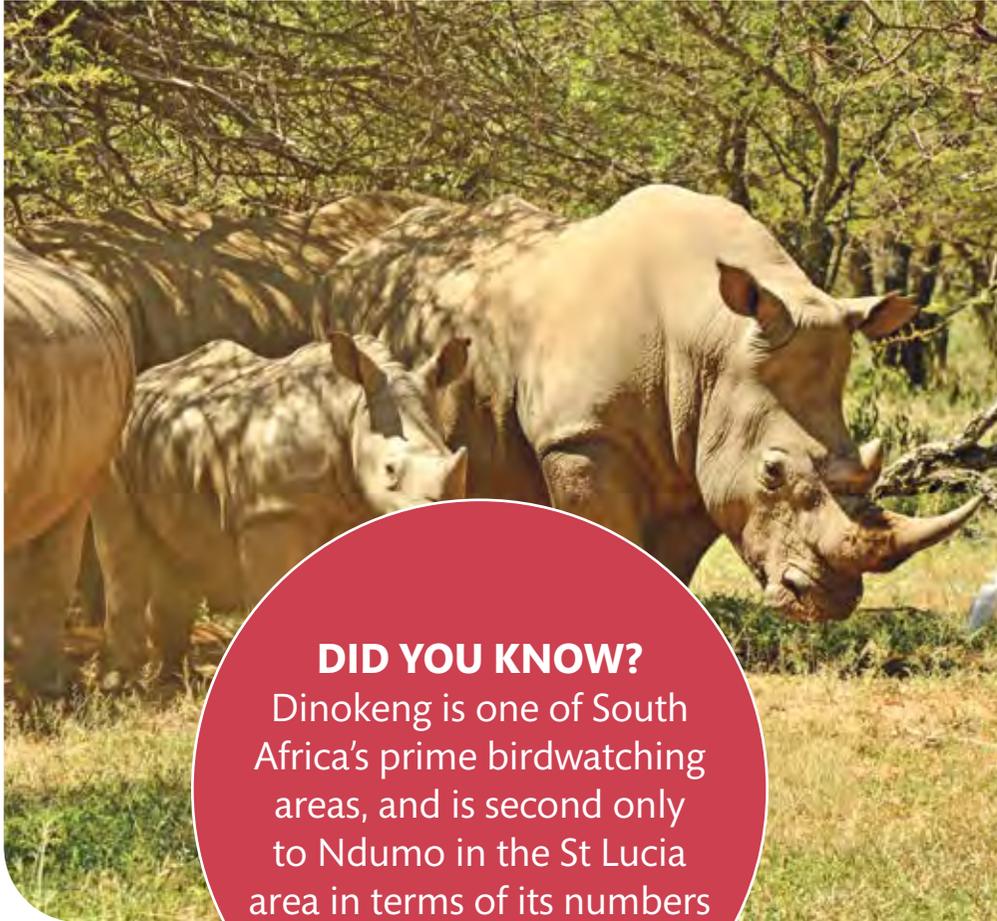
TOURISM



DID YOU KNOW?

Freedom Park is situated at Salvokop in Pretoria. It includes a memorial with a list of the names of those killed in the South African Wars, World War I, World War II as well as during the apartheid era.





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.

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PART A:
GENERAL
INFORMATION

GAUTENG TOURISM AUTHORITY GENERAL INFORMATION

REGISTERED NAME: Gauteng Tourism Authority
PHYSICAL ADDRESS: 124 Main Street
Marshalltown
Johannesburg
South Africa
POSTAL ADDRESS: PO Box 155
Newtown
2113
TELEPHONE NUMBER/S: (011) 085-2500
EMAIL ADDRESS: info@gauteng.net
WEBSITE ADDRESS: www.gauteng.net
INTERNAL AUDITORS: Ramuedzisi Advisory Services; MAAS Audit;
Risk and Advisory; ECM Group
BANKERS: FNB
SA Reserve Bank

DID YOU KNOW?

The Magaliesberg
mountain range is visible
from Johannesburg.

LIST OF ABBREVIATIONS/ACRONYMS

Acronyms	Description
ACSA	Airports Company South Africa
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CoHWHS	Cradle of Humankind World Heritage Site
CRM	Customer Relationship Management
CSD	Central Supplier Database
DMO	Destination Marketing Organisation
FMPPI	Framework for Managing Programme Performance Information
FY	Financial Year
GCR	Gauteng City Region
GDED	Gauteng Department of Economic Development
GEP	Gauteng Enterprise Propeller
GPT	Gauteng Provincial Treasury
GTA	Gauteng Tourism Authority
HR	Human Resources
IAGR	International Association of Gaming Regulators
KPA	Key Performance Area
KPI	Key Performance Indicator

Acronyms	Description
MEC	Member of Executive Council
MICE	Meetings, Incentives, Conventions and Exhibitions
MTEF	Medium Term Expenditure Framework
MTSF	Mid-Term Strategic Framework
NDP	National Development Plan
OHSA	Occupational Health and Safety Act
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
REP	Request for Event Proposal
SADC	Southern African Development Community
SAPS	South African Police Service
SAT	South African Tourism
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SMME	Small, Medium and Micro Enterprises
SSA	Statistics South Africa
TBCSA	Tourism Business Council of South Africa
TER	Township Economic Revitalisation
TMR	Transformation, Modernisation and Re-industrialisation
TR	Treasury Regulation
UNWTO	United Nations World Tourism Organisation
VFR	Visiting Friends, Family and Relatives
VIC	Visitor Information Centre

FOREWORD BY THE CHAIRPERSON



GTA performed well during the year, achieving its annual **performance targets.**

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 develops programmatic interventions structured around destination marketing, visitor services and the events industry to enhance Gauteng's attractiveness as a business and leisure tourism destination.

GTA's mandate is derived from the Gauteng Tourism Act, which also establishes the Board of the Gauteng Tourism Authority. From a governance perspective, the Board is responsible for oversight over the management and operations of GTA. In this the Board was assisted by an Audit and Risk Committee, a Marketing Committee and a Social, Ethics and Governance Committee.

During the year under review, the Board appointed a new CEO. This assisted the Board to stabilise the organisation and paved the way for several improvements to GTA's strategic positioning and its system of internal controls. GTA developed an internal control schedule to record and track progress made with the review and/or development of internal controls instruments. GTA is also in the process of completing a contract management system as part of its transactional framework (including its supply chain management processes). Read with GTA's general and financial delegations, these systems were areas of focus during the year, and are aimed at creating an enabling framework for better service delivery to the tourism industry.

Extensive work was undertaken to reposition GTA's human resources for better capability and efficient delivery of services to the tourism industry. Although GTA would have preferred to house all of the tourism functions described in the Gauteng Tourism Act, the Board is confident that the decision to maintain the separation between functions retained within GTA and the policy, tourism supply and regulatory functions located with the Gauteng Provincial Government will bear fruit going forward. The Board has however approved the filling of critical vacancies following the approval of a revised organisational structure.

The Board became increasingly aware that GTA needed to do more to establish alternative revenue streams in order to enhance its liquidity and make it less dependent on the Shareholder for funding its mandate. This work was taken forward during FY2020/21 and will be reported on going forward. That said, operationally, GTA performed well during the year under review, achieving its annual performance targets. The achievements are documented in this Annual Report. FY2019/20 marks yet another unqualified and clean audit outcome for GTA. It is the sixth consecutive clean audit for GTA's management team and Board.

From a governance perspective, the Board is satisfied with management's performance including the process to revise (and later adjust for the COVID-19 pandemic) GTA's five-year Strategic Plan, its Annual Performance Plan and Strategic Risk Register. During the fourth quarter, and later during the implementation of lockdown regulations, GTA participated in developing the Gauteng Tourism Recovery Plan. Tourism has in the past proven its resilience against situations that have impacted its performance. Despite travel restrictions, travellers want to explore and interact with the world. South African Tourism (SAT) has found in its recent studies that consumers are willing to travel again but with the assurance that it is safe to do so. The impact of COVID-19 has affected the entire tourism value chain. As the country gradually opens the sector, it is crucial that Gauteng continues working with the sector in identifying strategies for reassuring travellers of their safety.

This Board's three-year term ends on 30 September 2020. On behalf of the Board, I take this opportunity to thank the Shareholder for its continued support to GTA and its Board members during our tenure. The Board's appreciation is also extended to the executive management team, staff and tourism stakeholders for another successful year of growing tourism together in Gauteng.

Mrs. Nomusa Mufamadi
Chairperson of the Board
Date: 29 September 2020



BOARD OF DIRECTORS



NOMUSA MUFAMADI
CHAIRPERSON OF THE BOARD



DR LULAMA ZITHA
DEPUTY CHAIRPERSON OF THE BOARD,
CHAIRPERSON OF THE SOCIAL, ETHICS
AND GOVERNANCE COMMITTEE



MICHAEL SASS
CHAIRPERSON OF THE AUDIT
AND RISK COMMITTEE



MUDITAMBI RAVELE
CHAIRPERSON OF THE
MARKETING COMMITTEE



JOLIDEE MATONGO
MEMBER OF THE BOARD



JULIA SEKHITLA
MEMBER OF THE BOARD



DESMOND GOLDING
MEMBER OF THE BOARD



MOROESI CHILOANE
MEMBER OF THE BOARD



YOLAND KONA
CHIEF EXECUTIVE OFFICER

FOREWORD OF THE CHIEF EXECUTIVE OFFICER



The GTA exceeded most of its targets as outlined in the FY19/20 Annual Performance Plan with certain targets being affected by the **COVID-19 pandemic**.

“ In the year under review, the GTA strived to maximise the Gauteng City Region’s (GCR) contribution to the visitor economy. The Authority has done so by implementing three programmes, namely Destination Marketing, Events Marketing, and Destination Management and Development. The GTA exceeded most of its targets as outlined in the FY2019/20 Annual Performance Plan with certain targets being affected by the COVID-19 pandemic. ”

General financial review of the Authority

The financial statements reflect the financial position of the Authority as at 31 March 2020 and the results of its operations for the year ended are summarised as follows:

	Actual	Budget	Deviation
	R'000	R'000	%
INCOME	121 361	143 060	15%
Provincial Grant - GTA	86 658	86 658	0%
Provincial Grant – Marketing and Events	0	3 600	100%
Provincial Grant – Bidding and Hosting	18 351	27 494	33%
Provincial Grant – Project Evaluation	825	1 027	20%
Department of Small Business Development – Craft	1 329	1 000	33%
Department of Tourism – Tourism Monitors Project	8 657	20 782	58%
GGDA contribution for Branding and Marketing Strategy	100	0	0%
City of Johannesburg contribution for Meetings Africa	1 864	0	0%
Interest	3 573	2 500	(43%)
Other income	4	0	0%
EXPENDITURE	113 397	143 060	21%
Administration	85 052	98 726	14%
Destination Marketing	5 871	11 067	47%
Events Marketing	21 652	32 402	33%
Destination Marketing and Development	178	700	75%
Sub-total: Operational costs	112 753	142 895	21%
Surplus/(Deficit) for the year excluding capital expenditure	8 608	165	(5 117%)
Capital Expenditure	645	165	(291%)
Surplus/(Deficit) for the year including capital expenditure	7 963	0	0%



The GTA obtained a clean audit report in the previous financial year with no significant findings.

The underspending of 21% was mainly caused by the cancellation and postponement of events in the fourth quarter of the 2019/20 financial year due to the COVID-19 pandemic, as well as low expenditure in the Tourism Monitors project. The low expenditure in the Tourism Monitors project is attributed to the high drop-out rate of the monitors during the financial year.

The surplus for the year, excluding capital expenditure, amounts to R8 608 million. The high capital expenditure against the budget is caused by the payment for assets procured in the 2018/19 financial year which were only delivered in the 2019/20 financial year.

The Authority has contractual commitments of R4149 million. The Authority has submitted a request to the Gauteng Provincial Treasury for approval to retain the cash surplus for the 2019/20 financial year to ensure that all commitments as at 31 March 2020 are duly paid.

Spending Trends of the Authority

The expenditure of the Authority has been steadily increasing. In the 2017/18 financial year, the GTA spent 90.5% of its budget.

This increased to 102% of the 2018/19 budget. In the 2019/20 financial year, the GTA spent 79% of its budget. The expenditure for the 2019/20 financial year was impacted by the COVID-19 pandemic which affected the implementation of activities that were planned for the fourth quarter of the financial year.

Capacity constraints and challenges facing the public authority

The budget that the GTA received was limited for the Authority to fully achieve meet its vision and strategic objectives. The GTA is considering alternative means of generating revenue to enable the Authority to achieve all its objectives without depending on the fiscus as its only source of funding. This will be articulated in the GTA's Sustainability Strategy which is currently under development.

Discontinued activities/activities to be discontinued

There were no activities discontinued or planned to be discontinued.

New or proposed activities

There are no new or proposed activities.

Requests for roll over of funds

The Authority received approval from the Gauteng Provincial Treasury to retain the surplus for the 2018/19 financial year amounting to R13 268 000. An application has been submitted to the Gauteng Provincial Treasury to retain the surplus of R22 536 million for the 2019/20 financial year.

Supply Chain Management

During this financial year no major challenges were experienced within the supply chain management (SCM).

SCM processes and systems in place

The GTA has an approved SCM policy and a procedure manual in place. The supply chain management function is also centralised within the Office of the Chief Financial Officer. The GTA has during the year under review, revised its financial and supply chain management policies and delegations of authority. During the reporting period, the GTA strengthened its Bid Specifications Committee, Bid Evaluation Committee and Bid Adjudication Committee. Supply chain systems and procedures are in place to prevent irregular, fruitless and/or wasteful expenditure. Where, in exceptional cases, irregular, fruitless and/or wasteful expenditure occurs, systems are in place to identify and report on these.

All concluded unsolicited bid proposals for the year under review

There were no unsolicited bids in the year under review.

Challenges experienced and resolved

Key challenges impacting the Authority include insufficient human and financial resources. In this regard, the GTA revised its organisational structure which is pending approval. In addition, the GTA is in the process of finalising its sustainability strategy to assist the Authority in becoming self-sufficient.

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

The GTA obtained a clean audit report in the previous financial year with no significant findings. The Authority however developed an audit action plan to ensure continuous improvement of the internal control environment to prevent a regression in the audit report. Progress was monitored and reported thereon on a quarterly basis to the Audit and Risk Committee and the Board.

Outlook/plans for the future to address financial challenges

The GTA is in the process of finalising its sustainability strategy to assist the Authority in becoming self-sufficient. This strategy will guide the GTA's options to generate revenue. Plans are in place to implement the strategy over the Medium Term Expenditure Framework (MTEF).

Events after the reporting date

COVID-19

On 11 March 2020, the World Health Organisation (WHO) reported the outbreak of coronavirus pandemic caused by severe acute respiratory syndrome coronavirus2 (SARS -Vov-2). In responding to the pandemic, the South African Cabinet declared a national state of disaster on 26 March 2020. Upon the announcement of the national state of disaster and the hard lockdown in March 2020, the GTA developed a business continuity plan to ensure continuity of GTA operations both during and post COVID-19.

The GTA considered the impact on the achievement of APP targets in light of the impact of COVID-19 on the tourism sector as well as the announced budget reduction as a result of the special COVID-19 adjustment budget. A tourism recovery plan was developed to ensure business continuity. Part of the tourism recovery plan focused on decreased marketing activities, with a special focus on a virtual way of doing things and a drive on domestic travelling as the lockdown restrictions are eased.

The GTA also developed key strategies to ensure business continuity, which includes the sustainability strategy as well as the marketing investment framework. Key attention was placed on driving transformation in the tourism industry and supporting tourism SMMEs in distress as opposed to supporting events in light of the COVID-19 pandemic. These initiatives ensured that the GTA continues to operate in the midst of COVID-19.

The budget reduction as a result of COVID-19 was primarily on the reduction on bidding and hosting budget as well as travelling. The budget reduction therefore did not affect the revised activities of the GTA as the GTA had already anticipated that events and travelling will be affected, and planned accordingly for it.

The COVID-19 pandemic has affected the implementation of events that were initially planned to take place on the first and second quarters of the 2020/21 financial year. These events have been cancelled or postponed due to the lockdown regulations. The bidding and hosting budget has been cut due to the special COVID-19 adjustment budget. The GTA has accordingly amended its activities for the 2020/21 financial year to focus on tourism recovery in preparation for the easing of the lockdown regulations.

Rationalisation of the Tourism Function

The MEC of the Gauteng Department of Economic Development (GDED) approved the rationalisation of the Tourism function during the 2019/20 financial year. The impact of the rationalisation was the migration of the Tourism Supply Function from Cradle and Dinokeng to the GTA with effect of 1 April 2020. In May 2020, a subsequent decision has been taken to migrate the Tourism Supply function to the Gauteng Department of Economic Development instead of the GTA.

Performance bonuses

The GTA has reported a performance bonus accrual of R3 683 million based on final performance reviews performed after reporting date.

Economic viability

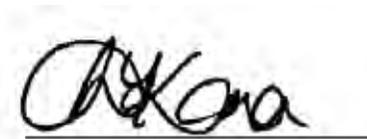
The GTA is funded by the GDED through annual grants which are part of the provincial fiscus.

Acknowledgement/s and appreciation

I would like to take this opportunity to thank the Board of Directors for their support and leadership during the financial year. My sincere appreciation to the GTA Executive Management Team and the entire staff for their contribution for making sure that we achieve our targets as set on our APP. Lastly, I wish to thank the Shareholder under the leadership of the MEC and the Head of Department for their support.

Other

There is no other information that needs to be communicated.



Yolanda Kona
Chief Executive Officer
Date: 29 September 2020



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR 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 audited by the Auditor-General.

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the generally recognised accounting practice standards applicable to GTA.

The Accounting Authority is responsible for the preparation of the annual financial statements 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 annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of GTA for the financial year ended 31 March 2020.



Yours faithfully

A handwritten signature in black ink, appearing to read 'Yoland Kona', written over a horizontal line.

Yoland Kona
Chief Executive Officer
Date: 29 September 2020



A handwritten signature in black ink, appearing to read 'N. Mufamadi', written over a horizontal line.

Nomusa Mufamadi
Chairperson of the Board
Date: 29 September 2020



EXECUTIVE MANAGEMENT



YOLAND KONA
CHIEF EXECUTIVE OFFICER



MBALENHLE MANUKUZA
CHIEF FINANCIAL OFFICER



BARBA GAOGANEDIWE
SENIOR MANAGER: DESTINATION
COMMUNICATION



NONNIE KUBEKA
SENIOR MANAGER: BIDDING
AND HOSTING



TINYIKO NKUNA
SENIOR MANAGER: STRATEGIC
PLANNING, MONITORING
AND EVALUATION



FEZILE NGQOBE
SENIOR MANAGER:
OFFICE OF THE CEO



MBUYISELO KONA
SENIOR MANAGER:
TOURISM SERVICES



STRATEGIC OVERVIEW



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.



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 B-BBEE scorecard
- Cultivate healthy business relationships while scrupulously avoiding conflict of interest

01



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

02



PROFESSIONALISM & 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



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

04



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



ALLIANCE & 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

06



DID YOU KNOW?

The Union Buildings is a modern day acropolis, built at the highest point of South Africa's capital city, Pretoria. It forms the official seat of South Africa's government and houses the Presidency.

LEGISLATIVE AND OTHER MANDATES

Constitutional mandate

N/A

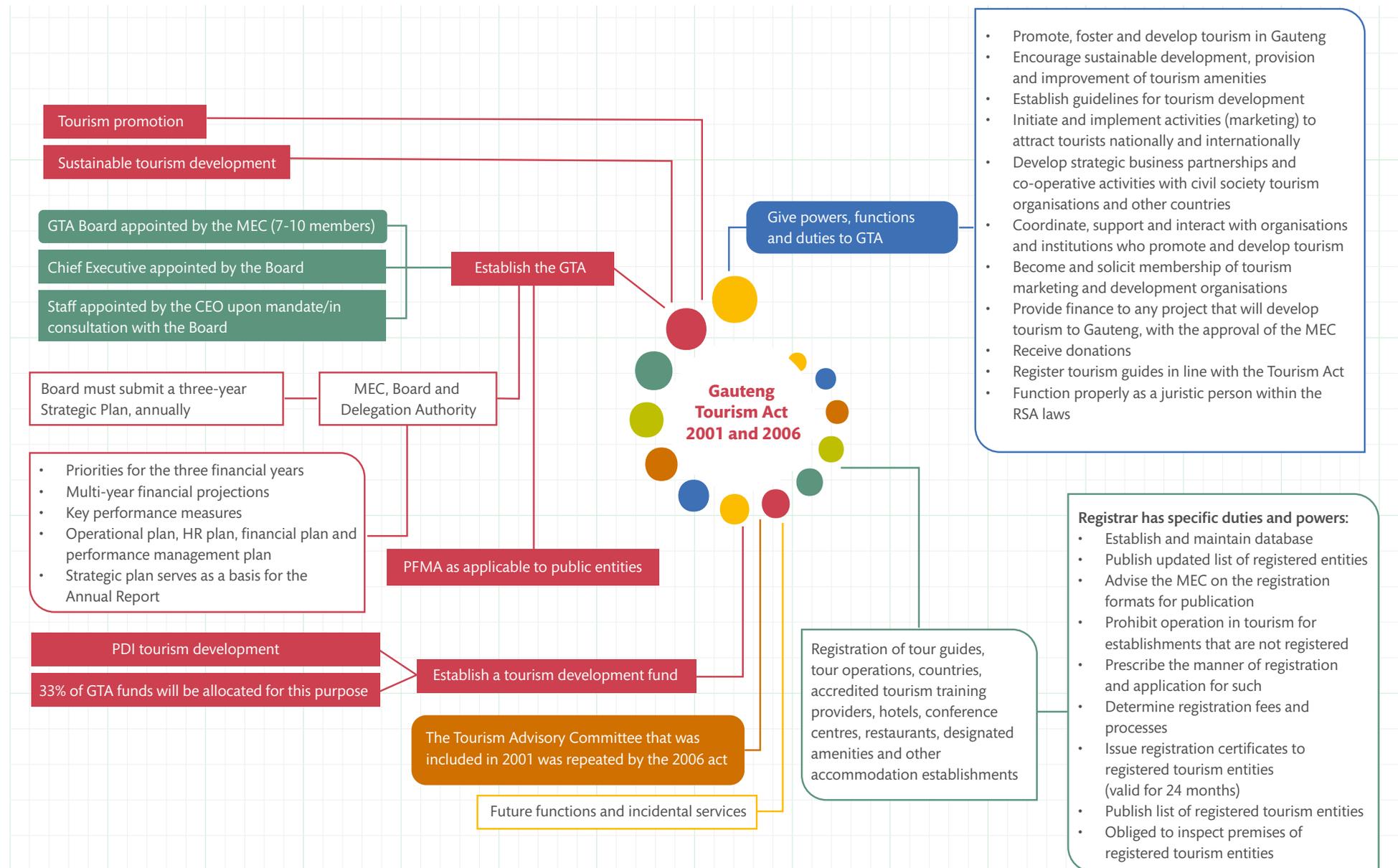
Legislative mandate

The National Tourism Act (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 (10 of 2001) (the Act) provides for the establishment of GTA as a legal person and provincial public entity (read with Schedule 3C of the Public Finance Management Act). The Act sets out the powers and duties of GTA, i.e. its legislative mandate, which includes that GTA must:

- Promote and develop tourism in Gauteng;
- Encourage the sustainable development, provision and improvement of tourist amenities;
- Establish guidelines for tourism development; and initiate and implement activities and actions nationally and internationally to attract tourists to Gauteng;
- Co-ordinate, support and interact with organisations and institutions aimed at promoting and developing tourism;
- Solicit membership with, and become a member of organisations for tourism development and marketing; and
- With approval of the GTA's Executive Authority (the MEC responsible for tourism matters in the Gauteng Province), provide finance for any project which will develop tourism in Gauteng.

GTA carries out its mandate under the authority of its Accounting Authority (the Board together with the Chief Executive Officer) under the political and policy direction provided by GTA's Executive Authority (the MEC of Economic Development, Environment and Agriculture). Administratively GTA acts as an implementing agency of GDED. GTA's functions are portrayed below:



There are several statutes that impact the Authority's work domain, e.g. the Public Finance Management Act (1 of 1999), Broad-Based Black Economic Empowerment Act (53 of 2003) , and different policy mandates, e.g. the National Development Plan (NDP), GCR Economic Development Plan (GCREDP), and other related government strategies, policies and plans, including the National Tourism Sector Strategy, 2010; the 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; Gauteng Cooperatives Strategy, 2010.

Policy Mandates

In the year under review GTA implemented projects in line with the NDP, particularly the following NDP priorities: reduction of unemployment, inclusive growth, establishment of effective partnerships across society, and becoming central to global economic competition for tourism market share. GTA contributed to the NDP's priorities through the following strategic objectives:

- Grow tourism markets;
- Grow the GCR economy through the implementation of the events programme;
- Provide economic intelligence for guiding marketing activities; and
- Contribute to the growth of tourism enterprises inclusive of designated groups.

The Authority's FY2019/20 programmes also took into consideration the Sustainable Development Goals (SDGs), Transformation, Modernisation and Re-industrialisation (TMR) Agenda, and Township Economic Revitalisation (TER).

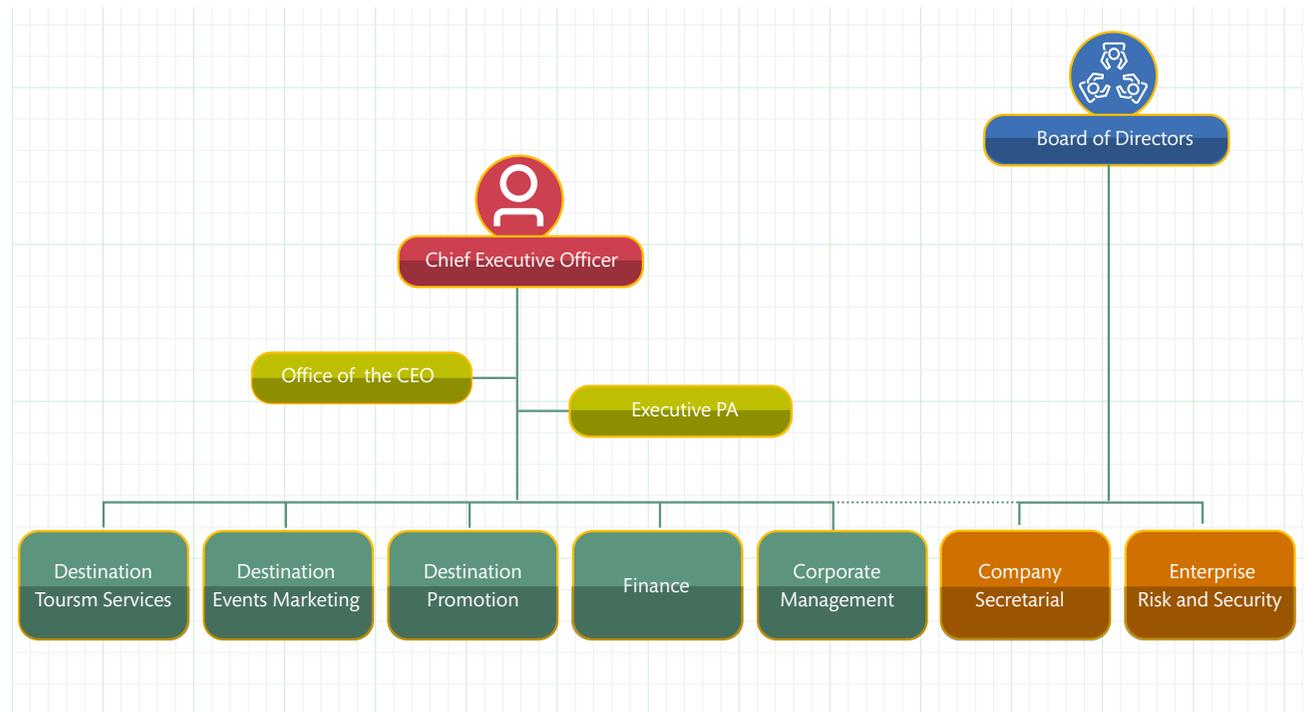
Relevant Court Rulings

There were no court rulings that GTA had to implement during the year under review.

Planned Policy Initiatives

There were no planned policy initiatives implemented during the period under review.

ORGANISATIONAL STRUCTURE





8115

VILAKAZI ST
ORLANDO WEST
SOWETO

MANDELA HOUSE



PART B:
PERFORMANCE
INFORMATION

AUDITOR'S REPORT: PRE-DETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) performed the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management, with material findings being reported under the Pre-determined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report. Refer to pages 76-78 of the Report of the Auditors Report, published as Part E: Financial Information.

SITUATIONAL ANALYSIS

Service Delivery Environment

Destination Performance

Tourism statistics are based on both international and domestic tourism measured through the following indicators: arrivals, bed-nights, length of stay, purpose of visit, and spend.

Reports for each indicator highlights both historical and current performance demonstrating Gauteng's performance against other provinces. The same approach is used for demonstrating the country's performance against other countries.

The COVID-19 pandemic has had a significant effect on the tourism industry. This is reflected in the forecasted performance for 2020 and outer years. The information provided in this section has been obtained from South African Tourism (SAT), Statistics South Africa (StatsSa), United Nations World Tourism Organisation (UNWTO) reports, and other international institutions that South Africa recognises as core actors in the tourism sector.

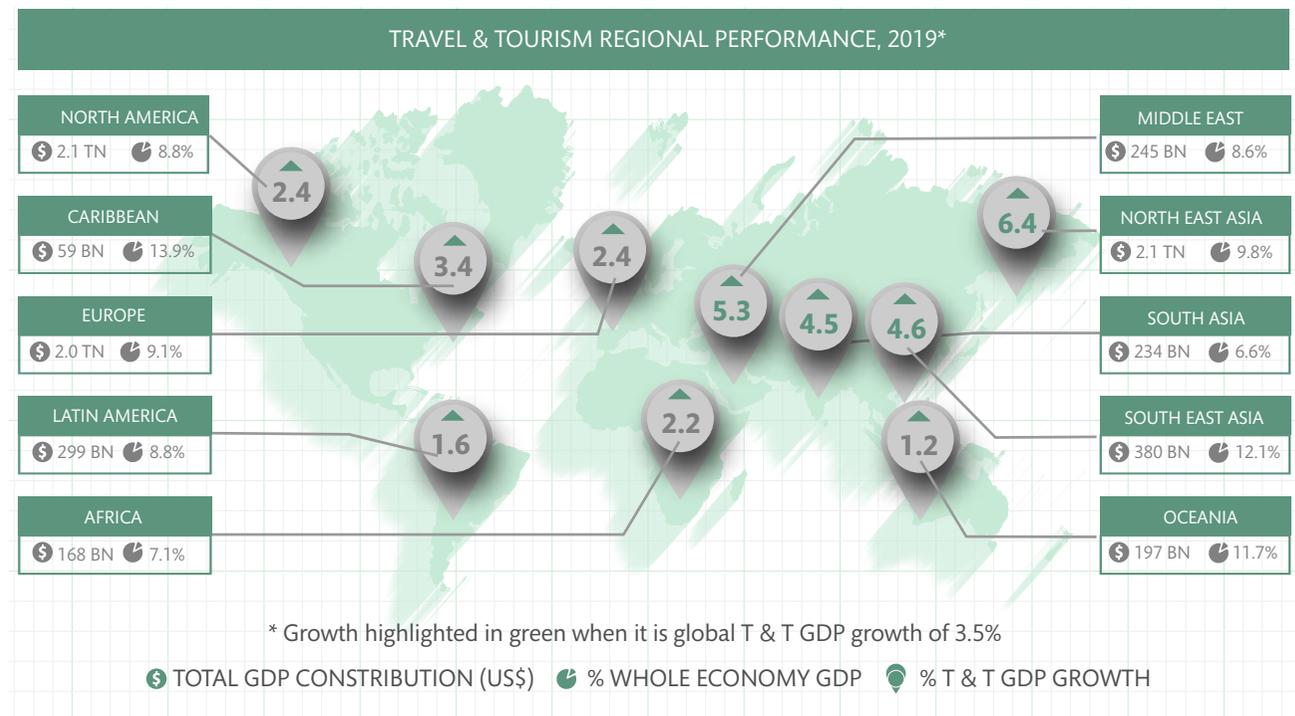
GTA has analysed and interpreted data collected from these institutions using charts to illustrate Gauteng's tourism performance in relation to national and other provinces.

Tourism is growing faster in the developing world than elsewhere, especially arrivals and its contribution to the GDP. 2019 was another year of strong growth for the global travel and tourism sector reinforcing its role as a driver of economic growth and job creation.

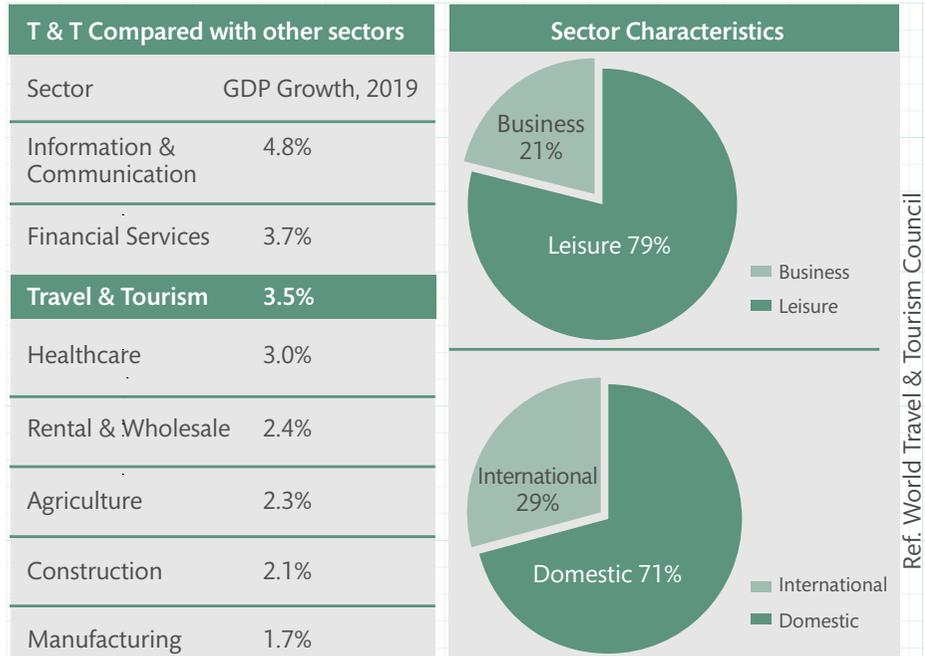
Travel and tourism's direct, indirect and induced impact accounted for:

- US\$8.9 trillion contribution to the world's GDP
- 10.3% of global GDP million jobs
- One in 10 jobs around the world
- US\$1.7 trillion visitor exports (6.8% of total exports, 28.3% of global)

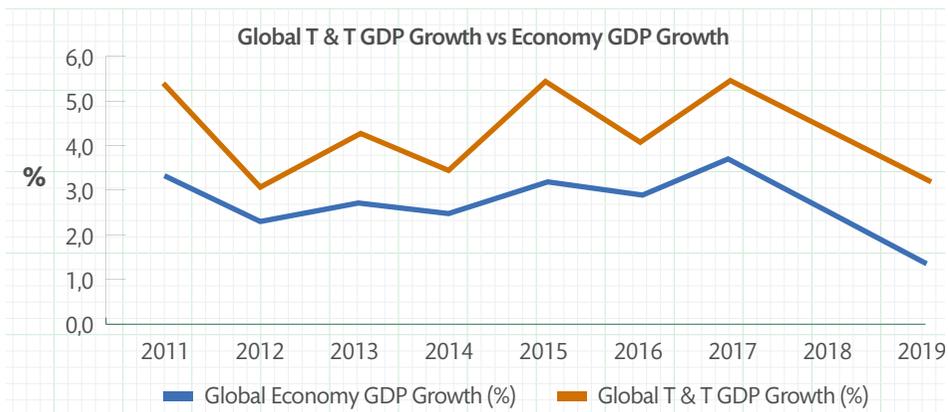
Africa's travel and tourism grew by 2.2% recording US\$168 total contribution to GDP. Performance per region, depicted in the table below shows that Africa performed better when compared with Latin America and Australia.



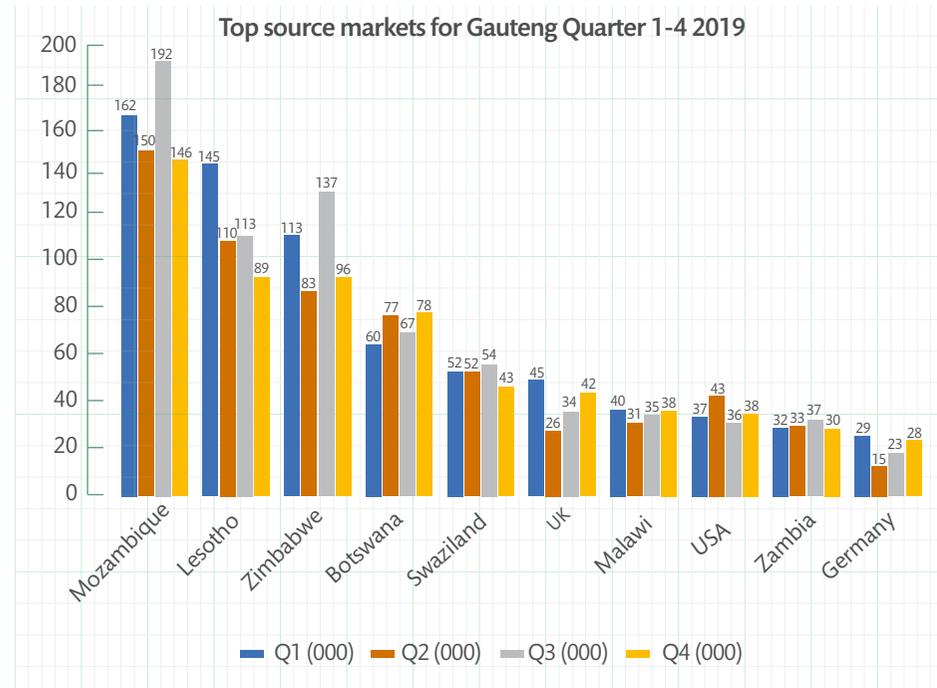
The travel and tourism sector experienced a 3.5% growth in 2019. As presented in the table below, the sector has performed better when compared to the agriculture, construction and manufacturing sectors. This gives hope to both stakeholders and shareholders in the tourism sector.



Information and Communications led by 4.8%, Manufacturing only grew by 1.7%. As presented in the graph below, travel and tourism outperformed the global economy growth of 2.5% for the ninth consecutive year.



South Africa's international arrivals were relatively steady in 2019. As presented in the table below, Quarter 1 (Jan-Mar) and Quarter 4 (Oct-Dec) both recorded the highest numbers of 2.7 million international arrivals. Quarter 2 (Apr-Jun) growth increased largely against the previous year (2018) by 1.2%. International arrivals decreased by 2.9%, which also influenced the other categories like 'foreign direct spend' declining by 9.0%.

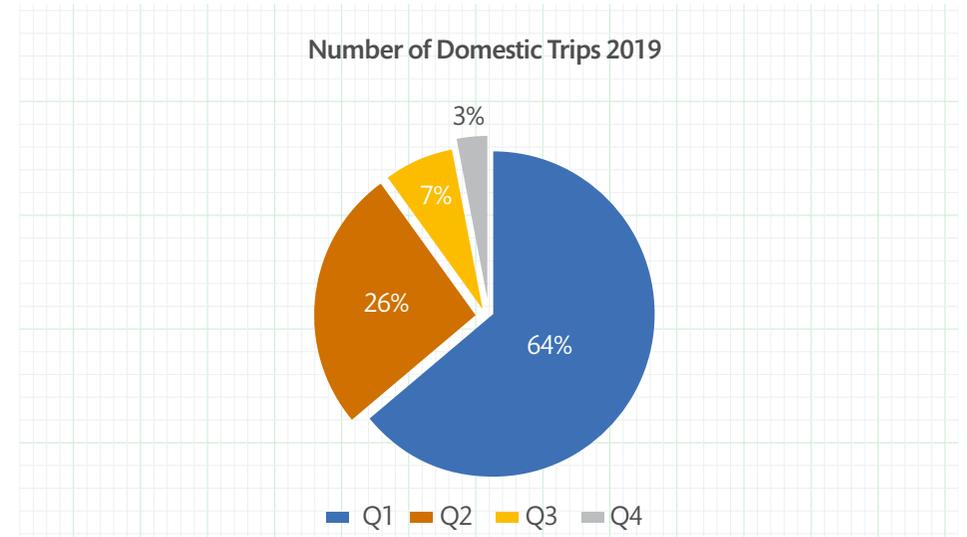


In terms of South Africa's performance on the average length of stay, Quarter 2 and Quarter 3 experienced slightly longer 'length of stay'. The table below demonstrate the differences in performance per quarter. Reasons for the increase were public holidays, with Quarter 3 including the winter school holidays.

South Africa International Arrivals Performance			
Quarter (2019)	Total foreign direct spend	Length of stay	Bednights
Q1 (Jan-Feb-Mar)	25 700 000 000	11.2 Nights	29 200 000
Q2 (April-May-June)	17 500 000 000	12.1 Nights	27 900 000
Q3 (July-Aug-Sep)	19 400 000 000	12.0 Nights	28 600 000
Q4 (Oct-Nov-Dec)	21 600 000 000	11.7 Nights	29 600 000

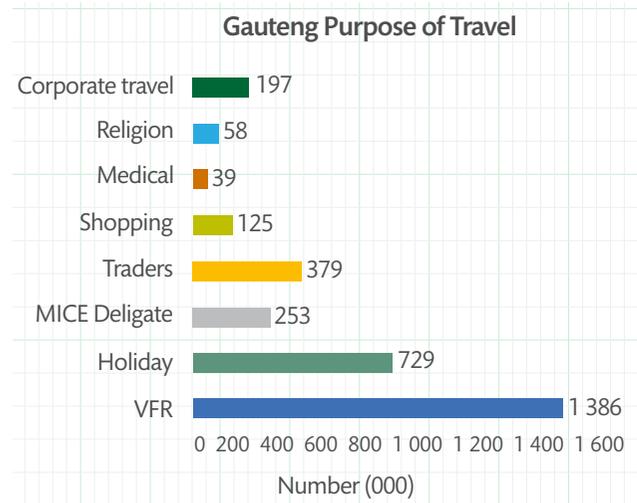
Ref. South African Tourism

Gauteng's top source markets included Mozambique, Lesotho and Zimbabwe. The table below demonstrates that Gauteng's performance for 2019 and 2018 showed the greatest decrease in the African markets: Swaziland (-89.7%), Malawi (77.3%), and Zambia (-58.3%).



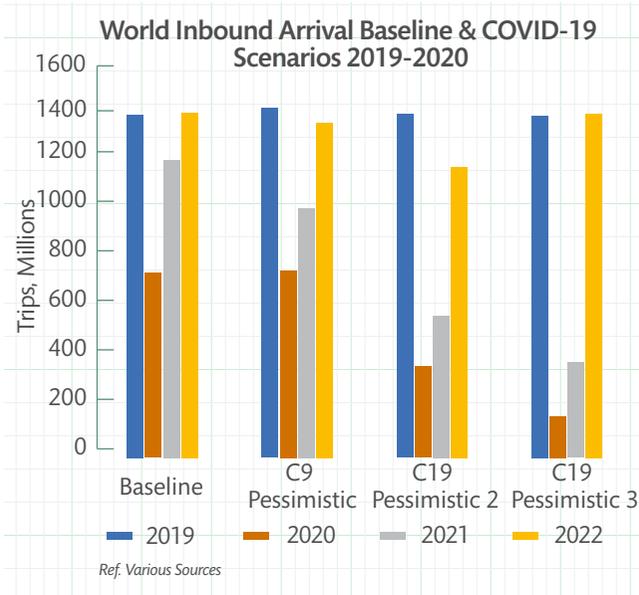
This performance is the largest decrease (44.6%) in arrivals over the period of 2015 to 2019. 2019 saw South Africa dealing with negative news of xenophobia, which negatively impacted the country's performance with African arrivals.

Domestic trips are key economic drivers of the tourism sector. As presented below, there were 14.6 million (14 640 000) domestic trips taken 2019, countrywide:



Quarter 2 (Apr-Jun: 3.8 million) and Quarter 4 (Oct-Dec: 9.3 million) saw the largest number of travellers. These periods host numerous public holidays that include significant religious holidays and school holidays, allowing domestic travel for families who work in one province to travel for leisure holiday, religious purposes and visiting friends and relatives (VFR). Six out of the nine provinces experienced a decline in the number of trips during Quarter 2. Gauteng among the six, saw a 47.4% decline in domestic trips compared to the same quarter in 2018.

The graph below demonstrates that domestic travel volumes are largely reflective of the province's population distribution:



Gauteng is the most populous province in South Africa, a large number of this population originates from other provinces that have moved to Gauteng for socio-economic opportunities. Travel is therefore largely dominated by Visiting Friends, Family and Relatives (VFR) – 1 386 000. VFR is the largest single reason all South Africans embark on domestic trips. This trend is likely to continue due to the socio-economic issues in South Africa, which includes high unemployment and income inequalities. Across all provinces, Gauteng has been the province from which the most trips originated throughout the year.



DID YOU KNOW?
 The Zoo Lake consists of two dams, an upper feeder dam, and a larger lower dam, both constructed in natural marshland watered by the Parktown Spruit.

Impact of COVID-19: Tourism Performance Forecast

Scenario

It is important to unpack the economic outlook in order to comprehend the impact of COVID-19 on the economy and the tourism sector. According to the February International Monetary Fund report on the world's economic outlook projection report, economic growth projections before the mayhem of COVID-19 projections were dominated by positive growth.

Scenario-World Economic outlook Projection: January Report	Year over year						Q4 over Q4 20.6		
	Estimate		Projection		Difference from October 2019 WEO Projection		Estimate	Projection	
	2018	2019	2020	2021	2020	2021	2019	2020	2012
<i>World output</i>	3.6	2.9	3.3	3.4	-0.1	-0.2	2.9	3.5	3.3
<i>Advanced Economies</i>	2.2	1.7	1.6	1.6	-0.1	0.0	1.5	1.9	1.4
United States	2.9	2.3	2.0	1.7	-0.1	0.0	2.3	2.0	1.6
Euro Area	1.9	1.2	1.3	1.4	-0.1	0.0	1.0	1.7	1.2
Germany	1.5	0.5	1.1	1.4	-0.1	0.0	0.3	1.2	1.5
France	1.7	1.3	1.3	1.3	0.0	0.0	1.2	1.3	1.4
Italy	0.8	0.2	0.5	0.7	0.0	-0.1	0.3	0.9	0.5
Spain	2.4	2.0	1.6	1.6	-0.2	-0.1	1.7	1.6	1.6
Japan	0.3	1.0	0.7	0.5	0.2	0.0	0.5	1.8	-0.3
United Kingdom	1.3	1.3	1.4	1.5	0.0	0.0	0.9	1.8	1.5
Canada	1.9	1.5	1.8	1.8	0.0	0.0	1.8	1.7	1.8
<i>Other Advanced Economies 3</i>	2.6	1.5	1.9	2.4	-0.1	0.1	1.4	2.4	2.3
<i>Emerging Market and Developing Economies</i>	4.5	3.7	4.4	4.6	-0.2	-0.2	4.0	4.8	4.8
<i>Emerging and Development Asia</i>	6.4	5.6	5.8	5.9	-0.2	-0.3	5.3	6.0	5.8
China	6.6	6.1	6.0	5.8	0.2	-0.1	5.9	5.9	5.8
India 4	6.8	4.8	5.8	6.5	-1.2	-0.9	4.3	6.9	6.1
ASEAN-5 5	5.2	4.7	4.8	5.1	-0.1	-0.1	4.6	4.8	5.1
<i>Emerging and Development Europe</i>	3.1	1.8	2.6	2.5	0.1	0.0	2.8	2.4	2.6
Russia	2.3	1.1	1.9	2.0	0.0	0.0	1.5	1.6	2.4
<i>Latin America and the Caribbean</i>	1.1	0.1	1.6	2.3	-0.2	-0.1	0.0	2.0	2.4
Brazil	1.3	1.2	2.2	2.3	0.2	-0.1	1.8	2.0	2.4
Mexico	2.1	0.0	1.0	1.6	-0.3	-0.3	0.1	1.2	1.8
<i>Middle East and Central Asia</i>	1.9	0.8	2.8	3.2	-0.1	0.0	...	...	...
Saudi Arabia	2.4	0.2	1.9	2.2	-0.3	0.0	-0.9	2.7	2.2
<i>Sub-Saharan Africa</i>	3.2	3.3	3.5	3.5	-0.1	-0.2	...	...	...
Nigeria	1.9	2.3	2.5	2.5	0.0	0.0	...	...	...
South Africa	0.8	0.4	1.0	1.0	-0.3	-0.4	0.3	0.6	1.3

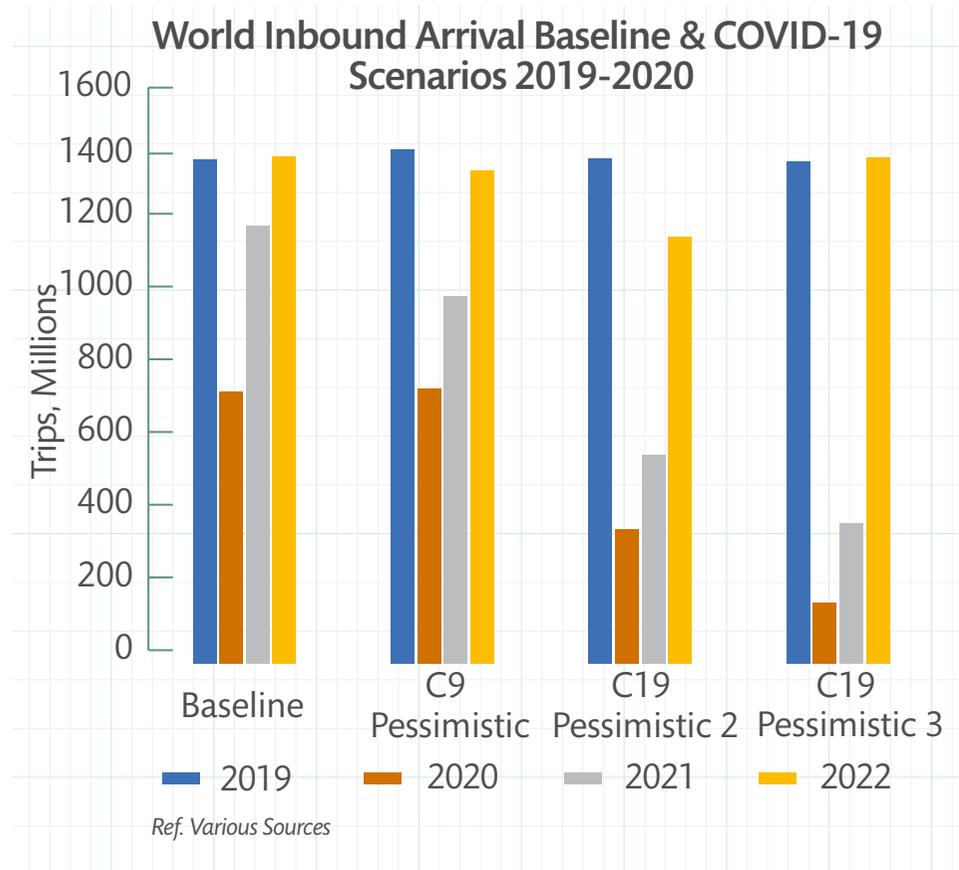
Ref. IMF

The table below demonstrates that advanced economies projected 3.3% GDP. Emerging and developing countries, which include South Africa, projected 4.4% GDP growth. South Africa projected 0.8% GDP growth. Projections for other members of Brazil, Russia, India, China and South Africa (BRICS) were as follows: Russia 1.9%, Brazil 2.2%, China 6.0%, and India 5.8% GDP growth. Sub-Saharan Africa projected 3.5% GDP growth. As demonstrated in the graph below, the January economic outlook was affected by COVID-19.

Scenario-World Economic outlook Projection: June Report (During COVID-19)	Year over year						Q4 over Q4 2		
	Estimate		Projection		Difference from October 2019 WEO Projection		Estimate	Projection	
	2018	2019	2020	2021	2020	2021	2019	2020	2021
<i>World output</i>	3.6	2.9	-4.9	5.4	-1.9	-0.4	2.9	-3.5	4.6
<i>Advanced Economies</i>	2.2	1.7	-8.0	4.8	-1.9	0.3	1.5	-7.2	5.1
United States	2.9	2.3	-8.0	4.5	-2.1	-0.2	2.3	-8.2	5.4
Euro Area	1.9	1.3	-10.2	6.0	-2.7	1.3	1.0	-8.6	5.8
Germany	1.5	0.6	-7.8	5.4	-0.8	0.2	0.4	-6.7	5.5
France	1.8	1.5	-12.5	7.3	-5.3	2.8	0.9	-8.9	4.2
Italy	0.8	0.3	-12.8	6.3	-3.7	1.5	0.1	-10.9	5.5
Spain	2.4	2.0	-12.8	6.3	-4.8	2.0	1.8	-11.4	6.3
Japan	0.3	0.7	-5.8	2.4	-0.6	-0.6	-0.7	-1.8	0.0
United Kingdom	1.3	1.4	-10.2	6.3	-3.7	2.3	1.1	-9.0	6.9
Canada	2.0	1.7	-8.4	4.9	-2.2	0.7	1.5	-7.5	4.6
<i>Other Advanced Economies 3</i>	2.7	1.7	-4.8	4.2	-0.2	-0.3	1.9	-5.1	5.5
<i>Emerging Market and Developing Economies</i>	4.5	3.7	-3.0	5.9	-0.2	-0.7	3.9	-0.5	4.2
<i>Emerging and Development Asia</i>	6.3	5.5	-0.8	7.4	-1.8	-1.1	5.0	2.4	3.9
China	6.7	6.1	1.0	8.2	-0.2	-1.0	6.0	4.4	4.3
India 4	6.1	4.2	-4.5	6.0	-6.4	-1.4	3.1	0.2	1.2
ASEAN-5 5	5.3	4.9	-2.0	6.2	-1.4	-1.6	4.6	-1.4	6.1
<i>Emerging and Development Europe</i>	3.2	2.1	-5.8	4.3	-0.6	0.1	3.4	-7.0	6.6
Russia	2.5	1.3	-6.6	4.1	-1.1	0.6	2.2	-7.5	5.6
Latin America and the Caribbean	1.1	0.1	-9.4	3.7	-4.2	0.3	-0.2	-9.0	4.1
Brazil	1.3	1.1	-9.1	3.6	-3.8	0.7	1.6	9.3	4.5
Mexico	2.2	-0.3	-10.5	3.3	-3.9	0.3	-0.8	-10.1	4.8
Middle East and Central Asia	1.8	1.0	-4.7	3.3	-1.9	-0.7	...	...	...
Saudi Arabia	2.4	0.3	-6.8	3.1	-4.5	0.2	-0.3	-4.4	4.1
<i>Sub-Saharan Africa</i>	3.2	3.1	-3.2	3.4	-1.6	-0.7	...	...	...
Nigeria	1.9	2.2	-5.4	2.6	-2.0	0.2	...	...	...
South Africa	0.8	0.2	-0.8	3.5	-2.2	-0.5	-0.6	-2.1	-2.8

The global economy in 2020, and as the world enters recession, does not bode well for tourism. World Real GDP percentage growth for 2020 is -3.5%. Advanced markets were hard hit by the pandemic. They recorded 1.7% GDP growth in 2019 and projected to grow by -8.0% in 2020. Emerging markets and developing economies, which include South Africa, recorded 3.7% GDP growth in 2019 and projected -3.0 growth in 2020.

The impact of COVID-19 is predicted through the below model. A number of scenarios are adopted to demonstrate this impact. Different regions use a different but aligned approach. The world inbound arrivals baseline 2010–2022 graph below demonstrates two scenarios, namely the best case scenario and worst case scenario.



The best case scenario translates to -50% in international tourism, and worst case scenario translates to a -80% drop. It may take the sector three years to recover to pre-crisis levels. This understanding is important for rebuilding the sector. The following World Travel Tourism Council scenario presents the possible impact of COVID-19 on Africa's tourism landscape:



TRAVEL & TOURISM

RECOVERY SCENARIOS 2020 & ECONOMIC IMPACT FROM COVID-19

AFRICA DATA

Travel and Tourism jobs 2019

 **24.6** MILLION

Travel and Tourism GDP 2019

 **\$168** MILLION

2.2% GROWTH

BEST CASE SCENARIO		
Travel and Tourism jobs	Travel and Tourism GDP	Vistors Arrivals
 7.6 million jobs losses ↓ 31% vs 2019	 \$53 Billion loss ↓ 31% vs 2019	↓ 36% Internation ↓ 22% Domestic
BASELINE SCENARIO		
Travel and Tourism jobs	Travel and Tourism GDP	Vistors Arrivals
 10.9 million jobs losses ↓ 44% vs 2019	 \$75 Billion loss ↓ 45% vs 2019	↓ 50% Internation ↓ 35% Domestic
WORST CASE SCENARIO		
Travel and Tourism jobs	Travel and Tourism GDP	Vistors Arrivals
 17.4 million jobs losses ↓ 71% vs 2019	 \$120 Billion loss ↓ 71% vs 2019	↓ 71% Internation ↓ 66% Domestic

Worst-case scenario can be avoided if countries follow WTTC's five-point plan for recovery:

1. Immediate removal and replacement of any quarantine measures, with 'air corridors' to countries with similar circumstances, as well as the removal of travel advisories and bans on non-essential international travel, which prevent insurance protection cover for travellers.
2. Adoption of global health and safety protocols to provide assurance to travellers that it is safe to travel again.
3. Implementation of a rapid test and trace strategy to help contain the spread of the virus.
4. Greater collaboration between the public and private sectors to ensure a standardised, global approach to the crisis.
5. Continued government support for the sector in terms of fiscal and liquidity incentives as well as measures to protect workers.

Positioning SA' Source Markets in the World Economy

South Africa has been focusing on the following European, Asian and American source markets: BRICS countries. The table presentation below uses BRICS to demonstrate South Africa's chance in revitalising the tourism sector:

Source Markets	GDP Growth 2019	GDP Projection Growth 2020
Brazil	1.1%	-9.1%
Russia	1.3%	-6.6%
India	4.2%	-4.5%
China	6.1%	-4.5%
Sub-Saharan Africa	3.1%	-3.2%

Ref. IMF, 2020

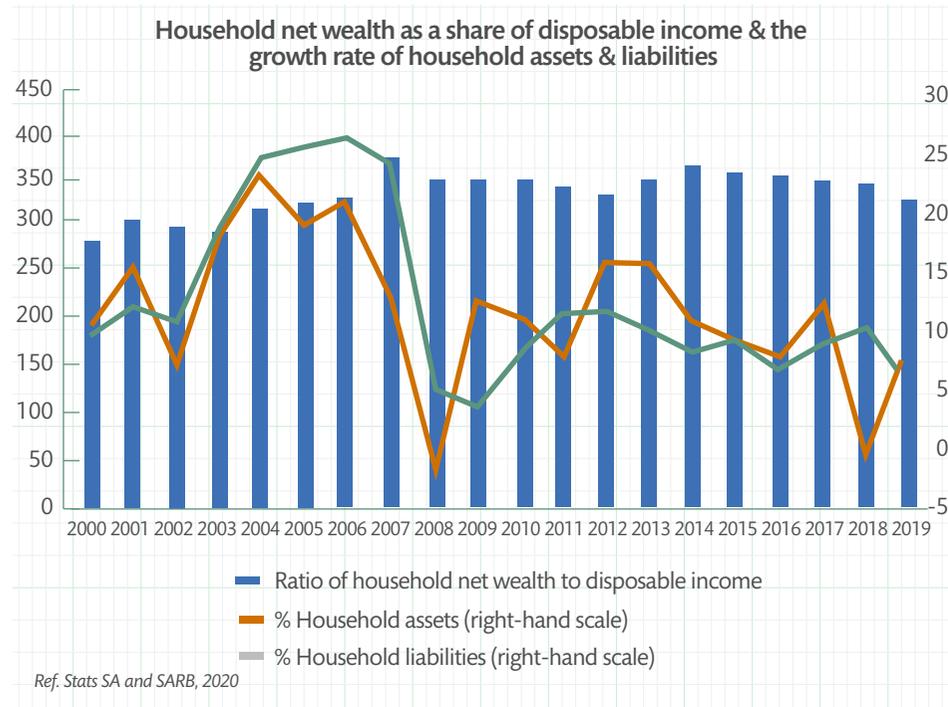
It is important to focus on the source markets as tourism depends on two aspects, namely, disposable income and the desire to travel. The projected negative growth demonstrates a challenging story for the tourism sector. Nonetheless, there are substantial differences across individual economies. This reflects the evolution of the pandemic and the effectiveness of containment strategies; variation in economic structure, e.g. dependence on severely affected sectors, such as tourism and oil; and reliance on external financial flows, etc. Countries that are heavily reliant on tourism are likely to face long-lasting challenges.

For South Africa to demonstrate change in growing the tourism sector, disposable income gross serving per Gross Domestic Product (GDP) - the national income less total consumption, plus net transfer, representing the difference between disposable income and consumption for South Africa's source markets - must be demonstrated. As presented in the table below, it is further important to demonstrate Gross Saving per GDP to household net adjusted disposable income - the amount of money that a household earns each year after taxes and transfers, which represents the money available to a household for spending on goods or services.

Gross saving (% of GDP)	2015	2016	2017	2018	2019
Botswana	35.5	33.9	34.5	34.4	..
Brazil	14.5	13.4	13.6	12.4	12.2
China	45.5	44.5	45.0	44.6	..
Eswatini	27.6	19.3	17.3	13.9	..
France	22.3	22.0	22.8	22.7	23.3
Germany	28.6	28.7	28.9	29.3	28.9
China	19.5	17.5	22.4	20.9	..
India	32.5	30.8	31.4	31.1	29.4
Italy	18.8	20.2	20.6	20.8	20.9
Japan	27.1	27.4	28.1	27.8	..
Kenya	11.2	11.4	9.2	..	..
Lesotho	29.5	19.5	21.3	24.9	25.0
Malawi	7.4	2.8	9.5	10.6	..
Mozambique	12.7	10.2	12.5	12.9	..
Namibia	16.4	5.4	12.8	12.0	8.9
Nrtherlands	28.8	28.5	31.4	31.9	31.4
Nigeria	16.9	15.8	18.3	19.2	..
Russia Federation	26.4	25.0	25.7	29.9	27.6
South Africa	16.5	16.5	16.1	14.9	14.9
Spain	21.0	21.9	22.1	22.3	22.8
Tanzania	25.3	28.0	30.5	..	..
UK	12.5	12.2	14.0	13.3	13.6
USA	20.3	18.7	18.7	18.5	..
Zambia	33.7	34.6	36.3	43.9	44.2
Zimbabwe	-8.2	-1.2	-2.2	..	..
Sub-Saharan Africa	18.3	17.8	18.8	18.8	..
World	25.1	24.6	25.1	25.1	..
Angola	25.0	24.4	23.4	25.2	..

Ref. Ref. World Bank, 2020

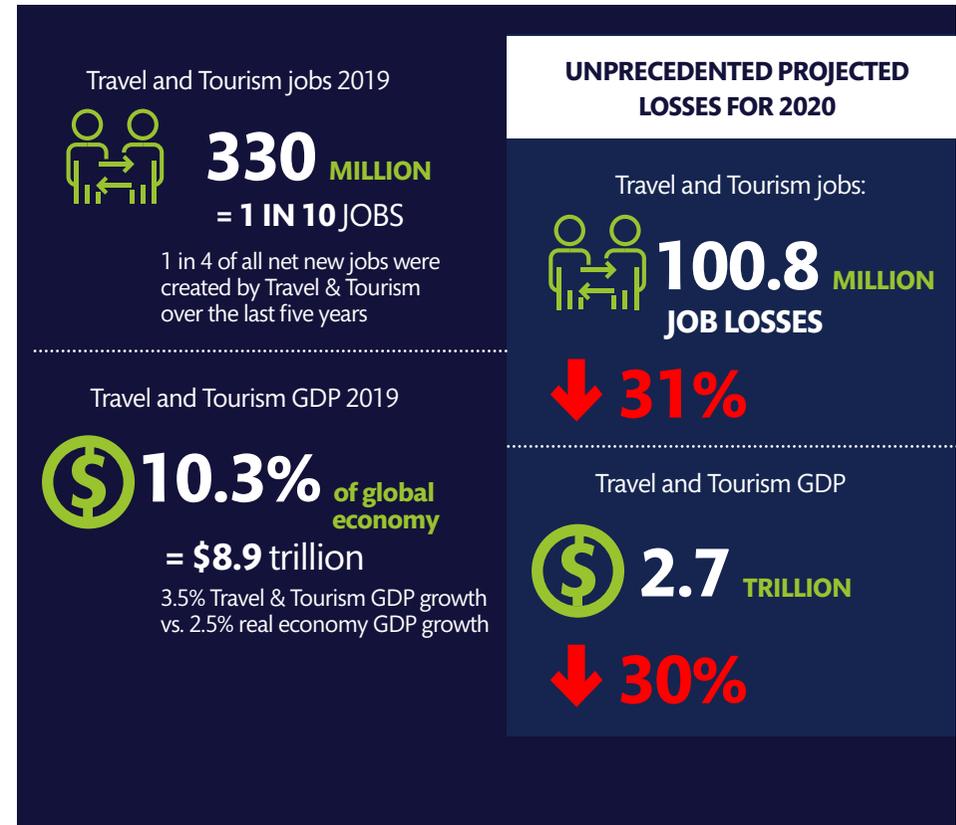
Gross Saving per GDP relates to household net adjusted disposable income through a number of contributing factors that include price deflator (inflation), changes in household size and distribution of income. The graph below demonstrates the relationship between household liabilities and household assets:



In South Africa, the average household net adjusted disposable income per capita is much lower than the Organisation for Economic Co-operation and Development average of US\$33 604; and households on average spend 18% of their gross adjusted disposable income on keeping a roof over their heads, below the OECD average of 20% (World Bank). South African Reserve Bank reported that real disposable income grew by only 0.9% in 2019 (slowing from 1.5% in 2018). As a share of disposable income, household net wealth has been gradually declining since 2014. However, this wealth is unevenly spread across the population, with a significant concentration at the top end of the income distribution. As previously stated, travel and tourism depends on disposable income and the desire to travel. Recession, Gross Saving per GDP, and disposable income for South Africa and its source markets demonstrates a picture that does not promise a recovery space for the tourism.

Impact and Forecast

Travel and tourism has shut down on a global scale to curb the spread of the COVID-19 virus UNWTO. In April, air travel demand dropped by 95%, borders were closed, and international travel was restricted. Businesses were shut down leading to unemployment. As presented in the graphic below, the sector is expected to lose US\$2.7 trillion, a 30% drop:



The UNWTO asserted that the estimated percentage impact of COVID-19 is based on the latest development as the global community faces an unprecedented social and economic challenge which should be interpreted with caution in view of the extreme uncertain nature of the current crisis.

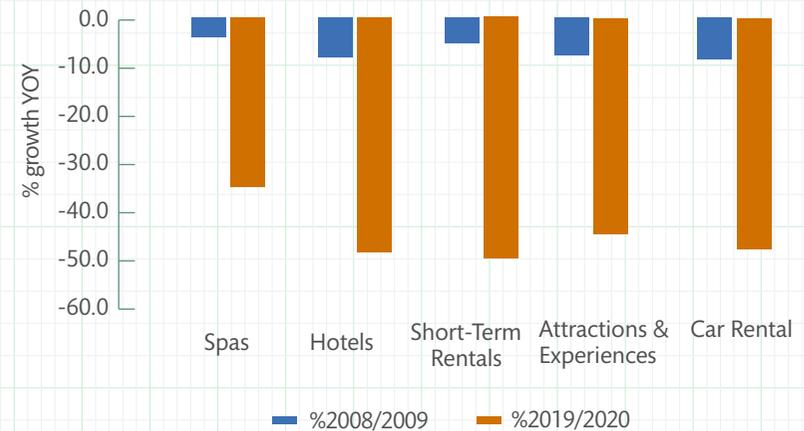
An African Union (AU) study - The Impact of Coronavirus on the African Economy (April 2020) - asserted that COVID-19 could cost Africa US\$500 billion, and cause damage to the tourism and aviation sector. Foreign Direct Investment (FDI), tourism receipts and payment flows will also suffer substantial declines as the continent tackles the pandemic. The study modelled two scenarios, each with an equal chance of being realised. Under scenario one (realistic) - the pandemic will be contained within five months, imposing minimal damage; while under scenario two - the pandemic will last for eight months and countries will be rigorously squeezed.

The more optimistic scenario projects 2020 GDP growth at -08% while the pessimistic scenario possibly resulting in -1.1% growth. The continent's 2020 GDP growth had been projected at 3.4% - even the optimistic scenario is a significant decline of 4.18% while the pessimistic scenario projects a decline of 4.51%. Africa will lose between 20% and 30% of its fiscal revenue. The tourism and oil sectors represent 25% of Africa's GDPs. Of Africa's top five economies, namely, South Africa, Nigeria, Egypt, Algeria and Morocco, it is predicted that the level of impact of COVID-19 on these five economies will represent the whole of the African economy.

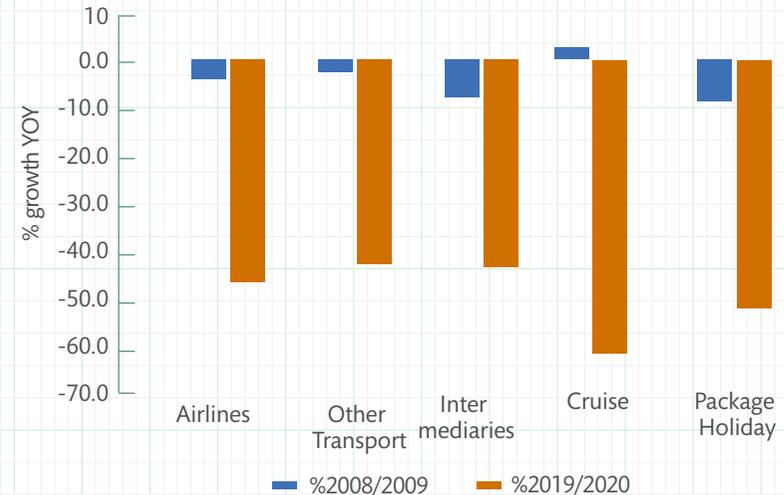
Statistics show that the impact of COVID-19 on the tourism sub-sectors is devastating and almost every sub-sector will record negative growth. The table alongside demonstrates that the cruise sector has a chance to grow due to its diversity. For example, cruise ships are typically small villages as they offer services such as restaurants, drinks packages, casinos, etc. which the sub-sector encompasses far more than revenue from, than the trip itself.



Forecast Decline in EMEAI Travel Category Sales-Destination 2020



Forecast Decline in EMEAI Travel Category-Source Markets 2020



Aggregated impact EMEAI - Europe, Middle East, Africa and India - Ref: Various sources

The COVID-19 pandemic threatens South Africa's main sources of income – mining and tourism. South Africa tourism accounted for 10.47 million arrivals in 2018. The country was second, according to WTTC, following Egypt in tourism receipts (WTTC, 2018). Africa's tourism and aviation sectors are reeling from the impact of COVID-19 with hotels laying off workers and travel agencies shutting down. Counting from the realistic scenario, the tourism and travel sectors in Africa could lose at least US\$50 billion and two-million direct and indirect jobs.

South Africa has temporarily expanded its unemployment support and transfers to vulnerable households. Nonetheless, more than 350 000 jobs were lost in the first three months of 2020. National Treasury estimated a total of 1.8 million job losses, surging the unemployment rate of 50% in the event that South Africa does not recover in 2020.

Organisation for Economic Co-operation and Development countries (e.g. UK, Spain, Italy, Germany, Belgium, Sweden, etc.) doubled their unemployment rates. Jobs in the tourism sector are highly affected, and the majority of people who work in the sector are women and youth. The world is expecting a 50% drop in arrivals, based on the best case scenario.

Twenty-two percent of countries world-wide eased their restrictions, while 68% remain closed. As South Africa pinpoints areas that require serious attention in curbing the spread of the virus, travel restrictions at domestic level are being lifted. The domestic tourism market remained the biggest contributor to the tourism volumes of South Africa. There were 14.6 million domestic trips taken during 2019. Of the total number, Gauteng contributed 64%.

Domestic tourism is expected to recover quickly from COVID-19, thus calling for recovery measures aimed at restoring traveller confidence and rethinking the future of the tourism sector. This offers opportunities to drive the recovery of the tourism sub-sectors, especially those that create tourism businesses and job opportunities.

The private sector, particularly small, micro and medium enterprises (SMMEs), represent the majority of the tourism sector. SMMEs provide unique experiences that cannot be experienced with big establishments. They employ local community members to provide uniquely localised experiences to tourists. The Department of Tourism has provided SMMEs within the sector with relief funds in an effort to ensure their sustainability. The fund capped at R50 000 per entity can be utilised to subsidise expenses towards fixed and operational costs, supplies and other pressure cost items. Preference was given to enterprises based on scoring criterion. The fund caters to accommodation establishments (B&Bs, guesthouses, hotels, lodges and backpackers), hospitality and related services (restaurants, conference venues, professional catering and attractions), and travel and related services (tour operators, travel agents, tourist guides, car rentals and coach operators).

Although the major impact is on the health of individuals, it is also largely influencing the economy and labour markets. The impact of the pandemic on the economy is said will be felt for the next decade. Gauteng is one of the 'hotspots' pinpointed as a province that has a rising number of confirmed cases and deaths registered emanating from the virus. With the province being the smallest in the country while hosting one of the largest growing populations, it is no surprise that the increase COVID-19 is spreading at a fast rate.

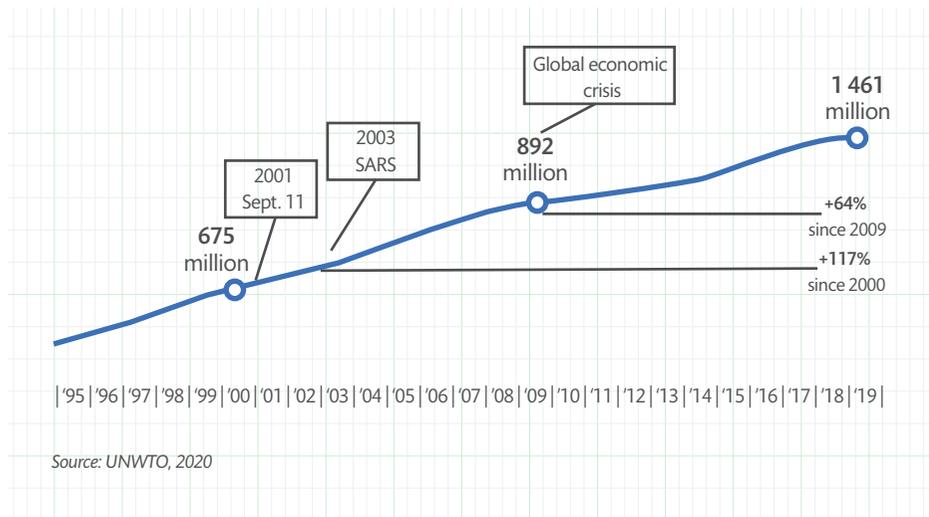
StatsSA conducted a survey, although the figures do not represent the entire South Africa, their sample did comprise respondents in each province. Nonetheless, results showed that due to the restrictions of movement, only a few respondents were able to work from their original workplace, while the majority were encouraged to work from home. Areas like downtown Johannesburg and Sandton City constantly host heavy traffic volumes of people, thus these areas and other major business districts have been proclaimed as hotspots. Evidence shows that the results of respondents 'working from home' originated from urban areas, and specifically those who live in the suburbs. The implication is

that the less fortunate communities, like many townships in Gauteng, cannot work from home as community members work in a job which requires their physical presence. These communities also do not have the luxury of social distancing, as households are in close proximity of each other.

Government has predicted that the number of confirmed cases will rise heavily between July and September 2020 as the country stays in lockdown level 3, the reopening of the economy unfortunately brings forth the risk of the disease spreading faster as many can no longer afford to not go to work every day. Economists have echoed this by explaining that the country cannot afford to return to lockdown level 5 due to the state of the economy and the increase in retrenchments. Government has therefore had to remain on lockdown level 3 but continues to reinforce certain measures to restrict the movement of people and the spreading of the virus.

Tourism has in the past proven its resilience against situations that have impacted its performance. Despite travel restrictions, travellers want to explore and interact with the world. SAT has found in its recent studies on understanding international travel needs during COVID-19 that consumers are willing to travel again but with the assurance that it is safe to do so. The age group that is largely eager to travel internationally is the millennial generation, and with the perception that this group's vulnerability is lower to COVID-19, many are likely to be swayed to travel to various destinations once it is deemed safe to do so. Younger travellers are likely to be the key to many destinations and the tourism industry recovery plan, as opposed to older groups (specifically the age group of 35-54) who have children under the age of 18 to consider.

To further support this evidence, the graph below presents the manner in which tourism picked up its numbers after the effects of the 2003 SARS outbreak, 2009 global economic crisis and other events with negative impacts.



The impact of COVID-19 has affected the entire tourism value chain. As the country gradually opens the sector, it is crucial that Gauteng adopts an integrated and partnership approach, by working with the sector in identifying strategies for reassuring travellers of their safety. Unfortunately, the pandemic is not the only challenge that the South African tourism sector is facing. Before the pandemic, challenges that altered the country's number of arrivals included crimes which targeted tourists and xenophobia thus negatively impacting regional arrivals.

As the Government lifts travel restrictions, Gauteng must ensure that the sector is governed by health protocols, and must equally strive for achieving a safe tourism sector. Thus the GTA must work with the sector in order to ensure that new innovation and investments, are put in place. Furthermore, the Authority must work with both regional and national government stakeholders and privately-owned tourism businesses to ensure that the industry re-opens successfully and safely.

More attention must be given to small businesses as they are less likely to survive the impact of the pandemic, when compared with larger businesses. Nonetheless, the impact differs sub-sector by sub-sector. Destinations that solely depend on international markets were mostly affected and their recovery remains uncertain as international tourism remains closed.

Organisational Environment

GTA continued with a firm commitment to transform the tourism sector, which remained the Authority's strategic imperative in the year under review. GTA assessed the relevance of its current strategies, and utilised partnerships in order to create opportunities for marketing and developing the sector. Through market intelligence, the GTA conducted various research projects to support strategic decisions in the organisation.

Gauteng Tourism Brand

In the year under review, the Authority started the process of redefining destination Gauteng's brand to ensure an optimised brand that will clearly and consistently profile Gauteng as a top-of-mind destination in all source markets. The process will be completed in FY 2020/21. A well-functioning and effective brand will enable GTA to collectively strengthen marketing impacts by intensifying the voice of Gauteng's brand.

Strategic Partnerships

GTA nurtured and evaluated its relationships with strategic partners, building from the FY 2018/19 initiatives to formalise and utilise strategic partnerships in implementing tourism activities. GTA consolidated a partnership with Lanseria International Airport to move GTA's Visitor Information Desk from the international arrivals hall into the new terminal building, where GTA looks forward to welcoming more visitors and helping them decide on what to explore and visit in the rich Cradle of Humankind precinct surrounding the airport.

The Visitor Information Desk at the Melrose Arch Precinct was operating in the bustling centre, which has seen the completion of the world class Marriott Hotel and Conference Centre opening for business. The hotel increased the number of beds available, considerably adding to the number of rooms from the African Pride Melrose Arch Hotel and the Protea Fire & Ice. The Melrose Arch lifestyle has so much to offer, from conference space to enjoying the mélange of restaurants, art galleries and high-end shopping over a weekend break. The GTA Visitor Centre, located outside Woolworths in the main shopping mall, is up and running, and is there to help visitors who need assistance in planning their exploratory journey in Gauteng.

The year under review has also been an important year for expanding relationships on the African continent. The African Indaba gave GTA the opportunity to meet up with old friends, and form relationships with new ones.

The hosting of the Best Practice Tourism Workshop held in March, in Gauteng, offered tourism authorities from across the continent the opportunity to experience Tourism Grading expertise



DID YOU KNOW?
 Sterkfontein is a set of limestone caves of special interest to paleo-anthropologists located in Gauteng province, about 40 kilometres northwest of Johannesburg, South Africa in the Muldersdrift area close to the town of Krugersdorp.

from the team at the South African Tourism Grading Council. The conference gave like-minded tourism agencies the opportunity to exchange ideas of how to work together to create better experiences for visitors. It was recognised that air connectivity across the African continent is key to increasing the flow of visitors and makes it possible to offer the two-centre holidays and breaks. In June 2019, OR Tambo International Airport welcomed the return of Air Madagascar offering the Antananarivo to Johannesburg route. The month of June also saw ASKY Airlines launch the Lome-Lagos-Douala-Johannesburg route three times weekly and Lome-Lagos-Libreville-Johannesburg four times weekly, creating strong connections for business and leisure between Gauteng and the West Africa region. Stakeholders and partners are central to helping the Authority to market the very best of destination Gauteng.

Market Intelligence

The size of Gauteng’s tourism source markets is increasing. It is therefore important for Gauteng to research and make decisions on source markets that can benefit the growth of the Gauteng visitor economy.

As part of the Destination Management and Development Programme, market intelligence initiatives were implemented, providing tourism sector information and trends to enable strategic decision-making for the implementation of GTA’s strategic and annual performance plans. Domestic and international tourism patterns and trends were tracked in order to inform opportunities on how they continue to enhance their contribution into the Gauteng economy. A number of reports were produced which included analysed tourism statistics that informed the position of Gauteng as a tourism destination in the country.

Other significant reports included India and China as strategic source markets. The purpose of presenting India as source market was to improve the India visitors’ experience in South Africa in order to increase spend and

length of stay, enable Gauteng’s products to better serve the Indian market and establishing direct routes to market – both trade and consumer, which further enables participants in the India ready market to reap the rewards. The key outcome is to improve Indian visitor experience in South Africa (higher satisfaction scores) that would lead to increased arrivals, spend and length of stay as well as an increase in participation of South African products in the Indian market.

China occupies the privileged position of the leading tourism outbound market in the world, both in departure numbers, as well as total expenditure. The Chinese outbound market is characterised by its rapid growth, large volume, far outreach and huge potential. While ongoing research has concentrated on the quantitative aspects of the Chinese outbound market, there has been a shortfall in the qualitative data that explains behavioural patterns, needs and wants, preferences and concerns of the average Chinese traveller. The Chinese outbound market is conspicuous for its large volumes and rapid growth in both departures and expenditure. With continued growth in expenditure of Chinese outbound tourists, destinations around the world are increasingly eager to attract this market. By understanding visitors’ preferences and motivations, GTA can easily define and set priorities, and increase the demand for tourists within Gauteng as a destination.

Key policy developments and legislative changes

There were no key developments and legislative changes in the year under review.

STRATEGIC OUTCOME-ORIENTED GOALS

The 2019/20 report on strategic outcome-oriented goals represent the end of the five-year electoral period of the fifth administration, demonstrating the extent to which the Authority has achieved its goals in the period under review. GTA implemented its programmes in line with government Outcome 4. Outcome 4 is declared in the MTSF 2014 - 2019 as “Decent Employment, through Inclusive Growth”.

This report includes both short, medium and long-term priorities/goals and their objectives which are provided in the 2014-2019 MTSF, Transformation, Modernisation and Re-industrialisation (TMR), Township Economic Revitalisation (TER) and another related plans and strategies, all of which are aligned to the NDP. The following are 2014-2019 MTSF economic development priorities, which were main drivers of GTA's 2014-2019 programmes:

- Eliminate poverty and reduce inequality;
- Foster more inclusive growth;
- Effective partnerships across society, rising investment, employment and productivity, and generating income;
- Building a capable and developmental state that is able to act to redress historical inequities;
- South Africa's foreign policy must be shaped by the interplay between diplomatic, political, security, environmental, economic and regional cooperative dynamics; and
- South Africa should improve collaboration and cooperation, through deeper integration and increased trade with its regional trade partners in Africa, and globally, and emphasis should be placed on the role that South Africa can play in mediating the role and influence of the BRICS group and African countries.

GTA's focus on these priorities above is demonstrated through progress made in the implementation of the strategic outcome-oriented goal:

Strategic outcome-oriented goal	Goal statement
Maximised GCR contribution to the visitor economy	<p>This goal is intended to increase the number of visitors to Gauteng, thereby by positioning Gauteng as a tourism destination of choice in South Africa and Africa, focusing on 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. GTA's marketing and promotion interventions are research- and evidence-based; and utilise new tools and technologies and cutting-edge multimedia marketing to keep Gauteng front-of-mind to:</p> <ul style="list-style-type: none"> • Increase demand in Gauteng's visitor economy; • Attract first time and repeat visitors; and • Develop a niche market approach offering unique experiences, such as destinations and themes.

Performance in line with Strategic Objectives

In the year under review, GTA strived to maximise GCR contribution to the visitor economy. The Authority has done so by implementing three programmes, namely Destination Marketing, Events Marketing, and Destination Management and Development. Due to the diversity of the tourism industry, some of the projects implemented cut across the three programmes. A number of destination marketing programme activities were implemented in the context of the events marketing programme.



WHAT WE DO

PRIMARY DMO ROLE

Tell the Destination Story

Get on the list of **consideration**

Inform, Educate and Advise Visitors and Newcomers

SECONDARY ROLE

Provide a Platform for Local Business

to Harvest Visitor Demand

VISITORS

LEISURE/**PERSONAL**
BUSINESS (INCLUDING CONVENTIONS)
POTENTIAL NEWCOMERS
RELOCATING BUSINESSES

SUPPORTING ROLES

SECONDARY ROLE

Stimulate & Visitor Circulation Spending Post-Arrival

INFORM PRIVATE AND PUBLIC DEVELOPMENT DECISIONS

SPEARHEAD A CONSISTENT BRAND MESSAGE FOR OTHER MESSENGERS

STEWARD THE SUSTAINABILITY OF PLACE-BASED ASSETS

Contribution of Destination Marketing to the Strategic Outcome-Oriented Goal

Media, Brand and Digital Marketing

GTA continued to use destination marketing communication as an integral part of any organisation, initiative and behaviour changing process. Whilst its primary objective is to communicate and educate, its secondary role of behavioural change, makes it a fundamental necessity in any organisation.



Marketing programmes embraced the notion of introducing new players, promoting new experiences and paying special attention to activities and projects led by the tourism sector. Destination Marketing played a critical and central role in guiding the organisation's drive and work in implementing its marketing strategies and action plans during the year under review.

Media relations, brand management and digital marketing for both domestic and international tourism has enabled the Authority to use its resources optimally, achieve the set targets and retain top of mind destination brand presence. Marketing is the heartbeat of any organisation and the success of any promotional campaign. Nonetheless, effective marketing depends on the ability to innovate and measure return on investment. The increase in the Authority's digital and social media presence and numbers, and the uptake of township-based youth enterprises on tourism marketing programmes, bears testimony to the importance of integrated marketing and promotion work.

Destination marketing implemented its activities across the three sub-programmes in an integrated manner, ensuring that GTA generates value for the destination, mindful of the impact of the Authority's work on the broader value chain of the path to purchase journey of the traveller. Brand communications outreach activities were supported by digital marketing efforts for implementing the projects. GTA has implemented an integrated brand communications and marketing drive for the broader Gauteng tourism sector. This included targeted destination brand awareness campaigns in domestic and international markets, digital campaigns to drive customer engagement, reach and frequency, and the management of our social media channels.

GTA worked with key travel, lifestyle, sporting and entertainment media and influencers to amplify the drive to tell the destination story in both domestic and international platforms through the influencing and shaping of the outlet's editorial content. The Authority recognised the fact that media promotions are an excellent way to increase awareness

of, and interest in, Gauteng as a destination. Strategic media and editorial partnerships like the weekly Sunday Sun travel feature, were implemented. This boosted the Authority to acquire significant print, web, social media and television/video exposure. Accordingly, GTA creatively used these multi-media channels to create a dedicated promotional drive for Gauteng township experiences and products inclusive of the GCR neighbourhoods. This was to give effect to the transformation agenda to incorporate the township economy into the provincial and visitor economy that is integrated, inclusive, responsible and creating sustainable livelihoods.

Digital communications formed the backbone of the Authority's marketing strategy, allowing GTA to maximise its efforts in promoting and benefiting the Gauteng province, its attractions and the people through efficient and responsible marketing practices. GTA took pride in the fact that the Authority's commitment to world-class digital communications remained an inspiration to the broader destination marketing organisations in the country and the continent. This was demonstrated through continuous usage and association by sister agencies.

In the year under review, the following media, brand and marketing activities were implemented:

Initiative	Number of initiatives
Destination events media launch initiatives	5
Digital marketing initiatives conducted on Business Events	4
Campaigns implemented in the international markets through digital marketing	11
Campaigns implemented in the domestic markets through digital marketing	7
Campaigns implemented in the international markets through media and brand communication initiatives	3
Campaigns implemented in the domestic markets through media and brand communication	3



DID YOU KNOW?
 The City Sightseeing open-top bus is undoubtedly the best way to go sightseeing in Johannesburg our red, hop on hop off buses run in Johannesburg seven days a week, 365 days a year, come rain or shine, and arrive at each stop at regular scheduled intervals (with very few exceptions).

In-Present Leisure and Trade International and Domestic Marketing Initiatives

Gauteng's brand awareness is gradually growing due to the Authority's participation in different trade shows, events, exhibitions and implementation of familiarisation trips. Several international marketing activations were executed in targeted international source markets, with the sole purpose of increasing visitor numbers to Gauteng. Key highlights of this included partnerships with SAT, as well as major inbound and outbound tour operators from key source markets. Emphasis was placed on African countries to start intra-country marketing initiatives aimed at encouraging Africans to travel and explore their own continent. For South Africa, the SADC and West African markets provide immediate opportunity for our tourism promotional drive. To that effect, GTA working together with SAT and the South African Embassy in Ghana, and the GGDA activated a programme of joint marketing in these key source markets.

Through trade and partnerships, GTA managed to sell and market the province through the hosting of familiarisation trips, and selling and marketing travel packages locally and internationally. One of the remarkable platforms was the hosting of the Afrochella team. The Afrochella is a celebration of Africa's diverse culture and the vibrant work of African creatives and entrepreneurs. This is the Ghanaian created festival, which has become one of the centrepieces for the Year of Return December programme in the year under review. The tour by the Afrochella team served as a promotional drive anchored at selling the Gauteng as a destination, with the aim to increase visitation to the province. In the coming three years, Gauteng will be hosting the South African leg of Afrochella at Constitution Hill. This is a major achievement, demonstrating the role and the significance of trade and partnership in facilitating potential buyers, trade missions, and wholesale travel trade, which play key roles in ensuring that GTA increases demand for Gauteng as a tourism destination.

The Gauteng brand awareness drive reached high levels when the Authority formed part of the SAT delegation to the Russian Federation to promote Gauteng to the Russian travel trade. This was Gauteng's first major entry into the Russian market, which has historically been classified as a watchlist and not a core source market for travel into South Africa. With the recent announcement on the removal of visa requirements between the two countries, it was important for Gauteng to be among the first to introduce its products and offerings to the Russian travel market. These remarkable projects recommend the need to adopt consistent and more creative and exciting ways to stay top of mind with both local and international in-present marketing.

Robust and aggressive marketing campaigns through different channels are significant for growing the Gauteng tourism brand. GTA continued to enhance tourism information awareness through several roadshows, exhibitions and workshops primarily targeting the formerly disadvantaged and marginalised groupings of the community. Township tourism experiences were put through a direct and indirect series of tourism awareness economic beneficiation platforms, facilitated collaboratively with key industry players. The mobile VIC was used as a tool to bring closer tourism information to places where there is more foot fall. GTA continued to use event support platforms to leverage possible opportunities of enhanced domestic product consumption by the visitors and travellers as potential consumers.

Domestic tourism promotion continued to provide platforms for the Authority to leverage on opportunities for inclusive economic growth and transformation imperatives. Gauteng intensified the promotion of domestic tourism with the re-launch of the GP Shot-left programme. GTA utilised key sporting and lifestyle moments to present affordable domestic travel packages with a special focus on the youth, women and the LGBTIQ+ market segments. The Authority embarked on a domestic in-present market promotional drive through exhibitions.

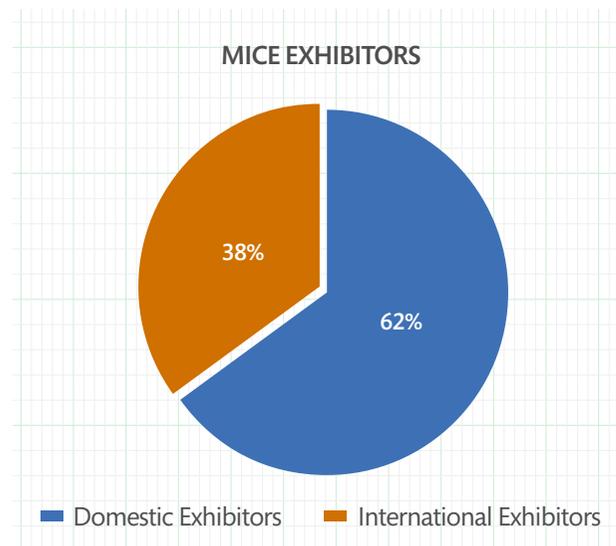
Some of the successful platforms for domestic markets included exposure at the RandShow, Basha Uhuru festival, Decorex, SARCD, Whisky live, Get Away Show, Sanlam Handmade and Outdoor Adventure and Travel Expo including the Vodacom Durban July, DSTV Delicious Music and Food Festival, the Soweto Marathon, Joy of Jazz and the Gauteng Summer Cup. These platforms were used to encourage direct interaction with potential travellers thereby increasing visitation, economic deals, and product and experience consumption. GTA also for the first time participated at the Travel Marketing Experts South Africa Workshop in order to connect with travel marketing enthusiasts that are taking the SA travel industry by storm. Their influence combined with their expertise, unmatched industry relationships and massive databases, helped to create the ultimate sales and marketing solution that is fresh, innovative and vital in today's competitive environment. Workshops assist GTA in growing client-based market share, brand presence, and build and maintain relationships with travel agents, tour operators, PCOs and corporate travel buyers, while introducing a whole new world of opportunities.

Contribution of Events Marketing to the Strategic Outcome-Oriented Goal

Business events continued to be one of Gauteng's leading drivers for increasing visitation in the province. GTA produced a targeted brand communication plan to leverage the City Region's hosting of Meetings Africa 2020, the continent's premier business Iekgotla platform. The Authority also leveraged the celebration of the Global Exhibition Day at the Nasrec Expo Centre. Signature events were promoted 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. Signature events were thus used as a demand generator for travel and tourism editorial content and strategic brand advertising during the popular Soweto Derby as one example.

GTA secured a number of new bids in the year under review. The estimated return on investment for these bids is 137 days, 2.2 million estimated number of visitors and 38 000 estimated jobs. Through meetings, incentives, conferences and exhibitions events, Gauteng delivers immediate economic benefits such as rand value, jobs, etc. This occurs through two distinct channels: an event sources some of its income from outside the region and spends it in the region to deliver the event; this in turn results in additional business to business expenditure.

An event attracts visitors who spend money in the destination, resulting in additional consumer-to-business expenditure in the economy. In the year under review, Meetings, Incentives, Conferencing, Exhibitions (MICE) events played a crucial role where 85 MICE entrepreneurs were supported. Of the 14 MICE events hosted in Gauteng, a total of 78 518 participants or visitors were hosted in the province, 92% (72 164) of participants were domestic and 8% (6 354 people) were international participants.



A total number of 1 445 exhibitors participated in the following events: Meetings Africa, Eid Shopping Festival, World Tourism Conference, and Automechanika resulting in 62% domestic exhibitors and 38% international exhibitors.

Event	Countries /Province
Meetings Africa	Botswana, DRC, Egypt, Eswatini, Ethiopia, Ghana, Kenya, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Reunion, Rwanda, Senegal, Tanzania, Uganda, Zambia and Zimbabwe
Eid Shopping Festival	Dubai, London, Turkey, Syria, Namibia, Algeria, India, Saudi Arabia, Malaysia, Pakistan, Sri Lanka, Botswana and Algeria Domestic: Limpopo, North West, Eastern Cape, Western Cape, Mpumalanga and KwaZulu-Natal
World Tourism Conference	Limpopo and Gauteng

MICE Bed Nights

Forty-five bed nights were spent in Gauteng for hosting the 14 MICE events, which resulted in hotels and other accommodation establishments being filled. Casual or indirect jobs were created giving exposure and recognition to the hotel groups which ranged from 3-star to 5-star grading. This stimulated diversity and building of relationships with strategic partners as two different facilities may accommodate the hosting of a single event attending to different needs. One may provide a hosting venue while the other hotel provides for accommodation, breakfast and dinners. In this way hotels were guaranteed room sales and revenue, delivering a great experience, which resulted in the recurrence of certain events wanting to use a particular hotel more often.

Incentive groups visited Destination Gauteng

GTA in partnership with SAT and Alitalia, hosted a Russian familiarisation trip with Russian corporate travel agents as a result of the mission to Russia in 2019. The purpose was intended to showcase Gauteng with the intention to increase visitor numbers from this market. The familiarisation trip included experiences in Dinokeng, Tshwane, West Rand, Maropeng, the lion park, Johannesburg and Meetings Africa.

International Site Visits

Tourism contributes towards complete growth and development of a country by bringing increased economic value and numerous benefits, helping to build the country's brand value, image and identity. Thus, site inspections were conducted to allow visitors to experience everything first-hand rather than relying on photographs, emails, and marketing collateral. The Gauteng Convention and Events Bureau (GCEB) business unit conducted nine site inspections for the period under review, for the following confirmed events and bids selling the destination and the hosting capabilities of the province: Meetings Africa, Discop Africa, Lilizela Awards, Africa Rising International Film Festival, World Tourism Conference and Automechanika, recurring every two years.

Upcoming Events

Two site inspections were conducted before the awarding of the Africa CEO Forum Site Inspection 2021 and the Junior Chamber International Technical Site Inspection 2021.

Secured Conventions

The below table is a list of conventions secured by the GTA's Gauteng Convention & Events Bureau in the province:

Event	Year	Recurrence
Meetings Africa Signature MICE Exhibition	2018-2022	Confirmed for 5 years
Pan Africa Society of Cardiology and Heart Congress	2020-2021	Confirmed for 3 years
Africa Investment Forum	2018-2020	
16th World Congress of Music Therapy	2020	
Junior Chamber International	2021	
Africa CEO Forum	2021	
International Conference of Constitutional Law	2022	
World Rowing Masters Championship	2023	
Europe-Africa Meeting of the Polymer Processing Society	2023	

Driving Visitation to the Province

Involvement in the local organising committees of MICE events helps with proper planning and opportunities to better understand the event for stakeholders to work towards one goal that needs to be achieved in making an event a success, with a positive economic impact for the province. The following are the operational plans that were put in place to increase the number of trips and visitors in the province:

- Pre- and Post-tours: This part of the tourist market was an extremely important part of business, especially when it comes to the extension of the tourism season, which increased the attractiveness of the tourist destination and the economic effects achieved by the development of this part of the tourism market; and
- Delegation Boosting: Attracting more delegates to Gauteng conferences or business events using this suite of destination marketing collateral i.e. a customised promotional destination video. GCEB ensured that the delegates tap into the 'Delegate Special Offers Programme' displayed on the event microsite.

The below are Gauteng key market priorities:

Key Market Priorities		
 <p>BUSINESS PROCESS OUTSOURCING</p> <p>South Africa is in a position to attract and develop outsourcing and offshore support activities, particularly in the following areas:</p> <ul style="list-style-type: none"> • Financial services • Insurance • Telecoms • After-sales • IT 	 <p>MANUFACTURING</p> <p>South Africa excels in a number of areas of manufacturing that include:</p> <ul style="list-style-type: none"> • Automotive • Chemicals • Pharmaceuticals • Agri-processing • Electronics • Biofuels 	 <p>CREATIVE INDUSTRIES</p> <p>South Africa's creative industries are growing and becoming more competitive in international markets. In addition, this sector helps promote the ZA brand around the globe. Key segments include:</p> <ul style="list-style-type: none"> • Film and video • Music • Crafts
 <p>INFORMATION AND COMMUNICATION TECHNOLOGY</p> <p>Clearly the leader in information and communication in Africa. South Africa's reputation in the domain is improving annually. Key areas include:</p> <ul style="list-style-type: none"> • Software development • Electronic financial applications • Fraud prevention 	 <p>MINING AND METALS</p> <p>South Africa is one of the world's leaders in mining and a leading source of minerals. Key areas for development are:</p> <ul style="list-style-type: none"> • Precious metals and minerals • Mining expertise and technology • Minerals beneficiation 	 <p>LIFE SCIENCES</p> <p>The strength of South Africa's Health and Medical Establishments is recognised the world over. events in the following areas should be developed:</p> <ul style="list-style-type: none"> • Medical specialities • Biotechnology • Medical devices

Events in these key markets facilitated the increase in numbers to destination Gauteng.

Several media platforms, delegate boosting, and trade shows were used to create hype around the events hosted in the 2019/20 financial year. These platforms have been useful in driving the numbers of participants or delegates and exhibitors in the province. The African Investment Forum is one of the MICE conferences that drove numbers in the province, as it hosted four heads of state from Rwanda, South Africa, Ghana and Mozambique. The forum had 2 258 delegates in attendance, attracting investors from key sectors such as real estate and urban development, agriculture, health, trade and funds.

The Eid Shopping Festival had 8 ambassadorial bodies, attracting international exhibitors from Dubai, London, Turkey, Algeria, India, Saudi Arabia, Sri Lanka, Malaysia, Namibia, Pakistan and Turkey, and domestic exhibitors from the neighbouring provinces such as Limpopo, North West, Eastern Cape, Western Cape, Mpumalanga and KwaZulu-Natal.

Meetings Africa has shown growth over the past 15 years. It has gone out of its way to showcase Africa's diverse offering of services and products where African meetings industry professionals can partner to help transform the African continent's fortunes. It attracted exhibitors from 19 African countries namely Botswana, DRC, Egypt, Eswatini, Ethiopia, Ghana, Kenya, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Reunion, Rwanda, Senegal, Tanzania, Uganda, Zambia and Zimbabwe.

Discop Africa is the film, television and digital content market exhibition that is recurring in the province attracting international and local delegates, participants, buyers and exhibitors, content selling and buying and co-production and distribution opportunities in a rapidly changing audio-visual landscape where there is no end in sight for the demand of original homegrown content.

The market is from South Africa, India, China, USA, Canada, France, Cote D'Ivoire, Nigeria and France.

The DSTV Delicious Festival and Standard Bank Joy of Jazz have shown an increase in both domestic and international visitors, SMME market access, and Rand value in the financial year 2019/20 as compared to the 2018/19 financial year. This is demonstrated below:

DSTV Delicious Festival				Standard Bank Joy of Jazz			
FY 2018/19	FY 2019/20	An increase compared to previous year		FY 2018/19	FY 2019/20	An increase compared to previous year	
International visitors	1 800	3 071	1 271	Local visitors	29 807	34 432	4 625
SMME	11	58	47	SMME	11	26	15
Rand value	R74 970 000	R168 672 000	R93 702 000	Rand value	R97 052 550	R168 672 000	R71 619 450

Impact Recognition and Achievements in Events Supported

Type of Impact	Criteria	Supporting Statement	Event
Social impact	<ul style="list-style-type: none"> Improve liveability in Gauteng Encompasses diversity Unifying creation of social cohesion Event activities lead to a growth in general interest in the theme 	<ul style="list-style-type: none"> Good Foundation Free Dignity store – where a new clothing, shoes and groceries are brought and laid out in a departmental store and orphanages, disabled and old age homes, destitute families and the homeless are invited to shop for free giving them their dignity to choose. This is post Eid Shopping Festival. The festival marks the end of 16 days of activism against women and children abuse and celebrates the 15th anniversary of this campaign. 	Eid Shopping Festival

Type of Impact	Criteria	Supporting Statement	Event
Social-economic impact	Showcasing the lifestyle, music event, entertainment and culinary sectors as part of SMME development and market access opportunities.	The Spin Thrift Market was a weekend long celebration of DIY culture - a thoughtfully curated marketplace where shoppers and craftspeople make meaningful connections. The focus was on showcasing the best and brightest talents from the maker community. Goods range from one of a kind and unique jewellery, natural beauty products, bespoke accessories and apparel, housewares, books, affordable art and much more. Vendors merge the rich history of African art and textiles into their crafts.	Afropunk
	Contributing to skills transfer, growth, development and boosting the local economy, all the major and complimentary services and products required for the various activities. Social cohesion and community events.	The following pre-activations were held: Jazz Cares, Jazz Colloquium, Jazz Honors, and Joy of Jazz Artist Workshops	Standard Bank Joy of Jazz
	Lifestyle event, enter authentic local food from township-based SMMEs from across the SMME development and market access opportunities.	58 SMMEs from different township both female and women owned were offered an opportunity to showcase their African cuisine, contemporary cuisine, indigenous tea, street food, pizza and beverages for the duration of the event.	DSTV Delicious Festival
	Socio-economic community involvement, number of jobs created and skills development.	Various township SMMEs in the following categories: catering, cleaning services, tent and décor were offered an opportunity offer their services at an event.	Sedibeng Summer Festival
	Socio-economic community involvement, number of jobs created and skills development.	Various township SMME in the following categories: catering, security, and cleaning services, were offered an opportunity offer their services at an event.	Westrand Arts Festival
Event legacy	Skills development. Increase in interest, number of participants, general development in/of the theme. Infrastructure improvements. Improvement in public spaces/places. Increases usage/grows interest in spaces/places.	Skills development: Tyre Changing Competition held at Automechanika Mr. Mputi from Supa Quick in Silverton won the competition walking away with a trip to Automechanika Frankfurt in 2020. Supporting Small Business Growth: enterprise development initiative: three locally owned SMMEs won up to R200 000 to support their businesses as well as a mentorship programme sponsored by ABSA Bank (Kgabo Cars, Sithole Operations & Supply and Style At Its Best).	Automechanika
	Skills development. Increase in interest, number of participants, general development in/of the theme. Infrastructure improvements. Improvement in public spaces/places. Increases usage/grows interest in spaces/places.	Investment interest secured across 52 deals worth US\$40.1 billion.	African Investment Forum

Type of Impact	Criteria	Supporting Statement	Event
Economic impact	<ul style="list-style-type: none"> Anticipated number of unique attendees (note: this is not attendee days. Divide projected total number of attendee days by average number of visits to determine number of unique attendees) Anticipated profile of exhibition exhibitors/ participants Anticipated profile of exhibition visitors Exhibition duration (includes all days that attendees would visit, excludes participants only days) Season/location/ Recurrence in Gauteng Linkages to business tourism Linkages in leisure tourism Total economic impact 	Recurrence of the following signature MICE events:	<ul style="list-style-type: none"> Pan African Society of Cardiology 2019/21 African Investment Forum 2018-2020 SA Italy Summit 2018-2019 Meetings Africa 2018-2022 Eid Shopping Festival Getaway Show

GTA managed to link local suppliers within the events and conferencing value chain with event and/or conference organisers for employing youth from the Tshepo 1 Million programme in 2019/20. The Authority empowered emerging business event service providers, including those based in townships, to become actively involved in an important sector which has historically been notably under-represented by enterprises owned by historically-disadvantaged individuals. The GCEB business unit actively promoted township businesses by providing platforms and business opportunities in events.

The market access platform target was 160. The GCEB business unit over-achieved the target by 59, thus achieving 219 due to its continuous support and hosting of annual signature events. The business event industry has given rise to many professional and entrepreneurial opportunities, and corporations and associations now employ the services of meeting or convention managers for their business get-togethers.

The tourists that arrive in South Africa spend on a multiplicity of products and services such as:

- Accommodation
- Food

- Transport
- Shopping
- Entertainment.

Due to the increasing competitiveness among host communities and tourist destinations, attention has been drawn to special interest markets in order to gain advantages as well as to meet up with economic, social and environmental goals. For Gauteng, the key sectors include financial/banking, manufacturing, medical, government, research, agriculture, aviation and sports. Different key players have become involved in promoting events as measures for economic development, nation-building and destination marketing. Events can deliver immediate economic benefit by bringing new money into the economy. This can occur through two distinct channels:

The event sources some of its income from outside the region and spends it in the region to deliver the event. This results in additional business to business expenditure.

The event attracts visitors who spend money in the region. This results in additional consumer to business expenditure in the economy.

The greatest economic impact is delivered through visitor numbers from outside the host destination and is measured through:

- Number of visitors from outside the host destination;
- Number of bed-nights or length of stay;
- Visitor expenditure; and
- Job creation opportunities.

Contribution of Destination Management and Development to the Strategic Outcome-Oriented Goal

GTA, working together with municipalities, the provincial departments of Economic Development and Sports, Arts, Culture and Recreation, other Department of Economic Development sister agencies and the private sector, has through Destination Management and Development, developed new products and experiences.

These involved the Gauteng Events Golf & Media Open Day experience, the Green Route product, the Heidelberg Steam Train product and Pride Plan Tourism-Themed route. The Gauteng Events Golf & Media Open Day was a historic achievement in that the platform is 100%-owned by GTA and provides various event owners and organisers with a

platform to network and collaborate on their events for the benefit of the GCR integrated events calendar. The purpose of developing new products was to expand the Gauteng tourism sector with the primary drive of increasing the contribution of the tourism economy to GDP and the overall goal of an inclusive and sustainable economic growth that stimulates jobs within the GCR.

Support of small business enterprises continued to be a critical priority in the quest to grow tourism businesses, create jobs and grow an inclusive and dynamic economy. The role of GTA was to create a conducive environment for the development and growth of small businesses. GTA played its role by providing both financial and non-financial support services and this included competitiveness, market access, and the promotion of entrepreneurship initiatives. The initiatives were implemented through events and exhibition platforms to ensure that small business enterprises participated 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, and particularly township businesses. GTA participated in the promotion of youth in tourism initiatives with the Minister of Tourism in Soweto. During the months of August and September, our communications and media content highlighted women-owned tourism establishments in our townships and neighbourhoods.

The participation by township small business enterprises enabled 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. The support of small business enterprises assists GTA in forging new relations with top buyers and thus create a solid database of these stakeholders. The promotion of Gauteng townships and their tourism products inclusive of events by GTA, represented a move in the right direction and the attainment of equitable economic growth and sustainable livelihoods in the long run. 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. 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.

Challenges

Towards the end of the fourth quarter of the financial year, the world experienced the unprecedented spread of the corona virus resulting in the total shut down of the major sectors of the economy including travel and tourism. COVID-19 affected the movement of people, goods and services all of which are key ingredients for a successful visitor economy. With the medical sector not anticipating the discovery of the vaccine and global infections rising daily, the visitor economy continues to suffer drastic consequences with limited ability to make forward plans.

While the spread of COVID-19 has resulted in a total halt of the travel and tourism industry, it also brings in new opportunities for the sector and its marketing efforts. These opportunities are in the digital marketing and technology sectors, local manufacturing and the repurposing of the various businesses and supply processes to adapt to the new tourism delivery methods. The pandemic also brings about opportunities for the sector to strengthen the supply side with improved health protocols and measures across our facilities, products and experiences.

Service Delivery Improvement

GTA's strategies are supported by service delivery improvement commitments aligned with the Authority's legislative mandates and other relevant government mandates. The Authority employs different best practices and processes to ensure continuous improvement of project implementation. This refers to continuous efforts to achieve measurable improvement in the effectiveness, efficiency and accountability of processes and operations which have an impact on the lives of our stakeholders. GTA has therefore focused on stakeholder engagement,

information services, tourism support programmes, a Travel Trade Strategy, events support evaluation systems, community events, and Gauteng.net.

Stakeholder engagement: GTA tourism programmes are public sector activities aimed at optimising the interests of the private sector. This calls for integrated planning processes, which involve the private sector's endorsement of the Authority's programmes. For GTA to play a crucial role in the tourism sector, it must value collaboration with stakeholders. GTA has in the year under review engaged with stakeholders, providing them with a platform for influencing policy making while leveraging on a number of joint partnerships.

Information services: as the first point of contact, information services play a crucial role in the tourism sector by providing value-adding services for visitors, thus assisting tourists to broaden their visits, while encouraging them to increase their length of stay in Gauteng. This has a direct impact on the economic, social and recreational well-being of the province. In the year under review, information services focused on information about products, accommodation and other related tourism services, booking services, nearby facilities, and accommodation.

Travel Trade Strategy: GTA worked with travel trade to determine the selection, packaging and market access, and readiness of tourism products. This was followed by the aggressive marketing of the tourism trade through a variety of marketing and sales initiatives. Tour operators, agents and other sales channels were utilised for tourism marketing initiatives. The travel and reservation agents, and consumer-direct tour operators stimulated tourism demand in Gauteng.

The Gauteng tourism trade and partnerships relations team influenced operators on how to modify their existing product to meet the needs of travellers.

Events support evaluation system: the first step for supporting events is to call for events support proposals. This is intended to sharpen and refocus government's on-going involvement in facilitating, leveraging and providing strategic direction for a more co-ordinated, comprehensive approach, and a balanced portfolio of events.

Community events: as the tourism events sub-sector booms, it impacts on local communities either positively or negatively. The concept of sustainable development elaborates the concern in detail, while providing solutions. GTA has in the year under review continued to support the implementation of community-based events. The aim was to aid provincial and local government to work co-operatively and maximise brand building potential, as well as economic, social and environmental benefits that can be realised from hosted events. The outcomes of the township-based community events included local attendance, enjoyment and pride, while strengthening the capacity to both to bid for and host major sporting and cultural events and increasing national brand awareness and media exposure for Gauteng townships.

Gauteng.net: the provision of great tourism information is a challenge to Distributed Mature Object Space due to information overload in the digital space. Adding to this, organisation's Destination Marketing Organisation websites are charged with demand generation, driving trade to partners, engagement and capturing the interest of the tourists. GTA uses its own website, Gauteng.net, and social media platforms to implement digital marketing initiatives.

Social media services: Facebook, Twitter and Instagram act as complementary tools to Gauteng.net. Through social media platforms the Authority engages, informs and inspires audiences with an objective of increasing visitors at the various attractions and experiences across the GCR.



DID YOU KNOW?

Maboneng now considered a contemporary urban space filled with the character and the charm of the older buildings that were given a second life, bringing the soul and heart of Johannesburg out through a new community of South Africans who now live, work and play in the city.

Performance improvement per area detailed above is provided in the table below:

Key Service	Beneficiaries	Previous achievement/ status: 2013/14 and year prior 2015/16	Desired service standard: 2018/19	Actual achievement: 2018/19	2019/20
Stakeholder engagement	Public, media, private sector, academic sector, international bodies, non-governmental organisation	<p>Strategy implementation plan developed.</p> <p>Implementation of the strategy commenced in line with the implementation plan.</p> <p>Key stakeholders identified, engaged, and relationships formalised.</p>	<p>Engage with strategic partners identified with Gauteng's sister agencies including the Gauteng Economic Propeller (GEP) and the Gauteng Growth & Development Agency (GGDA).</p> <p>Implement promotional activities in line with the national 5-in-5 strategy by South African Tourism to Gauteng's five corridors: Ekurhuleni, Johannesburg, Sedibeng, Tshwane and West Rand; and the adoption of the 5-in-5 strategy aligned to national, provincial and regional marketing resources to target source markets.</p> <p>GTA partnership with the Airports Company South Africa (ACSA) and the City of Ekurhuleni to increase the number of flights into OR Tambo International Airport by marketing and targeting airlines to either to reinstate routes or develop new routes.</p>	<p>Increased visitor numbers to the Gauteng Province provides an opportunity for increased tourism spend in restaurants, retail centres, hotels and transport.</p> <p>Agreements signed which led to an increase in the promotion of the Gauteng Province and increased service delivery.</p> <p>GTA undertook a Public Perception survey which has a positive return of 71% (against a minimum target of 65% satisfaction rate).</p>	<p>Formal agreements with partners to build on agreements made in the FY2018/19 Including:</p> <p>Lanseria International Airport and the important role of increasing passenger numbers through the gateway to the Cradle of Humankind.</p> <p>Melrose Arch Shopping Mall to provide increased service delivery via visitor information services to those visitors staying and visiting Melrose Arch for business and leisure. Increased visitor information services result in an increase of tourism products promoted.</p> <p>Mozambique Tourism Authority agreement to increase collaboration between Gauteng tourism products and Mozambique tourism products.</p>

Key Service	Beneficiaries	Previous achievement/ status: 2013/14 and year prior 2015/16	Desired service standard: 2018/19	Actual achievement: 2018/19	2019/20
Information services	Regions Public	Information services provided through exhibitions. Mobile VIC project implemented. Centre projects implemented. SMMEs information sharing platforms implemented.	Different platforms for providing information: <ul style="list-style-type: none"> • VICs • Mobile VIC 	Information exhibitions implemented. Mobile VIC exhibitions implemented. SMME information sessions conducted. Tourism information awareness workshops held.	Information exhibitions implemented. Mobile VIC exhibitions implemented. SMME information sessions conducted. Tourism information awareness workshops held.
Tourist Support programme	Tourists	Formalised the relationships with TBCSA. Safety work-stream item included in the broader GTA stakeholder agreement with the regions. Partnered with National Department of Tourism in Tourist Safety Programme. Facilitated 100% of tourist incidents reported cases.	Tourist Support programme implemented.	Tourist Support programme implemented collaboratively with key stakeholders and role-players.	National Tourist Safety framework developed led by NDT and TBCSA. Provincial Safety Forum established. Regional safety forums initiation - on-going.

Key Service	Beneficiaries	Previous achievement/ status: 2013/14 and year prior 2015/16	Desired service standard: 2018/19	Actual achievement: 2018/19	2019/20
Travel trade strategy	Private sector Public International partners	Strategy reviewed. Strategy implementation plan approved. Implementation of strategy commenced in line with the implementation plan.	Strategy implemented according to its principles.	Strategy implemented.	Strategy implemented collaboratively with key stakeholders and role-players.
		Institutionalised a forum for the GTA and regions. Included a travel trade work-stream item into a broader GTA stakeholder agreement with the regions.	Formal engagement with regions.	Joint Marketing Agreements signed with key tourism stakeholders.	Collaborative efforts implemented with key tourism stakeholders and role-players.
Events support evaluation system	Events/event organisers	Event impact assessment tool utilised as a sole system for selecting event for support in the following approach: support events that meet the requirement according to the tool and help events that do not meet the requirements to professionalise the events/businesses.	Support events with higher impact on number of attendees.	Focused on both social and economic impact.	Supported events with high yield economic impact.

Key Service	Beneficiaries	Previous achievement/ status: 2013/14 and year prior 2015/16	Desired service standard: 2018/19	Actual achievement: 2018/19	2019/20
Community events	Local events/local events organisers	Continue with the workshops and couple them with accredited training initiatives for provision of certificates.	Consulted with local events organisers.	Focused on social and environmental impact.	Focused on socio-economic impact
GTA Gauteng.net	Public Events/event organisers	Website page and functionality improved.	Improved digital platform to serve as the Authority's instant form of communications and driver of the Authority's marketing efforts.	GTA website continues to serve as the main point of contact between the Authority and the public. The platform provides for 24/7 interaction across key markets and the weekly "What's On Gauteng" blog promotes scheduled community and signature events consistently. In recognition of this service, GTA blog scooped the converted Next Generation Digital Award for the period 2017/18.	GTA started the process of appointing a new digital agency through an open public tender procurement. The project had to be cancelled after all the applicants failed to meet the required criteria. This cancellation of the digital tender negatively impacted the ability of GTA to continue using its website as an engaging and empowering platform. However, GTA managed to use the channel to advertise key employment opportunities in the Authority, promoted scheduled events and curated special pages on the site for amongst others the Africa Travel Indaba and Meetings Africa. These additional features expanded the reach of GTA content to the public.
Social media services	Public Events/event organisers	Continued with plans for including building commercialisation capabilities using the website. Continued to explore new social media channels like snap chat.	GTA provided cutting edge and instant social media and cyberspace communication that drives the Authority's programme for increasing visitation to the Gauteng city region.	GTA social media channels include a destination Facebook account to broadcast our key messages and activate user generated content thus allowing the public to share views and information on destination Gauteng. We also have the massive Twitter account which drives our engagement supported by Pinterest and Instagram for inspiration while our LinkedIn account serves as channel for business and professional info sharing.	GTA continued to use its social media channels to interact with the public, broadcast key travel and tourism content, inspire local and international audiences and allow for user generated content to shape our communications efforts. Due to the challenges with the non-appointment of a dedicated digital agency, we did not utilise the maximum capacity of our social media platform in the year under review.

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme 1: Destination Marketing

Programme purpose	Sub-programmes	Functions
To grow the visitor economy by stimulating demand through effective tourism marketing and promotion.	Media, Communications, and content management	<p>Purpose: To grow the visitor economy by stimulating demand through effective tourism marketing and promotion.</p> <p>Functions:</p> <ul style="list-style-type: none"> • Work with South African and international media houses to obtain coverage, advertising and other media coverage opportunities. • Package and provide a range of information to media houses on upcoming events, new products and tourism experiences, etc. • Produce and manage the annual content and editorial plan.
	Digital marketing	<p>Purpose: Support and promotion of marketing activities via online and electronic media.</p> <p>Functions:</p> <ul style="list-style-type: none"> • Develop, implement and manage all electronic marketing activities including GTA's website. • Develop, implement and manage GTA's social media platform. • Develop, implement and manage GTA's e-marketing strategy and plan. • Provide online support to Gauteng tour operators and to event managers wanting to list and promote their information on the Gauteng.net site.
	Brand communications and management	<p>Purpose: To improve the Gauteng destination brand awareness.</p> <p>Functions:</p> <ul style="list-style-type: none"> • Develop and manage content designed to influence consumer's travel decisions. • Promote Gauteng at a provincial, national and international level as a key travel destination. • Manage the destination sub-brands. • Develop and implement brand promotion campaigns. • Conduct brand surveys.
	Visitor information services	<p>Purpose:</p> <ul style="list-style-type: none"> • Coordinate and Provide Quality Tourism Information. • Coordinate and manage GTA's Membership System. <p>Functions:</p> <ul style="list-style-type: none"> • Implement VICs programme. • Train staff working in Visitor Information Centre. • Tourism information awareness about Gauteng destinations products, opportunities and experiences. • Develop and manage the products and experiences membership system. • Coordinate visitor recourse and safety initiatives.

Programme purpose	Sub-programmes	Functions
To grow the visitor economy by stimulating demand through effective tourism marketing and promotion.	Domestic tourism marketing	<p>Purpose:</p> <ul style="list-style-type: none"> To stimulate demand for Gauteng's domestic tourism offerings. Increase the number of domestic trips undertaken in Gauteng. <p>Functions:</p> <ul style="list-style-type: none"> Develop and manage domestic tourism marketing campaigns. Promote Gauteng leisure and domestic tourism offerings to local and interprovincial travel market. Develop and manage the Gauteng travel loyalty programme. Manage and activate consumer travel shows. Develop direct consumer engagement programmes.
	International tourism marketing	<p>Purpose:</p> <ul style="list-style-type: none"> To stimulate demand from international sources, core and investment markets for Gauteng tourism offerings. To increase the number of foreign arrivals into Gauteng. <p>Functions:</p> <ul style="list-style-type: none"> Develop and manage international tourism marketing campaigns. Promote Gauteng leisure and business tourism offerings to international markets.
	Travel trade marketing	<p>Purpose:</p> <p>To increase the number of Gauteng products that are being promoted and sold by the travel trade.</p> <p>Functions:</p> <ul style="list-style-type: none"> Form part of key travel trade marketplaces to meet with key accounts and identify potential new travel trade partners. Provide destination awareness, education, and ideas for product marketing. Provide up-to-date product and planning information. Encourage the travel trade to carry and promote Gauteng products and experiences. Support familiarisation tours for product managers and sales agents to increase their awareness and sales of Gauteng travel experiences. Create strategic co-operative marketing partnerships and promotions to enhance destination awareness and generate sales. Expand travel trade's product offerings and experiences by generating travel trade leads. Identify new and emerging trade accounts/distribution channels that present a future opportunity for Gauteng.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme/activity/objective:							
Strategic objectives	Performance indicator	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Assessment outcome of the annual target	Deviation from planned target to actual achievement for 2019/20	Actual achievement 2018/19
Grow tourism markets	Increase implementation of destination marketing initiatives targeting international markets	39	36	53	147% (over-achieved)	17	Partnership implemented with University of Johannesburg on Waternet Conference led to the over-achievement.
	Increase implementation of destination marketing initiatives targeting domestic markets.	11	26	26	100% (achieved as planned)	0	N/A

Key performance indicators, planned targets and actual achievements

Programme/activity/objective:								
Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Assessment outcome of the annual target	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Number of destination marketing initiatives targeting international markets implemented	7	6	39	36	53	147% (over-achieved)	17	Partnership implemented with University of Johannesburg on Waternet Conference led to the over-achievement.
Number of destination marketing targeting domestic markets implemented	New indicator from 2017/18	14	11	26	26	100% (achieved as planned)	0	N/A

Comment on deviations

N/A

Changes to planned targets

The programme indicators measured the number of international arrivals and number of domestic trips. These indicators were revised. The revision was informed by the new government priorities that expected tourism to promote Gauteng as a destination to particularly source markets. Nonetheless, the newly adopted indicators are the contributing factors to the initial indicators.

Linking performance with budget

Programme/activity/objective	2018/19			2019/20		
	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 communications	4 400 472	29 044	3 953	17 304	27 077	(9 773)

Programme 2: Event Marketing

Programme purpose	Sub-programmes	Functions
To identify and collaborate with strategic partners to bid and support the hosting of international and domestic events in Gauteng	Business tourism events	<p>Purpose: To attract high yield business tourism events to Gauteng such as MICE.</p> <p>Functions:</p> <ul style="list-style-type: none"> Identify, bid and secure major international and domestic business tourism events. Support delegate boosting activities. Support hosting of onsite business tourism events.
	Bidding	<p>Purpose: To identify, bid and secure potential major and significant international and national business events.</p> <p>Functions:</p> <ul style="list-style-type: none"> Identify, bid and secure major international and national business events. Support region in bidding for business events. Compile bid documents and presentations. Host and support regions site inspections.
	Sports, lifestyle & cultural events	<p>Purpose: Work with strategic partners to collaborate for sports, lifestyle and cultural events.</p> <p>Functions:</p> <ul style="list-style-type: none"> Work with strategic partners to bid for major events. Support hosting of signature, regional and township events. Leverage off events to promote Gauteng as an events destination.

Programme purpose	Sub-programmes	Functions
To identify and collaborate with strategic partners to bid and support the hosting of international and domestic events in Gauteng	Event development	<p>Purpose: To identify, develop and manage diverse range of world class MICE, sports, lifestyle and cultural events in Gauteng.</p> <p>Functions:</p> <ul style="list-style-type: none"> • Develop, design and plan new events. • Work with strategic partners to collaborate development of events. • Raise and manage sponsorship. • Implement and project manage new events.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

The following strategic objective “Grow the GCR economy through the implementation of the events programme” was adopted to ensure that the implementation of events generate Rand value, create inclusive job opportunities, tourism growth and transformation, while positioning Gauteng as an event destination. GTA worked with strategic partners to maximise the GCR visitor economy contribution towards GDP by creating demand of Gauteng domestic tourism holiday trips. The programme was guided by a number of national and provincial priorities such as to eliminate poverty and reduce inequality; faster growth and more inclusive growth; effective partnerships across society; transform the tourism sector, and create jobs and increase tourism’s contribution to the GDP.

Programme/activity/objective:							
Strategic objectives	Strategic objective performance indicator	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Assessment outcome of the annual target	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Grow the GCR economy through the implementation of the events programme	Increase the Rand value contribution to GCR economy through supported events	R2 515 477 520	R1 900 000 000	R2 101 480 500	111% (over-achieved)	R201 480 500	The over-achievement was due to the increase in the number of international visitors at the Randshow, AIF, Joy of Jazz, Automechanika and Arnold Classic.

Programme/activity/objective:							
Strategic objectives	Strategic objective performance indicator	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Assessment outcome of the annual target	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Grow the GCR economy through the implementation of the events programme	Increase number of jobs created through supported events	16 982	14 000	10 435	75% (under-achieved)	-3 565	The following events planned for Quarter 4 were postponed due to the COVID-19 pandemic, therefore jobs created for Q4 were not reached: <ul style="list-style-type: none"> • Gauteng Experts Club • Kiddies Colour Festival • African Gymnastic Championships • Digital Symposium • F 1 Festival • F1 Festival Media Network • Human Rights Festival • Royalty Soapie Awards • Gauteng African Royal • 10th Global Round Table
	Increase number of marketed events	74	70	83	118.6% (over-achieved)	13	In addition to events supported through the GCEB, GTA marketed other events through digital platforms.
	Increase number of bids presented.	22	20	20	100% (achieved as planned)	0	N/A

Key performance indicators, planned targets and actual achievements

Programme/activity/objective:								
Performance indicator	Actual Achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Planned target 2019/2020	Actual achievement 2019/20	Assessment outcome of the annual target	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Rand value generated through event marketing	R1,6 billion	R1,9 billion	R2 515 477 520	R1 900 000 000	R2 101 480 500	111% (over-achieved)	R201 480 500	Increase in number of international visitors for the following events led to over-achievement: events invited Randshow, Joy of Jazz, African Investment Forum, Automechanika and Arnold Classic.
Number of jobs created through event marketing	New indicator from FY2017/18	27 230	16 982	14 000	10 435	75% (under-achieved)	-3 565	The following events planned for Quarter 4 were postponed due to the COVID-19 pandemic, therefore jobs created for Q4 were not reached: <ul style="list-style-type: none"> • Colour Kiddies • African • F 1 Festival • Human Rights Festival • Royalty Soapie Awards • African Gymnastics Championships • Gauteng African Royal • 10th Global Round Table
Number of events marketed	61	70	74	70	83	118.6% (over-achieved)	13	In addition to events supported through the GCEB, GTA marketed other events though digital platforms.
Number of bids presented	8	10	22	20	20	100% (achieved as planned)	0	N/A

Comment on deviations

The Authority could not achieve the set target for the indicator on Number of Jobs Created through supported events. This was due to COVID-19 as an unforeseen circumstance.

Strategy to overcome areas of under performance

N/A

Changes to planned targets

There were no changes to planned targets.

Linking performance with budget

Programme/activity/objective	2018/19			2019/20		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Bidding and hosting	15 111 233	14 506 233	605 000	22 516 000	17 575 316	4 940 682
MICE	4 120 487	4 602 779	482 292	2 101 000	1 393 625	707 375
Events	7 711 426	7 687 398	24 028	2 285 000	1 635 350	649 650

Programme 3: Destination Management and Development

Programme purpose	Sub-programmes	Functions
To collaborate with strategic partners to implement tourism management and development programme for expanding the tourism sector	Market intelligence and knowledge management	<p>Purpose: To provide economic intelligence for strategic decision-making.</p> <p>Functions:</p> <ul style="list-style-type: none"> • Guide and monitor targets. • Analyse global, national and local trends. • Guide GTA's investment priorities.
	Transformation	<p>Purpose: To contribute towards the transformation of the tourism sector.</p> <p>Functions:</p> <ul style="list-style-type: none"> • Support tourism enterprises through market access programmes. • Promote Gauteng's tourism experiences and attractions.
	Stakeholder management	<p>Purpose: To ensure that relevant stakeholders are aligned to supporting and implementing GTA's five-year strategy.</p> <p>Functions:</p> <ul style="list-style-type: none"> • Co-ordinate government and tourism industry stakeholders for effective integrated destination marketing. • Facilitate local beneficiation from the implementation of GTA's strategies.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

The following strategic objectives: “Enhance visitor experience through the provision of quality visitor services” was adopted for implementing the programme and its sub-programme previous page. This strategic objective expresses the number of projects implemented in the contexts of visitor information centres, and tourism safety programmes.

Programme/activity/objective:							
Strategic objectives	Strategic objective performance indicator	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Assessment outcome of the annual target	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Provide economic intelligence for guiding marketing activities	Number of economic intelligence reports guiding marketing activities implemented	-	2	3	150% (over-achieved)	1	Research on China as a source market was identified as a priority and was thus undertaken.
Contribute to the growth of tourism enterprises inclusive of designated groups	Increase number of tourism enterprises supported	181	300	284	94.7% (under-achieved)	-16	Most of Q4 exhibitions scheduled for March 2020 were cancelled or rescheduled due to COVID-19: <ul style="list-style-type: none"> Rwanda-Air Ghana FAM hosting planned for March 2020 by SAT Tourism Trade Speed Marketing for Tshwane and Sedibeng trade with SAT Human Rights Festival exhibitions India Mega Fine Arts Museum with SAT Free State inter-provincial domestic tourism activations; Decorex Durban exhibitions Carnival City Change Colour Kiddies festival
	Number of new products inclusive of events developed	New indicator as from 2019/20	4	4	100% (achieved as planned)	0	N/A

Key performance indicators, planned targets and actual achievements

Programme/activity/objective:								
Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Assessment outcome of the annual target	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Number of economic intelligence reports guiding marketing activities implemented	New indicator from FY2017/18	2	Indicator was not part of the 2018/19 APP	2	3	150% (over-achieved)	1	Research on China as a source market was identified as a priority and was thus undertaken.
Increase number of tourism enterprises supported	New indicator from FY2017/18	121	181	300	284	94.7% (under-achieved)	-16	Exhibitions scheduled for March 2020 were cancelled or rescheduled due to social distancing measures and the lockdown: <ul style="list-style-type: none"> Rwanda-Air Ghana FAM hosting planned with SAT Tourism Trade Speed Marketing for Tshwane and Sedibeng trade with SAT Human Rights Festival exhibitions India Mega FAM with SAT Free State inter-provincial domestic tourism activation Decorex Durban exhibition Carnival City Change Kiddies Colour festival
Number of new products inclusive of events developed	New indicator from FY2019/20	New indicator from FY2019/20	New indicator from FY2019/20	4	4	100% (achieved as planned)	0	N/A

Comment on deviations

The Authority could not achieve the set target for indicator on Number of Tourism Enterprises Supported. This was due to COVID-19, an unforeseen circumstance.

Strategy to overcome areas of under performance

N/A

Changes to planned targets

There were no changes to planned targets.

Programme/activity/objective	2018/19			2019/20		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Visitor information services	-	-	-	14 143	14 143	0



A high-speed train, identified as Gautrain, is shown in motion on a track. The train is silver and blue, with a sleek, aerodynamic design. It is positioned on the left side of the frame, moving towards the right. The background is a clear blue sky with power lines overhead. A large, white speech bubble with an orange border is overlaid on the left side of the image, containing text. The right side of the image is a white background with an orange diagonal line separating it from the rest of the image. In the bottom right corner, there is a title and a map of the region.

DID YOU KNOW?

Gautrain runs every 10 minutes during peak commuting periods of the day. At other times, trains depart the stations at 20-minute intervals.

An orange silhouette of the Gautrain region, which is a map of the area around Johannesburg, South Africa.

PART C:
GOVERNANCE

INTRODUCTION

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

PORTFOLIO COMMITTEES

Not applicable, GTA engaged with the Portfolio Committee of the Gauteng Provincial Legislature through the GDED.

EXECUTIVE AUTHORITY

In accordance with section 1(d) of the PFMA read with section 52 of the PFMA, the Member of the Executive Council responsible for tourism in the Gauteng Province is the Executive Authority of GTA. In several administrative respects,

the Executive Authority engages GTA through the GDED. The Board and the MEC concluded a Shareholder's Compact and a Funding Agreement for the 2019/20 financial year. GTA reports on a quarterly basis to its Executive Authority on the progress towards the achievement of predetermined objectives.

THE ACCOUNTING AUTHORITY/BOARD

The Gauteng Tourism Act (the Act) provides that GTA Board must comprise a minimum of seven and a maximum of 10 directors. In terms of the Act, the Chairperson and Chief Executive Officer are separate positions. This is aligned to the corporate governance best practice. The Chief Executive Officer is an ex officio Board member. The Board together with the Chief Executive Officer constitute the Accounting Authority of GTA, both in terms of the Act and the PFMA. The Board is appointed by the Executive Authority for a three-year term. The current Board was appointed on 1 October 2017 and their term will expire in September 2020. The Executive Authority may also appoint representatives to attend Board and Board Committee meetings. Such representatives do not participate or vote in meetings and attend to aid the Executive Authority with its oversight of GTA's governance, strategy and policy processes.

GTA has a unitary board. GTA does not have a capital structure and all Board Members are independent. Operational authority has been delegated to the CEO through a documented system of delegations. The Board, as the Accounting Authority of GTA, is responsible for setting the strategic direction of the organisation in alignment with the socio-economic policy directives of the Executive Authority. Management develops operational strategies, policies, frameworks and plans for Board approval. The Board oversees and monitors implementation and execution by Management and ensures that there is accountability for the performance of

the organisation. While the Board oversees the overall process and structure of governance, Management is responsible for the implementation of good governance and adherence to the relevant normative and regulatory frameworks. The primary role of GTA's Board is to provide strategic direction and oversee the effective implementation of that strategy and supporting a system of internal controls which articulate the values of the organisation and the Board. Through ethical and effective leadership, the Board must lead the business of GTA in the best interests of the organisation and its stakeholders. The Board must maintain oversight of the implementation of structured, good corporate governance principles in relation to strategy development, operational performance, establishing of an internal control framework and assurance functions such as risk management and auditing.



Composition of the Board



Ms Nomusa Mufamadi
(Chairperson)

Qualifications

BCompt; Diploma in Industrial Relations; Certificate in Human Resources & Management of Change

Areas of Expertise

Auditing, tax, project management, business development, corporate governance

Other Directorships

Magalies Water Board
Road Traffic Management Corporation



Dr Lulama Zitha
(Deputy Chairperson)

Qualifications

BSc Accounting; Project Management; MBA; PhD

Areas of Expertise

Public finance & economic development, project management, feasibility studies, financial modelling, corporate governance

Other Directorships

Industrial Development Trust



Ms Moroesi Chiloane

Qualifications

Senior Teacher's Diploma; BA(Hons) in African Literature; Masters in Management and Public Development

Areas of Expertise

Education specialist, research, strategic planning & management, and financial management

Other Directorships

Buvhezi Trading 755 CC



Ms Julia Sekhitla

Qualifications

Certificate in Personal Development; Diploma in Business and Business Sector Development; Nursing Certificate

Areas of Expertise

Professional nurse, business development, community development, business executive, travel & tourism

Other Directorships

The View Guesthouse; Merafe Travel & Tourism; Mmamerafe Construction; Tembisa Tourism Association; South Africa Women in Tourism; Ekurhuleni Travel & Tourism Association; Gauteng Gambling Board; Mpumalanga Tourism Parks Agency



Ms Muditambi Ravele

Qualifications

Certificate in Marketing; Certificate in Public Relations; Diploma in Sports Management; Strategic Executive Marketing Programme; Athletes Management & Football Players Management; BTech in Business Administration; Senior Teachers Diploma

Areas of Expertise

Corporate communications, project management, marketing & event management; business management; reputation management; sport tourism

Other Directorships

Brand South Africa Trust; Tennis South Africa; Laureus Sport; Sport Science Institute of South Africa; South African Women and Sport Foundation; Brand South Africa



Mr Desmond Golding

Qualifications

Oxford Advanced Leadership & Management Programme; Finance for Senior Executives; Master of Laws; MA International Relations; BProc; Postgraduate Diploma in Macro Economics

Areas of Expertise

Tourism, economics, finance, law, trade, commerce, corporate governance, strategy

Other Directorships

Co-Operatives Bank Development Agency; SAFA



Mr Jolidee Matongo

Qualifications

Postgraduate Diploma in Management; BTech in Public Management; National Diploma in Management; Diploma in Personnel & Training Management

Areas of Expertise

Project management, training facilitation, policy making and communication facilitation

Other Directorships

Gauteng Liquor Board; MMC for Finance, CoJ



Mr Michael Sass

Qualifications

MCom; CIA; CTA; CA(SA); BCompt (Hons); BCom in Accounting (Hons)

Areas of Expertise

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

Other Directorship

GPG; NWP; CIPC; National Gambling Board

Board Charter and Codes

The Board conducts its affairs in accordance with an approved Board Charter. The Board Charter is reviewed from time to time and provides for the roles, functions, responsibilities and powers of the Board. The practices and procedures of the Board include matters relating to corporate governance, declarations of interest, board meetings and board meeting documents, board induction, training and board evaluations. In addition, the Board has adopted a board specific Code on Conduct to better guide the conduct of board members and, a Board Remuneration Policy to ensure a consistent approach in board member remuneration. The Board may in terms of the Act, establish sub-committees to assist the Board to effectively carry out its responsibilities. The following standing sub-committees continued to operate during the year under review.

Audit and Risk Committee

In terms of its Charter, the Audit and Risk Committee assists the Board 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, value for money and auditing processes applied in the day-to-day management of GTA. The Committee also assists the Board by providing assurance on the adequacy and efficiency on the organisation's internal control systems. Upon the appointment of two additional members, the Committee at year end comprised four members, and operates in terms of an approved Charter. During the year under review, the Committee held seven meetings to which the external auditor of GTA was invited.

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 seven times during the year to, in terms of its Charter, monitor and provide oversight over the performance of the core business units of GTA, to workshop the strategic direction of GTA's destination marketing and communication efforts and to consider inputs into GTA's annual reporting process.

Social, Ethics & Governance Committee

The Social, Ethics and Governance Committee assists the Board on matters related to corporate governance, human resources, remuneration and ethics management. The Committee consists of three members. The Committee operates in terms of an approved Charter which provides that the Committee must, amongst others, monitor and strengthen the objectivity and credibility of GTA's human resources policies and procedures and remuneration system, ensure that 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 GTA. The Committee met four times during the year.

Meeting Attendance

The table below summarises the Members' meeting attendance from 1 April 2019 to 31 March 2020:

	Audit & Risk Committee (ARC)	Marketing Committee (MARCOM)	Social Ethics & Governance Committee (SEGC)	Board	Chairpersons Committee
Meetings #	7	7	4	15	2
Ms N Mufamadi (Board Chairperson, Chairpersons Committee Chairperson, SEGC member)	N/a	N/a	4	15	2
Dr L Zitha (Deputy Board Chairperson, Chairperson of SEGC & ARC* member)	2	N/a	4	15	2
Mr M Sass (ARC Chairperson)	6	N/a	N/a	13	1
Ms M Ravele (MARCOM Committee Chairperson)	N/a	7	N/a	13	2
Mr J Matongo (ARC member)	6	N/a	N/a	11	N/a
Ms J Sekhitla (MARCOM member)	N/a	6	N/a	13	N/a
Ms M Chiloane (SEGC member)	N/a	N/a	4	10	N/a
Mr D Golding (MARCOM & ARC* member)	2	7	N/a	15	N/a
Ms Y Kona (Chief Executive Officer & Board member)	6	6	4	15	1

*Dr Zitha was appointed to ARC on 6 February 2020. Attended by invitation on 27 January 2020 and as member on 19 February 2020.

** Mr Golding was appointed to ARC on 6 February 2020. Attended by invitation on 27 January 2020 and as member on 19 February 2020

Remuneration of Board Members

During the year the Board adopted a Remuneration Policy to guide implementation of the Executive Authority's directive on the remuneration of Board members. Other costs payable for Board members include airfares, accommodation, car hire and travel and subsistence allowance in accordance with approved rates. The expenses were incurred by Board members whilst carrying out duties for GTA. Shareholder representatives were not remunerated for their services. No performance-based remuneration or retainer fees were paid to Board members.

RISK MANAGEMENT

GTA performed an annual risk assessment to identify new and emerging strategic risks and to ensure the necessary controls are in place to mitigate them. The Audit and Risk Committee, which is made up of non-executive members of the Board, were responsible for monitoring the effectiveness of the risk management system, deliberating of the statuses of the risks in terms of addressing possible concerns by providing advisory service on quarterly basis. GTA witnessed progress in the management of risks, and this caused effect on improvements in the Authority's performance, whereby proactively the Authority addressed areas that could potentially affect service delivery.

INTERNAL CONTROL UNIT

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

INTERNAL AUDIT AND AUDIT COMMITTEES

The GTA appoints an internal audit service on a quarterly basis to audit performance information. The Authority initiated a procurement process to appoint an internal auditor for a three-year period. The procurement process was unsuccessful in appointing a service provider. Gauteng Audit Services was requested to render this function for GTA, which was not approved. The Authority then initiated a new tender process which will be advertised in the new financial year.

The GTA has an Audit and Risk Committee, a committee of the Board of Directors, which is detailed in paragraph 13.3.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year, GTA participated in the compliance monitoring programme of the Gauteng Provincial Treasury. A compliance universe was developed and a risk-based compliance analysis was undertaken. The formal compliance framework will be further developed going forward. Compliance with the policies, procedures was also monitored and a schedule developed to track GTA's control environment. In order to improve on internal controls, various policies and procedures were reviewed and implemented.

FRAUD AND CORRUPTION

GTA has an approved Fraud and Anti-Corruption Policy position. Employees are encouraged to use the Gauteng Department of Economic Development whistleblowing hotline to report fraudulent activities. Cases reported to the GDED are being investigated. Quarterly reports are made to the Audit and Risk Committee and the Board.

MINIMISING CONFLICT OF INTEREST

GTA has documented codes of conduct for employees and Board Members. Minimising conflict of interest is expressly addressed in these codes. GTA maintains a standing protocol

that provides for the declaration of any conflicts of interest when the business of GTA is discussed. Employees and Board members are also required to make an annual declaration of business interests. Conflict of interest related matters are brought to the attention of the Social, Ethics and Governance Committee.

CODE OF CONDUCT

During the year a Code of Conduct was adopted for the Board. The Employee Code of Conduct was also reviewed. 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. GTA is committed to conducting all its activities to the highest standard of competence, integrity and ethical behaviour and to ensure that its conduct is beyond reproach.

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The objective of the Occupational Health and Safety Act (OHS) is to provide health and safety for 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 Officer (CEO) to appoint Health and Safety Representatives who will establish a committee. Such OHS representatives comprise of representatives from various hierarchies within the Authority. The authority's Occupational Health Services committee was operational during the year under review, with the responsibility of enforcing health and safety standards and compliance on regulated entities. They carried out inspections to ensure safety and health of the organisation. The general responsibility of the Employer 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 employees. Employees' responsibility is take reasonable care for the health and safety of himself and of other persons who may be affected by his acts or omissions.

COMPANY/BOARD SECRETARY

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

SOCIAL RESPONSIBILITY

There was no social responsibility programme that the Authority implemented during the year under review.

AUDIT COMMITTEE REPORT

Audit Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from sections 51(1)(a) and 77 of the PFMA and Treasury Regulation 27. The ARC also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

The internal audit function was outsourced. All the reports issued were discussed between the internal auditors and the relevant business unit before finalisation. It is the CEO's responsibility to ensure that recommendations are implemented. Our review of the findings of the internal audit work, which was based on the risk assessments conducted in GTA, revealed certain weaknesses, which were then raised with GTA.

In-Year Management and Quarterly Reports

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

Evaluation of Financial Statements and the Auditor-General's Report and prior year findings

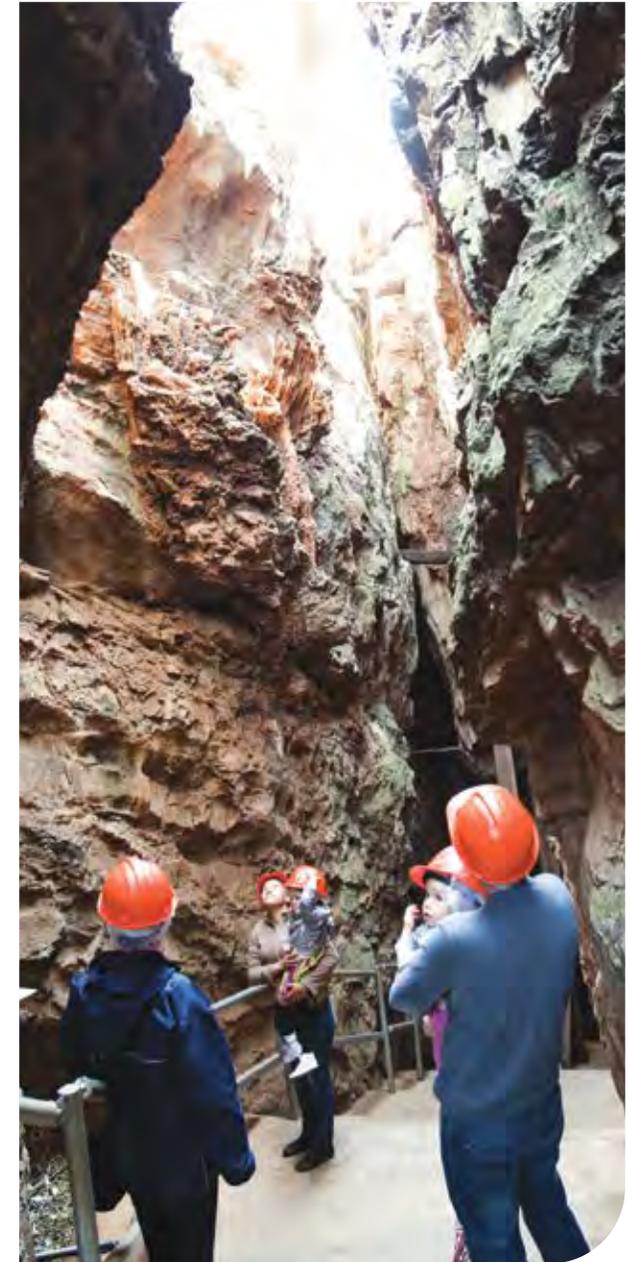
The Audit and Risk Committee has reviewed and discussed the audited annual financial statements, the Auditor-General's management letter, management responses and the Auditor-General's final report for the 2019/20 financial year. The Audit and Risk Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General. The Committee has reviewed GTA's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved.



Mr Michael Sass

Chairperson of the Audit and Risk Committee

Date: 29 September 2020





PART D:
HUMAN
RESOURCE
MANAGEMENT

INTRODUCTION

The Human Resources (HR) business unit provides support in realising the GTA's strategy and organisational goals. It seeks to provide effective leadership, recruitment and selection best practises, remuneration and benefits, performance management, learning and development, organisational development and design, and employee relations. This is realised through keeping abreast of relevant legislation, regulations and aligning HR policies to ensure appropriate human resources services across the value chain.

Overview of HR Matters

HR is an integral part of the strategy, managed with a great care and diligence as it is strategically positioned to:

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

Set HR Priorities and its impact

The key priority was to finalise the review of the functional and organisational structures including the GTA value chain, as well as review and developing HR Policies. This process included the rationalisation of the tourism function in that GTA was mandated to play a leading role in promoting destination Gauteng thereby ensuring sustainable tourism development and growth. This process has necessitated an overhaul of functions that are aligned to GTA's strategy.

Workforce Planning Framework including Recruitment and Retention

Workforce planning is essential in ensuring that the operational objectives of GTA are met. Having a workforce plan in place ensures that the organisation has a contingency

plan where there are capacity constraints and thus a need to develop a multi-skilled and flexible workforce which enables the organisation to adapt rapidly to a changing operational environment. In its recruitment endeavours though, GTA has a low labour turnover. However when embarking on recruitment and placement, different methodologies are utilised including targeted selection methodology incorporated with personality profiling, psychometric assessments and presentations. These methods ensure that a skilled and capable workforce is attracted. The organisational restructuring led the workforce planning of the Authority during the financial year and provided a basis for the development of the workplace skills plan.

The GTA reviewed its remuneration policy in an effort to ensure market-related remuneration. The Authority also concluded a case-by-case analysis of all employees' remuneration to ensure correctness thereof.

Employee Performance Management Framework

GTA has a Performance Management Development Policy in place to manage employee performance through regular and consistent evaluation of employee performance at defined intervals and on annual basis. This system also ensures that timeous corrective action is taken where there is a deviation from expected performance and outcomes. It further seeks to reward and recognise good performance where applicable. For the year under review, 97% of employees signed performance contracts and conducted mid-year and end of term performance reviews, and developed performance development plans in line with Gauteng Tourism Authority's policy. For the year under review four bursaries were awarded to qualifying employees. Seven interns were placed throughout the organisation in different business units. The purpose of the internship is to provide experiential learning to learners from disadvantaged backgrounds that have completed tourism related qualifications. This process was done through the Tshelo 1 Million Programme of the Gauteng Provincial Government.

Employee Wellness

GTA is committed to providing a comprehensive employee wellness programme that promotes balanced and healthy living to ensure efficient and effective service delivery. The main intent is to create a culture that is conducive to the well-being of employees on physical, social, emotional, occupational and financial levels through a wellness management programme that seeks to maximise employee wellbeing and optimum employee performance. The theme for this year was "Get informed & Be In The Know" focusing mainly on employee health and financial wellness.

Policy Development

The Gauteng Tourism Authority reviewed a total of 25 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.

Achievements

Employee development initiatives have been deployed as employees require continuous learning in their positions, thus investing in our employees in order for them to develop their skills set that will be utilised optimally in fulfilling their obligations within the organisation. This process is done through a training needs analysis, thereafter a workplace skills plan is developed in order to ensure that the training interventions are aligned to the identified skills gap per employee. For the year under review GTA exceeded its target on training employees and has achieved 51 against a target of 30.

Future HR Plans and Goals

The GTA's future HR plans are to adapt a people-centric approach which seeks to ensure that suitable candidates are attracted and retained within the organisation. This process will also include strengthening our talent management, succession and retention plans, as well as partnering with the industry on skills exchange programmes in line with GTA's strategic imperatives of deeming GTA as a learning organisation. This approach seeks a return on investment from the interventions deployed in realising the broader objectives of the organisation through its employees.

Challenges

The major challenge that is faced by GTA is that the current policies and frameworks have minimal provisions relating to disaster management. This has a bearing on how the organisation will implement and embrace the fourth industrial revolution without compromising the quality of work. The workforce readiness has been established on embracing the 4IR and providing employees with necessary tools of work thus a dire need to invest on ICT skills and infrastructure.



Human resource oversight statistics

Personnel Cost by programme/activity objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as a % of total expenditure (R'000)	No. of employees	Average personnel cost per employee (R'000)
Corporate management	45 031 370,00	27 180 992,34	24,10	30	906 033
Finance	8 913 680,00	6 343 292,35	5,62	9	704 810
Destination marketing and promotions	8 674 654,00	5 505 930,67	4,88	8	688 241
Convention and events bureau	27 266 535,00	5 614 991,22	4,98	8	701 874
Tourism services	22 888 470,00	11 529 413,96	10,22	18	640 523
Total	112 774 709	56 174 620,54	49,81	73	769 515

Personnel cost by salary band

Level	Personnel expenditure (R'000)	% of personnel expenditure to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top management	3 350 877	5,97	1	3 350 877
Senior management	12 352 331	21,99	8	1 544 041
Professional qualified	20 669 897	36,80	16	1 291 869
Skilled	13 431 256	23,91	24	559 636
Semi-skilled	4 861 865	8,65	12	405 155
Unskilled	1 508 394	2,69	12	125 699
TOTAL	56 174 621	100,00	73	769 515

Performance Rewards

Programme/activity/objective	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees
Top management	115 994	3 350 877	7,69
Senior management	528 494	12 352 331	0,94
Professional qualified	415 145	20 669 897	0,74
Skilled	407 819	13 431 256	0,73
Semi-skilled	331 687	4 861 865	0,59
Unskilled	-	1 508 394	0,00
TOTAL	1 799 138	56 174 621	10,69

Training Costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Basic Labour Relations	51 078 785.00	8 613	0.02	3	2871
Workplace Discipline and Dismissal Workshop		8 613	0.02	3	2 871
Project Management		76 383	0.15	21	3 637
Basic Payroll Training		5 313	0.01	1	5 313
Advanced Excel		110 000	0.22	4	27 500
Business Writing		55 660	0.11	16	3 478 75
Microsoft Package		84 122 50	0.16	7	12 017 50

Employment and vacancies

Programme/activity/objective	2019/20 No. of employees Expenditure (R'000)	2019/20 Approved posts	2019/20 No. of employees expenditure as a % of Personnel Cost	2019/20 Vacancies	% of Vacancies
Administration (Office of the CEO, Finance, IT and HR)	32	41	32	9	11.3%
Destination marketing and promotions	6	9	6	3	3.7%
Convention and events bureau	5	8	5	3	3.7%
Tourism services	17	21	17	4	5.0%
TOTAL	60	79	60	19	23.7%

Programme/activity/objective	2019/20 No. of employees Expenditure (R'000)	2019/20 Approved posts	2019/20 No. of employees expenditure as a % of Personnel Cost	2019/20 Vacancies	% of Vacancies
Top management	1	1	1	0	0%
Senior management	8	10	8	2	2.5%
Professional qualified	14	20	14	6	7.5%
Skilled	25	34	25	9	11.3%
Semi-skilled	12	14	12	2	2.5%
Unskilled	0	0	0	0	0%
TOTAL	60	79	60	19	23.8%

The GTA has embarked on an organisational structure review process which is currently being considered for approval by the Shareholder. In the interim an approval to fill critical vacancies has been sought from the Gauteng Tourism Authority Board of Directors. A phased approach to recruitment will be implemented to ensure that the critical vacancies identified are filled. The positions that have been filled for this financial year were the replacements for the resignations: one resignation at a middle management level, and the end of the fixed term contract at top management level.

Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	0	1	0	1
Senior management	8	0	0	8
Professional qualified	12	2	0	14
Skilled	25	0	0	25
Semi-skilled	12	0	0	12
Unskilled	0	0	0	0
Total	57	3	0	60

Reasons for Staff Leaving

Reason	Number	% of Total no. of staff leaving
Death	0	0
Resignation	1	1.7%
Dismissal	0	0
Retirement	1	1.7%
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	2	3.4%

The GTA had two terminations, the reasons as per the table above were retirement and resignation. An attempt was made to retain the employee who tendered their resignation without success.

Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	1
Final written warning	2
Dismissal	0

Equity Target and Employment Equity Status

Level	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	3	3	0	0	0	0	1	1
Professional qualified	4	4	0	0	0	0	0	0
Skilled	10	10	0	0	0	0	1	1
Semi-skilled	2	2	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	19	19	0	0	0	0	2	2



Level	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	1	1	0	0	0	0
Senior management	4	4	0	0	0	0	0	0
Professional qualified	8	8	0	0	0	0	1	1
Skilled	12	12	1	1	2	2	0	0
Semi-skilled	9	9	1	1	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	33	33	3	3	2	2	1	1

Level	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	1
Skilled	0	0	1	1
Semi-skilled	0	1	0	0
Unskilled	0	0	0	0
TOTAL	0	1	1	2





PART E:
FINANCIAL
INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Tourism Authority set out on pages 79 to 127, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, and cash flow statement 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 Gauteng Tourism Authority as at 31 March 2020, 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) (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 public entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants

(IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. 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 the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA standard of GRAP and the requirements of the PFMA, and for such internal control as the accounting officer 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 public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

8. 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.

9. 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

10. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do 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.
12. 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 programme presented in the annual performance report of the trading entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – Events Marketing	54 – 61

13. 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.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
15. Programme 2 – Events Marketing

Other matters

16. I draw attention to the matters below.

Achievement of planned targets

17. Refer to the annual performance report on page 53 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

20. 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 the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
21. 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.
22. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

24. 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 control.

Auditor-General
Johannesburg
30 September 2020



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 trading 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 trading entity's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
- conclude on the appropriateness of the accounting officer'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 relating to events or conditions that may cast significant doubt on the ability of the Gauteng Tourism Authority 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 my 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 a trading entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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, actions taken to eliminate threats or safeguards applied.

ADMINISTRATIVE INFORMATION

Annual Financial Statements for the year ended 31 March 2020

BOARD MEMBERS

Messrs	Board Meetings Attended	Mesdames	Board Meetings Attended
M Sass	10	(Dr) L Zitha - Deputy Chairperson	11
J Matongo	12	G Chiloane	9
DK Golding	9	NM Mufamadi - Chairperson	12
		ME Ravele	7
		J Sekhitla	11

AUDIT COMMITTEE

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

AUDITORS

Auditor-General South Africa
39 Scot street,
Waverly Office Park,
Bramley

CHIEF EXECUTIVE OFFICER

Yoland Kona

CHIEF FINANCIAL OFFICER

Mbalenhle Manukuza

POSTAL ADDRESS

PO Box 155
Newtown
Johannesburg

TEL: +27 11 085 2500

E-MAIL: info@gauteng.net

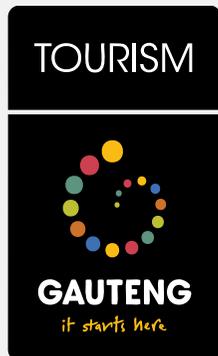
WEBSITE: www.visitgauteng.net

REGISTERED OFFICE

39 Scot street
Waverly office park
Bramley

BANKERS

Reserve Bank of South Africa
First National Bank



Statement of Financial Performance *at 31 March 2019*

Figures in Rand thousand	Notes	2020 Budget	2020 Actual	2020 Variance	2019 Budget	2019 Actual	2019 Variance
REVENUE							
Revenue from non-exchange transactions		140 560	115 819	(24 741)	135 698	145 499	9 801
Government grants and subsidies	6	86 658	86 658	-	93 541	93 541	-
DED Government Grant		86 658	86 658	-	93 541	93 541	-
DED additional Government Grants		3 600	-	(3 600)	690	3 354	2 664
Marketing, events and other additional grants		3 600	-	(3 600)	690	3 354	2 664
Conditional Grants		50 302	29 161	(21 141)	41 467	48 604	7 137
Bidding and Hosting		27 494	18 351	(9 143)	25 997	38 361	12 364
IDC Grants		1 000	1 329	329	2 025	985	(1 040)
Project evaluation		1 027	825				
Tourism Monitors		20 782	8 657	(12 125)	13 445	9 258	(4 187)
Revenue from exchange transactions		2 500	5 542	3 042	7 900	10 847	2 947
Interest earned - external investments	6,2	2 500	3 573	1 073	2 400	3 549	1 149
Other Income - GTA	6,1	-	1 969	1 969	5 500	7 298	1 798
TOTAL REVENUE		143 060	121 361	-21 699	143 598	156 346	12 747
EXPENDITURE							
Employee related costs (Incl. Remuneration of Executive Committee)	7,1	53 712	56 175	2 463	50 137	48 868	(1 269)
Depreciation	7,2		720	720		604	604
Amortisation	7,3		-	-		45	45
Finance charges	7,6	-	9	9	16	16	(0)
General expenses	7,4	89 185	55 871	-33 314	92 429	97 447	5 018
TOTAL EXPENSES		142 896	112 775	(30 122)	142 581	146 980	4 399
OTHER GAINS/LOSSES							
(Gains)/Loss on disposal of assets	7,5	-	-	-	-	(13)	(13)
SURPLUS FOR THE PERIOD FROM CONTINUING OPERATIONS		164	8 586	8 422	1 017	9 379	8 362
SURPLUS FROM OPERATIONS		164	8 586	8 422	1 017	9 379	8 362
Surplus/(Defecit) for the period		164	8 586	8 422	1 017	9 379	8 362

Explanation of material difference between the final budget and actual expenditure

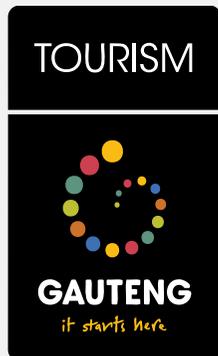
The over-expenditure on employee related costs is due to non-cash accounting entries for the accrual of performance bonuses. The underspending on general expenses is primarily caused by the impact of the COVID-19 pandemic which resulted in the cancellation and postponement of events that were scheduled to take place in the last quarter of the 2019/20 financial year.



Statement of Financial Position

for the year ended
31 March 2020

Figures in Rand thousand		Notes	2020 Actual	2019 Actual
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		10,4	71 664	41 397
Trade and other receivables from exchange transactions				
Debtors		4,1	700	1 815
Deposits		4,1	-	6
Prepayments		4,2	44	41
Non-current assets			2 332	2 407
Property, plant and equipment		2	2 332	2 407
Intangible assets		3	-	0
TOTAL ASSETS			74 740	45 667
LIABILITIES				
Current liabilities				
Trade and other payables from exchange transactions				
Trade and other payables – Trade creditors		5	7 469	6 573
Trade and other payables – Staff Leave accruals		5,1	2 419	2 350
Trade and other payables – Other creditors			6 592	4 755
Trade and other payables from non-exchange transactions				
Trade and other payables – Conditional Grants		5,2	29 220	11 485
Non-current liabilities				51
Finance lease				51
TOTAL LIABILITIES			45 700	25 214
Capital and Reserves				
Accumulated Surplus				
Accumulated surplus			29 040	20 453
TOTAL NET ASSETS AND LIABILITIES			74 740	45 667



Statement of Changes in Net Assets

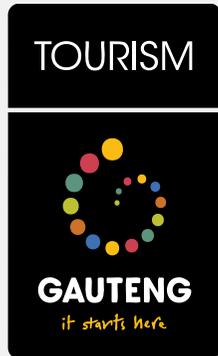
*for the year ended
31 March 2020*

Figures in Rand thousand	Notes	Accumulated Surplus/(Deficit)	Total
Balance at 01 April 2018		11 400	11 400
Balance brought forward		11 400	11 400
Prior year adjustment	18	5	5
Surplus/(Deficit) for the year		9 380	9 380
Balance at 31 March 2019		20 785	20 785
Balance at 01 April 2019		20 785	20 785
Balance brought forward		20 785	20 785
Prior year adjustment	18	(332)	(332)
Surplus/(Deficit) for the year		8 586	8 586
Balance at 31 March 2020		29 040	29 040



Statement of Cash Flows for the year ended 31 March 2020

	Figures in Rand thousand	Note(s)	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from Grants			136 644	127 652
Cash paid to suppliers and employees			(109 226)	(132 451)
Cash generated/ utilised from operations		10,1	27 419	(4 798)
Interest paid		7,6	(9)	(16)
Interest received		6,2	3 573	3 549
NET CASH FLOW FROM OPERATING ACTIVITIES			30 983	(1 265)
CASH FLOW FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment		10,2	(645)	(115)
Additions to intangible assets			-	-
Proceeds from disposal of assets			-	42
NET CASH FLOW FROM INVESTING ACTIVITIES			(645)	(73)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in finance liabilities		13,2	(71)	(64)
NET CASH FLOW FROM FINANCING ACTIVITIES			(71)	(64)
Net Increase/(Decrease) in cash and cash equivalents			30 266	(1 402)
Cash and cash equivalents at beginning of year		10,3	41 397	42 799
Cash and cash equivalents at end of year		10,4	71 663	41 397



Notes to the Annual Financial Statements *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES

1.1 Basis of Preparation

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

1.2 Presentation Currency

The financial statements are presented in South African Rand which is the Authority's functional currency. All amounts 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.



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

1. ACCOUNTING POLICIES – CONTINUED

1.5 Standards, Amendments to Standards and Interpretations which became effective in the current financial year
In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations”

Standard	Years beginning on or after	Expected impact
GRAP 20 Related Party	01-Apr-19	Applicable Related party Relationships and transactions are disclosed according to this Standard, Presented on note 8
GRAP 32 Service Concession Arrangements: Grantor	01-Apr-19	Not applicable. The entity is not engaged in any service concession arrangements
GRAP 108	Statutory Receivables 01-Apr-19	Not applicable. Receivables of the entity arise from contracts or other agreements and not as a result of legislation, supporting regulations, or similar means.
GRAP 17	Service Concession Arrangements where grantor controls a significant Residual Interest in an Asset 01-Apr-19	Not applicable. The entity is not engaged in any service concession arrangements.

1.6 Significant Judgements and Estimates

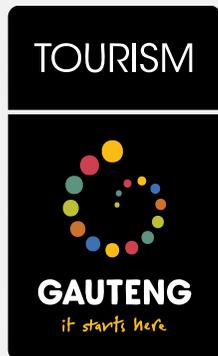
The use of judgment, estimates and assumptions is inherent to the process of preparing financial statements. These judgements, estimates and assumptions affect the amounts presented in the financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require 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.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

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.

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 (continued) *for the year ended 31 March 2020*

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.

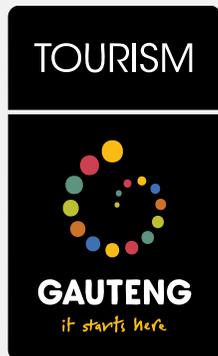
1.9.2 Depreciation

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:

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	

1.9.3 Subsequent measurement

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



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

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.

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.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

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:

Computer Software	33%	Per Annum
-------------------	-----	-----------

1.10.2 Subsequent measurement

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

1.10.3 Impairments

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

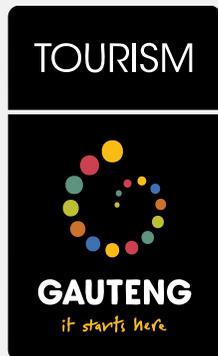
1.10.4 Derecognition

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.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

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.

Finance lease

Assets subject to finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. The Authority recognises asset acquired 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.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

1.13.1 Revenue from Exchange Transactions

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

1.13.2 Recognition and Measurement

Rendering of services

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

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

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

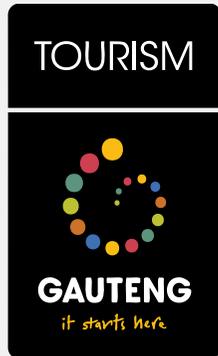
Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by total services to be performed. Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited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

Interest income

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



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

1.13.4 Recognition and Measurement

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

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

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 Public Finance Management Act (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 (continued) *for the year ended 31 March 2020*

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.

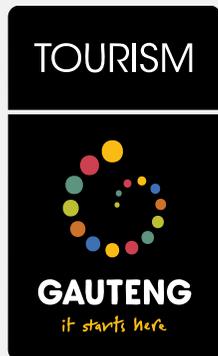
1.20 Post-reporting Date Events

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.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

1.21 Related Party Transaction

The Authority operates within the auspices of its Shareholder, the MEC for the Gauteng Department of Economic Development, Agriculture and Environment.

The Gauteng Department of Economic Development and the Gauteng Department of Agriculture and Rural Development, together with their entities, are related parties of the GTA as they are all under common control of the same Shareholder.

The Gauteng Department of Economic Development is primarily responsible for funding received by the GTA.

The following entities of the Gauteng Department of Economic Development are related parties of the GTA as they are within the same sphere of government and under common control:

- Gauteng Gambling Board
- Gauteng Growth Development Agency
- Gauteng Enterprise Propeller
- Cradle of humankind
- Dinokeng
- Gauteng Liquor Board

The Shareholder, Key Management and the Board of the GTA are also regarded as related parties of the GTA. 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.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

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.

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

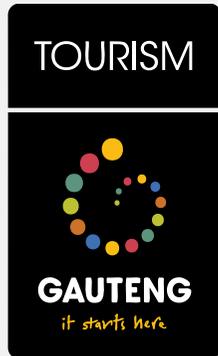
The Authority recognises staff advances in the Statement of Financial Position as current assets and any interest if applicable in the Statement of Financial Performance. These advances are granted in terms of the Authority's HR Policy on Staff Loans and/or Advances.

1.22.6 Financial Risk Management

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

– Credit Risk; – Liquidity Risk; and Market Risk.

The Board has overall responsibility for the establishment and oversight of the Risk Management Framework of the Authority. The Board has established the Audit 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.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

1. ACCOUNTING POLICIES – CONTINUED

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.

1.24 Transfer of functions between entities under common control

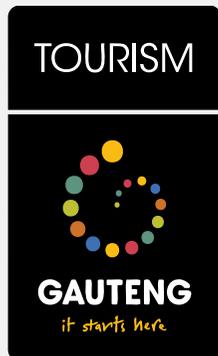
Transfers of functions between entities under common control are accounted for by the transferor by derecognising assets and liabilities at their carrying amounts at the date of transfer. Any difference between the assets and liabilities derecognised and consideration paid, if any, is recognised in accumulated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



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

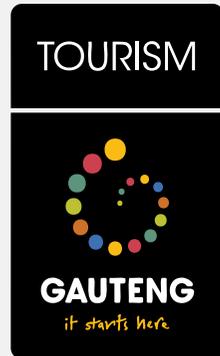
Figures in Rand thousand	Computer Equipment	Equipment	Furniture & Fittings	Leasehold Improvements	Motor Vehicles	Finance Lease	Total
2. Property, Plant and Equipment							
Year Ended 31 March 2020							
Opening net carrying amount	338 593	38 658	297 708	164 094	1 453 998	114 120	2 407 172
Gross carrying amount	2 047 427	232 938	1 539 399	406 100	2 146 830	205 416	6 578 110
Accumulated depreciation	(1 708 833)	(194 280)	(1 241 691)	(242 006)	(692 832)	(91 296)	(4 170 938)
Additions	169 535	27 879	47 875		400 000		645 288
Additions: Donations							-
Additions	169 535	27 879	47 875		400 000		645 288
Disposals	-	-	-		-		-
Cost	-	-	-		-		-
Depreciation charge - disposals	-	-	-		-		-
Depreciation charge	(200 530)	(25 627)	(76 294)	(98 457)	(251 047)	(68 472)	(720 427)
Closing net carrying amount	307 598	40 910	269 288	65 638	1 602 951	45 648	2 332 033
Gross carrying amount	2 216 962	260 817	1 587 274	406 100	2 546 831	205 416	7 223 398
Accumulated depreciation	(1 909 364)	(219 907)	(1 317 986)	(340 462)	(943 879)	(159 768)	(4 891 365)



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES CONTINUED

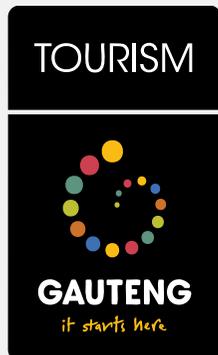
Figures in Rand thousand	Computer Equipment	Equipment	Furniture & Fittings	Leasehold Improvements	Motor Vehicles	Finance Lease	Total
Year Ended							
31 March 2019							
Opening net carrying amount	363 481	62 669	367 516	262 551	1 668 681	182 592	2 907 491
Gross carrying amount	1 992 100	250 606	1 553 359	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)
Additions	114 816	-	-	-	-	-	114 816
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	338 593	38 657	297 710	164 095	1 453 998	114 120	2 407 172
Gross carrying amount	2 047 427	232 938	1 539 399	406 100	2 146 830	205 416	6 578 110
Accumulated depreciation	(1 708 834)	(194 281)	(1 241 689)	(242 005)	(692 832)	(91 296)	(4 170 938)



Notes to the Annual Financial Statements (continued)

for the year ended 31 March 2020

	Figures in Rand thousand	Note(s)	2020	2019
3. INTANGIBLE ASSETS – COMPUTER SOFTWARE				
Opening net carrying amount			-	45 432
Gross carrying amount			-	762 163
Accumulated amortisation			-	716 731
Accumulated impairment deficit			-	-
Additions				
Cost			-	-
Amortisation			-	45 432
Amortisation				
Closing net carrying amount 31 March			-	(0)
Gross carrying amount			-	762 163
Accumulated amortisation			-	762 163
Accumulated impairment deficit			-	-
			743 947	1 862 326
4. TRADE AND OTHER RECEIVABLES				
4.1 Trade Receivables from exchange transactions – Balances			700 000	1 821 253
Trade and other receivables – Deposits transactions incl. water deposits 3.1.1			-	6 240
Trade and other receivables from – Debtors			700 000	1 815 013
The deposit comparative balance was restated from R16 230 to R6 240. A correction of prior period error note has been disclosed.				
4.1.1 Deposits			-	6 240
Deposit: JHI Retail Eastgate Shopping Centre			-	6 240
Deposit: Rental Premises from exchange transactions			-	-



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

Figures in Rand thousand		Note(s)	2020	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)			
	Current (0 – 30 days)		700 000	-
	31 – 60 days		-	-
	61 – 90 days		-	-
	91 – 120 days		-	-
	121 – 365 days		-	-
	Older than 30 Days		-	16 230
	Total		700 000	16 230
4.2	Current Asset Prepayments		43 947	41 073
	VIP Licence		43 947	41 073
5.	TOTAL LIABILITIES		45 700 763	25 213 838
5.1	Trade and other payables from exchange transactions		16 480 459	13 677 475
5.1.1	Trade and other payables – Creditors		7 469 424	6 572 529
	Trade and other payables – Other Creditors		9 011 035	7 104 945
	Accrual for Thirteenth Cheque	5.3.1	413 940	377 793
	Accrual for Statutory Costs		-	-
	Accrual for performance bonuses		3 682 531	1 429 237
	Allowed accumulated vacation leave accrual	5.3.2	2 418 879	2 350 199
	Staff savings		-	-
	Staff Claims		-	-
	Accruals for general expenses		1 050 000	
	Provision for lease		1 394 537	2 877 091
	Finance lease liability		51 147	70 627

The comparative balance for trade and other payables has been restated from R6 484 761 to R6 572 529. A correction of prior period error note has been disclosed.

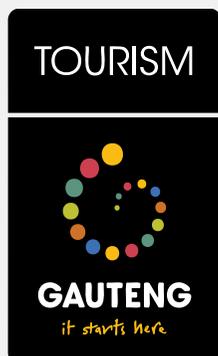
The comparative balance for the accrual for performance bonuses has been restated from R1 194 652 to R1 429 237. A correction of prior period error note has been disclosed.



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

	Figures in Rand thousand	Note(s)	2020	2019
5. TOTAL LIABILITIES CONTINUED				
5.1.2 Non current liabilities				
Finance lease		13,1	-	51 148
5.2 Trade and other payables from non-exchange transactions				
5.2.1 Trade and other payables – Conditional Grants			29 220 305	11 485 216
Reconciliation of Conditional Grants				
Balance at the beginning of the year			11 485 216	34 875 802
Receipts – DED – Additional Conditional Grants			46 896 328	33 567 315
UNSPENT AT YEAR END				
Bidding and Hosting			18 588 462	8 385 990
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			3 802 131	1 059 038
IDC Craft CSP			936 016	1 264 809
Tourism Monitors			5 611 119	492 802
Transferred to revenue/expenditure			(29 161 239)	(56 957 901)
Closing Balance			29 220 305	11 485 216
5.3 Reconciliation of Accruals				
5.3.1 Accrual for Leave Pay – Balance as at 1 April			2 350 199	2 434 331
Additional accrual			68 680	
Unused amounts reversed				(84 132)
Balance as at 31 March			2 418 879	2 350 199

The comparative balance for accrual leave pay has been restated from R2 434 331 to R2 350 198.84. This was a typo error on the statement of financial position. The statement of financial performance was correctly disclosed.



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

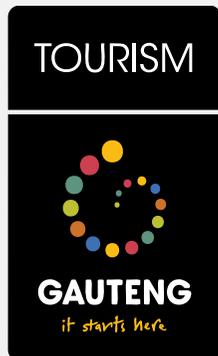
Figures in Rand thousand		Note(s)	2020	2019
5. TOTAL LIABILITIES CONTINUED				
5.3.2	Accrual for 13th Cheque – Balance as at 1 April		377 793	446 400
	Additional accrual		36 148	
	Unused amounts reversed			(68 607)
	Balance as at 31 March		413 940	377 793
5.3.3	Accrual for other general expenses – Balance as at 1 April		-	-
	Additional accrual		1 050 000	0
				-
			1 050 000	-
6. REVENUE				
	Revenue comprises revenue received in respect of:		121 361 027	156 345 545
	Non-exchange transactions – DED Government Grants		86 658 000	93 541 000
	Non-exchange transactions – DED – Additional Grants		824 869	3 354 027
	Non-exchange transactions – Bidding and hosting		18 350 566	38 361 011
	Non-exchange transactions – NDT Safety Monitors		8 657 011	9 257 820
	Non-exchange transactions – IDC-CRAFT		1 328 793	985 043
	Other Income – exchange transactions	6,1	1 968 848	7 297 713
	Income from Investments	6,2	3 572 940	3 548 931
6.1	Other Income – exchange transactions		1 968 848	7 297 713
6.1.1	Other Income		1 968 848	-
	JHI Deposit		4 473	-
	GGDA Contribution for review and development of branding strategy		100 000	
	City of Johannesburg contribution for Meetings Africa		1 864 375	
6.1.2	Other Income		1 968 848	7 297 713
6.2	Income from Investments		3 572 940	3 548 931
	Interest from Current Account		3 153 629	3 341 154
	Interest from Current Account		419 312	207 777



Notes to the Annual Financial Statements (continued)

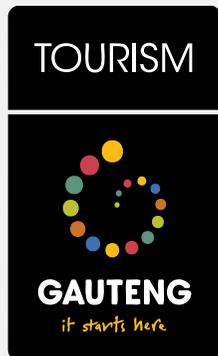
for the year ended 31 March 2020

	Figures in Rand thousand	Note(s)	2020	2019
7. EXPENDITURE				
7.1 Employee related costs				
Wages and salaries			56 152 440	48 867 589
Employee related costs include:				
CEO and Senior Manager's emoluments		8.1.1	14 780 262	12 444 905
Fees for Non-executive Board Members		8.1.2	922 948	1 212 531
7.2 Depreciation			720 427	604 327
Plant, machinery and equipment			25 627	24 002
Computer equipment and peripherals			200 530	128 939
Office furniture and fittings			76 294	69 774
Leasehold improvements			98 457	98 457
Motor vehicles			251 047	214 683
Finance lease			68 472	68 472
7.3 Amortisation			-	45 432



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

	Figures in Rand thousand	Note(s)	2020	2019
7. EXPENDITURE CONTINUED				
7.4 General expenses			55 870 666	97 446 724
Admin fees			176 809	13 117
Audit fees – Statutory			789 570	714 854
Audit fees – Internal			307 977	248 211
Bank Charges			51 491	56 643
Cleaning Services			576 799	535 757
Conference and delegations			541 786	1 438 288
Refreshments			53 761	47 754
Electricity			465 813	673 216
Insurance			452 647	355 558
Integrated Marketing and Communications			26 789 722	68 683 875
Legal Fees			1 716 714	1 340 898
Parking			47 039	205 365
Postage				
Printing and stationery			55 686	111 128
Rental of buildings			6 831 882	6 912 635
Rental of equipment				-
Rental of vehicles				-
Security costs			579 344	539 824
Subscriptions and publications			116 771	102 820
Telephone costs			562 632	424 634
Craft workshop			1 328 793	985 043
Staff Training and Development			516 620	158 862
Information technology expenditure			1 621 131	1 876 199
Other			3 630 667	2 764 220



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

8. RELATED PARTIES

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

The Authority's main related party is the Department of Economic Development who is primarily responsible for funding received by the GTA. The Gauteng Department of Agriculture and Rural Development, its entities, and the entities of the Gauteng Department of Economic Development are also related parties of the Authority as they are under common control of the same MEC. Other related parties are the MEC of the Gauteng Department of Economic Development, Agriculture and Environment, Members of Key Management and the GTA Board. All related parties except the GTA Board are within the same sphere of government and/or under common

Figures in Rand thousand	2020 Transactions	2020 Receivable (Payable)	2019 Transactions	2019 Receivable (Payable)
8.1 Related Party Transactions				
Transactions				
Department of Economic Development-grant	118 779 000		120 228 000	-
Department of Economic Development - transactions	10 687 439	(107 442)	10 722 858	(16 537)
Gauteng Growth and Development Agency	100 000		-	-
Dinokeng	36 735		-	-
Constitutional Hill (A subsidiary of GGDA)	387 620		731 113	(150 000)
Executive Management Remuneration (Note 8.1.1)	14 780 262		12 444 905	-
GTA Board Emoluments (Note 8.1.2)	922 948	-	1 212 531	-
Balances	145 694 003	(107 442)	145 339 407	(166 537)

Transactions and balances relating to the Department of Economic Development are for the grant received, as well as the payment of the rental, cleaning and security costs for the GTA's building on 124 Main Street.

The transaction with the Gauteng Growth and Development Agency is for the GGDA's contribution for the development of a brand and communication strategy for Gauteng.

The transaction with Dinokeng is for the re-imburement of employee costs for an employee who transferred to Dinokeng.

The transactions and balances with Constitution Hill are for the GTA's financial collaboration for events hosted by Constitution Hill.

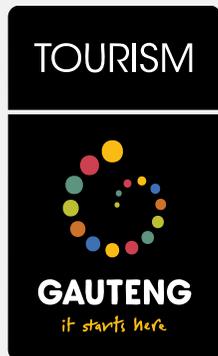
The transaction for Executive Management Remuneration are for remuneration costs for the GTA's key personnel.

The transaction for Board emoluments is for fees paid to the Board for meetings held during the year.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

		Figures in Rand thousand			2020	2019
8.	RELATED PARTIES CONTINUED					
8.1.1	CEO and Senior Managers Emoluments			14 780 262	12 444 905	
		Salary / Acting R	Bonuses and perform payments R	Provident Fund contributions R	Cell/Med Aid contributions R	Total R
	Summary					
	EXECUTIVE STAFF MEMBERS					
	Y Ruiters: CEO	2 427 930,12	-	-	-	2 427 930,12
	MN Kubeka	1 544 484,00	180 429,00	-	-	1 724 913,00
	KN Gaogamediwe	1 495 585,06	181 177,50	-	-	1 676 762,56
	S Moeketsi	1 602 876,00	-	-	-	1 602 876,00
	FH Ngqobe	1 602 876,00	-	-	-	1 602 876,00
	T Nkuna	1 000 428,00	121 647,00	75 032,16	40 610,50	1 237 717,66
	M Kona	1 544 484,00	-	-	-	1 544 484,00
	MS Manukuza	1 488 252,00	45 240,94	-	23 925,24	1 557 418,18
	JF Dekker	1 405 284,00	-	-	-	1 405 284,00
	Year ended 31/03/2020	14 112 199,18	528 494,44	75 032,16	64 535,74	14 780 261,52



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

Summary	Salary / Acting R	Bonuses and perform payments R	Provident Fund contributions R	Cell/ Med Aid contributions R	Total R
8. RELATED PARTIES CONTINUED					
EXECUTIVE STAFF MEMBERS					
Y Kona : CEO (Acting Allowance)	940 940			-	940 940
MN Kubeka: SM Dest Marketing	1 544 484	180 429			1 724 913
KN Gaogamediwe: SM Corp Communication	1 449 420	169 325	-	-	1 618 745
S Moeketsi: SM Corporate Services	1 602 876				1 602 876
Y Asmal: CFO until August 2018	849 139		-	-	849 139
FH Ngqobe: Head in the CEO Office	1 602 876	187 251			1 790 127
T Nkuna: SM Research and Strategy	978 863	194 786	72 988	35 492	1 282 129
M Kona: SM Regional Tourism	1 544 484				1 544 484
MS Manukuza: CFO from September 2018	787 956				787 956
JF Dekker: Company Secretary from Jan 2019	303 596				303 596
Year ended 31/03/2019	11 604 634	731 791	72 988	35 492	12 444 905



Notes to the Annual Financial Statements (continued)

for the year ended 31 March 2020

Figures in Rand thousand		2020	2019
8.	RELATED PARTIES - CONTINUED		
8.1.2	Board Emoluments	922 948	1 212 531
	Ms NM Mufamadi	172 509	187 057
	Dr Z Zitha	156 080	195 622
	Ms CGM Chiloane	67 372	85 338
	Ms ME Ravele	123 405	124 019
	Mr M Sass	102 713	176 102
	Mr DK Golding	105 933	128 007
	Mr J Matongo	105 561	231 048
	Mr J Sekhitla	89 376	85 338

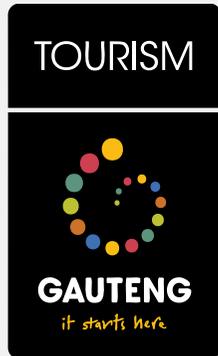
9. CONTINGENCIES /OTHER LIABILITIES (PROVISIONS /ACCRUALS) / OTHER ASSETS

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.

9.2 Other contingent liability during the period under review is the surplus of R22 513 893. The Authority will therefore in terms of TR and Section 53(3) of the PFMA, requested approval to retain the surplus for the 2019/20 financial year as this will ensure that all commitments as at Statement of Financial Position date be dealt with.



Notes to the Annual Financial Statements (continued)

for the year ended 31 March 2020

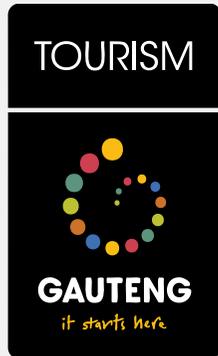
	Figures in Rand thousand	Note(s)	2020	2019
10. NOTES TO THE CASH FLOW STATEMENT				
10.1 Reconciliation of net (deficit)/surplus before taxation to cash (utilised) generated from operations				
Net (deficit)/surplus for the year			8 586 314	9 379 719
Adjusted for:				
Depreciation			720 427	604 327
Amortisation			-	45 432
(Gain)/loss on disposal			-	(13 492)
Interest paid			8 999	15 693
Investment income			(3 572 940)	(3 548 931)
Operating surplus/(deficit) before working capital changes			5 742 799	6 482 748
Other Non-cash movements (Surplus/GHS surrender to Treasury)				-
Working capital changes			21 675 932	(11 281 448)
Decrease/(Increase) in Accounts Receivable			1 118 379	12 075 302
Increase/(Decrease) in Conditional Grants			17 735 089	(23 390 587)
Increase/(Decrease) in accounts payable			2 822 464	33 837
Cash (utilised by)/generated from operations			27 418 730	(4 798 699)
			R	R



Notes to the Annual Financial Statements (continued)

for the year ended 31 March 2020

	Figures in Rand thousand	2020	2019
10. NOTES TO THE CASH FLOW STATEMENT			
10.2 Adjustments to property, plant and equipment		645 288	114 816
Additions to property, plant and equipment			
Computer equipment		169 535	114 816
Furniture and Fittings		47 875	-
Equipment		27 879	-
Leasehold improvements		-	-
Motor Vehicles		400 000	-
10.3 Cash and cash equivalents at beginning of the year		41 397 065	42 799 062
Current bank account		7 539 893	15 283 045
Corporation for Public Deposits Account (restricted use)		33 851 172	27 510 017
Petty cash		6 000	6 000
10.4 Cash and cash equivalents at end of the year		71 663 821	41 397 065
Current bank account		24 658 900	7 539 893
Corporation for Public Deposits Account (restricted use)		47 004 800	33 851 172
Petty cash		121	6 000
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 R29 039 623.			
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.			



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

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:

Figures in Rand thousand	2020	2019
Not later than 1 year	6 757 785	9 508 948
Later than 1 year but not later than 5 years	2 724	3 632
Later than 5 years	-	6 757 785
		2 421
	-	-
	6 760 509	16 272 786

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 nine years and 11 months from inception with a 10% escalation. The lease agreements do not impose any restrictions.

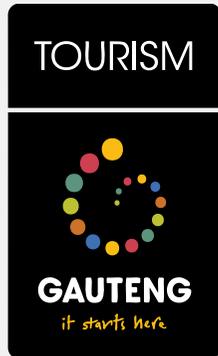


Notes to the Annual Financial Statements (continued)

for the year ended 31 March 2020

	Figures in Rand thousand	
	2020	2019
13.2 Finance lease obligations		
Total future minimum lease payments	53 084	13 2710
Within 1 year	53 084	79 626
Later than 1 year but not later than 5 years	0	53084
Later than 5 years	-	-
Less: Future finance charges	(1 937)	(10 935)
Present value of minimum lease payments	51 147	12 1775
Present value of minimum lease payments due	51 147	121 775
Within 1 year	51 147	70 627
Later than 1 year but not later than 5 years		51 147
Later than 5 years	-	-
Non current liability		51 147
Current liability	51 147	70 627
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		
13.3 Commitments – Authorised Expenditure		
Already contracted for but not provided for		
- Operating expenditure (as per Commitments Register)	4 149 165	5 052 910
	4 149 165	5 052 910

The commitments include operating expenditure relating to outstanding purchase orders issued before year end.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

14 EVENTS AFTER REPORTING DATE

COVID-19

On 11 March 2020, the World Health Organisation (WHO) reported the outbreak of coronavirus pandemic caused by severe acute respiratory syndrome coronavirus2 (SARS -Vov-2). In responding to the pandemic, the South African Cabinet declared a national state of disaster on 26 March 2020. Upon the announcement of the national state of disaster and the hard lockdown in March 2020, the GTA developed a business continuity plan to ensure continuity of GTA operations both during and post COVID-19.

The GTA considered the impact on the achievement of APP targets in light of the impact of COVID-19 on the tourism sector as well as the announced budget reduction as a result of the special COVID-19 adjustment budget. A tourism recovery plan was developed to ensure business continuity. Part of the tourism recovery plan focused on decreased marketing activities, with a special focus on a virtual way of doing things and a drive on domestic travelling as the lockdown restrictions are eased.

The GTA also developed key strategies to ensure business continuity, which includes the sustainability strategy as well as the marketing investment framework. Key attention was placed on driving transformation in the tourism industry and supporting tourism SMMEs in distress as opposed to supporting events in light of the COVID-19 pandemic. These initiatives ensured that the GTA continues to operate in the midst of COVID-19.

The budget reduction as a result of COVID-19 was primarily on the reduction on bidding and hosting budget as well as travelling. The budget reduction therefore did not affect the revised activities of the GTA as the GTA had already anticipated that events and travelling will be affected, and planned accordingly for it.

The COVID-19 pandemic has affected the implementation of events that were initially planned to take place on the first and second quarters of the 2020/21 financial year. These events have been cancelled or postponed due to the lockdown regulations. The bidding and hosting budget has been cut due to the special COVID-19 adjustment budget. The GTA has accordingly amended its activities for the 2020/21 financial year to focus on tourism recovery in preparation for the easing of the lockdown regulations.

Rationalisation of the Tourism function

The MEC of the Gauteng Department of Economic Development approved the rationalisation of the Tourism function during the 2019/20 financial year. The impact of the rationalisation was the migration of the Tourism Supply Function from Cradle and Dinokeng to the GTA with effect of 1 April 2020. In May 2020, a subsequent decision has been taken to migrate the Tourism Supply function to the Gauteng Department of Economic Development instead of the Gauteng Tourism Authority.

Performance bonuses

The GTA has reported a performance bonus accrual of R3,683 million based on final performance reviews performed after reporting date.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

15 GOING CONCERN

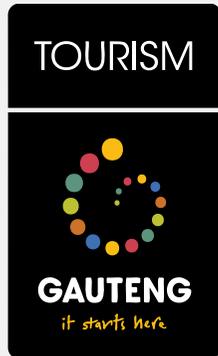
The COVID-19 pandemic has posed a business continuity risk to the GTA and the tourism sector at large. The GTA's ability to deliver on its mandate has been negatively impacted by the outbreak of the Corona virus due to the collapse of the supply and demand side of the tourism sector as well as current regulations which prohibit social gatherings and international travel.

The business continuity risk is exacerbated by looming budget cuts aimed at redirecting funds to the health sector. The GTA is anticipating a budget cut of approximately R40 million through the special COVID-19 budget adjustment. In light of this, the May 2020 special Deputy Director General's forum resolved to halt all budget transfers to entities and procurement activities for the 2020/21 financial year pending finalisation of the special COVID-19 budget adjustment.

The current regulations and budget cuts require the GTA to consider innovative ways of doing business to ensure continued operations post COVID-19. This will require revision of the Annual Performance Plan targets with a focus on domestic travel and driving tourism recovery when the tourism sector re-opens.

16 SENSITIVITY ANALYSIS

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



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

	Figures in Rand thousand	
	2020	2019
17. FINANCIAL INSTRUMENTS		
<i>Assets</i>		
Trade and other receivables	R	R
Trade receivables	700 000	1 821 253
Staff debtors	-	-
Prepayments	43 947	41 073
Cash and bank	71 663 821	41 397 065
Total	72 407 769	43 259 391

The comparative balance for Trade Receivables has been restated by R9 990. A correction of prior period error note has been disclosed.

Liabilities

Trade and other payables	8 519 424	6 572 529
Trade payables – creditors		
Payments received in advance		-
Conditional Grants	29 220 305	11 485 216
Staff leave accrual	2 418 879	2 350 199
Thirteenth cheque accrual	413 940	377 793
Other creditors	5 128 216	4 428 101
Total	45 700 763	25 213 837

The comparative balance for trade and other payables has been restated by R87 768. A correction of prior period error note has been disclosed.

The comparative balance for other creditors has been restated by R234 584. A correction of prior period error note has been disclosed.



Notes to the Annual Financial Statements (continued) *for the year ended 31 March 2020*

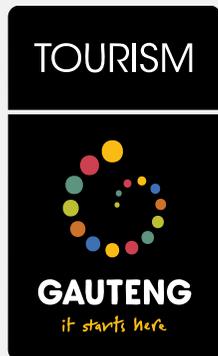
	Figures in Rand thousand	
	2020	2019
17. FINANCIAL INSTRUMENTS CONTINUED		
Financial Assets carried at Amortised Cost		
The financial assets carried at amortised cost expose the entity to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets at amortised cost:		
Cash and cash equivalents	71 663 821	41 397 065
Trade and other receivables from exchange transactions	700 000	1 815 013
Other current financial assets	43 497	41 073

The comparative balance for trade and other receivables has been restated by R9 990. A correction of prior period error note has been disclosed.

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.



Notes to the Annual Financial Statements (continued)

for the year ended 31 March 2020

17 FINANCIAL INSTRUMENTS CONTINUED

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.

Figures in Rand thousand	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
2020				
Gross operating lease obligations	6 393	12 787	1 426 504	-
Trade and other payables	8 519 424	-	2 418 879	-
13th Cheque accrual	-	-	413 940	-
Leave accrual	-	-	-	0
Other	-	-	32 880 771	-

Figures in Rand thousand	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
2019				
Gross operating lease obligations	61 031	122 062	549 278	2144720
Trade and other payables	6 484 761	-	-	-
13th Cheque accrual	-	-	377 793	-
Leave accrual	195 850	391 700	1 762 649	-
Other	1 194 652	9 445 028	2 772 558	-

17.1 Financial Risk Management

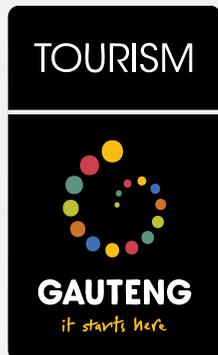
The Authority's exposure to credit, liquidity and market risks is dealt with in terms of its risk management policies and systems in place as stipulated in accounting policy 1.22.6.

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



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

	Figures in Rand thousand	2020	2019
18. PRIOR PERIOD ERROR			
Statement of financial position			
Deposit		(10)	
Trade and other payables			5
Statement of Changes in Net Assets			
Accumulated surplus		10	(5)
<i>The deposit paid in 2004 was incorrectly reported in 2004, resulting in an overstatement of the reported deposit by R9 990. The error was discovered in the 2019/20 financial year and has been corrected.</i>			
Statement of financial position			
Trade and other payables		(235)	
Statement of Changes in Net Assets			
Accumulated surplus		235	
<i>The accrual for performance bonuses was understated by R234 584 due to the approval of the performance bonus after reporting.</i>			
Statement of financial position			
Trade and other payables		(88)	5
Statement of Changes in Net Assets			
Accumulated surplus		88	(5)
<i>A service provider was appointed during the 2018/19 financial year without following due procurement process. This resulted in irregular expenditure of R87 768, which was discovered during the 2019/20 financial year.</i>			
<i>The Authority discovered the irregular expenditure upon presentation of the invoice by the supplier in the current financial year.</i>			
<i>Consequent management has been implemented.</i>			
<i>A request for condonation has been submitted to GPT.</i>			



Notes to the Annual Financial Statements (continued) for the year ended 31 March 2020

Figures in Rand thousand		2020	2019
20	IRREGULAR EXPENDITURE		
	Reconciliation of irregular expenditure		
	Opening balance	88	-
	Condoned during the year		-
	Analysis of irregular expenditure	88	88
19.1	2 Supplier's contracts were extended without following the procurement process	-	-
		-	-
19.2	1 Supplier invoice was higher than the original quotation	-	-
		-	-
19.3	Supplier appointed without obtaining three quotations	88	88
Closing balance		88	88

The Authority incurred irregular expenditure of R87 768 due to the appointment of a service provider without following the procurement process.

An internal investigation has been concluded, and consequence management was implemented against the responsible official.

The irregular expenditure was discovered in the 2019/20 financial year upon presentation of an invoice by the service provider, but relates to 2018/19 as the services were rendered in 2018/19.

A request for condonation has been submitted to GPT.

21	FRUITLESS AND WASTEFUL EXPENDITURE		
	Opening balance	-	
	Less amounts recovered	-	
	Less amounts written off	-	
	Fruitless and wasteful expenditure arising during the current period	201	
Closing balance		201	

The Authority incurred fruitless expenditure of R200 604 from the usage of the organisation's cellphone card after the cellphone was stolen.

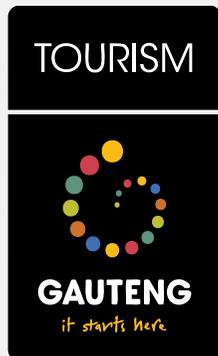


Annexure 1

Detailed Statement of Financial Performance

For The Year Ended 31 March 2020

Figures in Rand thousand	Budget 2020	Actual 2020	Budget 2019	Actual 2019
INCOME	143 061 000	121 361 024	143 598 233	156 359 483
DED Subsidy	86 658 000	86 658 000	93 541 000	93 541 000
DED Additional Subsidy	3 600 000	-	690 064	3 354 027
IDC-Craft	1 000 000	1 328 793	2 025 000	985 043
NDT Safety Monitors	20 782 000	8 657 010	13 445 169	9 257 820
Other – Income	1 027 000	2 793 716	5 500 000	7 297 713
Grant Bidding and Hosting	27 494 000	18 350 565	25 997 000	38 361 011
Interest Received	2 500 000	3 572 940	2 400 000	3 548 931
Profit on Disposal of Assets	-	-	-	13 938
EXPENDITURE				
FINANCE	2 946 005	2 675 215	7 153 202	7 142 063
Fin – Provision for Leave	80 000	68 680	-	-
Fin – Provision for Thirteenth cheque	-	36 147	-	-
Fin – Accounting Fees	223 408	176 808	32 177	13 117
Fin – Audit Internal	547 064	307 976	450 000	248 211
Fin – Audit External	788 709	789 570	744 065	714 854
Fin – Bank charges	60 000	51 491	57 055	56 643
Fin – Conference & Meetings	-	-	16 000	15 693
Fin – Financial Planning	75 463	71 470	108 456	108 002
Fin – Insurance	491 361	452 647	434 332	355 558
Fin – Staff Total	-	-	5 311 117	4 979 778
Fin – Scrapped Assets	-	-	-	447
Fin – Amortisation	-	-	-	45 432
Fin – Depreciation	680 000	720 426	-	604 327



Annexure 1

Detailed Statement of Financial Performance

For The Year Ended 31 March 2020

Figures in Rand thousand	Budget 2020	Actual 2020	Budget 2019	Actual 2019
OFFICE OF THE CEO				
Board and Forum Matters	5 975 285	5 480 118	5 756 352	3 738 332
Board Secretariat	435 000	76 720	452 874	452 392
Annual Report	347 979	210 184	328 244	287 218
Attend conf & Forums Local	482 296	302 712	354 997	176 642
Attend conf & Forums Intern	235 290	235 289	504 991	209 266
Attend conf & Forums Board Local	-	-	-	26 234
Attend conf & Forums Board Intern	-	-	-	13 243
Sustainability strategy	500 000	-	-	-
CEO Project	200 000	601 273	817 246	316 376
Board Payments & Allowances	900 000	922 947	1 213 000	1 212 531
Legal fees	1 024 720	1 716 714	-	-
Stakeholder management	100 000	85 486	60 000	59 388
Stakeholder engagement framework	750 000	-	-	-
Craft Workshop	1 000 000	1 328 793	2 025 000	985 043

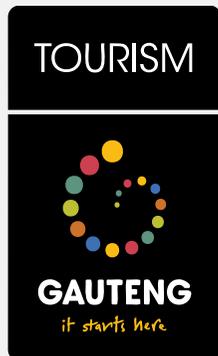


Annexure 1

Detailed Statement of Financial Performance

For The Year Ended 31 March 2020

Figures in Rand thousand	Budget 2020	Actual 2020	Budget 2019	Actual 2019
CORPORATE SERVICES				
Operational Cost				
Human Resources	66 996 284	66 804 563	34 362 236	32 853 270
CS – Employee Wellness	194 712	139 284	56 327	19 866
CS – Staff Development & Training	581 637	516 619	166 138	158 862
CS – Organisational Development	100 000	-	-	-
CS – Recruitment	228 449	244 516	422 500	422 403
CS – Study Assistance	1 800	1 732	560 411	508 554
CS – Conference and Meetings	-	3 784	-	-
CS – Legal Fees	-	-	1 340 898	1 340 898
CS – Motor Vehicle Expenses	190 574	171 446	163 749	153 382
CS – Office Maintenance & consumables	48 176	45 995	61 449	61 050
CS – Office Electricity	616 330	465 812	1 103 427	673 216
CS – Office Rent	7 180 859	6 831 881	7 002 506	6 912 635
CS – 124 Main St Cleaning	526 866	576 798	536 043	535 757
CS – Parking Official	48 400	47 039	290 000	205 365
CS – Printing & Stationery	55 734	55 685	186 754	111 128
CS – Refreshments	70 135	53 760	49 250	48 336
CS – Security & Safety	530 932	579 343	540 253	539 824
CS – Subscriptions & Library	63 130	116 770	102 895	102 820
CS – Telephones	200 954	225 034	299 013	246 623
CS – Cell Phones and Data cards	440 000	337 597	231 514	178 012
CS ICT – Dev/Maint of IT, Tel, Audio, etc.	2 205 991	1 621 131	2 134 527	1 876 199
CS – Staff Total	53 711 605	54 770 337	19 114 583	18 758 340

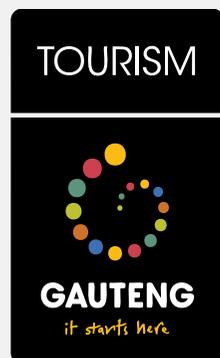


Annexure 1

Detailed Statement of Financial Performance

For The Year Ended 31 March 2020

Figures in Rand thousand	Budget 2020	Actual 2020	Budget 2019	Actual 2019
VIS AND LEISURE	3 958 500	2 702 048	16 925 268	16 381 857
STAFF COSTS	-	-	13 125 268	12 300 640
Staff	-	-	13 125 268	12 300 640
	3 958 500	2 702 048	3 800 000	4 081 217
Information service	-	-	1 000 000	817 521
Audit of tourism infrastructure	500 000	-	-	-
Trade shows	800 000	799 844	800 000	1 224 957
Campaigns	1 558 500	1 169 607	2 000 000	2 014 858
Visitor services	1 100 000	732 597	-	-
CONVENTIONS AND EVENTS BUREAU	32 402 000	21 651 544	49 499 956	62 484 089
MICE Bid Support	2 101 000	1 602 444	4 120 487	4 604 779
Signature Event Support	-	-	4 344 445	5 073 314
WCG and MAM	2 285 000	1 698 535	7 711 426	7 687 398
Bidding and Hosting	-	-	18 212 365	30 612 366
Staff	27 516 000	18 350 565	15 111 233	14 506 233
Review of events strategy	500 000	-	-	-

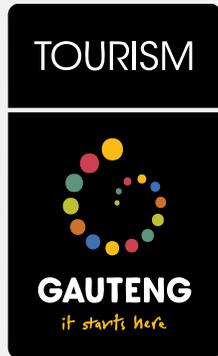


Annexure 1

Detailed Statement of Financial Performance

For The Year Ended 31 March 2020

Figures in Rand thousand	Budget 2020	Actual 2020	Budget 2019	Actual 2019
DESTINATION MARKETING	7 108 972	3 168 724	13 418 380	13 625 447
Digital Marketing				
Digital Agency & Digital Partnerships	1 558 500	824 629	4 000 000	3 166 146
Destination communication				
National Media Relations Program	2 200 472	1 110 471	2 340 060	4 204 762
Brand & Creative Services				
Branding	2 000 000	1 233 624	1 089 397	662 376
Staff	-	-	5 988 923	5 592 163
Branding strategy and initiatives	1 350 000	-	-	-
RESEARCH AND STRATEGY	2 727 000	1 635 492	2 020 000	1 496 886
Strategic Research Plan (60%DF)	700 000	178 000	700 000	40 983
Strategic Planning (60%DF)	1 000 000	632 623	500 000	443 000
Conference & Seminars (DF)	-	-	820 000	1 012 903
Monitoring and Evaluation	1 027 000	824 869	-	-



Annexure 1

Detailed Statement of Financial Performance

For The Year Ended 31 March 2020

Figures in Rand thousand	Budget 2020	Actual 2020	Budget 2019	Actual 2019
NDT SAFETY MONITORS	20 782 293	8 657 009	13 445 169	9 257 820
Community Launch - Facilitation	300 000	145 892	690 000	464 988
Training	5 000 000	-	2 120 000	-
Administration	450 000	31 036	200 431	2 350
Uniform	3 347 178	-	700 000	-
Marketing	300 000	-	400 000	-
Stipend	10 185 115	7 275 581	7 834 738	7 590 482
Implementation	1 200 000	1 200 000	1 200 000	1 200 000
Work Tools	-	-	300 000	-
Transport	-	4 500	-	-
Total Expenditure	142 896 339	-	142 580 566	146 979 765
Net Surplus/Deficit for the year	1 164 661	8 586 311	1 017 667	9 379 718



Materiality framework for the year ended 31 March 2020

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;</p> <p>(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;</p> <p>(c) acquisition or disposal of a significant shareholding in a company;</p> <p>(d) acquisition or disposal of a significant asset;</p> <p>(e) commencement or cessation of a significant business activity; and</p> <p>(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>
<p>PFMA sec 55(2)(b)(i)</p> <p>(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.</p>	<p>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.</p>	<p>Any loss identified through criminal conduct.</p>

A photograph of two hikers on a rocky cliff at sunset. One hiker is on the cliff edge, reaching out to help another hiker who is hanging from the edge. The sun is low on the horizon, creating a warm, golden glow. The sky is filled with soft, white clouds.

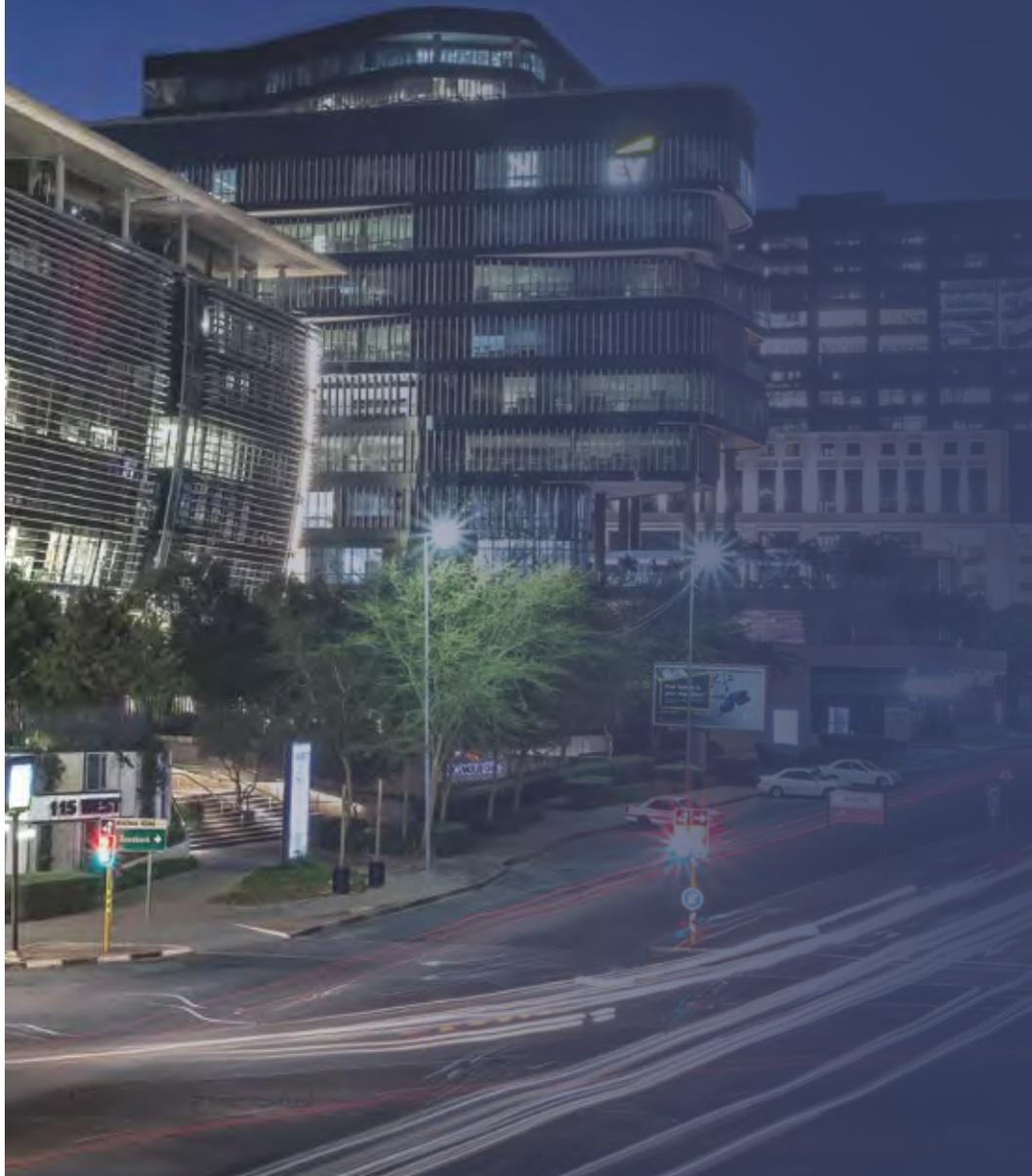
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