TOURISM

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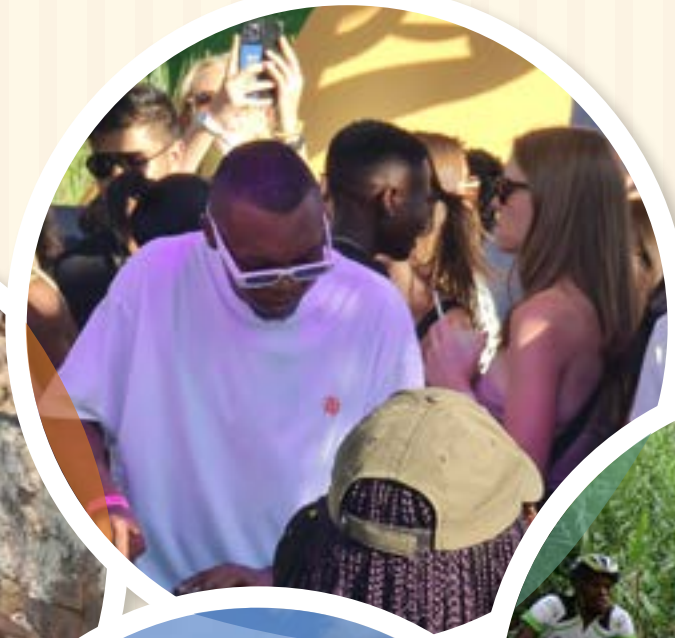
2022/23
ANNUAL REPORT



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PART A
GENERAL INFORMATION

GENERAL INFORMATION

Registered Name:	Gauteng Tourism Authority
Physical Address:	124 Main Street Marshalltown Johannesburg
Postal Address:	PO Box 155 Newtown 2113
Telephone Number/s:	(011) 085 2500
Email Address:	info@gauteng.net
Website Address:	www.gauteng.net
Internal Auditors:	Lunika, Unit 5, Lonehill Office Park, Sandton | Johannesburg | 2068 **Tel:** +27 (0) 11 465 1867
Bankers:	FNB and Reserve Bank

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LIST OF ABBREVIATIONS AND ACRONYMS

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

ACRONYMS	DESCRIPTION
SANBC	South African National Conventions Bureau
SAPS	South African Police Service
SAT	South African Tourism
SATOVITO	South African Township and Village Tourism Association
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SEGC	Social, Ethics and Governance Committee
SEZ	Special Economic Zone
SMME	Small, Medium and Micro Enterprise
SSA	Statistics South Africa
TAP	Technical Advisor Panel
TBCSA	Tourism Business Council of South Africa
TCC	Tourism Contact Centres
TEF	Tourism Economic Fund
TER	Township Economic Revitalisation
TGCSA	Tourism Grading Council of South Africa
TMR	Transformation, Modernisation and Re-industrialisation
TR	Treasury Regulation
TSRP	Tourism Sector Recovery Plan
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNWTO	United Nations World Tourism Organization
USA	United States of America
VFR	Visiting Friends and Relatives
VIC	Visitor Information Centre
VOC	Variant of Concern
WESP	World Economic Situation and Prospects
WHO	World Health Organization
WTTC	World Travel & Tourism Council

FOREWORD BY THE MEC

During the 2022/23 financial year (FY) tourism sector remained a socially impactful and economically productive activity in Gauteng, contributing significant impact to our economy. The sector provided the province with a unique means of fostering goodwill and social understanding, increasing its role in building our province. The province offers a unique version of tourism services and products, tailormade and befitting its historical making, centred at its gold mines, which intensified processes led to immigration, urbanization, capital investment, and labour migrancy. This is the reason Gauteng is known as the "City of gold," or "Egoli." In the process of immigration and labour migrancy, the City of Gold attracted people of different cultures, making the province rich in culture and thus, offer unique tourism products and experiences.

Covid-19 forced all of us on a back foot – limiting and ending our ability to eke out a living, socialize and build our enterprises in the sector. In the wake of this global crisis, the return to full operation in many sectors of our economy will be a huge sigh of relief. However, the global economic and political crisis continued to put negative weight over economies around the world. Over and above, South Africa experienced a unique energy crisis which resulted in electricity rationing, also known as load-shedding.

Despite these challenges, the 2022/23 FY was a true reflection of the Gauteng Tourism Authority's (GTA), referred hereinafter as the Authority, to master the strategy for developing and promoting the province as a tourism destination. For the first time after the remerging of the tourism portfolio, the Authority excelled in performance against its set targets, making it possible for tourism activities in the province during the time of uncertainty.

Despite the global economic and domestic energy crisis, Gauteng continued generating revenue income and foreign-exchange earnings, therefore increasing the employment rate. GTA, in partnership with the Gauteng Department of Economic Development (GDED) and other government strategic stakeholders and the sector role players, has steadfastly carried the torch in championing the importance of the tourism sector in our province. Destination management and marketing programmes were implemented without failure. Capacity building projects for small, medium, and micro enterprises (SMMEs) and individuals in the tourism sector were implemented to increase the quality of value that Gauteng provides to its customers, as a destination. We expanded our efforts in facilitating tourism infrastructure development with an understanding that infrastructure projects will boost economic development and become the vital source for our socio-economic welfare.

We internalised the impact of electricity outages in the country to businesses and households. Even while the energy crisis continued to cause pains among our people, the province continued to reposition itself as a tourism destination. In line with the national energy strategy, the province approved Gauteng Energy Intervention Strategy. The objective of this strategy is to ensure that the province has access to universal, affordable, and modern and diversify sources of energy, which include renewable energy. Through this strategies, the Authority has put together an Incubation strategy, which includes approaches for assisting SMMEs in addressing crisis relating to load-shedding. As at the end of 2022/23 financial year, the Authority was in the process of consulting with strategic stakeholders to ensure that vision of this incubation strategy is realized.

Gauteng continued to position itself as a tourism destination to both local and international markets. Destination marketing projects were implemented to increase tourism uptake. These included the promotion of tourism products through different channels, and supporting the bidding and hosting of strategic tourism events.

Through the implementation of destination management and development programmes, the Gauteng tourism sector played an important role as a driving force of economic development and ensured inclusive growth. During the year under review, the contributed significantly to GDP earnings.

As the country continued with its democratization, transformation remained a central focus in the province. The province ensured that SMMEs were a priority in business development and benefitting from the sector. Through the GTA's SMME development programmes, several small businesses were provided access to markets, where more than R37 million was facilitated as their share from rand value generated through the implementation of destination marketing programme.

We take pride of what Gauteng has achieved under difficult environment!

Ms Tasneem Motara
MEC
Date: 31 August 2023

"Number of strategies are under implementation to deal with the shortage of electricity in the country. In line with these strategies the province has put together its Gauteng Energy Intervention Strategy."

FOREWORD BY THE CHAIRPERSON OF THE BOARD

The 2022/23 strategic planning was centred at recovering from the impact of COVID-19. It is pleasing to state that the Gauteng tourism sector performed above the expectations, instilling hope to the restoration of GGT2030's, Transformation, Modernisation and Re-industrialisation's (TMR), and Township Economic Revitalisation's (TER) tourism priorities. Tourism remained the backbone of the economy at both provincial and local levels, and propelled activities across other sub-sectors. Yes, the combination of the effects of the COVID-19 and the global economic downturn coupled with energy crisis nearly made it quite impossible for people to make a decent and honest living as livelihoods, jobs and business establishments all bore the brunt of these challenges. As to date, our economy has not shown signs for significant growth. However, the tourism sector's 2022/23 performance has indeed presented hope - road to recovery.

Tourism remained a powerful enabler and one of the foremost sectors in driving the economic and social wellbeing, contributing billions of both in direct and direct spends. This was made possible through the increase in the number of international arrivals and domestics trips. Gauteng attracted more than 2.7 million international arrivals and 8 million domestic trips, enabling Gauteng to boost local tourism while generating international visitors.

Moreover, Gauteng tourism sector managed to generate twenty thousand eight hundred and fifty new jobs. Nonetheless, the lack of jobs among mainly young people, women and PDIs in general remained a concern. The Authority played a pivotal role thereby facilitating jobs creating by implementing skills development programme. More than eight hundred companies/ individuals benefitted from these programmes.

The 2022/23 achievement was made possible by implementing the Authority's programme in line with the country's recovery programmes. Number of destination marketing projects were implemented. One of the highlights of the year under review was the useful hosting of tourism event, which was used as platforms for supporting SMMEs, generating economic impacts such as rand value and jobs.

Several initiatives for positioning Gauteng as a Gateway to the continent and the world were implemented. These included the hosting of international events and the opening of new and reopening of air route. These routes opening initiatives was implemented through the Gauteng Air Access Network that seeks to retain and expand the destination's air connectivity hub status. The 2022/23 air route launched included Air Côte d'Ivoire, Air ESwatini and Air China.

GTA continued to live to its true mission of developing and promoting tourism in the province in a sustainable way. I, therefore, thank all the sector role players, the MEC of Gauteng Economic Development, Ms. Tasneem Motare, members of the GTA Board, GTA's Management team and all our hard-working members of the staff for carrying the mammoth task to ensure that we live and work for the people of this province and make tourism to be more relevant than ever before.

Ms. Judi Nwokedi
Chairperson of the Board
Date: 31 August 2023

BOARD OF DIRECTORS

JUDI NWOKEDI
Chairperson of the Board

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

SHIRLEY KOAHO
Chairperson of the Social Ethics and Governance Committee

GUGU NKABINDE
Member of the Board

THABANG MAKWETLA
Member of the Board

MMATSATSI RAMAWELA
Member of the Board

ERROL MAGERMAN
Chairperson of the Audit and Risk Committee

LOUIS SEECO
Member of the Board

STHEMBISO DLAMINI
Chief Executive Officer (CEO)

PAT MASINA
Member of the Board

FOREWORD OF THE CHIEF EXECUTIVE OFFICER

During the year under review, GTA has played roles as the premier custodian of the tourism sector thereby facilitating tourism management, marketing, and development programmes in Gauteng, aimed at increasing the sector's contribution to the province's socio-economic development. Through these programmes, Gauteng continued to align its development priorities SDGs, NDP, GGT 2030, TMR, TER and related strategies.

Through GTA, the sector remained focused in socioeconomic development thereby hoisting the Gauteng brand flag higher than before. Several products were developed, while some were resuscitated. The year under review was challenging due to the world economy and political downturns, coupled with SA's unique energy crisis. However, leisure and business tourism positively returned to full operations. Gauteng remained on course to rigorously ensure small business enterprises in the townships across the province receive the necessary exposure through marketing platforms.

GTA has worked hard in professionalising its back office in order to enhance strategic support for tourism core programmes. To highlight the few, the Authority developed performance monitoring and evaluation system which will be fully operational in 2023/24, the GTA's website was transformed into a management tool that facilitate business operations, organisational policies were reviewed in line with the GTA"s policy framework. Over and above, the Authority continued with the implementation of the 2021/22's Staff Engagement Programme with an objective of increasing staff positivity and subscription to the GTA's core values. The staff engagement results were improved by eight percent from fifty-five percent in 2021/22 to sixty-three in 2022/23. I am glad to confirm that the Authority achieved eighty-eight percent of its 2022/23 predetermined objectives.

The total income received during the year was one hundred and twenty nine million seven hundred and fifty-eight thousand rands against a budgeted amount of one hundred and eighteen million, seven hundred and nine thousand rands. The deviation of 9 percent is mainly as a result of the positive impact of the interest rates increases by the South African Reserve Bank Monetary Policy Committee during the financial year. More interest was realized from the organizations surplus funds that is invested in the Corporation for Public Deposits (CPD) in line with the National Treasury requirements. Hundred (100) percent of the budgeted subsidy was received from the major shareholder and GTA is very grateful that despite the budgetary pressures that the Government has been facing, it was able to meet its obligation.

The total expenses for the period amounted to one hundred and thirty-five million, ninety-five thousand rands against a budgeted amount of one hundred and eighteen million, seven hundred and nine thousand rands. The increase in the expenses was mainly because of the organization's increased efforts to promote the hoisting of the Gauteng's brand as this is a major economic driver in fulfilling the GTA's mandate in the province. The overspending was mainly funded from conditional grant balances that had accumulated from previous years as result of the impact of COVID-19 on the sector and this should be taken as evidence of the gradual recovery of the economy post the pandemic era. A total of forty-eight million nine hundred and ninety thousand rands was spent on compensation of employees against a budget of fifty-four million, six hundred and ninety six thousand rands and this was a result of the cautious approach taken by filling all the vacant positions in light of the budget pressures.

Capacity constraints and challenges facing the public entity - while great progress has been made in implementing the tourism recovery plan and the provincial blueprint known as Growing Gauteng Together vision 2030, which resulted in the visitor economy injecting close to seventy billion into the provincial GDP and SMMEs leveraging more than thirty-seven million from significant events hosted in the province, the GTA's operational and financial sustainability is still a cause for concern. The Gauteng Tourism Act's implementation, particularly the functions related to tourism development, management, and planning, intergovernmental coordination, and increased international marketing to capitalize on our strong value proposition to the global market, has been negatively impacted by the GTA's operational and development budget decreasing by more than seventeen percent over the past seven years and the agency's inability to fill more than forty-one percent of its vacancies. The execution of the international sales and event bidding plan was hampered by some of these difficulties.

Discontinued activities/activities to be discontinued - there were no activities discontinued or to be discontinued.

New or proposed activities - the following are key projects to be implemented in 2023/24:

- Development of a new target operating model that will inform GTA functions aligned to the Gauteng Tourism Act,
- Re-engineering of business processes and embark on a digitalisation journey;
- Scale our bidding efforts for mega events to be hosted in Gauteng;
- Increase Destination Gauteng's international presence to grow the visitor economy; and
- Review the Gauteng Tourism Development and Management Strategy.

Requests for roll over of funds - during the financial year the entity returned thirty-eight million, eight thousand rands to the Provincial revenue Fund. At the time of the publishing of the annual report the entity had not yet submitted its application to the Provincial Treasury to retain available cash resources as at 31 March 2023. Based on The GTA current year spending patterns, the entity does not anticipate returning any funds to Provincial Treasury.

Supply Chain Management (SCM) - supply chain systems and procedures were in place to prevent irregular expenditure. Where in exceptional cases, irregular expenses occur, systems are in place to identify and report on these.

All Concluded Unsolicited Bid Proposals - GTA is not a revenue generating entity.

SCM systems and Processes – the Authority has an approved SCM policy and procedure manual in place. During year under review, the Authority enhanced SCM staff capacity.

Challenges Experienced and How they were resolved - some interested suppliers were not registered in the Central Supplier Database (CSD). The Authority assisted them by guiding them through the CSD registration process, allowing them to conduct business with the government. This was carried out via the GTA's Supplier Development Programme. Throughout the period under review, 53 SMMEs participated in the programme. The program's objective is to ensure that formerly disadvantaged individuals are well-informed of GTA procurement opportunities.

Audit report matters in the previous year and how they were addressed - the Authority maintained unqualified audit in 2022/23.

Sthembiso Dlamini
Chief Executive Officer
Date: 31 August 2023

RESPONSIBILITY STATEMENT AND ACCURACY CONFIRMATION FOR THE ANNUAL REPORT

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

- The information and amounts disclosed in this Annual Performance report are consistent. It is complete, accurate, free from any omissions and has been prepared in accordance with National Treasury guidelines.
- The Annual Financial Statements (AFS) were prepared on an accrual basis, as well as the relevant frameworks and guidelines issued by the National and Gauteng Provincial Treasuries.
- In terms of the delegations of the Accounting Authority, the CEO is responsible for the preparation of the AFS and for the judgements made in this information. The CEO is responsible for establishing and implementing a system of internal control that is designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the AFS.
- The external auditors were engaged to express an independent opinion on the AFS.
- In my opinion, this annual report fairly reflects the information on the operations, performance information and human resources, as well as the financial affairs of the department for the financial year ending 31 March 2023.

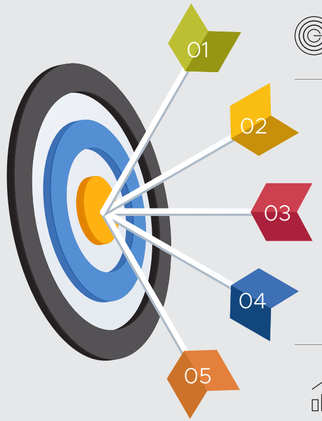
Sthembiso Dlamini
Chief Executive Officer

"The external auditors were engaged to express an independent opinion on the AFS."

STRATEGIC OVERVIEW

Strategic Directives
GTA is the implementing agency of Gauteng Department of Economic Development (GDED). The Authority is committed to economic growth and development of the Gauteng City Region (GCR) through leveraging on the provincial tourism potential, its development and preservation.

Key Values



PROFESSIONAL SERVICE EXCELLENCE
- Understand stakeholder needs, respond timeously, eficiently, and effectively to stakeholder queries and requests
- Display an image of professionalism and accountability

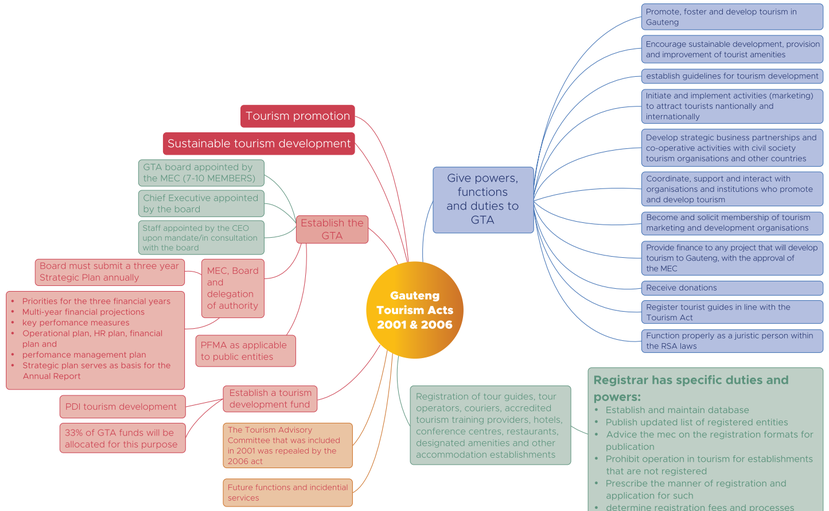
INNOVATION
- Pursuance of knowledge drawn from everyday experience and academic pursuit
- Drive quality and high perfomance

PARTNERSHIPS
- Work with the sector to achieve more inclusive tourism growth and strategic alignment of work with sister agencies
- Deliver shared value driven partnerships for the benefit of host communities

COMMITMENT
- Consistency, passionate, and respect
- Partnership nurturing
- Feedback and follow-up on delivered services

INTEGRITY
- Value openness, honesty , and fairness
- Act in good faith in all its day to day activities
- Conduct its operations to fulfill public expecyations of GTA's purpose and goals.

LEGISLATIVE AND OTHER MANDATES



Legislative and other mandates
The Authority was established in terms of the Gauteng Tourism Act, No. 18 of 1998, repealed by Gauteng Tourism Act, No. 10 of 2001 as amended, which then became the enabling legislation. The National Tourism Act 3 of 2014 ("Tourism Act") provides for the effective domestic and international marketing of South Africa as a tourist destination and promotion of growth and development of the tourism sector; as well as responsible tourism. Inter alia, it seeks to generate greater economic benefits for our local people and host our communities. The GTA is one of several provincial tourism agencies that have been established in alignment with these objectives of the Tourism Act. The Gauteng Tourism Act 10 of 2001 ("Gauteng Tourism Act") provides for the establishment of GTA as a juristic person and provincial public entity (read with sections 1, 48 and 49 and schedule 3C of the Public Finance Management Act ["PFMA"]). The picture below summarises what the Gauteng Tourism Act above stipulates.

Through this Act, GTA is responsible for the following duties: promote and develop tourism in Gauteng; encourage sustainable development, provision, and improvement of tourist amenities; establish guidelines for tourism development; initiate and implement activities and actions nationally and internationally to attract tourists to Gauteng; develop strategic and business partnerships and other co-operative activities with tourist organisations in civil society and other countries; 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; with approval of the GTA's Executive Authority, provide finance for any project which will develop tourism in Gauteng.

International, National and Provincial Priorities
During the period under review, the Authority focused on inclusive and sustainable tourism growth as a strategic outcome, aimed at growing an inclusive and sustainable economy that also stimulate job creation and other socio-economic development within the Gauteng City Region. Several objectives were put in place towards achieving this outcome, and this included developing and promoting, coordinating, and facilitating responsible and sustainable tourism in Gauteng.

Projects implemented within these programmes were in line with relevant government wide recognized strategies and policies and the primary being the National Development Plan's (NDP) priorities, i.e.,

- reduction of unemployment,
- inclusive growth,
- establishment of effective partnerships across society,
- shapes South Africa's foreign policies through diplomatic and economic implementation of effective tourism programmes at national, regional and continental platforms, and
- becoming central to global economic competition for tourism market share.

Informed by the Result-based approach, the Authority focus on delivering towards the NDP's priorities. This was made possible by the Authority's focus on the GGT2030's priorities, coined in line with the government-wide-MTSF, which is further aligned to the NDP. The Authority's alignment to GGT2030 was as follows:

- Building a capable, ethical, and developmental State
  - Well governed and well performing organization
  - Develop key private public partnerships to enhance the tourism value chain delivery and market access
  - Embrace innovation and 4IR play
  - Leverage the transport infrastructure development to the benefit of the tourism offering
  - Grow an inclusive Gauteng tourism economy
  - Economy, jobs, and infrastructure
  - Ensure that local communities take part in the tourism economy there by implementing projects that enable the following:
  - Development and revitalisation of the township economy
  - Develop social cohesion through tourism development and related businesses
  - Use and mobilize the creative industries
  - Creating jobs and infrastructure through tourism
  - Education, skills revolution, and health
  - Skills development and education in tourism
  - Develop tourism as a key industry segment.
  - Building a better Africa and better world
  - Implement destination marketing that,
  - Stimulate tourism demand at international platforms,
  - Attracts new and repeat arrivals into Gauteng,
  - Develops and promotes niche experiences
    - Develop and promote Gauteng as world-class convention destination of choice
    - Drive Gauteng as a brand
    - Leverage Gauteng's easy accessibility to African and other SA destinations to grow and capitalise on technology as a marketing tool.
    - Leverage is an easy to visit destination of choice, offering business and leisure visitors a variety of experiences.

Since the beginning of the current electoral period, the Authority deliberated on economic development sector priorities articulated in the Gauteng Ten Pillar Programme (Transformation, Modernisation and Re-industrialisation – TMR); Township Economy Revitalisation Strategy; Tshepo 1 million; Gauteng Entrepreneurship Model (2018); Creative Industries Development Framework; GCR Economic Development Plan; Gauteng Tourism Recovery Plan and other related strategies and policies.

The objective was to implement socio-economic sustainability programmes in the context of the tourism sector. Through these strategies, the Authority designed programmes for promoting, developing, and coordinating and facilitating responsible and sustainable tourism in the province. Aligned to economic development related policies and strategies above, the Authority implemented projects in line with its strategies, hierarchically, led by the Gauteng Tourism Sector Strategy (GTSS), which was followed by the Gauteng Destination Brand Communications and Marketing Framework.

For promoting Gauteng as a brand, GTA focused in the following key delivery channels: Stakeholder engagement; marketing tourism offering at both local and international platforms; leveraging on public relations and brands; and products development and support projects. The Authority facilitated the bidding processes and hosting of meetings, incentives, conferences, exhibitions, and events (MICE) which were also leveraged as platforms for promoting Gauteng. The utilisation of appropriate delivery channels above helped the Authority to focus on its full mandate of destination marketing and management and development.

Tourism development programmes such as tourism business support projects like skills development and tourism infrastructure improvement were implemented as development programmes. Visitor information projects, redressing challenges faced by the tourists and e-commerce were coordinated as tourism support services.

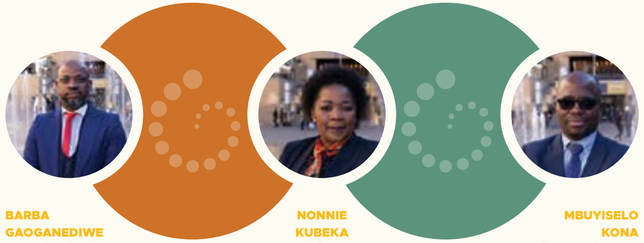
EXECUTIVE MANAGEMENT

STHEMBISO DLAMINI
Chief Executive Officer

FEZILE NGQOBE
Head: Office of the CEO

TINYIKO NKUNA
Head: Strategy and Business Intelligence

MBALENHLE MANUKUZA
Chief Financial Officer

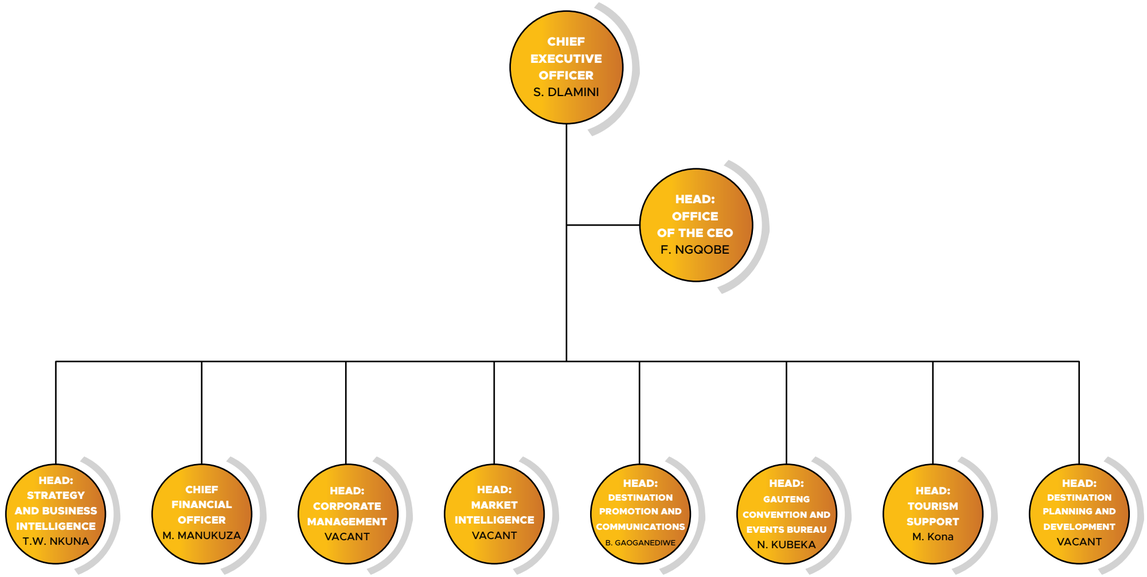


BARBA GAOGANEDIWE
Head: Destination Promotion and Communications

NONNIE KUBEKA
Head: Gauteng Convention and Events Bureau

MBUYISELO KONA
Head: Tourism Support

ORGANISATIONAL STRUCTURE



PART B
PERFORMANCE INFORMATION

AUDITOR GENERAL'S REPORT

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

Report on the financial statements

1. I have reviewed the financial statements of the Gauteng Tourism Authority set out on pages 78 to 112, which comprise the statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Gauteng Tourism Authority as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Other matter

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

Unaudited irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure)

4. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in notes to the financial statements. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

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

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

Responsibilities of the auditor-general for the audit of the financial statements

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

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

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

Report on the annual performance report

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

11. I selected the following material performance indicators related to destination marketing and destination management and development presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Destination marketing programme:

- Rand value generated through supported events
- Number of international arrivals that visited Gauteng
- Total foreign direct spend generated from international markets
- Rand value of business facilitated for SMMEs through marketing projects
- Scored level of Gauteng brand index
- Number of travel trade partnership sales deals implemented
- Number of domestic trips taken in Gauteng
- Total direct domestic spend generated in Gauteng
- Number of SMMEs provided with access to markets
- Number of national business events hosted in selected metros

Destination management and development programme:

- Vaal Marina Holiday and Business Destination developed
- Number of signature tourism hubs piloted on the Gauteng working for tourism programme
- Number of people employed through working for tourism programme over the MTEF
- Number of jobs created by the tourism sector
- Number of temporary jobs created through working for tourism projects
- Number of tourism contact centres (TCCs) rolled out in the key regions
- Number of township-based tourism assets funded through prerequisite quality standards programme
- Number of people benefitted from the refocused tourism and hospitality reskilling programme
- Number of new airlines routes launched

12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- The indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
- The indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
- The targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- The indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- The reported performance information is presented in the annual performance report in the prescribed manner.
- There are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only.

15. The material findings on the performance information of the selected material performance indicators are as follows:

16. Based on audit evidence, the actual achievements for 3 indicators did not agree to what was reported. I could not determine the actual achievements. Consequently, the achievements might be materially mistated and not reliable for determining whether the targets had been achieved.

PERFORMANCE INDICATOR	TARGET	REPORTED ACHIEVEMENT
Rand value of business facilitated for SMME's through marketing projects	R30 000 000	R 37 210 929
Number of temporary jobs created through working for tourism projects	2 200	3 314
Number of people employed through working for tourism programme over the MTEF	1 100	1 262

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement. This information should be considered in the context of the material findigs on the reported performance information.

Report on compliance with legislation

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

20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the Auditor-General of South Africa (AGSA) findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

22. I did not identify any material non-compliance with the selected legislative requirements.

Internal control deficiencies

23. I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

24. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the selected material indicators included in the annual performance report

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

26. Management did not always ensure that the evidence kept is sufficient and appropriate to support the achievement of targets reported in the annual performance report.

Professional ethics and quality control

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

28. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor - General

Johannesburg
31 July 2023

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(b)(ii); 51(1)(e)(iii); Sections 53(4); Sections 55(1)(a) - (b); 55(1)(c)(i); 66(4)
Treasury regulations (TR)	TR 16A3.2(a); 16A 3.2 (fairness); TR 16A6.3(a) - (c); 16A6.4; 16A6.5; TR 16A6.6; 16A8.3 ; 16A8.4 TR 16A9.1(b)(ii); 16A9.1(d) - (f); TR 16A9.2(a)(ii); TR 30.1.1; 30.1.3(a) - (b); 30.1.3(d); TR 30.2.1; 31 .1 2(c); TR 33.1.1; 33.1.3
Preferential Procurement Regulations (PPR), 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulations 6.8; 7.8; 8.2; 8.5; Regulations 9.1; 10.1; 10.2; 11.1
Preferential Procurement regulations (PPR), 2022	Regulation 4.4
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
NT SCM Instruction Note 04 of 2015-16	Par 3.4
NT SCM Instruction Note 03 of 2016-17	Par 8.1; 8.5
NT SCM Instruction Note 4A of 2016-17	Par 6
NT SCM Instruction Note 07 of 2017-18	Par 4.3
NT SCM Instruction Note 03 of 2019-20 [Annexure A - FIPDM]	Par 5.5.1(vi); 5.5.1(x)
NT SCM Instruction Note 08 of 2019-20	Par 3.1.1; 3.6; 3.7.2; 3.7.6(i) - (iii)
NT SCM Instruction Note 03 of 2020-21	Par 3.6; 3.7; 5.1(i); 6.1; 6.3
NT SCM Instruction Note 05 of 2020-21	Par 3.2; 3.7; 4.3; 4 .6; 4.6(c); 4.6(d); 4.8; 4.9; 5.3
Erratum NT SCM Instruction Note 05 of 2020-21	Par 1; 2
Second Amendment to NT SCM Instruction Note 05 of 2020-21	Par 1
NT Instruction Note 11 of 2020-21	Par 3.1; 3.4(b); 3.9
SCM Practice Note 8 of 2007-08	Par 3.3.1; 3.4.1; 3.5
SCM Practice Note 7 of 2009-10	Par 4.1.2

OVERVIEW OF ORGANISATIONAL PERFORMANCE

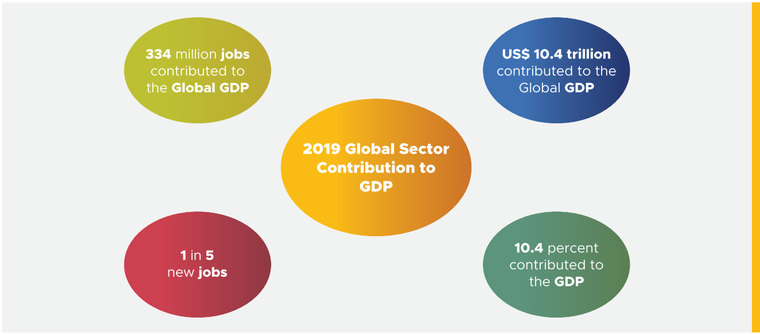
Service Delivery environment

Travel and Tourism, also known as the tourism sector, is the catalyst and the driver of socioeconomic development (Hossein, Bazargani, Kiliç. 2021). According to the UNWTO, the sector remains one of the world's dominating sectors when it comes to fostering economic growth and employment opportunities across the globe (UNWTO, 2022). Its impact can be tested in every social interaction. Globally, the sector remains pivotal to the world economy, as it contributes to sustainable job creation, revenue generation, and the promotion of economic prosperity. Trade promotion, capital investment, job creation, entrepreneurialism and protection of heritage and cultural values are some of the potentials traced directly as impacts of tourism activities.

Due to its value, the sector was adopted as one of the Sustainable Development Goals' (SDGs), contributing to all SDGs and in particular, Goals 8 (Decent work and economic growth), 12 (responsible consumption and production), and 14 (life below water). UNWTO asserted that a tourism sector that adopts sustainable consumption and production (SCP) practices can play a significant role in accelerating the global shift towards sustainability. According to the principles of sustainable development, tourism must be part of coastal zone management as a vehicle for promoting a blue economy. Equally to SDGs, the South African government through the National Development Plan (NDP), values tourism as a critical sector for driving employment and economic growth (NDT, 2018). The revised National Tourism Sector Strategy (NTSS [2017) seeks to transform the sector through inclusive economic activities and improve the management of the destination and strategies for destination marketing at both international and domestic levels.

As in 2019 1 in 5 new jobs created across the world was tourism job (WTTC). The sector contributed 10.3 percent of all jobs (334 million) and 10.4 percent of global GDP (US$ 10 trillion) in 2019.

Nonetheless, the sector was severely affected by the COVID-19. Many countries around the world suffered immensely as many companies were forced to close and, in the process, shed many jobs as Covid-19 forced companies to close temporarily or permanently. More than half the workers world-wide estimated at 1.6 billion suffered losses to their livelihoods. This amounted to 1 in 6 people forced to leave their jobs and over 400 million people (14 per cent) who lost their jobs at the height of the pandemic.



In the United States of America (USA), over 57 million who owned businesses did not seek recourse from the government and were forced to watch their lives turned taking a bad turn. Employment in the bottom fifth of income earners in the USA decreased by 35 per cent of the job losses that were in the permanent categories. The period saw a dramatic shift in the economy of the USA – with the income among the bottom half of workers falling by a fifth during the Covid-19. The top end of the workforce earners suffered a 4 percent decline. The most obvious effects caused by the epidemic in the US economy was the blow caused to low earners.

In the United Kingdom (UK) those worst hit by the Covid-19 were workers in the lower end of the workforce – whose chances of losing their jobs were estimated at seven times more likely to lose their jobs than their counterparts in the high earning categories. Businesses employed one-third of the of employees in the bottom tenth of the earnings distribution. This is a stark contrast to a mere 5 percent of the top 10 per cent of income workers who experienced some losses in their earnings.

As the sector recovers, international visitor spending amounted to US$ 1.9 trillion in 2019. The 2022 global tourism performance is as follows:

- 7.6 percent to global GDP; an increase of 22 percent from 2021 and only 23 percent below 2019 levels.

- 22 million new jobs, representing a 7.9 percent increase on 2021, and only 11.4 percent below 2019.
- Spending:
  - Domestic visitor spending increased by 20.4 percent in 2022, only 14.1 percent below 2019.
  - International visitor spending rose by 81.9 percent in 2022, but still 40.4 percent behind 2019 numbers.

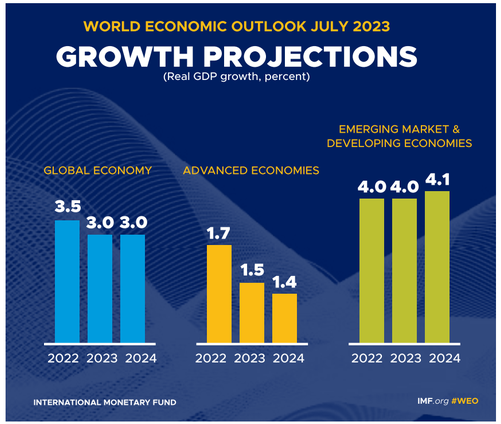
OPERATING ENVIRONMENT

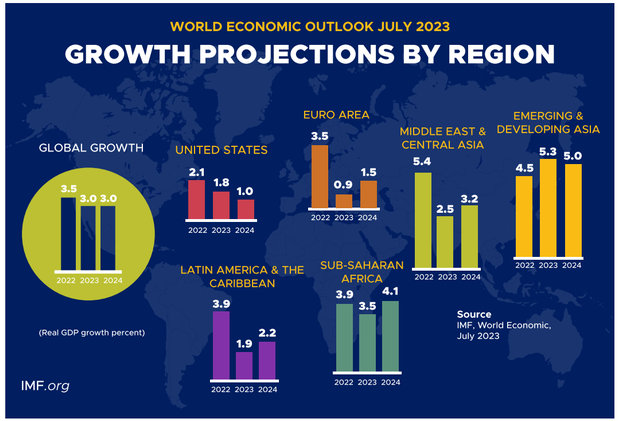
The tourism sector is one of the central platforms for economic development. Shifting demand for services in advanced economies could develop stronger tourism demand and which in return can make investment projects to have a more front-loaded impact on the economy. Slowdown of key tourist source markets increases in food and fuel prices, a natural disaster, decline in revenues from the citizenship-by-investment (CBI) program could weaken growth, worsen the fiscal position, and threaten debt sustainability.

The tourism economy continued to recover from the pandemic amidst rising energy and food prices (International Monitoring Fund (IMF [2023). This was a pleasing economic growth, driven by a tourism rebound and government policy in response to from rising global food and fuel prices. Economic growth is expected to continue in 2023, although at a slower pace, led by activity in tourism-related sectors.

Governments worldwide were committed to respond swiftly both to pandemics and to higher energy and food prices. In different parts of the world, relief measures in 2020 - 2022 played pivotal roles in minimising the spread of Corona virus and protect the population from rising global food and fuel prices. However, more could have been done to target this support and preserve fiscal resources. As presented in the tables below, the 2022 real GDP growth projection was 3.5, and projected to expand by 3.0 percent in 2023 and in 2024.

The current global crises such as the rising of the interest rates, high prices on food and energy continue to put pressure on economic activity with Russia-Ukraine War contributing to the crises. The United Nations Conference on Trade and Development (UNCTAD) 2024-2025 Report cites the war in Ukraine as one global event that has forced a crisis in food and energy crisis, surging inflation and debt tightening among nations. There is no forecast of a global growth, but a moderate pick in 2024. However, the slight growth is dependent on the pace and sequence of further monetary tight budgeting, the cause, and developments in the war in Ukraine and the possibility of further disruptions within the supply-chain sectors. This slow global





economic recovery will not bode well to the anticipated achievement of the 17 SDGs. The recent reopening of China has concreted the way for a faster recovery. It is anticipated that the global inflation falls to 6.6 percent in 2023 and 4.3 percent in 2024. However, this is still above pre-pandemic levels.

Africa faced with another global food price crisis, which was the third in the last 15 years. The effects of the Russia-Ukraine conflict contributed to existing escalating food and fertilizer prices, causing staple food prices in Africa to increase by, on average, 24 percent between 2020 and 2022 (IMF, 2022). Over and above, estimates indicated that over 2022–2023, the 2022-2023 rising cost of food and fertilizer will add $9 billion to the import bill, which will affect about 24 African economies. This will worsen food insecurity. According to the Food and Agriculture Organisation of the United Nations (FAO [2022) one in five people in Africa are classified as hungry, and the prevalence of under-nourishment in Africa has risen by more than 4 percent since 2015.

SA encountered blackouts after years of mismanagement of Eskom. According to the Pricehouse Water Coopers (PwC [2023), Load-shedding on 208 days reduced real GDP growth by up to five percentage points in 2022. South African economy was 4.1 percent year-on-year bigger in 2022 Q3, but as with many of the recent quarters, quarter-on-quarter and year-on-year economic growth was below potential due to electricity loadshedding. Load-shedding was implemented on 208 days during 2022 (or four days every week), totaling 11,797 Gigawatt hours (GWh) of lost power last year.

According to the International Labour organization (ILO [2022) electricity and water shortages hamper small tourism and hospitality businesses as they lack the financial resources to fund costly technical solutions for water and solar energy solutions and are therefore overly reliant on public providers which are prone to disruptions and cuts.

PwC asserted that small businesses have a small impact on GDP, but have a large impact on employment, food security and community stability and they are experiencing production downtime, increased supply chain costs, reduced operating hours, and increased security risks due to the lights going out.

The adaptability of large companies and wealthy households reduced power cuts on GDP. The SA government approved a three-year debt relief arrangement to help Eskom establish its commercial viability and mitigate the energy crisis, while looking at clean energy growth. The relief debt measure includes improving the country's energy and logistical constraints, reducing barriers to private sector investment, addressing structural rigidities in the labour market, and tackling crime and corruption.

Government debts declined between 2020 and 2022 in nearly 65 percent of countries, including more than 70 percent of advanced economies. SA was the highest among emerging markets when it comes to public debts levels. This minimises the government's ability to respond to shocks and meet growing social and development needs. SA government wage bill was the current option for stabilizing the country's debt. This will create room in the budget for targeted social spending and public investment. High food and energy prices have pushed up inflation and raised inflation expectations in the country. According to the South African Reserve Bank (SARB), monetary policy normalization should continue to keep inflation expectations anchored and bring down headline inflation to the midpoint.

The World Bank Group (July 2022) latest report put the USA as having the highest level of disposable income from a total of 28 countries globally. The Disposable Income scenario is based on the overall combined means of income or gross income minus net income of a person or citizen in a particular country. In this category the amount is calculated in US Dollar (USD) currency global power. The US has $54,854 disposable, followed closely in second place by Luxembourg at $49,860.

Disposable income data uses categories to classifies countries ranging from high income; upper middle income; lower middle income and low income. These categories are reviewed yearly on July 1st, based on the Gross National Income (GNI) of a country. focusing on the overall amount that both people and business entities in a country make or earn combined annually.

In spite of economic and socio-economic challenges South Africa it is ranked 28th out of 28 countries with $9,338 disposable income. In the first quarter (Q1) of 2023 South Africa's disposable personal income went up to R4412509. This is an increase from the 2022 fourth quarter (Q4) as reported by the South African Reserve Bank (SARB; Q1 2023).

SA economy grew by 0.4 percent between January and March 2023 (IMF, 2023). Loadshedding, unstable commodity prices and a challenging external environment have contributed to the country's weak growth performance. As presented below, it is expected that GDP growth will fall sharply from 2022 and expected to pick in 2024. The current pace of economic growth is too weak and slow to stimulate job creation. Unemployment rate is currently at 32.9 percent.

ECONOMIC OUTLOOK FOR SOUTH AFRICA'S TOURISM SOURCE MARKETS

REAL GDP, ANNUAL PERCENT CHANGE	2022	2023	2024
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
Emerging Markets	4.0	4.0	4.1
SA's / Gauteng's Top Ten Source Markets			
USA	2.7	1.8	1.0
Germany	1.8	-0.3	1.3
UK	2.5	0.8	1.3
Zimbabwe	3.0	2.5	3.6
Mozambique	4.1	5.0	8.2
Botswana	6.4	3.7	4.3
Lesotho	2.1	2.2	2.3
Eswatini	0.5	2.8	2.5
Namibia	3.8	2.8	2.6
Malawi	0.8	2.4	3.2
Sub-Saharan Africa	3.9	3.2	3.0
South Africa	1.9	0.3	1.7
Nigeria	3.3	3.2	3.0

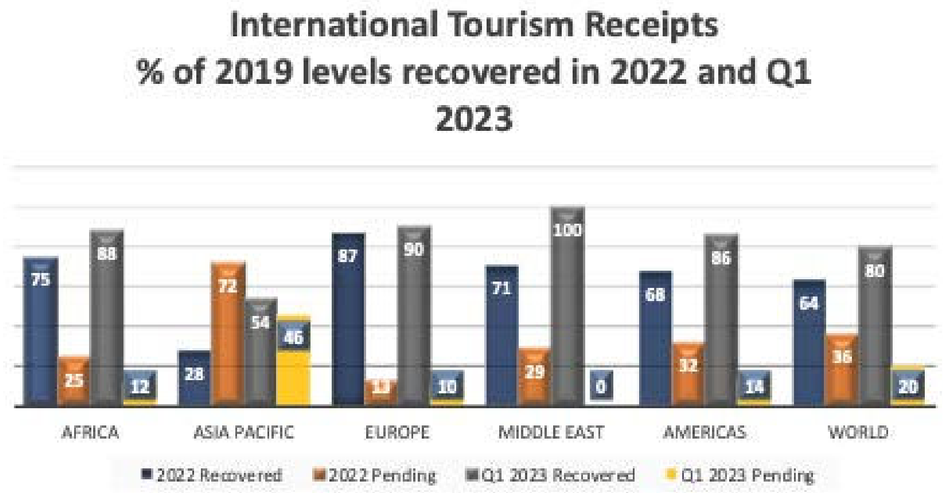
IMF, 2023

SA is facing an increasing economic and social challenges. Growth was toned-down from 4.9 percent in 2021 to 2.0 percent in 2022 as the country was affected by global monetary policy tightening, unprecedented energy crisis, Russia-Ukraine war, and severe floods. This resulted on weak consumer confidence and investor sentiment. As stated above, the country continued to experience high rate of unemployment at 32.9 percent, about 5 percent lower than in 2019. This lack of development is threatening social cohesion. In terms of the Human Development Index (HDI), SA is classified in the 'high human development' category since 2012, echoing progress made in improving the quality of living outcomes since the dawn of democracy. The country continues to experience inequality which the gap between the poor and rich continue to expand. Inflation has risen above 3–6 percent. This (3-6 percent) is the SARB's target range. Inflation expectations have slightly increased but remained within the set target.

The account balance was decreased to a -0.5 percent GDP deficit from a 3.7 percent GDP surplus in 2021. This was due to lower commodity prices and logistical bottlenecks. This together with global economic challenges have weakened the rand. However, PwC (2022) asserted that South Africa's rand was the tenth-most volatile and 18th-most traded currency during 2022. The rand was amongst the most traded currencies globally, being the18th-most traded currency in April 2022 out of 180 currencies globally. The fiscal deficit has continued to narrow to 2 percent of GDP in FY2022/23, from 4.8 percent in FY2021/22. Nonetheless, the government debt-to-GDP ratio is estimated to have increased to 70 percent.

WORLD TOURISM'S 2022 PERFORMANCE

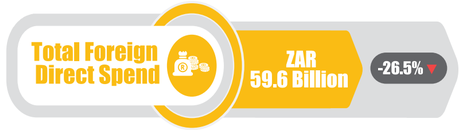
According to the UNWTO, international tourism was returning to pre-pandemic levels, with twice as many people travelling during the first quarter of 2023 than in the same period of 2022. Total international arrivals reached 80 percent of pre-pandemic levels in the first quarter of 2022. About 235 million tourists travelled internationally between January to March 2023, more than double the same period of 2022. The sector has continued to show its resilience. This means that two-thirds (66 percent) of pre-pandemic numbers were recovered.

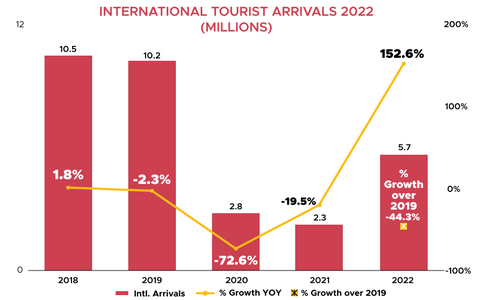


Source: UNWTO, * Percentage of 2019 receipts recovered in 2022, Q1 2023

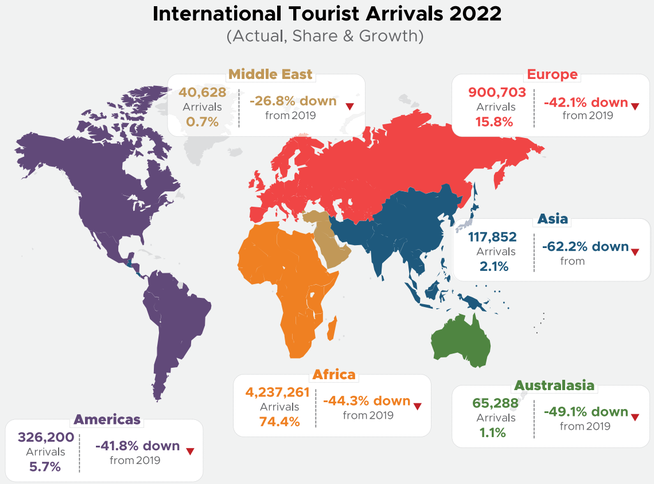
Africa reached 88 percent, Americas 85 of 2019 levels. Middle East was the only region that exceeded 2019 arrivals by 15 percent. Asia and the Pacific recovered 54 percent of pre-pandemic levels. Europe reached 90 percent of pre-pandemic levels, which was driven by strong intra-regional demand. Over 960 million tourists travelled internationally in 2022.

SA has demonstrated a promising recovery from COVID-19. International tourist arrivals to the country reached 5, 7 million in 2022, double arrivals in 2021, however a considerable downfall of 44.3 percent over 2019 arrivals.



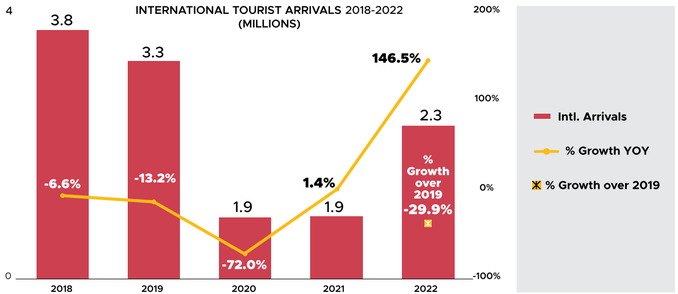


Regional distribution recovered as well. Europe's and Americas' share fully recovered with Europe recording higher precents in 2022 compared to 2021 performance and Americas recording higher performance than 2019 figures. Australasia visitors have almost reached their 2019 share. The middle east surpassed their previous share.



SAT, 2023

Gauteng recorded a 146 percent growth from 2021 performance, but -29 percent against 2019 performance.



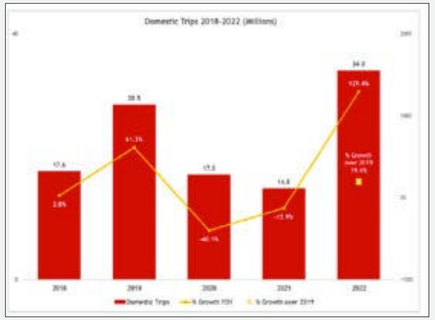
SAT, 2023

The province's top ten source markets remained Zimbabwe, Lesotho, Mozambique, US, eSwatini, UK, Malawi, Zambia and Germany. Gauteng share for 2022 arrivals from these top ten source markets is presented in the table blow.

Gauteng Top 10 Source Markets 2022					
	Zimbabwe	Lesotho	Mozambique	Botswana	USA
Arrivals	780,651	203,670	182,860	130,014	122,480
% Share 2022	33.9%	8.8%	7.9%	5.6%	5.3%
% Growth 2019-2022	104.9%	-53.5%	-70.0%	-53.8%	-17.6%
	eSwatini	UK	Malawi	Zambia	Germany
Arrivals	121,061	104,191	99,624	70,509	55,060
% Share 2022	5.3%	4.5%	4.3%	3.1%	2.4%
% Growth 2019-2022	-39.5%	-18.1%	-35.3%	-44.9%	-34.8%

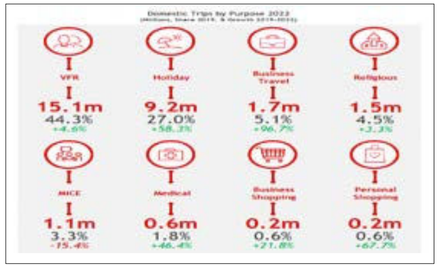
SAT, 2023

SA's domestic tourism generated 34.0 million overnight domestic trips, a 19.6 percent more than in 2019 and 129.4 percent over 2021. The high performance is attributed summer season being the first one without any Covid 19 restrictions. This was a 32.0 million increase - 136.6 percent against 2019 and 123.4 percent over 2021 performance.



SAT, 2023

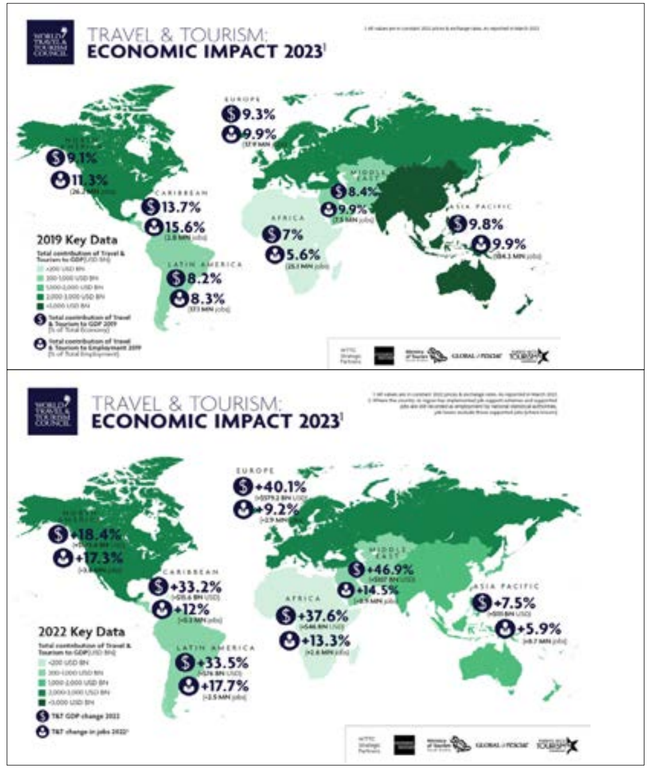
The SA's 2022 purposes of the domestic trips were as follows:



VFR led by 15.m trip, generating ZAR 30.4 billion – increase by 4.6 percent, followed by holiday at 9.2 million, generating ZAR 46,3 billion – increase by 58.3 percent.

CONTRIBUTION TO THE GDP

According to the World Travel and Tourism Council [WTTC] (2019), the direct, indirect, and induced impact of travel and tourism in 2019 accounted for USD 8.9 trillion contributions to global Gross Domestic Product (GDP) i.e., 10.3 percent of global GDP around the world.



WTTC (2023) asserted that despite the economic and geopolitical difficulties, the sector's recovery continued at pace, growing 22 percent year-on-year to reach $7.7 trillion, representing 7.6 percent of the global economy in 2022, which is the highest sector contribution since 2019. However, the global GDP is still 22.9 percent behind its 2019 peak. In 2021 the sector grew 24.7 percent year-on-year, and further by 22 percent in 2022 to reach a GDP contribution of $7.7 trillion. The current world crisis affected progress on the global recovery. However, the tourism sector was closing in on its 2019 peak, recovering by more than 95 percent, forecasted to $9.5 trillion by 2023, just 5 percent below 2019 pre-pandemic levels. Thirty-four countries have already exceeded 2019 levels as in 2022. The sector will recover to 95 percent of the 2019 job level by 2023.

African tourism economy is set to outpace the overall economy for the next 10 years in terms of growth. GDP is forecasted to grow at an average rate of 6.8 percent annually in the next 7 years (2022-2032), which is more than twice the 3.3 percent growth rate of region's overall economy, to reach nearly US$ 279 billion (7.2 percent of the total economy). The sector's contribution to GDP was expected to grow 20.5 percent to US$ 144 billion by the end of 2022, amounting to 5.1 percent of the total economic GDP.

SA's tourism sector's contribution to GDP as a share of total economy was 6.4 percent (R405.2 billion), in 2019. This was a fall to just 3.1 percent (R 180 billion) in 2020, represented a staggering 55.6 percent loss. The sector also supported more than 1.5 million jobs across the country, before suffering a 29.9 percent drop. WTTC (2023) asserted that South Africa recorded tourism recovery at the beginning 2021. Its 2022 contribution to GDP increased by 8.4 percent year on year, to reach over R195 billion. The sector is expected to grow 37.2 percent year on year, to nearly R268 billion (4.3 percent of total economy).

The sector is further forecasted to grow at an average rate of 7.6 percent annually over the next decade, outperforming the 1.8 percent growth rate of the country's overall economy. It is anticipated that the SA's tourism sector will continue to contribution to GDP by more than R554.6 billion (7.4 percent of the total economy), bringing nearly ZAR 287 billion into the national economy.

TOURISM SPENDS

Spending from overseas visitors grew by a record 82 percent to reach $1.1 trillion in 2022. This demonstrated sector recovery from the impact of COVID-19. The sector demonstrated its resilience. The is expected that the sector exceed 2019 performance by the end of 2024. This will be possible as Chinese travellers re-enter the market. It is thus, projected that the sector will grow its GDP contribution to $15.5 trillion by 2033 representing 12 percent of the global economy and employ 430 million people around the world, with almost 12 percent of the working population employed in the sector. The EIR (2023) reveals that 34 of the 185 countries have now recovered to pre-pandemic levels in terms of GDP contribution. WTTC (2023) predicted that by the end of 2023, nearly half of the 185 countries will have either fully recovered to pre-pandemic levels or be within 95 percent of full recovery.

In 2022 SA's total foreign direct spend reached ZAR 59.6 billion, showing great growth by 186.6 percent against 2021 and a 26.5 percent reduction against 2019 (SAT, 2023). Personal shopping expenditure demonstrated average recovery of 26.3 percent while food, leisure, transport, accommodation, and business shopping spend, were much slower to recover. However, medical expenditure demonstrated a remarkable growth at 83.1 percent increase.

Business travel was reduced signifying the recovery of visiting friends and relatives indicator (VFR). VFR fully recovered, but holiday visit has not. Shares for business shopping and business travel' were stronger in 2019, but weaker in 2021 and as in 2022, they have not returned to their 2019 records. VFR scored 43.0 percent, holiday scored 16.6 percent followed by Business Shopping at 12.3 percent and Business traveller at 8.8 percent. MICE scored 3.9 percent, following medical at 4.7 percent. The total foreign direct spend per region as presented in the map on your right.:

SA's 2022 overnight domestic tourism generated ZAR 99.2 billion. This was an increase of 126 percent against 2019 and 118 percent increase against 2021 spent.

Tourism employment

The world tourism sector saw a loss of more than 70 million jobs due to COVID 19 to bring the total number employed in 2020 to just 264 million from more than 334 million before 2019. According to the WTTC (2019), the sector contributions to employment was 330 million jobs - 1 in 10 jobs was counted from the tourism sector. Eleven million jobs were recovered during 2022, and 21.6 million were created in 2022 to reach more than 295 million globally – one in 11 jobs worldwide.

The EIR (2023) reveals that the African tourism sector is expected to create almost 14 million new jobs over the next decade – about 1.4 million new jobs every year, leading to the economic recovery in the region. The sector is set to grow by 3.1 percent 2023 to reach nearly 22 million jobs, approaching pre-pandemic levels just 9 percent.

The SA's employment rate stood at 32.6 percent in the Second Quarter (Q2) of 2023, which is a 32.9 percent decrease from the 2022 Q2. The number of jobless people decreased by 11 thousand to 7 921 million. Employment increased by 154 000 jobs to 16.346 million. Unemployment rate among the youth between 15-24 years of age dropped by 60.7 percent, a 1.4 percent decrease lower to the Q1 Stats SA, 2023.

The number of jobs lost in the tourism sector totaled over 320 000 in 2020. The food and beverage industries were among the sectors affected. WTTC (2023) has forecasted SA's Travel and Tourism's jobs to be more than 800,000 jobs in the next ten years (EIR, 2023), to reach more than 1.9 million by 2032. Employment in the sector is set to grow by 3.8 percent to reach more than 1.1 million jobs year on year.

COMPETITIVENESS

As in 2021, SA was referred as the upper middle-income country (between $4, 096 – S12,695). The country ranked 68 in terms of factors and policies that enable the sustainable and resilient development of the tourism sector (World economic Forum, 2022). In the Sub-Saharan region, Mauritius led by 62nd rank. Nonetheless, South Africa (68th) was the largest tourism economy in Africa.

In 2022, Gauteng was leading on tourism arrivals and bed nights, while recording position 3 on length of stays. Among the SA's cities, Johannesburg led as top 15 cities on share of 2022 international visitors, with Pretoria taking the fourth position and Sandton eighth.

Tourist Arrivals, Spend, Bed Nights & Length of Stay 2022

Province	International Arrivals	Spend (ZAR Billion)	Bed Nights (Million)	Length of Stay (Nights)
Gauteng	2.3	22.4	25.9	11.6
Mpumalanga	1.2	9.2	9.0	7.8
Western Cape	0.9	17.0	13.7	15.5
Free State	0.6	1.6	7.0	11.8
KwaZulu-Natal	0.6	4.2	5.7	10.6
Limpopo	0.4	4.0	2.4	5.7
North West	0.3	1.4	2.2	8.9
Eastern Cape	0.2	3.1	3.0	14.2
Northern Cape	0.1	0.7	0.5	5.9

The province regained its leading role on domestic trips after Eastern cape was leading followed by Kwa-Zulu Natal in 2021.

Top 15 Cities 2019-2022

Top 15 Cities & Share of International Visitors

	2019	2022		2019	2022
Johannesburg	22.2%	26.7%	Komatiepoort	1.2%	4.0%
Cape Town	19.0%	15.0%	Mesina	16.7%	3.6%
Durban	5.8%	7.2%	Kruger	4.0%	3.3%
Pretoria	5.9%	6.2%	Bloemfontein	3.3%	3.1%
Stellenbosch	8.3%	6.1%	Hermanus	4.0%	2.8%
Nelspruit	5.0%	5.8%	Knysna	4.0%	2.7%
Malalane	2.7%	4.6%	Port Elizabeth	3.1%	2.6%
Sandton	4.1%	4.3%			

N=3 Daily Southern & East african Tourism Update, 18th, 20th and 23rd January 2023.
*Change in basis points vs. 2021.

No. Domestic Trips by Destination Province 2019-2022

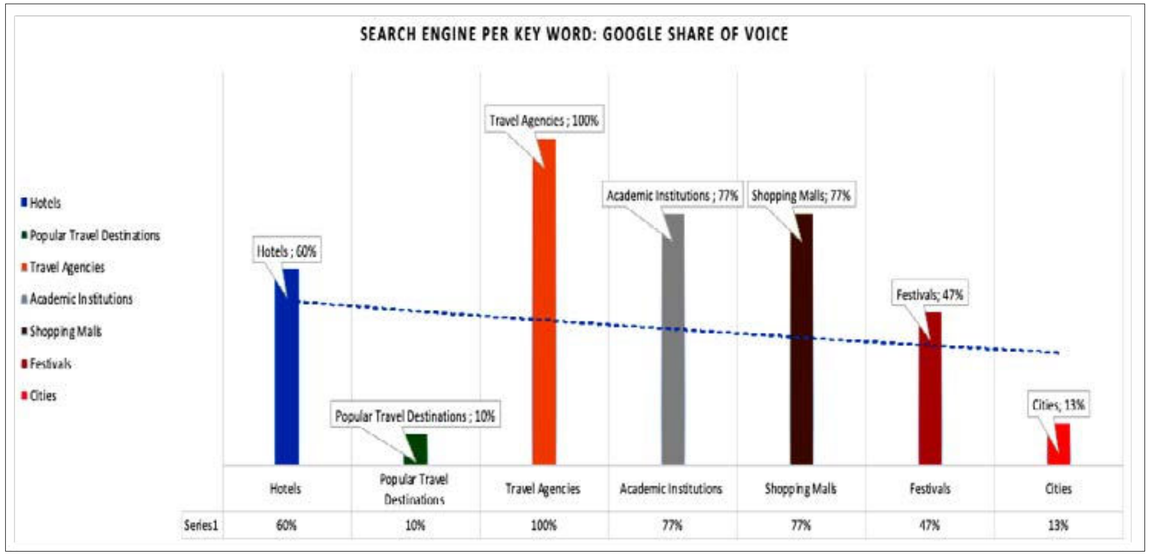
Trip Destination	2019	2021	2022	% Growth 2019-2022
KwaZulu-Natal	6,198,264	2,602,508	7,504,060	21.1%
Gauteng	6,674,593	2,480,537	6,458,730	-3.2%
Limpopo	4,170,850	559,461	6,310,853	51.3%
Eastern Cape	2,096,776	5,051,815	5,769,923	175.2%
Western Cape	4,431,140	885,583	3,379,716	-23.7%
Free State	3,637,326	689,084	3,368,909	-4.8%
Mpumalanga	2,546,151	1,858,951	2,869,795	12.7%
North West	2,395,704	1,458,469	2,106,305	-12.1%
Northern Cape	868,736	487,757	785,512	-9.6%

*Change in basis points vs. 2021.

During the year under review, GTA conducted an impact evaluation study on events that the Authority supported during 2022/23 FY. The sample of the study included Golden West Festival, World Constitutional Law, Rage Expo, Makhelwane Festival, Joy of Jazz, Delicious Festival, Rand show, National Tourism Career Expo, Enter23 Congress, and Decorex Africa. Data was collected from events and analysed to determine the impact in different social settings. Which included economic and social impacts The study confirmed jobs reported by the events' organisers while determining the percentage of jobs created through their partnership with GTA. Eight thousand five hundred and eighty-eight (8588) jobs were created. Of these jobs, 45.95 percent (3946) were created through partnerships with GTA.

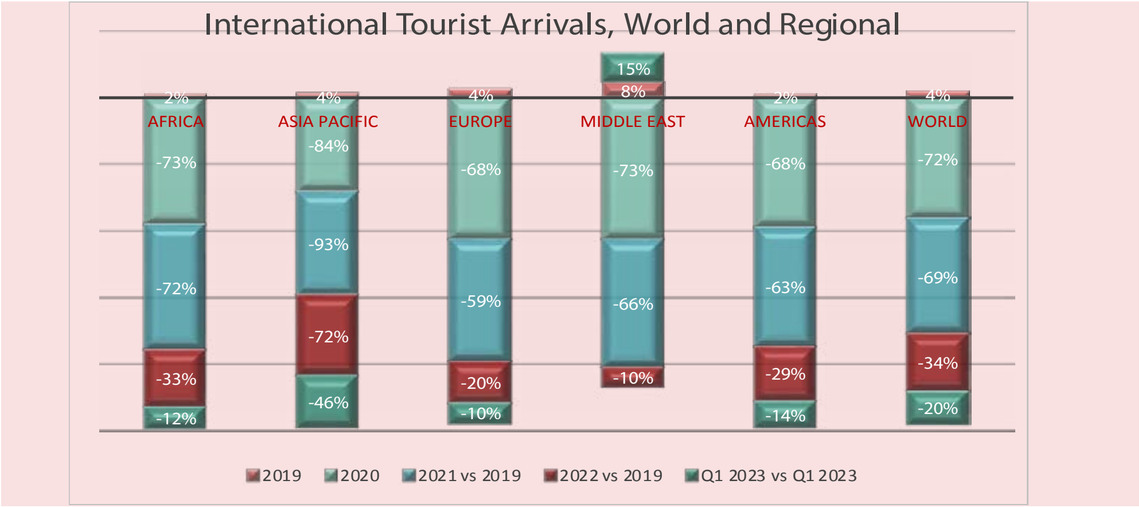
On rand value, the impact evaluation study focused on both direct and in direct impact which included the impact per visitor non-ticket spending day, non-local producers' and event supporters' spending, and non-local media visitor spending. According to the study, the total captured spending in impact area (direct impact) was R4 277 868 711 (four billion, two hundred and seventy-seven million, eight hundred and sixty-eight and seven hundred and eleven rand) and the total indirect multiplier effect is R7 228 538 505 (seven billion, two hundred and twenty-eight million, five hundred and thirty-eight thousand and five hundred and five rand).

Over and above, GTA conducted a brand survey. In overall, Net Promoter Score indicated that visitors are happy with Gauteng as a destination. Ninety-eight percent would likely to recommend the tourism destination to their families and friends. Over and above, data for analysing Share of Voice (SoV)was collected through Google search engine. This deliberated on hotels, popular travel destination, travel agencies, academic institutions, shopping malls, festivals and cities. Gauteng scored 55 percent on SoV. The province Gauteng dominated on share of voice through hotels at 60 percent, Travel Agencies at 100 percent, Academic Institutions at 77 percent, and shopping malls at 77 percent. Fair performance was witnessed through the province's performance at Festivals and poor performance at Travel Destinations and Cities. This SoV is summarised below in the table graph below.



Tourism Outlook

The Q1 2023 UNWTO's forward-looking scenarios for the year project international arrivals to recover 80 percent to 95 percent of pre-pandemic levels. Strong peak expected to be in between May-August in the Northern Hemisphere. Nonetheless, tourism continues to face some challenges.



According to the UNWTO (2023), the economic situation remained the main factor affecting on the effective recovery of international tourism in 2023, accompanied by inflation and rising oil prices translating into higher transport and accommodations costs and uncertainty derived from the Russian aggression against Ukraine and other mounting geopolitical tensions.

UNWTO has predicted that global tourism will recover to pre-pandemic levels by 2023. While the sector has experienced a significant downturn in recent times, UNWTO expects the tourism industry to mount a recovery as restrictions ease. Governments and policymakers are taking steps to promote sustainable tourism, and the industry has become more resilient in the face of unpredictable circumstances. The recovery of global tourism in 2023 will not only be good news for travellers, but it will also have positive impacts on local economies and communities that rely on tourism. Overall, UNWTO predicts a hopeful outlook for the future of global tourism.

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SA's tourism sector has demonstrated remarkable resilience and growth, outshining other popular destinations like China, France, Italy, and Brazil. However, its economies declined in Q4:2022 weighed down by loadshedding and weak global economic environment. During the year 2022, SA experienced an estimated 3212 hours of loadshedding, which is equivalent to approximately 134 days. It is estimated that Gauteng economy lost approximately R103 billions of GDP in 2022 due to loadshedding, which is equivalent to 6.3 percent of the Gauteng economy and approximately 67 percent of Gauteng's 2022/23 budget expenditure. Gauteng economy is estimated to have grown by 2.5 percent in 2022. However, if there was no loadshedding, the estimate would have been 6.5 percent.

Gauteng reported net jobs losses of 18 thousand between Q3: 2022 and Q4: 2022. Meanwhile, youth employment increased by 20 thousand between Q3: 2022 and Q4: 2022. Gauteng's Official Unemployment rate stands at 34.0 percent which increased by 0.3 of a percent point between Q3:2022 and Q4:2022.

The weak outlook for job growth in 2023-2024 has dampened the confidence of job seekers. Statistics South Africa (Stats SA 2023), in its June report said SA's economy expanded by 0.4 percent in the first quarter of 2023. This growth has been largely boosted by the sterling performance of the manufacturing and financial sectors. This positive revitalisation came after the economy contracted by a revised 1.1 percent in the 2022 Q4.

The UNWTO does not expect the global tourism industry to return to 2019 pre-Covid 19 levels until 2024 and beyond. The return and subsequent recovery of global tourism is expected to only consolidate in 2023, mainly backed up by the demand of travellers from the Asian (China) and Pacific destinations as markets continue to open up post Covid-19 period. Scenarios informed by the UNWTO's estimation for 2023 predicts that international tourist arrivals would reach 80 percent to 95 percent - citing Europe and the Middle East to reach these levels. But the Russian invasion of neighbouring Ukraine has been singled out as a possible dent normalization of travel in East Europe.

SA recorded 2.1 million international arrivals between January to March 2023, a 102.5 percent increase compared to the same period in 2022. While still 21.5 percent lower than 2019 levels, the sector is gaining ground rapidly. The African continent led the way again with 1.6 million arrivals, followed by Europe's 387 000 and the Americas' 104 000 visitors.

Foreign direct spend reached R25.3 billion, which is 143.9 percent increase compared to Q1 of 2022. Tourists from Europe contributed the most spend of R10,8 billion, followed by Africa with a collective spend of R9,3 billion. The overall foreign spend figure for this year is close to the R25.6 billion spent between January and March 2019. Remarkable growth in spending from our Zimbabwean and Mozambican visitors, with Q1 2023 figures reaching R4.4 billion (50 percent above 2019 performance) and R1.1 billion (12 percent above 2019 performance) respectively.

Africa Land Market continue to hold a significant market share with Zimbabwe on the lead with 500,000 travellers travelled to SA between January and March 2023, compared to 643 000 in the same period in 2019 and 173 000 in 2022. Mozambique was the second-largest source market. The country recorded over 354 000 arrivals between January and March 2023. Next in line were Lesotho and Eswatini, taking the third and fourth spots, respectively. The United Kingdom was the fifth, with more than 118 000 arrivals in SA between January and March 2023, a decrease from 135 000 in 2019. Germany, USA, Botswana, Namibia, and the Netherlands round out the top 10 source markets for travellers to our country.

The number of bed nights has also recovered in Q1 2023 but not to the Q1 2019 levels. Total bed nights amounted to 28.4 million in Q1 of 2023, this being a 3 percent decline over Q1 2019 but a remarkable 124 percent increase over Q1 2022. SA has seen 11 percent increase in the average length of stay in Q1 2023 compared to 2022, with the average stay reaching 13 days in Q1 2023, surpassing the 11-day average in 2019.

Overseas visitors spent most of their nights in the Western Cape, followed by Gauteng. SA's landscape promises a treasure trove of unforgettable experiences for travellers seeking adventure and discovery across our magnificent country.

Domestic overnight trips exceeded pre-pandemic levels as well as 2022 levels by 41,0 percent only. Overnight domestics spend was also up 24,4 percent compared to Q1 2022. Average overnight spend was down 11,7 percent signifying that South Africans took more frequent trips and spent less.

The total number of nights spent away from home reached 27,9 million and this was a 32,9 percent increase over the same period in 2022. The average length of stay per trip fell by 5,7 percent highlighting the global trend that travellers now opt to take shorter and more frequent trips than before, and the top three provinces visited were Gauteng, Limpopo, and Eastern Cape.

The Meetings Industry was slowly recovering with sectors specialists wanting more and more face-to-face interaction. There was a 12,3 percent increase in MICE trips taken during January and March 2023. For the 2022/23 Financial Year, the South African National Conventions Bureau's Sales team has won 40 of the bids submitted for the 2022/23 financial year. Several MICE events will be hosted mostly in Johannesburg, Tshwane, Hammanskraal, Cape Town, Bloemfontein, Durban, Mokgopong, Muldersdrift and Pietermaritzburg.

Air capacity has risen since last year, with a 56 percent increase in Q1 2023 compared to the same quarter in 2022. In 2023, we reached 1.8 million seats, and SA welcomed around 23 new routes. New direct flights, such as Brussels to Johannesburg, Shanghai to Johannesburg, Cape Town and Washington by United Airlines, Air China's resumed direct flight to SA.

The routes pipeline was also looking positive with the upcoming LATAM flight from Brazil to OR Tambo International Airport to contribute to our nation's appeal. South African Airways' (SAA) has since gone into liquidation) expansion into various African markets further boosts the country's attractiveness. Domestic Connectivity remains a challenge. The cost for domestic airfare is not favourable to the consumer. There is a need to recruit more and more low-cost carriers to enhance connectivity.

Sector Skills remain a challenge which negatively impact on the visitors' experience. The sector lost a lot of tourism and hospitality specialised skills to other industries and overseas markets. The state of tourism assets and other supporting infrastructure remains a challenge. There have not been any major investments in the tourism industry for a while. Only a limited number of budgets have been allocated to a few the route destinations that bring much needed revenue.

Process for foreign operating licenses for international airlines are still too long and involve cumbersome procedure. Issues of safety and security remained a challenge. Visa Regime remained a legacy challenge in the industry. Cleanliness of the major cities and attractions also remained a challenge.

OTHER FUTURE STRATEGIC FOCUS

The COVID-19 crisis has hit the tourism economy unfairly. The impact cascaded beyond the tourism economy, with the many other sectors that support, and are supported by, tourism also significantly impacted.

Domestic tourism in South Africa is boosted by the large size of the socio-economic middle class that is keen to travel. After experiencing a drop in domestic tourists and visitors between 2016 and 2018, figures increased significantly in 2019 before dropping again due to the pandemic (UNTWO 2022).

SA is rich in cultural tourism and there is sufficient evidence to support the argument that recognizes cultural tourism as being the most widespread type of tourism across the globe (Ivanovica and Saayman, 2015), demonstrating that cultural tourism is the most prevalent type of tourism in the world, however it remains unnoticeable in SA's tourism setting. Excluding the country's exceptional cultural heritage resource base and cultural diversity features of SA's marketing strategy, complete exploitation of its potential remains limited. Both the National Culture and Heritage Tourism Strategy (NCHTS) and the NTSS failed to articulate the development of cultural tourism.

For competitive advantage in the tourism sector, the SA's resources require more efficient and effective management to complement human skills and innovations (Chivandi et al, 2020). SA remains a culturally rich nation, nonetheless, authentic African experiences remain undervalued and underutilized.

There is an urgent need for guidance to produce more credible and comparable data on the role of tourism for people. This will empower the sector in shaping policies and transform business models. Reliable metrics must be adopted in order to benchmark Gauteng with other provinces, contextualizing its performance to the continent and the world.

UNWTO asserted that there is a need for Statistical Framework for Measuring the Sustainability of Tourism, and its endorsement as the new measurement standard for the sector.

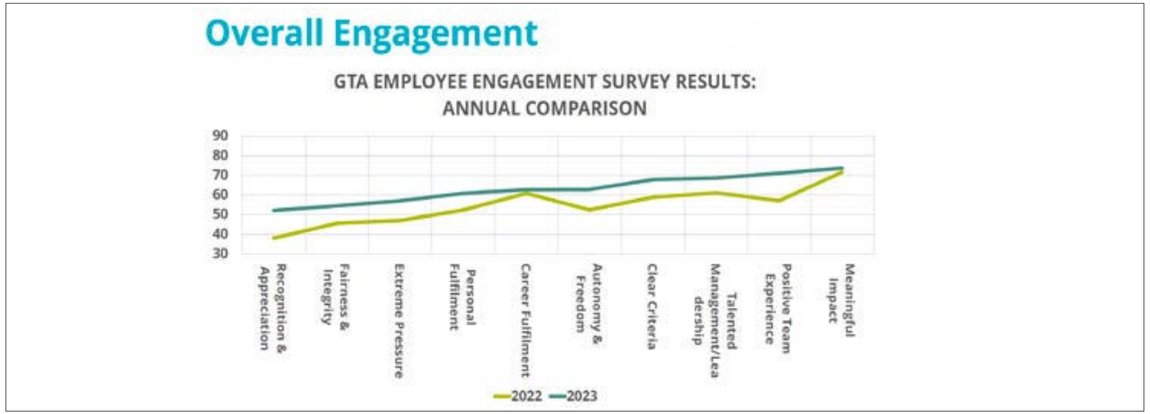
Organisational Delivery Environment

During the year under review, GTA reduced the number of challenges that it faced during 2021/22 financial year. Challenges faced during 2021/22 included issues that led to low staff morale, triggered by the prolonged resolution of employee grievances, unfair discrimination and inconsistencies in policy implementations.

More than 10 organisational policies were reviewed. The review process was initiated through the development of policy review committee. The purpose of the committee was to facilitate procedures for developing new and reviewing policies that were due for review. The committee provided leadership for policy development programme, facilitated communication for policy development, benchmarked policies with strategic partners and sister GDED agencies, suggested new policy development, and changes on existing policies and facilitated their approvals.

Over and above, and with respect to policy development staff members' committee was established to represent the interests of the staff vis-à-vis the Authority's and maintain continuous contact between GTA and its staff members. The goal is to enable smooth running of the organisation thereby creating a conducive working environment.

The Authority continued with staff engagements for the entire organisation to resolve issues that affect GTA as an employer and individual employees and thus improved form the 2021/22 staff engagement score. The Authority recorded 63 percent on staff engagement index. An Engagement Index of 63 percent suggests that whilst there are components of engagement that are functioning well, there is still room for improvement. As presented in the graph below, there was an 8 percent increase from 2021/22's engagement index.



Omnicor, 2023

The Authority managed to improve its risk maturity programme thereby moving from baseline level to evolving level, summary of the milestones for movement from baseline to evolving are presented below.

ERM COMPONENTS	BASELINE (40 PERCENT)	EVOLVING (60PERCENT)
Strategy and Appetite	Board discussions on risk environment and recognition of inherent risk appetite	Strategic risks have been captured and initial discussions on risk appetite
Governance and Accountability	Risk discussed ad-hoc through existing oversight structure at Board /Audit and Risk Committee	Basic oversight structure in place with Board/Audit and Risk Committee review of risk on a regular basis.
Risk Culture and Communication	Board and Executive awareness of risk	'Tone from the Top' messaging on risk with ad-hoc training and communication
Risk Cycle: Identification and Assessment	Ad-hoc risk information exists throughout the business	Siloed approach to risk identification and assessment. Risk coverage low and key process assessments incomplete
Controls and Resilience	Limited business understanding of control and resilience	Controls and effectiveness documented. Mitigation where appropriate. Basic control information and understanding of Business Continuity Management/ Disaster Recovery

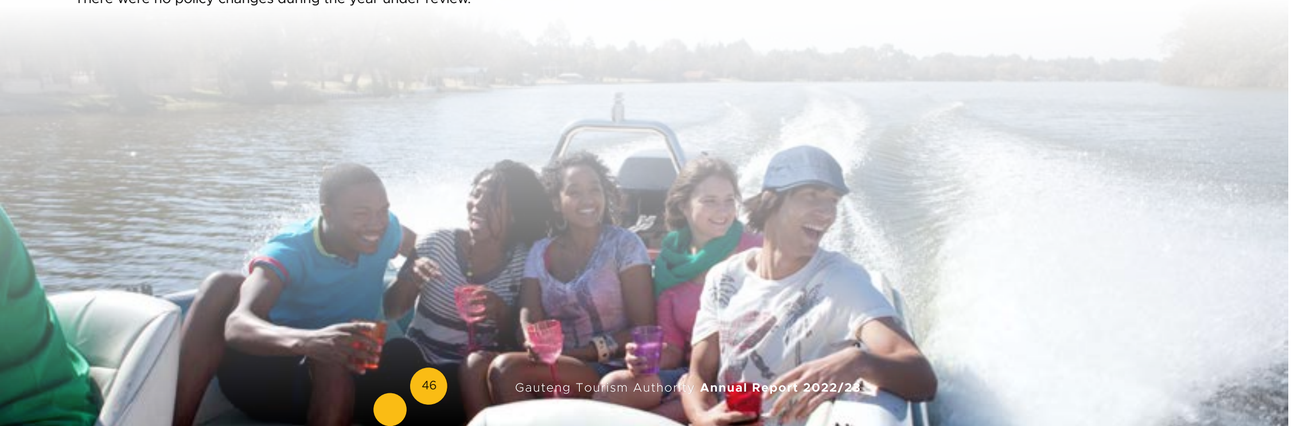
ERM COMPONENTS	BASELINE (40 PERCENT)	EVOLVING (60PERCENT)
Analysis and Monitoring	Awareness of the need for analysis and monitoring	Limited analysis of risk information and monitoring in place
Reporting and Disclosure	Informal and periodic discussions on risk limited to meeting disclosure requirements	Basic risk reporting to management, the Board and its Committee's to inform disclosure requirements
Assurance and Effectiveness	Basic assurance in place e.g., External Audit only	Siloed approach to risk management wider assurance activities

The Authority planned to move from evolving to mature in 2023/24 and these include the following components:

- Authority wide understanding of risk and risk appetite; Key risks linked to business strategy Board approved appetite.
- Risk governance & oversight structures provide sign-off of risks under its jurisdiction.
- Understanding of risk ownership, at all levels.
- Authority wide understanding of the risk culture with risk-based performance metrics.
- Clearly presented risk information including categorisation provided by the business.
- Effective controls and mitigations for all risks with clear links to resilience planning.
- Ongoing analysis of risk including aggregation, additional quantification and clear monitoring structures.
- Formal risk reporting supported by escalation as required by consolidated 'risk function' and disclosure informed by existing processes.
- Clearly defined assurance structures with ownership throughout the business.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no policy changes during the year under review.



ACHIEVEMENT OF INSTITUTIONAL IMPACT, OUTCOMES AND OUTPUTS

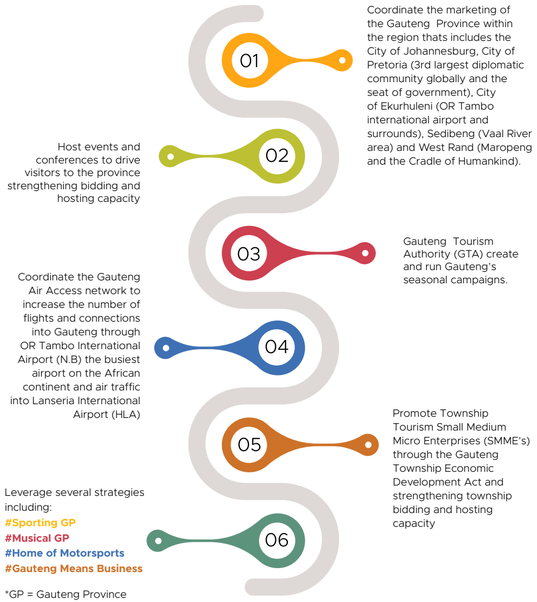
GTA's strategic programmes were geared towards realising "Inclusive and Sustainable tourism growth" as a strategic outcome. In order to realise this outcome, projects were achieved in line with the following strategic objectives: Increased public value and trust through improved governance and accountability; Inclusive growth and developmental partnerships with the private sector to develop new tourism products and 4IR driven joint marketing initiatives; and Greater uptake of destination Gauteng offerings and increased brand awareness to stimulate visitation into Gauteng city region.

The Authority's projects were thus planned and implemented with the Authority's mandate in mind, which are to develop and promote, co-ordinate and facilitate responsible and sustainable tourism in Gauteng and other related functions. GTA implemented its projects using two core Programmes: namely Destination Marketing and Destination Management and Development. Projects planned with reference to the government-wide recognized and relevant Acts, strategies and policies and the primary strategy - the National Development Plan (NDP). Plans deliberated on the following priorities: reduction of unemployment, inclusive growth, establishment of effective partnerships across society, shaping of South Africa's foreign policies through diplomatic and economic implementation of effective tourism programmes at national, regional and continental platforms, as well as becoming central to global economic competition for tourism market share.

Gauteng thus contributed to these policies and strategies through its efforts in implementing the Gauteng Tourism Sector Strategy (GTSS), Gauteng Bidding and Hosting Strategy (GBHS), Gauteng Visitor Information Services Strategy (GVIS), and other related strategies with special deliberation on destination coordination, effective destination marketing and market competitiveness and diversification.

"2022/2023 Performance **88%**"

Gauteng Tourism Authority
Key motivators to drive tourism



GTA deliberated on stimulating tourism demands in order to increase foreign direct spend and domestic direct spend there by implementing destination marketing projects. These included supporting strategic tourism events, implementation of destination promotion activities, tourism trade projects and participation in the opening of new air routes.

Alignment to Provincial Strategies

The Gauteng Destination Brand Communications and Marketing Framework was complimented by the Gauteng Events Strategy / Bidding and Hosting Strategy and Gauteng Tourism Sector Support Strategy. All these strategies were implemented on the platform created and backed up by the Gauteng Tourism Institutional Framework.

The implementation of the brand strategies focused on realising the greater awareness of the Gauteng offering and branding to enable increase in tourism arrivals and domestic trips in Gauteng, thereby positioning brand Gauteng through the custodianship of the tourism sector. This also include among others, undertaking a market positioning exercise in domestic and international markets and improving packaging to promote unique products that Gauteng has to offer. Business trade activities were also implemented to develop joint marketing agreements which included the role of the sector, especially through key influencers which contributed in stimulating product update with trade.

The Biding and hosting strategy was placed at the centre of demonstrating the increased positive impact on tourism value chain and the benefit to local communities where emerging participants were introduced into the value chain. GTA leverages on events for coverage in trade while the focus on transformation was of utmost importance. Major regional and township events were therefore supported in terms of hosting while leveraging on the same to ensure that rand value is generated. Additionally, SMMEs are given access to markets, jobs are created while other benefits relating to social cohesion are realised.

The Authority realised these outcomes by proactively identifying, attracting and providing support in hosting a diverse range of world-class events in Gauteng, which in turn gave international, regional, local, community and township people opportunities to participate in the event industry as customers and as businesses.

Furthermore, these platforms were leveraged for marketing Gauteng as a brand, show-casing the diverse cultural offering of Gauteng for onward growth and greater community cohesion, while embracing the value of diversity. Through the Tourism Sector Support strategy, Gauteng was able to provide quality tourism information about Gauteng and create an enabling environment for the visitors. This was implemented by undertaking initiatives for the following reasons:

- improving visitor services and experiences;
- managing the Visitor Information Centres (VICs); and
- partners and hosting tourism information awareness about Gauteng destinations products, opportunities and experiences.
- Transformation was also realised through the implementation of the following tourism support projects:
  - market access;
  - workforce development,
  - mentorship,
  - business support,
  - registration of tourism amenities,
  - quality assurance, and
  - service excellence programmes.

The main and fundamental objective of these projects was to empower the marginalised enterprises and individuals in order to promote inclusive growth of the sector, especially in townships. This, therefore, goes a long way into introducing a tourism product development support programme aimed at assisting entrepreneurs; providing mentorship initiatives between established big product providers and emerging businesses; and taking provision of business management programmes unique to industry requirements.

Over and above, the Authority fostered a greater understanding of the role and value of tourism as a sector and one seen as the creator of sustainable jobs in Gauteng among community-based tourism enterprises and entrepreneurs. In collaboration with strategic partners, the Authority mentored community-based tourism enterprises and entrepreneurs to enter the tourism value chain through quality assurance programme, made possible by facilitating accreditation processes to ensure business sustainable.

The objective was to support community incubation products to achieve maturity phase. Through this business support programme, the Authority showcased the value of township tourism for the following reasons:

- investment,
- skills development,
- social development, and
- job creation.

Through skills development, the GTA has been able to influence the employment and subsequent job opportunities for Gauteng youth and, in so doing, able to thereby identify possible areas of participating that are attractive to them to offer them in-service job training experience.

GTA promoted the value of tourism for investment, social development and job creation. It also acted as a conduit in promoting Gauteng province to attract more funding and investment from both the public and private sector role players. This is linked to the outcome of destination promotion, which included the support of the development of tourism community businesses initiatives that further include youth directed upskilling and employment opportunities.

The Authority played a crucial role in the implementation of the Gauteng Air Access strategy. This was made possible through partnerships which included the Lanseria International Airport. In FY2019/20220 Lanseria had a number of airlines investigating and exploring potential new regional routes. GTA worked closely with South African Airlines to return to the skies by promoting the re-instated Lagos, Accra, Kinshasa and Harare flights. This was a great win for the Gauteng visitor market. Local carrier Airlink continued their expansion plans into the region and re-instated flights to popular routes such as Gaborone, which was also positive news for Gauteng.

The Gauteng Air Access network of partners continued to monitor the FY2021-2022 pipeline and remained in contact with the perspective airlines and new routes planned. The big win for the Gauteng Air Access (GAA) was the return of SAA and the continued expansion of Airlink. In June 2022, the announcement of the liquidation of the BA Comair franchise was a huge blow for the airline, airport, and tourism.

GAA pipeline has seen the realization through the launch of three new routes into Gauteng by Air Côte d'Ivoire launching the Abidjan to Johannesburg route in June 2022, Air Belgium launching Brussels to Johannesburg in September 2022, and Condor launching Frankfurt to Johannesburg in November 2022. The induction of the Gauteng Air Access partnership into the Gauteng War Room, set up to unblock any investment challenges, has had a considerable impact on the GAA partnership by the appointment of an industry sector specialist through the appointment of a Technical Advisor Panel (TAP) member.

Similarly, the reporting and mentioning on the progress of the Gauteng Air Access programme in the State of the Province Address in February 2021 and February 2022 has raised the profile of the work the partnership is doing at a public and private sector level. This has allowed the partnership to seek additional funding which will assist the work among the partners to increase airlift into the province.

The implementation of the GTA's Sector Strategies was realised through the Institutional framework which

provided a platform for success for both the public and the private sectors role players where individuals, businesses and communities in general were also given platforms to contribute to developing the sector. This partnership included the sharing of valuable information, best practices and identifying as well as addressing challenges that were negatively affecting the sector.

Key achievement highlights were the arrival of international tourists, total foreign direct spend, domestic trips taken in Gauteng and total direct domestic revenue generated in Gauteng. The year-on-year performance remained low when compared to the 2019/20 performance. This was due to the legacy of the impact of Covid-19. However, tourism demonstrated recovery in 2022. In partnership with strategic stakeholders in the sector, GTA continued with implementing destination marketing and destination management and development projects aimed at stimulating demand against the impact of COVID-19.

Performance against Five-Year Targets
Rand value generated by the sector (consolidation of foreign direct spend and domestic direct spend) including number of jobs generated through the tourism sector are impact indicators in the Authority's 2019/20 – 2024/25 Strategic Plan. From FY2019/20 to date, Gauteng generated more than R155 bn in tourism direct spend. The performance was made possible through 7,9 million foreign arrivals and more than 20 million domestic trips. These further generated 20 850 jobs as the sector recorded 435 608 (2022/23) jobs cumulate performance from 414 757 (2021/22).

Other strategic indicators in line with transformation are skills and business development programme. GTA trained more than 2 376 individuals on tourism skills and provided 320 SMMEs with access to markets. Furthermore in 2022/23 the Authority measured rand value facilitated for SMMEs. More than R37-million rands was facilitated through the implementation of Destination Management, Development and Marketing projects.

Performance Against FY2022/23 targets
GTA implemented its 2022/23 APP through three programmes, namely

- *Strategic Support* - Provide strategic support for effective implementation of the GTA's mandate and increasing public value and trust through improved governance and accountability.
- *Destination Marketing* - Destination Marketing Programme is responsible for stimulating demand for destination Gauteng tourism offerings and increased brand equity in both domestic and international markets.
- *Destination Management and Development* - The Destination Management and Development Programme is responsible for facilitating effective planning, development and management of sustainable, and thriving tourism sector in Gauteng.

The Authority had 26 indicators in the FY2022/23 APP. Each indicator had one target. Of the 26 indicators/ targets, 7 belonged to Strategic Support, 10 belonged to Destination Marketing, 9 belonged to Destination Management and Development.

Performance Against APP Targets
Programme 1: Strategic Support

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

Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Variance 2022/2023	Reasons for deviations
INCLUSIVE AND SUSTAINABLE TOURISM GROWTH						
Clean audit outcome obtained from Auditor-General	Clean Audit	Clean Audit	Clean audit outcome obtained from Auditor-General	Unqualified Audit	Clean Audit was not achieved.	GTA reported performance in line with sector priorities that is Calendar year which is useful for the sector and aligned to both International, regional and national priorities. AGSA did not recognise the sector's reporting approach.
Percentage implementation of valid audit recommendations	New indicator as from 2022/23	New indicator as from 2022/23	100%	100%	0%	N/A
Percentage increase of Enterprise Risk maturity level	New indicator as from 2022/23	New indicator as from 2022/23	60%	60%	0%	N/A
Number of designated groups suppliers benefitted from the GTA Supplier Development Programme	New indicator as from 2021/22	50	50	53	3	Additional SMMEs participated in the programme as regions promoted the programme.
Percentage scored on GTA standardised employee engagement	New indicator as from 2022/23	New indicator as from 2022/23	67%	63%	-4%	The organisation needed to improve in dealing with issues affecting specific individuals in the organisation which is the legacy of the previous administration, 2021/22.
Percentage of public rated GTA positively	The indicator was not included in the 2020/21 APP	The indicator was not included in the 2021/22 APP	67%	68,5%	1,5%	Overperformance is attributed to GTA's improvement in engaging and providing services to the sector and relevant stakeholders.
Number of tourism recovery projects implemented through strategic partnerships	New indicator as from 2021/22	8	10	13	3	Additional opportunities identified and leveraged for destination promotion.

Strategy to overcome areas of under performance
For audit outcome, management has aligned the year ends for reporting purposes. To also ensure that the reported figures are complete, reporting approach on Sector indicators (where the matter in question emanated) are reported as financial year as opposed to a calendar year. With regards to employee engagement GTA was in the process of addressing legacy issues that affected number of staff members.

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

Programme 2: Destination Marketing
Purpose: Destination Marketing Programme is responsible for stimulating demand for destination Gauteng tourism offerings and increased brand equity in both domestic and international markets.

Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Variance 2022/2023	Reasons for deviations
INCLUSIVE AND SUSTAINABLE TOURISM GROWTH						
Rand value generated through supported events	The indicator was not included in the 2020/21 APP	The indicator was not included in the 2021/22 APP	R1bn	R2 330 515 200	R 1 330 515 200	Overachievement is attributed to sector recovery from the impact of COVID 19
Number of international arrivals that visited Gauteng	921, 963	932 316	1.6m	2 769 275	R1 169 275 000	
Total Foreign Direct Spend generated from international markets	R28, 2 bn	R10bn	R11bn	R35 119 286 682	R24 119 286 682	
Number of SMME provided with access to markets	30	45	60	115	55	
Rand value of business facilitated for SMMEs through marketing projects	The indicator was not included in the 2020/21 APP	New indicator as from 2022/23	R30m	R37 210 929	R7 210 929	
Number of domestic trips taken in Gauteng	3 332 164	3 213 529	3.5m	8 193 987	4 693 987	
Total Direct Domestic Spend generated in Gauteng	R9, 3 bn	R17,351bn	R10bn	R34 787 314 357	R24 787 314 357	
Scored level of Gauteng Brand Index	New indicator as from 2022/23	New indicator as from 2022/23	Baseline set	Baseline set	N/A	N/A
Number of travel trade partnership sales deals implemented	New indicator as from 2022/23	New indicator as from 2022/23	3	4	1	Additional opportunity was identified and leveraged for the implementation of tourism trade programme
Number of national business events hosted in selected metros	New indicator as from 2022/23	New indicator as from 2022/23	4	4	N/A	N/A

Strategy to overcome areas of under performance
Not applicable.

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

Programme 3: Destination Management and Development
Purpose: The Destination Management and Development Programme is responsible for facilitating effective planning, development, and management of sustainable, and thriving tourism sector in Gauteng.

Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Variance 2022/2023	Reasons for deviations
INCLUSIVE AND SUSTAINABLE TOURISM GROWTH						
Vaal Marine Holiday and business Destination Developed	New indicator as from 2022/23	New indicator as from 2022/23	Stage 1 (inception concept approved) Stage 2 (Viability)	Stage 1 (inception concept approved)	Stage 2 (viability) was not implemented	Due to the complexity of the project, the implementation crossed over the 2023/24 FY.
Number of signature tourism hubs piloted on the Gauteng Working for Tourism programme	New indicator as from 2022/23	New indicator as from 2022/23	10	10	N/A	N/A
Number of people employed through Working for Tourism Programme over the MTEF	New indicator as from 2021/22	320	1 100	1 262	162	Overachievement is attributed to sector recovery from the impact of COVID 19
Number of temporary jobs created through Working for Tourism Projects	New indicator as from 2022/23	New indicator as from 2022/23	2 200	3314	1114	
Number of Tourism Contact Centres (TCCs) rolled-out in the key regions	The indicator was not included in the 2020/21 APP	The indicator was not included in the 2021/22 APP	5	5	N/A	N/A
Number of township-based tourism assets funded through prerequisite quality standards programme	The indicator was not included in the 2020/21 APP	2	30	30	N/A	N/A
Number of people benefited from the refocused tourism and hospitality reskilling programme	The indicator was not included in the 2020/21 APP	1575	800	801	1	Additional person participated in the project as relevant stakeholders were engaged to provide platforms for the implementation of the programme.
Number of new airlines routes launched.	The indicator was not included in the 2020/21 APP	3	3	3	N/A	N/A

Strategy to overcome areas of under performance
The Vaal Marine stage 2 project was implemented during Quarter 1 of FY2023/24.

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

SERVICE DELIVERY IMPROVEMENT

Strategic Support
GTA has invested time in improving its strategic support programme. The Authority recorded 63.1 percent on staff engagement index. An Engagement Index of 63.1% suggests that whilst there are components of engagement that are functioning well, there is still room for improvement. There was an 8.6percent increase from 2022's engagement index.

The Authority managed to improve its risk maturity programme thereby moving from baseline level to evolving level, summary of the milestones for movement from baseline to evolving are presented below.

ERM Components	Baseline (40 percent)	Evolving (60 percent)
Strategy and Appetite	Board discussions on risk environment and recognition of inherent risk appetite	Strategic risks have been captured and initial discussions on risk appetite
Governance and Accountability	Risk discussed ad-hoc through existing oversight structure at Board /Audit and Risk Committee	Basic oversight structure in place with Board/Audit and Risk Committee review of risk on a regular basis.
Risk Culture and Communication	Board and Executive awareness of risk	'Tone from the Top' messaging on risk with ad-hoc training and communication
Risk Cycle: Identification and Assessment	Ad-hoc risk information exists throughout the business	Siloed approach to risk identification and assessment. Risk coverage low and key process assessments incomplete
Controls and Resilience	Limited business understanding of control and resilience	Controls and effectiveness documented. Mitigation where appropriate. Basic control information and understanding of Business Continuity Management / Disaster Recovery
Analysis and Monitoring	Awareness of the need for analysis and monitoring	Limited analysis of risk information and monitoring in place
Reporting and Disclosure	Informal and periodic discussions on risk limited to meeting disclosure requirements	Basic risk reporting to management, the Board and its Committee's to inform disclosure requirements
Assurance and Effectiveness	Basic assurance in place e.g., External Audit only	Siloed approach to risk management wider assurance activities

The Authority planned to move from evolving to mature in 2023/24 and these include the following components:
- Authority wide understanding of risk and risk appetite; Key risks linked to business strategy Board approved appetite.
- Risk governance & oversight structures provide sign-off of risks under its jurisdiction. Understanding of risk ownership, at all levels.
- Authority wide understanding of the risk culture with risk-based performance metrics.
- Clearly presented risk information including categorisation provided by the business.
- Effective controls and mitigations for all risks with clear links to resilience planning.
- Ongoing analysis of risk including aggregation, additional quantification and clear monitoring structures.
- Formal risk reporting supported by escalation as required by consolidated 'risk function' and disclosure informed by existing processes.
- Clearly defined assurance structures with ownership throughout the business.

Bidding and Hosting
Business opportunities created for SMME businesses to supply goods and services for MICE end events hosted in Gauteng.

Tourism Sector Support
GTA developed a baseline Tourism Skill Audit for Gauteng and our primary activities were basically coming out of that. Because of limited resources, GTA used this as a deep-stick measure of available tourism workforce to influence planned skills pipeline and scarce skills gaps to ensure industry recovery and service excellence for the growth of the economy. Regional and local engagements were done with all key stakeholders and tourism associations for the implementation of the Tourism Skills Audit. Primary aim and target for the Tourism Skills audit was to ensure industry rejuvenation and focus mainly on segregated groups affected directly through the focused interventions identified through the process. Skills development focused on current tourism business workforces to enhance business efficiency and sustainability. These focused activities were influenced, amongst others, by scarce resources or migration of skills to other provinces. Following are the details of the Tourism Skills Audit:
- An overall decrease in human resources in the industry, resulting in longer response times for requests submitted by tourists. A previously typical 2-4 hours response time is now up to 2 days due to reduced staff numbers at most establishments.
- Consequently, multi-tasking is now the new normal and skills that were spread over multiple individuals now are far and fewer. For an example, general maintenance, security and gardening are now typically sitting with one individual.
- Another major impact of the pandemic is the reduced number of 'stay days' visitors willing to commit to, extend their stays, mainly and largely due to uncertainties around travel restrictions. Three-week stays are now typically 7-day stays.
- On the same breath, visits are no longer planned up to a year in advance and have become more sporadic and ad hoc, in the main due to the overall uncertainty around travel during this pandemic and geo-political conflict era.
- Foreign language training, especially in German, French and Spanish is urgently required by operators in the sector, especially in transportation and tours and especially as the international market rebounds.
- Although Mandarin would also be advantageous, visitors from China generally tend to arrive with their own interpreters, making the local skill carriers redundant and this target group hard to penetrate.
- The COVID-19 pandemic forced some players in the industry to shift from a foreign to a domestic visitor profile, with language competencies in abundance for the latter.
- National and regional campaigns such as Sho't Left are having the desired effect on the domestic travel numbers, following the lifting of inter-provincial travel after the hard lockdown.
- Accommodation owners highlighted the need for training that is tailored to small establishment such as guesthouses as opposed to generic hospitality training that normally is only useful for bigger establishments.
- Workers in the subsector need to be multi-skilled as most owners of small establishment cannot afford to hire many resources.
- Pertaining to the digital skills gaps, respondents indicated that basic computer literacy, digital marketing (for example on social media) and online information management skills are in urgent need.
- Tour operators also highlighted that drivers and guides normally do not have sufficient information about tourist attractions in several areas and safe recommended routes for use to access some areas.
- They also indicated the need for advanced driving skills.
- Heritage site infrastructure maintenance and in some cases, resuscitation of the tourism sector and its overall performance of the sector, together with the provincial infrastructure maintenance as some most of them are in a bad taste.
- Initiatives such as the 'Township Economy' should engage strongly with local tourism operators, who currently feel excluded from economic policy development, which affects them directly.
- Economic relief is a key intervention required by the sector, especially in recurring monthly municipal bills that have continued to pile on despite poor numbers in during and post the pandemic era.
- Business management interventions, in partnership with private sector players and academic institutions such as the University of Johannesburg (UJ) School of Tourism could be crafted and delivered to assist players with sustainability mechanisms as the sector recovers.

The above diverse findings came out of the Tourism Skills Audit and the GTA APP/ operational plan activities had to accommodate them through operations on the ground level. What also came out as key within the Gauteng tourism businesses was realization that a number of small enterprises were decimated and were now expecting the Gauteng Provincial Government to make a direct intervention to Gauteng-based operators and services, something similar to the National Department of Tourism, Tourism Relief Fund that was distributed country wide and were expecting this at the height of the COVID pandemic. And since this did not happen, some form of focused monetary interventions should be considered as some did not qualify to benefit.

Secondly, the skills development programme also focused on unemployed youth and community members, primarily preparing them for job placements, entrepreneurship career awareness opportunities across the province. Garankuwa Hotel School played a pivotal role in training unemployed youth on accredited courses within the tourism and hospitality sub-sector - targeting mainly townships from within and around Tshwane. It is worth noting that Garankuwa Hotel School, in spite of facing some challenges of its own, has the backing of the GTA that managed, resuscitated and integrated the school's operations within the broader skills development programme focusing on unemployed youth. It is also worth noting that Garankuwa Hotel School is in a process of being transferred to GTA, together with the entire Tourism Supply chain division, is an accredited institution through Cathseta and its accreditation are as follow:

SAQA ID	Title	Level	Programme Type
14113	National Certificate: Food and Beverages	4	Full Qualification
64469	Further Education and training certificate: Hospitality Reception	4	Full Qualification
61596	National Diploma: Food and Beverage Management	5	Full Qualification
14110	National Certificate: Accommodation Certificate	2	Full Qualification

Given the resources allocated to Garankuwa Hotel School and the current state of affairs, GTA could not run the full programmes but focused on four-week skills interventions which are aligned unit standards of the above full qualifications. Garankuwa Hotel School primarily extended its services to offsite training even though there were some limited trainings onsite. Currently GTA is still engaging GDED and Cradle of Humankind for the final transfer of the entity. Garankuwa Hotel School could easily be looked at as a Tourism and Hospitality Academy (like Nursing and Police Academies) and it features well as an excellent township-based centre of service excellence within the tourism and hospitality industry as a whole focusing on running tourism businesses in-service training/ upskilling and the unemployed youth thereby creating a skills pipeline for the entire tourism industry. Through GHS activities GTA managed to reach out to about 112 township SMMEs and about 180 youth trained on accredited training.

Through a partnership with Tourism Grading Council of Southern Africa GTA managed to assess 132 SMME accommodation establishments for grading.

In Q3 of the FY 2022/ 2023, after almost seven years, Gauteng finally appointed the Tourist Registrar responsible for regulation of the tourism industry compliance, including registration of Tour Guides. Inherited files had some deficiencies. As a result, this entire year was spent on cleaning the Tour Guide data base - something that was confirmed by NDT AGSA Covid Relief Fund administration. GTA is glad to indicate that out of about 600 enquiries received, we have managed to sort almost all of them, with the exception of less than ten that are not traceable. This could either be because their respective business enterprises either closed down because of Covid-19 or could have undergone insolvency. Monthly Tourist Registrar reports to NDT and this year we have captured the information as indicated below. The table below indicates statistics of registered Tour Guides

Regulating Methodology	Quarter 1			Quarter 2			Quarter 3			Quarter 4			TOTAL
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Annual
Number Of New Tourist Guides	1	7	4	3	0	1	6	9	3	4	5	12	55
Number Of Renewals Received	17	31	18	36	29	28	16	17	14	14	22	32	274
Monthly Sub - Totals	18	38	22	39	29	29	22	26	17	18	27	44	
Quarterly Totals	78			97			65			89			329

- Skills development GTA over-achieved their target of 800 trained SMMEs and individuals,
- SMME market access target was also over-achieved.
- Quality Assurance targets as part of Visitor experience were met,
- Information provision and attendance of roadshows was also executed,
- Tourist Registrar Site inspections were executed quarterly,
- Cleaning of Tour Guides registration database initiated and executed,
- Tourists Business Sustainability initiatives executed.
- Leveraging, collaborations and partnerships were executed.

Digital media services

GTA continued to utilise digital and social media platforms as primary channels in the implementation of the tourism recovery plan. It also gives support to regional, domestic and international sales campaigns, integrated marketing and communications work in the implementation of the organisation's annual performance plan. The Authority used the channels to broadcast our travel content, whereby we engage with users and solicited their inputs. GTA also inspire that are undecided about their next travel destinations and continue to position the destination brand amongst the leading travel and tourism brands.

We also used the platforms to support SMMEs in their quest to sell their products, position their businesses and participate in the shared economy.

An important element of our 2023 digital work was the rebuild of the destination Gauteng website inclusive of the Garankuwa Hotel School and launch of the Tik Tok account to increase our social media reach and segmented audience marketing approach.

An always-on digital ecosystem build to drive the entire consumer decision making journey along the path to purchase. Similarly, a solid digital infrastructure that supports SMMEs and enables the GTA to transact, engage and partner in the quest to build a digital economy in Gauteng.

Inspiration social media channels driving awareness, consideration and actual conversion covering differentiated destination offerings inclusive of townships, hostels, informal settlements, tourism hubs and business events linkages.

The Visit Gauteng Travel Guide APP as one of the major digital instruments required for this work areas were developed in the period under review. The app enables seamless interface between enterprises wanting to be listed on the GTA platforms and the markets we are targeting. Implemented with the other platforms, we are on route to create thriving digital economy and destination that is digital survey and can be accessed anytime and everywhere.

An always-on digital ecosystem supporting the digital and shared economy deepening work and the building of breath-taking visitor experience that is sharable, memorable and inspirational as amplified by the various digital and social media channels is available.

Trade and Leisure shows

In the 2022/23 financial year, we elevated the work of our trade marketing division and forged strategic partnerships with wholesalers in the travel trade and sales environment. These included the likes of Travelstart, Joburg in your pocket, Intercape bus company and SAA.

We improved coordination and workings with SA Tourism country offices and regional hubs to ensure seamless hosting of trade in our destination and in particular West Africa, India, China and USA trade in line with the Market Investment Framework (MIF) and tourism recovery plan,

We implemented a host of digital in-markets engagements with trade in association with DIRCO and participated in major inward missions hosting by the GGDA to showcase inter-agencies collaboration and group GDED integrated marketing and comms approach.

Repackaged differentiated Gauteng tourism products and experiences inclusive of township tourism offerings dominating global travel & tourism sales itineraries and trade deals across multiple travel sales channels.

Increased upselling of differentiated Gauteng tourism offerings by wholesalers and intermediaries with specific leveraging of the signature events and business events hosting regime now amplified by the Gauteng Events Strategy.

Themed Routes

The work of building competitive and inspiring travel and tourism routes in the destination continued in the 2022/23 period. Emphasize was placed on the marketing of government owned heritage sites and attractions in the promotion of the heritage route while renegotiating partnerships with experienced event organizers, products owners and others on the Pink and Wedding Routes. The Cradle of Humankind and the rest of the West Rand and Sedibeng's Vaal River areas are now targeted for the implementation of the GP Wedding Route #WeddingsGP to upsell this work.

Heighted destination development, destination sales and conversion, memorable visitor experience and platforms that allows for pre visitation experience and forward bookings.

WEAKNESSES AND CHALLENGES

Since 2017/18, the Authority has been implementing its project on a serious budget constraint which was caused by several budget cuts.

During the planning process for 2021/22 FY, that GTA takes back the Destination Planning and Development portfolio that was implemented by the Department (GDED) since 2015. During this transitional process, most GDED Destination Planning, and Development staff members did not join the Authority. GTA thus faced operating challenges pertaining to human resources. This made it impossible for the Authority to operationalise Destination Management and Development portfolio. This challenge led to a serious human resource constraints crisis as the Authority shifts staff members between Destination Planning and Development and Tourism Support, which ended up affecting the entire organisation.

The Gauteng Air Access partnership had a number of challenges when it was formed in 2017 due to lack of funding and support. The coordination of the Gauteng Air Access project was handed over to the Gauteng Growth and Development Agency (GDDA) in October 2019. At the time the Gauteng Air Access partners were working with Aeroflot on a direct route from Moscow to Johannesburg but, with the onset of the Corona Virus pandemic, the project was put on hold.

The COVID-19 pandemic has negatively influenced sector growth worldwide. The travel and tourism sector were among the worst affected due to travel restrictions that were imp0lemented in line with health protocols, particularly on hygiene safety protocols. The impact of the pandemic adjusted the sector, shifting its focus to servicing the domestic markets due to the instability around international travel.

Many countries have seen economies suffer losses and income gaps widened while jobs were impacted while affordability also suffered among middle income earners. As evident in South Africa, fuel and food prices were continuously on the rise. The omicron variant of the Covid-19 virus significantly dampened the South Africa's tourism recovery efforts in 2021. Heightened perceived risk triggered feelings of anxiety and apprehension associated with international travel. This influenced the brand image of the crisis-affected countries and influences tourists' decision-making. As a result, tourists delayed their trips and changed their choices of destination. In some cases, they cancelled their planned tourist activities.

The restriction of movement of people due to the pandemic and the progress of the virus through its variants caused airlines to put expansion plans on hold. This eventually resulted in some airlines to cease flying to O R Tambo International Airport (ORTIA). The restriction of movement of people due to the pandemic and the progress of the virus through its variants caused airlines to put expansion plans on hold and resulted in some airlines to cease flying to O R Tambo International Airport (ORTIA).
Due to air access being in its infancy at LIA, the pandemic has an especially harsh effect on the airport as the airlines put their plans on hold. The loss of BA Comair flights, which included the low-cost carrier Kulula.Com, damaged both ORTIA and LIA who both lost considerable traffic through the airports and removed 9000 seats from the travel industry overnight.

Additional waves of Covid-19, driven by new variants, hampered tourism recovery efforts. Data supplied by ACSA presented a correlation between Covid-19 waves, rising infections, and downturns in passenger volumes at all three major airports. The exception to this has been South Africa's fourth wave, which resulted in the highest infection rates, but no harsher lockdown restrictions, driven by the Omicron variant. The effects of Covid-19 continued to negatively impact the tourism and visitor economy especially those arriving by air at ORTIA and LIA. Al Italia and Cathay Pacific ceased their Johannesburg routes and did not return even after South Africa lifted Covid-19 travel restrictions. The pipeline for ORTIA in particular remained static but strong, despite the regional and international airlines constraints with funding and the movement of people.

PART C
GOVERNANCE

BOARD REPORT

Introduction
GTA was established as a provincial public entity and a juristic person in terms of Section 3 of the Gauteng Tourism Act (10 of 2001), read with Sections 1, 48 and 49 and schedule 3C of the PFMA. The GTA Board of Directors (Board), together with the CEO, constitutes its Accounting Authority. The Board is responsible for oversight of the operational performance and governance of the GTA.

The Gauteng Provincial Legislature and the Executive Authority exercises its oversight role through the evaluation of the GTA's performance. Corporate governance embodies the processes and systems through which the entity is directed and purposed. It identifies who takes decisions, under what authority, and to what level of accountability.

As a system of (internal and external) control, it ensures that leadership decision-making is exercised ethically and effectively towards the achievement of an ethical culture, good performance, effective control, and overall legitimacy. In other words, in a manner that balances the interests of all the stakeholders of the organisation.

GTA subscribes to the principles of good corporate governance as set out in the King IV Report on Corporate Governance for South Africa and continuously reviews its compliance with the applicable corporate governance practices.

Executive Authority (MEC)
In accordance with the Gauteng Tourism Act and Sections 1 and Chapters 6 and 7 of the PFMA, the Member of the Executive Council responsible for tourism in the Gauteng Province is the Executive Authority of GTA. In several administrative respects, the Executive Authority engages GTA through the (GDED).

The Board, the MEC and the GDED concluded a Shareholder's Compact and a Funding Agreement for the 2020/2021 FY. GTA reports on a quarterly basis to its Executive Authority on the progress towards the achievement of predetermined objectives.

Accounting Authority (Board of Directors)
The Gauteng Tourism Act stipulates that the GTA Board must comprise a minimum of seven and a maximum of ten members. In terms of the Act, the Chairperson and CEO are separate positions. This is aligned to corporate governance best practice as recommended in the King IV Report on Corporate Governance.

The CEO is an ex officio Board member. The Board, together with the CEO constitute the Accounting Authority of GTA, both in terms of the Act and the PFMA. The Board is appointed by the Executive Authority for a three-year term. The members constituting the Board were appointed on 1 October 2020, and their term will expire on 30 September 2023. The Executive Authority also appointed representatives to attend the GTA's Board meetings. These representatives do not participate or vote in meetings and only attend to aid the Executive Authority with oversight of the GTA's governance, strategy, and policy processes.

GTA has a unitary Board. The authority does not have a capital structure and all Board members (except for the CEO who is a full-time employee) are considered independent, non-executive members from a governance perspective. Operational authority has been delegated to the CEO through a documented system of delegations. The Board, as the Accounting Authority of GTA, is responsible for setting the strategic direction of the organisation in alignment with the socio-economic policy directives of the Executive Authority.

Management develops operational strategies, policies, frameworks, and plans for Board approval. The Board oversees and monitors implementation and execution by management and ensures that there is accountability for the performance of the organisation. While the Board oversees the overall process and structure of governance, management is responsible for the implementation of good governance and adherence to the relevant normative and regulatory frameworks.

The primary role of the GTA's Board, is to provide strategic alignment with the direction given by the Executive Authority and oversee the effective implementation of the authority's operational strategy as embodied in its APP, as well as to support the system of internal controls. The internal controls articulate, amongst others, the values of the organisation and the Board. Through ethical and effective leadership, the Board leads the business of GTA in the best interest of the organisation and its stakeholders.

The Board maintains oversight over the implementation of structured, good corporate governance principles in relation to strategy development, operational performance, and establishment of an internal control framework and assurance functions. Such functions include risk management and auditing.

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

Name	Qualifications	Areas of Expertise	Other Directorships
Judi Nwokedi (Chairperson)	BA Social Sciences, leadership training, EDLP, Reading in Philosophy.	Government and private sector administration and leadership, international tourism, organisational design of complex multinational footprints, strategic and operational destination and tourism management, international tourism market development, organisational turnaround, governance risk and compliance, policy development and influence.	Current Affairs Films CC; Black Business Council (NPC); Nwokedi Consultants (Pty) Ltd; Free Women Films; LIFEOFJS; Futurum Business Solutions; African Icons Invitational; CONLOG; Tourvest Financial Services (Pty) Ltd; Travelex Africa Foreign Exchange; The Aids Consortium Company; Tourvest Group; Tourvest Holdings.
Thendo Ratshitanga (Deputy Chairperson)	Master's Degree in Public and Development Management, Post-Graduate Diploma in Public Policy and Development Management; Certificates in Programme Management Development and in Social Entrepreneurship.	Business and public sector management, organisational leadership, legislature and political administration, policy development.	Wa Gono Investments (Pty) Ltd; Simeka Harvest (Pty) Ltd; Kazi Farm (Pty) Ltd; Tshirundu Investments Holdings (Pty) Ltd; Vhatavhatsindi Investments (Pty) Ltd; Tshwane University of Technology (member of governing body).
Shirley Koaho	BA Social Sciences (Economics), Brand Leadership, Strategic Marketing, Product Management and Brand Strategy.	Marketing communications at some of South Africa's biggest brands, working on national and international brands across selected African markets, product launches, market development, marketing strategy and segmentation financial services.	Strategic Media Options (Pty) Ltd; The Strategic Option (Pty) Ltd; Itataise Investments (Pty) Ltd; Ralco Build (Pty) Ltd; Savoured Journeys (Pty) Ltd; Itataise Exploration (Pty) Ltd; Mocca Life Retail CC.
Gugu Nkabinde	BA in Media Studies, Certificate in Strategic Brand Leadership, Chartered Marketer.	Brand and marketing management; brand positioning strategy, business planning, brand and communication strategy, start-up brand development, digital marketing, transformation and integration, NPO programme design, one-to-one and group coaching.	Mentor A Boy Child (NPC); Gugu Intimates (Pty) Ltd.

Name	Qualifications	Areas of Expertise	Other Directorships
Mmatsatsi Ramawela	Master of Philosophy in Management Leadership in Emerging Countries, Bachelor of Social Sciences and Humanities, Bachelor of Administration (Hons), Graduate Diploma in Marketing Management, Diploma in Packaging Management.	Business administration, strategic leadership and management, and policy development. tourism development, planning and management including product development, sales and marketing; events management and organising, travel and tour planning and destination packaging services, human resources development including coaching and mentorship services.	International Institute of Peace through Tourism Southern Africa-IIPTSA (NPC); Bastion of the Deaf (Pty) Ltd; Tourism Transformation Council of SA (NPC); Gecko Sands Tourism Group (Pty) Ltd
Errol Magerman	Certificate in Governance and Leadership, Advanced Certificate in Governance and Public Leadership, Certificate in Project Management, Certificate in Policy Development, Certificate in Public Finance.	A long serving member of the Gauteng Provincial Legislature, Chairperson of various Portfolio Committees. Oversight over areas of work such as organisational performance, legislative and policy development, etc.	Matthew Goniwe School of Governance (NPC); VIP Consulting Engineers (Pty) Ltd.
Louis Seeco	Marketing Diploma, MBA.	Published author. Founder and director of various companies in the advertising and marketing industry, brand management strategy and development expert, brand recognition, perception, product usage and collective, top-of-mind awareness measurement systems	Brand Pilgrimage Marketing (Pty) Ltd; Elements Group Holdings (Pty) Ltd; Neh Africa Foods (Pty) Ltd; Vincent Tshabalala Education Trust; National Film and Video Foundation
Petros Pat Masina	Certificate in Local Government and Development, Proficiency Certificate in Life Assurance, Leadership Edge Programme, Certificate in Municipal Development Management, Certificate in Development Studies	Life Assurance; Elections; Municipality Council work; training and Facilitating	N/A
Mr. Thabang Makwetla	MBA (Henley), Foundation Management Programme (GIBS), Management Development Programme (GIBS), 3-year Diploma: Hotel & Tourism Management (IHTM)	Entrepreneurship • Hospitality • Major Events • CSI • General Business Management	N/A

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

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

Board governance assessments
During the year under review, the Board conducted a series of governance self-assessments aimed at evaluating its performance against the recommended best practices set out in King IV as well as that of key role players such as the Board Chairperson, the Chief Financial Officer (CFO), and the Company Secretary.

Following the independent assessment conducted in the previous financial year, the FY2021/22 assessments demonstrated an incremental improvement from past practice. An area of concern related to the maturity of the GTA's combined assurance model, which will be receiving attention in the ensuing year.

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

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

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

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

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

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

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

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

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

The SEGC met four times during the year under review.

Meeting attendance
The table below summarises the Board and committee members' meeting attendance from 1 April 2022 to 31 March 2023:

Formal Board and Committee Members	Board	Audit & Risk Committee (ARC)	Social Ethics & Governance Committee (SEGC)	Marketing Committee (MARCOM)
Meetings #	5	5	5	4
J Nwokedi (Board Chair and SEGC member)	5	1	5	1
T Ratshitanga (Deputy Board and MARCOM Chair)	4	N/A	N/A	4
S Koaho (SEGC Chair and ARC[1] member)	5	2	5	N/A
E Magerman (ARC Chairperson[2])	5	5	N/A	N/A
G Nkabinde (MARCOM member)	4	-	N/A	4
L Seeco (MARCOM and ARC[3] member)	5	4	N/A	4
M Ramawela (MARCOM member)	5	N/A	N/A	4
P Masina (ARC member[1])	4	3	-	-
T Makwetla (SEGC member[2])	4	-	-	4
C Mpyane (SEGC member[3])	1	N/A	1	N/A
S Dlamini (Chief Executive Officer[#])	5	5	5	4

** Maggerman resigned from the ARC on 23 January 2023.*
** Seeco appointed as ARC Chairperson on 20 August 2021.*
** Masina appointed to the ARC on 20 August 2021.*
** Dlamini Appointed as CEO on 6 December 2021. She attended one introductory meeting prior to her appointment.*

1. Appointed on 1 August 2022
2. Appointed on 1 August 2022
3. Passed away on 11 September 2022

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

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

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

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

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

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

Fraud and corruption
GTA has an approved Fraud and Anti-Corruption Policy. In line with this policy, employees are encouraged to use the GDED whistleblowing hotline to report fraudulent activities. GTA replied to the Public protector on complaint lodged against the GTA (pertaining to certain identified employees of the GTA). Cases reported to the GDED are routinely being investigated. Quarterly reports are provided to the ARC as well as 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. During the year, one of the new policies adopted by the authority served as a separate instrument to enhance the regulation of disclosure of financial interests by employees.

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

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

Health, Safety and Environmental Management
This information is still outstanding.

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

AUDIT AND RISK COMMITTEE REPORT

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

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

In-year management and quarterly reports
The committee discussed the content and quality of in-year management, as well as monthly and quarterly reports prepared and issued by the CEO to be recommended to the Board for approval. GTA reported monthly and quarterly to the Provincial Treasury, as is required by the PFMA. Evaluation of financial statements and the Auditor-General's report and prior year findings. The ARC reviewed and discussed the audited annual financial statements, the Auditor-General's management letter, management responses, and AGSA's final report for the 2022/2023 FY. The ARC 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 also reviewed the GTA's implementation plan for audit issues raised in the previous year, and we are satisfied that the matters have been adequately resolved.

Mr Errol Magerman
Chairperson of the Audit and Risk Committee

"The ARC reviewed and discussed the audited annual financial statements, the Auditor-General's management letter, management responses, and AGSA's final report for the 2022/2023 FY."

PART D
HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT

INTRODUCTION
The Human Resources (HR) unit provides support in realizing the Gauteng Tourism Authority 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 realized 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 at the public entity
The Human Resources 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 highly competent, skilled and talented workforce;
- Promote and embrace diverse workforce and inclusiveness; and
- Provide a safe and healthy environment to ensure optimum utilization of skills and talents.

Set HR priorities for the year under review and the impact of these priorities.
The major priorities that were set were to finalise the review of the GTA organisational structure, review of HR Policies and operating model. 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 effective tourism management and tourism development and growth. This process has necessitated an overhaul of functions to ensure alignment to the GTA's strategy. In this regard, the GTA was mandated by the DED to take over the management of the affairs of the Ga-Rankuwa Hotel School as part of the tourism rationalisation process.

Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce.
Workforce planning is essential in ensuring that the operational objectives of GTA are met. Having a workforce plan in place ensures that the organisation has a contingency plan where there are capacity constraints thus a need to develop a multi-skilled and flexible workforce which enables the organisation to adapt rapidly to changing operational environment. In its recruitment endeavours, the GTA embarks on a recruitment and placement process through different methodologies. This includes amongst others, a targeted selection methodology incorporated with personality profiling, psychometric assessments and presentations. These methods ensure that a skilled and capable workforce is attracted.

Employee performance management framework
The GTA has a Performance Management Development system in place to manage employee performance through regular and consistent evaluation of employee performance at defined intervals and on 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, 100% of employees signed performance contracts. For the year under review 2 bursaries have been awarded to the qualifying employees. 10 interns were placed throughout the organisation in different business units. The purpose of the internship was to provide workplace exposure to graduates who have never had an employment opportunity from especially the disadvantaged backgrounds though not exclusive to any population segments. This process was done through the Tshepo One Million programme of the Gauteng Provincial Government.

Employee wellness programmes
The GTA using ICAS services is committed to providing a comprehensive employee wellness programme that promotes a balanced and healthy living to ensure efficient and effective service delivery. The main intent is to create a culture that is conducive to the wellbeing of employees on physical, social, emotional, occupational and financial dimensions through wellness management programme that seeks to maximise employee wellbeing and optimum employee performance.

Challenges faced by the public entity.
The major challenge that is faced by GTA is that which though not unique to the organisation as it is evident in most of the public service organisations and entities which is the traditional command organisational structures that do not cater on a deliberate basis for matrix organisation to allow for especially projectisation of particularly the core functions. This has a bearing effect on how the organisation will implement and embrace not only the fourth industrial revolution without compromising the quality of work, but catering for agile visiting tourists including generation z. The GTA strives as a result to creating a workforce whose readiness to multiskilling and deliver on different projects across the GTA core value chain, embracing the 4IR platforms to conduct our business and thus providing employees with the necessary tools of work and skills.

Future HR plans /goals
The Gauteng Tourism Authority'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 on talent management, succession and retention plans, as well as partnering with the industry on skills exchange programs in line with the GTA's strategic imperatives of deeming the GTA as a learning organisation. This approach seeks for return on investment from the interventions deployed in realising the broader objectives of the organisation through people.

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

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	-	25 010	19%	34	736
Destination Marketing and Promotions	135 095	5 231	4%	9	581
Convention and Events Bureau	-	5 935	4%	8	742
Destination Management (Visitors Services, destination planning	-	12 814	9%	17	754
Total	**135 095**	**48 990**	**36%**	**68**	**2 813**

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	3 137	6%	1	3 137
Senior Management	12 014	25%	7	1 716
Professional qualified	14 496	30%	15	966
Skilled	15 037	31%	28	537
Semi-skilled	3 831	8%	9	426
Unskilled	474	15%	8	59
TOTAL	**48 990**	**1**%	**68**	**-**

Performance Rewards

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

Employment and vacancies

Programme/activity/objective	2022/2023 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
Administration (Office of the CEO, Finance, IT, Facilities and HR)	25	41	25	16	20.2%
Destination Marketing and Promotions	9	9	9	0	0%
Convention and Events Bureau	6	8	6	2	2.5%
Destination Management (Visitors Services, destination planning	15	21	15	6	7.5%
TOTAL	**55**	**79**	**55**	**24**	**30.1%**

Programme/ activity/ objective	2022/2023 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2022 Vacancies	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	7	10	7	3	3.7%
Professional qualified	11	20	11	9	11.3%
Skilled	26	34	26	8	10.1%
Semi-skilled	10	14	10	4	5.0%
Unskilled	0	0	0	0	0%
TOTAL	**55**	**79**	**55**	**24**	**30.1%**

The Gauteng Tourism Authority has embarked on an organisational structure review process which was approved by the GTA Board. The GTA also identified critical vacancies to fill, and this was also approved. With all the approvals granted, the GTA could not fill the vacancies due to the reduction in budget. The budget cuts had a negative effect on the GTA and as such, we were forced to review our critical list of vacancies to accommodate the little resources available.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	0	1	0	1
Senior Management	7	0	0	7
Professional qualified	11	1	0	11
Skilled	26	0	0	25
Semi-skilled	10	0	0	11
Unskilled	0	0	0	0
Total	**53**	**2**	**0**	**55**

Reasons for staff leaving.

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

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

Labour Relations: Misconduct and disciplinary action

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

Equity Target and Employment Equity Status
Explanations: Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.

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

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	3	3	0		0	0	0	0
Professional qualified	5	5	0	0	0	0	1	1
Skilled	12	12	1	1	2	2	0	0
Semi-skilled	8	8	1	1	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**29**	**29**	**2**	**2**	**2**	**2**	**1**	**1**

Levels	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	0
Skilled	0	0	1	1
Semi-skilled	0	1	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**1**	**1**	**2**

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PART E
FINANCIAL INFORMATION

REPORT OF THE BOARD
Annual Financial Statements for the year ended 31 March 2023

The Board submits its report for the year ended 31 March 2023

1. INTRODUCTION

The Gauteng Tourism Authority (GTA) was established as a provincial public entity and a juristic person in terms of Section 3 of the Gauteng Tourism Act (10 of 2001), read with Sections 1, 48 and 49 and schedule 3C of the Public Finance Management Act PFMA (1 of 1999), ("the PFMA").

2. REVIEW OF ACTIVITIES

Main Business and Operations:

The Gauteng Tourism Act 10 of 2001 ("Gauteng Tourism Act") provides for the establishment of GTA as a juristic person and provincial public entity. The Act sets out the powers and duties of GTA, i.e., its legislative mandate, which specifies that GTA must:

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

3. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on it receiving a statutory grant. At the time of the approval of these annual financial statements, in the Medium-Term Expenditure Framework published by National Treasury, the Department of Economic Development had committed to funding the entity for the period 2023/24 to 2025/26.

4. SUBSEQUENT EVENTS

The Board is not aware of any matter or circumstances which have arisen between the end of the financial year and the date of approval of the financial statements that would require an adjustment of the financial statements.

5. RETENTION OF SURPLUS AND APPROVAL BY NATIONAL TREASURY

The entity intends to apply to retain the cash surplus once the financial statements have been audited. At the time of approval of the annual financial statements, the request to retain the surplus had not yet been submitted to National Treasury.

6. ACCOUNTING POLICIES

The annual financial statements were prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

7. LOSSES THROUGH FRAUD, FRUITLESS AND WASTEFUL EXPENDITURE AND IRREGULAR EXPENDITURE

The Board has considered the provisions of the PFMA relating to fruitless and wasteful expenditure. In terms of the materiality framework as agreed with the Executive Authority in terms of Section 55 (1)(d) of the PFMA, any material losses due to criminal conduct or irregular or fruitless and wasteful expenditure must be reported in the annual financial statements

In the current year, the entity did not identify any internal or external related fraudulent activities

No losses through fruitless and wasteful expenditure were incurred during the period under review (refer to note 16 regarding irregular expenditure for the current year). The Board is committed to the eradication of the culture of fruitless and wasteful and irregular expenditure within the organisation.

REPORT OF THE BOARD
Annual Financial Statements for the year ended 31 March 2023

8. INTERNAL CONTROLS

In accordance with the PFMA, the Board is accountable for internal controls.The Board has the responsibility of maintaining a sound system of internals controls that supports the achievement of Gauteng Toursim Authority's objectives; accordingly, it reviews the effectiveness on an ongoing basis through the internal audit function

9. BOARD MEMBERS

The Board members of the Authority during the year and to the date of this report are as follows
Ms S Koaho
Mr D Lehutjo
Mr E Margerman
Mr P Masina
Mr C Mpyane
Ms G Nkabinde
Ms J Nwokedi (Chairperson)
Ms M Ramawela
Mr T Ratshitanga (Deputy Chairperson)
Mr L Seeco

10. EXECUTIVE AUTHORITY

The entity reports to the Gauteng Department of Economic Development

ACCOUNTING AUTHORITY'S RESPONSIBILITES AND APPROVAL
Annual Financial Statements for the year ended 31 March 2023

The Board is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the entity's Financial Position, Financial Performance and Cash Flows as at the end of the financial year and the results of its operations and cash flows for the period then ended. The Auditor General South Africa are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The financial statements present fairly, in all material respects, the financial position of the Gauteng Tourism Authority as at 31 March 2023, and its financial performance and cash flows for the year ended in accordance with the Standards of Generally Recognised Accounting Practices (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999)(PFMA).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The annual financial statements set out on page 81 - 112 , which have been prepared on the going concern basis, were approved by the Board on 28 July 2023 and were signed on its behalf by:

Ms.Judi Nwokedi
BOARD CHAIRPERSON
Gauteng Toursim Authority
Date: 31 July 2023

Ms. Sthembiso Dlamini
CHIEF EXECUTIVE OFFICER
Gauteng Toursim Authority
Date: 31 July 2023

Statement of Financial Position

	Notes	2022/23 Actual R'000	2021/22 Actual R'000
ASSETS			
Current assets		**57 661**	**83 920**
Cash and cash equivalents	9,3	50 284	77 649
Trade and other receivables from exchange transactions	4,1	7 377	6 271
Debtors	4.1.1	4 313	3 159
Deposits	4.1.2	64	4
Prepayments	4.1.3	3 000	3 108
Non-current assets		1 425	2 005
Property, plant and equipment	2	1 425	2 005
TOTAL ASSETS		**59 086**	**85 925**
LIABILITIES			
Current liabilities	5	59 306	80 808
Trade payables from exchange transactions	5.1.1	10 688	4 007
Other payables from exchange transactions	5.1.1	12 509	10 190
Provision - surrender of surplus funds to Treasury	5.1.2	2 401	41 214
Operating lease liability	12,1	1 060	759
Trade and other payables from non-exchange transactions - Conditional Grants	5,2	32 649	24 638
TOTAL LIABILITIES		**59 306**	**80 808**
Capital and Reserves		220	5 117
Accumulated surplus		(220)	5 117
TOTAL NET ASSETS AND LIABILITIES		**59 086**	**85 925**

Statement of Financial Performance

	Notes	2022/23 Budget R'000	2022/23 Actual R'000	2022/23 Variance R'000	2021/22 Budget R'000	2021/22 Actual R'000	2021/22 Variance R'000
REVENUE							
Revenue from non-exchange transactions		**117 209**	**125 503**	**(8 294)**	**133 138**	**126 817**	**(1 045)**
Government grants and subsidies	**6**	**96 185**	**96 185**	**-**	**109 898**	**109 898**	**-**
Government Grant (Department of Economic Development)		**96 185**	**96 185**	**-**	109 898	109 898	-
Conditional grants and subsidies		**21 024**	**29 318**	**(8 294)**	**23 240**	**16 919**	**-1 045**
Bidding and Hosting (Department of Economic Development)		16 292	18 399	(2 107)	10 511	5 585	-
Craft Sector Profile (Department of Small Business Development)		-	-	-	1 000	408	(592)
Intergrated Marketing and Communication Strategy (Department of Economic Development)		-	1 463	(1 463)	-	-	-
Community Arts Project		-	-	-	3 500	3 150	-
National Tourism Careers Expo		4 732	9 456	(4 724)	8 229	7 776	(453)
Revenue from exchange transactions		**1 500**	**4 254**	**(2 754)**	**3 452**	**3 917**	**465**
Interest earned - external investments	6.2	1 500	4 026	(2 526)	1 500	1 965	465
Other Income - GTA	6.1	-	228	(228)	1 952	1 952	-
TOTAL REVENUE		**118 709**	**129 758**	**(11 049)**	**136 590**	**130 734**	**(580)**
EXPENDITURE							
Employee related costs	7.1	**54 696**	**48 990**	**5 706**	53 445	46 428	(7 017)
Depreciation	7.2	**-**	**580**	**(580)**	-	527	527
Surrender of surplus funds to Treasury	5.1.2 & 7.4	**-**	**-**	**-**	-	70 850	70 850
General expenses	7.4	**64 013**	**85 525**	**(21 512)**	82 625	44 527	(38 098)
TOTAL EXPENSES		**118 709**	**135 095**	**(16 386)**	**136 070**	**162 331**	**26 261**
OTHER (GAINS) / LOSSES							
(Gains) on disposal of assets	7.5		**-**	**-**	-	(32)	(32)

Statement of Financial Performance

	Notes	2022/23 Budget R'000	2022/23 Actual R'000	2022/23 Variance R'000	2021/22 Budget R'000	2021/22 Actual R'000	2021/22 Variance R'000
SURPLUS FOR THE PERIOD FROM CONTINUING OPERATIONS		**0**	**(5 337)**	**5 337**	520	(31 565)	(32 085)
DEFICIT FROM OPERATIONS		**0**	**(5 337)**	**5 337**	**520**	**(31 565)**	**(32 085)**
DEFICIT FOR THE PERIOD		0	(5 337)	5 337	**520**	**(31 565)**	**(32 085)**

Explanation of material difference between the final budget and actual expenditure

(a) These are conditional grants. The budget amount is what the entity expected to recieve in the current year in line with the allocation letter or grant agreement. The actual income relates to the income that has been recognised in accordance with the grant conditions.

(b) During the fourth quarter, the Gauteng Department of Economic Development initiated an Integrated Marketing Communication strategy. This mandated the GTA, to lead the marketing and communication strategy aimed at improving communication, community outreach and medial relation on economic development success and challenges in Gauteng for four other entities namely Gauteng Department of Economic Development, Gauteng Growth and Development Agency, Gauteng Enterprise Propeller and Cradle of Human Kind World Heritage Site and Dinokeng. The implementation period was from January 2023 - March 2023 and the total amount of the strategy is R12,000,000. Due to the late payments of the contributions from the entities, the contributed income was not fully utilised before the end of the year and will be utilised in the coming financial year inline with the agreed upon strategy.

(c) GTA surplus funds are held in the Corporation for Public Deposits (CPD) by the Reserve Bank of South Africa , Monetary Policy Committee. Interest received was more than budgeted for, as a result of the positive increases in the interest rate during the financial year period.

(d) The reduction of the compensation of employees budget over the MTEF resulted in the inability to fill all vacancies in the current financial year. The organisation has embarked on a cautioned approach and is filling key critical positions whilst monitoring the MTEF allocations. Filling all the vacant positions can become unaffordable over the MTEF as a result of the reduction in the public sector wage bill.

(e) In the 2021/22 financial year, using the formula stipulated by the National Treasury Instruction note No.12 of 2020/21 the GTA provided an amount of R41,213,666 . Of this amount National Treasury requested that R38,813,000,00 be returned and this was paid during the financial year and was set off against the provision in the current year as per the reconciliation is shown in note 5.1.2.

(f) The organisation implemented various strategies especially in the Destination Marketing and Bidding and Hosting units to address the underspending patterns, that had created huge reserves in the organisations over the years . These strategies and catch up plans have been successfull as evidenced by the spending trends.

Statement of Changes in Net Assets

	Accumulated Surplus/(Deficit)	Total
	R'000	R'000
Balance at 31 March 2021	36 682	36 682
Deficit for the year	(31 565)	(31 565)
Balance at 31 March 2022	**5 117**	**5 117**
Deficit for the year	(5 337)	(5 337)
Balance at 31 March 2023	**(220)**	**(220)**

Cash Flow Statement

	Notes	2022/23 R'000	2021/22 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from Transfers		127 795	131 377
Refunds and re-imbursements		-	1 275
City of Johannesburg contribution for Meetings Africa			1 965
Total receipts from operating activities		127 795	134 617
Employee costs		49 024	44 046
Payments to suppliers		67 323	45 351
Funds surrendered to Gauteng Treasury		38 813	29 636
Total payments from operating activities		155 160	119 033
NET CASH FLOW FROM OPERATING ACTIVITIES	**9,1**	**(27 365)**	**15 584**
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	2	-	(494)
Additions to intangible assets		-	-
Proceeds from disposal of assets			32
NET CASH FLOW FROM INVESTING ACTIVITIES		**-**	**(462)**
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in finance liabilities	13.2	-	-
		-	-
NET CASH FLOW FROM FINANCING ACTIVITIES			
Net Increase/(Decrease) in cash and cash equivalents		(27 365)	15 122
Cash and cash equivalents at the end of the year	9.2	77 649	62 527
Cash and cash equivalents at the end of the year	**9.3**	**50 284**	**77 649**

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 (GRAP),issued by the Accounting Standards Board in accordance with section 91(1) of the Public Finance Management Act (PFMA). These annual financial statements havebeen 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 statement of financial position, statement of financial performance, statement of changes in net assets and cash flow statements. The notes to the annual financial statements have been stated in Rand terms.

1.3 Going Concern

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

1.4 Comparative Information

1.4.1 Prior year Comparatives

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

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

1.5 Standards, Amendments to Standards and Interpretations which became effective in the current financial year

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

Standard	Effective Date: Years beginning on or after	Expected Impact
Ammendments to GRAP1	1-Apr-23	The entity shall apply revised principles
Amended GRAP 104 on Financial Instruments	1-Apr-25	No significant impact on the entity.
GRAP 25 on Employee benefits.	Not yet determined	No significant impact on the entity.
Guideline on the Application of Materiality to Financial Statements	Not yet determined	Impact on materiality will be assessed
iGRAP 21- The effective of past decisions on materiality.	Not yet determined	Expected impact to be assessed.
Improvements to the standards of GRAP	1-Apr-23	Improvements shall be applied

1. ACCOUNTING POLICIES - continued

1.6 Significant Judgements and Estimates

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

1.6.1 Judgements

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

1.6.2 Estimates

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

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

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

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. ACCOUNTING POLICIES - continued

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.

1.8 Specific Financial Instruments

1.8.1 Investments at amortised cost

Investments which include short-term deposits invested with the South African Reserve Bank 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 South African 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.

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.

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. ACCOUNTING POLICIES - continued

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 company's 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.

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 recognise asset acquired under finance lease as assets and associated lease obligations as liabilities in the statement of financial position.

1. ACCOUNTING POLICIES - continued

1.12.2 Measurement

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

1.13 Revenue

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

1.13.1 Revenue from Exchange Transactions

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

1.13.2 Recognition and Measurement

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
a) the amount of revenue can be measured reliably;
b) it is probable that the economic benefits or service potential associated with the transaction will flow to the company;
c) the stage of completion of the transaction at the reporting date can be measured reliably; and
d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably. When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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

Interest income

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

1.13.3 Revenue from Non-Exchange Transactions

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

1. 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 alsorequired 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 ofthe transaction. Exchange differences arising on the settlement of creditors or on reporting of creditors atrates 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.

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. ACCOUNTING POLICIES - continued

1.20 Post-reporting Date Events

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

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

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

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

1.21 Related Party Transaction

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

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

1.22 Accounting Policies - Additional

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

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

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

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

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

1.22.2 Budget Information in Financial Statements

As per GRAP 1.12, a comparison of the budget and actual amounts for the reporting period 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. ACCOUNTING POLICIES - continued

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

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

1.22.5 Staff Advances / Loans
The authority recognises staff advances in the statement of financial position as current assets and any interest if applicable in the statement of financial performance. These advances are granted in terms of the Authority's HR Policy on Staff Loans and/or Advances.

1.22.6 Financial Risk Management
The Authority's activities expose it to the following risks:
-
Credit Risk; - Liquidity Risk; and Market Risk.
The Board has overall responsibility for the establishment and oversight of the Risk Management Framework of the authority . The Board has established the Audit and Risk Committee (ARC), which is responsible for developing and monitoring the authority's risk management policies. The Committee reports regularly to the Members of the Board on its activities. The authority's risk management policies and systems are established to identify and analyse the risks the Authority faces, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The authority reports on its risks on a monthly basis in terms of the Board approved Risk Register. These reports are consolidated into quarterly reports and presented to the Audit and Risk Committee as a standing item on the agenda of the committee.

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

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

2 Property, Plant and Equipment	Computer Equipment	Equipment	Furniture & Fittings	Leasehold Improvements	Motor Vehicles	Finance Lease	Total
Year Ended 31 March 2023							
Opening net carrying amount	**630 556**	**63 215**	**219 146**	**0**	**1 093 218**	**0**	**2 006 134**
Gross carrying amount	2 775 651	260 817	1 587 273	406 100	2 546 830	205 416	7 782 088
Accumulated depreciation	(2 145 096)	(197 602)	(1 368 128)	(406 100)	(1 453 613)	(205 416)	(5 775 954)
Additions	-	-	-	-	-	-	-
Additions : Donations	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Depreciation charge - disposals	-	-	-	-	-	-	-
Depreciation charge	(258 587)	(14 784)	(52 130)	-	(254 683)	-	(580 184)
Closing net carrying amount	371 968	48 431	167 016	0	838 535	0	1 425 950
Gross carrying amount	2 775 651	260 817	1 587 273	406 100	2 546 830	205 416	7 782 088
Accumulated depreciation	(2 403 683)	(212 386)	(1 420 257)	(406 100)	(1 708 296)	(205 416)	(6 356 138)
Year Ended 31 March 2022							
Opening net carrying amount	**341 439**	**77 999**	**271 276**	**0**	**1 347 901**	**0**	**2 038 614**
Gross carrying amount	2 392 237	260 817	1 587 273	406 100	2 546 830	205 416	7 398 673
Accumulated depreciation	(2 050 797)	(182 818)	(1 315 998)	(406 100)	(1 198 930)	(205 416)	(5 360 059)

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

	Computer Equipment	Equipment	Furniture & Fittings	Leasehold Improvements	Motor Vehicles	Finance Lease	Total
Additions	**494 441**	**-**	**-**	**-**	**-**	**-**	**494 441**
Additions : Donations	-	-	-	-	-	-	-
Additions	494 441	-	-	-	-	-	494 441
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cost	(111 027)	-	-	-	-	-	(111 027)
Depreciation charge - disposals	111 027	-	-	-	-	-	111 027
Depreciation charge	(205 325)	(14 784)	(52 130)	-	(254 683)	-	(526 922)
Closing net carrying amount	**630 556**	**63 215**	**219 146**	**0**	**1 093 218**	**0**	**2 006 134**
Gross carrying amount	2 775 651	260 817	1 587 273	406 100	2 546 830	205 416	7 782 088
Accumulated depreciation	(2 145 096)	(197 602)	(1 368 128)	(406 100)	(1 453 613)	(205 416)	(5 775 954)

Annual Financial Statements for the year ended 31 March 2023

		Notes	2022/23	2021/22
3.	**Intangible assets - Computer software**			
	Opening net carrying amount		**-**	**-**
	Gross carrying amount		762 163	762 163
	Accumulated amortisation		(762 163)	(762 163)
	Accumulated impairment deficit		-	-
	Additions		-	
	Cost			
	Amortisation		-	
	Amortisation			
	Closing net carrying amount 31 March		-	-
	Gross carrying amount		762 163	762 163
	Accumulated amortisation		(762 163)	(762 163)
	Accumulated impairment deficit		-	-
4.	**TRADE AND OTHER RECEIVABLES**		7 377 276	6 270 961
4.1	Trade Receivables from exchange transactions - Balances		**7 377 276**	**6 270 961**
	Prepayment		3 000 000	3 107 789
	Deposits		64 198	4 197
	Trade and other receivables from - Debtors		4 313 079	3 158 975
4.1.1	**Ageing of trade & other receivables from exchange transactions** (These assets as past due but not impaired)			
	Current (0 - 30 days)		2 499 999	2 808 896
	31 - 60 days		76 662	-
	61 - 90 days		-	350 000
	91 - 120 days		-	-
	121 - 365 days		1 736 417	79
	Total		**4 313 079**	**3 158 975**

		Notes	2022/23	2021/22
4.1.2	**Deposits**		**64 198**	**4 197**
	Rental of premises at Lanseria Airport- Visitor Information Centre.		4 198	4 197
	Eskom- Garankuwa Hotel School		60 000	-
4.1.3	**Current Asset Prepayments**		**3 000 000**	**3 107 789**
	VIP Payroll Licence		-	29 981
	Directors and officers liability cover insurance		-	19 031
	SAGE Accounting software license		-	5 111
	Draftworx software licence		-	53 667
	Rowing Masters		3 000 000	3 000 000
5.	**TOTAL LIABILITIES**		**59 306 173**	**80 807 515**
5.1	**Trade and other payables from exchange transactions**		**23 196 687**	**14 197 210**
5.1.1	**Trade payables from exchange transactions**		**10 687 766**	**4 007 086**
	Other payables from exchange transactions		**12 508 921**	**10 190 125**
	Accrual for 13th cheque	5.3.2	491 912	459 784
	Allowed accumulated vacation leave accrual	5.3.1	3 696 259	3 762 269
	Other payables for salaries and board allowances		0	91 010
	Accruals for general expenses	5.3.3	6 066 751	5 877 062
	Rand Show		2 254 000	-

5.1.2 **Provisions**

Reconciliation of provision - 31 March 2023

	Opening balance	Additions	Utilised/ paid back during the year	Reversed during the year	Closing balance
Provisions - Surplus retention	41,213,666	-	(38,813,000)	-	2,400,666
	41,213,666	**-**	**(38,813,000)**	**-**	**2,400,666**

		Notes	2022/23 R	2021/22 R
5.2	**Trade and other payables from non-exchange transactions**			
5.2.1	**Trade and other payables - Conditional Grants**		**32 648 734**	**24 637 566**
	Reconciliation of Conditional Grants			
	Restated opening balance		**24 637 566**	**19 016 582**
	Debtors - National Tourism Careers Expo			710 671
	Debtors - Community Arts Project			350 000
	Receipts - Additional Conditional Grants		38 040 000	21 479 330
	Unspent at year end			
	Bidding and Hosting		21 407 354	23 514 052
	National Tourism Careers Expo		34 041	453 002
	Community Arts Project		350 000	350 000
	Intergrated Marketing and Communication Strategy		10 536 823	-
	IDC Craft CSP		320 330	320 330
	Tourism Monitors		181	181
	Transferred to revenue / expenditure		(30 028 832)	(16 919 017)
	Closing Balance		**32 648 734**	**24 637 566**
5.3	**Reconciliation of Accruals**			
5.3.1	Accrual for Leave Pay - Balance as at 1 April		3 762 269	2 937 886
	Additional accrual			824 383
	Unused amounts reversed		(66 010)	-
	Balance as at 31 March		**3 696 259**	**3 762 269**
5.3.2	Accrual for 13th Cheque - Balance as at 1 April		459 784	403 555
	Additional accrual		32 128	56 229
	Unused amounts reversed			-
	Balance as at 31 March		**491 912**	**459 784**
5.3.3	Accrual for other general expenses - Balance as at 1 April		**5 877 061**	1 080 000
	Additional accrual			5 877 061
	Utilised amounts during the year		189 690	(1 080 000)
	Balance as at 31 March		**6 066 751**	**5 877 061**

		Notes	2022/23 R	2021/22 R
6.	**REVENUE**			
	Revenue comprises revenue received in respect of:		129 757 591	130 734 109
	Non-exchange transactions - DED Government Grants		96 185 000	109 898 000
	Non-exchange transactions - Bidding and hosting		18 398 699	5 585 410
	Non-exchange transactions - Community Arts Project		-	3 150 000
	Non-exchange transactions - National Tourism Careers Expo		9 456 285	7 775 999
	Non-exchange transactions - NDT Safety Monitors		-	-
	Non-exchange transactions - IDC-CRAFT		-	407 608
	Non-exchange transactions - DED-IMC		1 463 177	
	Other Income - exchange transactions	6.1	228 076	1 951 753
	Income from Investments - exchange transactions	6.2	4 026 354	1 965 339
6,1	**Other Income - exchange transactions**		**228 076**	**1 951 753**
6.1.1	**Other Income**		**228 076**	**1 951 753**
	Rand show Income		-	-
	City Of Johannesburg contribution for Meetings Africa		-	1 951 753
	Sundry income		228 076	-
6.2	**Income from Investments**		**4 026 354**	**1 965 339**
	Interest from Corporation for Public Deposits		3 077 215	1 876 041
	Interest from Current Account		949 139	89 298
7.	**EXPENDITURE**			
7,1	**Employee related costs**			
	Wages and salaries		48 989 631	46 427 639
	Accrual for leave pay		(66 011)	824 383
	Accrual for 13th cheque		32 128	56 229
	Long service award		61 436	51 356
	Employee wellness		4 577	127 066
	Medical aid		4 189 997	3 819 621
	PAYE		12 393 461	10 988 206
	Provident fund		5 129 479	4 856 899
	Salaries		26 652 833	25 324 458
	UIF		228 264	232 151
	Study assistance		363 468	147 270
			48 989 631	**46 427 639**
	Employee related costs include:			
	CEO and Senior Manager's emoluments	8.1.1	**15 151 004**	**12 860 448**

		2022/23 R	2021/22 R
7.2	**Depreciation**	**580 184**	**526 922**
	Plant, machinery and equipment	14 784	14 784
	Computer equipment and peripherals	258 587	205 325
	Office furniture and fittings	52 130	52 130
	Motor Vehicles	254 683	254 683
7.4	**General expenses**	**85 524 835**	**85 524 835**
	Audit fees - Statutory	836 751	923 250
	Audit fees - Internal	1 004 906	104 655
	Probity audits	-	79 800
	Bank Charges	160 354	24 412
	Cleaning Services	328 831	358 762
	Conference and delegations	792 234	28 119
	Refreshments and office expenditure	343 512	309 160
	Electricity	1 356 787	1 017 311
	Insurance	527 971	368 456
	Integrated Marketing and Communications	60 568 912	27 922 296
	Community Arts Project	357 973	3 160 720
	Legal Fees	1 344 318	6 068
	Non-executive Board remuneration and allowances	1 220 927	979 503
	Rental of buildings	4 380 394	4 967 779
	Strategic planning	1 849 950	537 549
	Recruitment	333 616	277 853
	Security costs	186 415	358 762
	Subscriptions and publications	-	50 592
	Telephone costs	20 260	22 176
	Craft workshop	5 598 648	407 608
	Information technology expenditure	2 925 921	2 355 217
	Other	1 386 155	266 817
7.4	**Surrender of surplus funds to Treasury**		
	Surplus funds surrendered to Treasury during the year Provision raised during the year	38 813 000	29 636 383
		-	41 213 666
		38 813 000	70 850 049
7.5	**Other gains / losses**		
	(Gains) on disposal of assets (Property, plant and Equipment)	-	(32 398)
		-	**(32 398)**

8. RELATED PARTIES

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.

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

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

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

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

Relationships	Entity
Ultimate controlling entity	Gauteng Department of Economic Development
Under common control	Gauteng Department of Agriculture and Rural Development
Gauteng Department of Economic Development Agencies	Gauteng Growth and Development Agency
	This Innovation Hub Management Company
	Supplier Park Development Company
	Constitution Hill Development Company
	Greater Newtown Development Company
	Gauteng IDZ Development Company
	Gauteng Gambling Board
	Gauteng Enterprise Propeller
	Gauteng Liquor Board
	Cradle of Humankind and Dinokeng
GTA Board and close family members (Note 8.1.2)	
GTA executive management and close family members (Note 8.1.1)	

		2022/23 R	2021/22 R
8.1.1	**Executive Management Emoluments**	**15 151 004**	**12 860 448**

Summary / Executive Staff Members		Salary / Acting R	Bonuses and perform payments R	Prov Fund contrib R	Cell/Med Aid contrib R	Total R
	S Dlamini: **Chief Executive Officer**	2 898 720	238 560	-	-	**3 137 280**
	MN Kubeka	1 803 097				**1 803 097**
	KN Gaoganediwe	1 743 114				**1 743 114**
	FH Ngqobe	2 090 564				**2 090 564**
	T Nkuna	1 176 397	96 033	86 430	51 126	**1 409 986**
	M Kona	1 803 097				**1 803 097**
	MS Manukuza: **Chief Financial Officer**	1 738 323				**1 738 323**
1	JF Dekker	1 425 542				**1 425 542**
Year ended 31/03/2023		**14 678 855**	**334 593**	**86 430**	**51 126**	**15 151 004**

1 Resigned 31 December 2022

Summary / Executive Staff Members		Salary / Acting R	Bonuses and perform payments R	Prov Fund contrib R	Cell/Med Aid contrib R	Total R
	S Dlamini: **Chief Executive Officer**	892 931	-	-	-	**892 931**
	MN Kubeka	1 718 514	-	-	-	**1 718 514**
	KN Gaoganediwe: **Acting Chief Executive Officer**	2 154 504	-	-	-	**2 154 504**
	FH Ngqobe	1 781 671	-	-	-	**1 781 671**
	T Nkuna	1 184 491	86 704	81 155	48 317	**1 400 666**
	M Kona	1 718 514	-	-	-	**1 718 514**
	MS Manukuza: **Chief Financial Officer**	1 641 693	-	-	-	**1 641 693**
	JF Dekker	1 551 955	-	-	-	**1 551 955**
Year ended 31/03/2022		**12 644 273**	**86 704**	**81 155**	**48 317**	**12 860 448**

		2022/23 R	2021/22 R
8.1.2	**Board Emoluments**	**721 324**	**979 503**
	Ms S Koaho	84 771	154 583
	Mr D Lehutjo	-	27 875
	Mr E Margerman	99 460	91 527
	Mr P Masina	43 731	-
	Mr C Mpyane	34 911	106 523
	Ms G Nkabinde	50 534	81 231
	Ms J Nwokedi (Chairperson)	139 240	238 935
	Ms M Ramawela	64 635	71 808
	Mr T Ratshitanga (Deputy Chairperson)	50 719	88 681
	Mr L Seeco	83 503	118 340
	Mr T Makwetla	34 911	

9. NOTES TO THE CASH FLOW STATEMENT

9.1	**Reconciliation of net (deficit)/surplus before taxation to cash (utilised) generated from operations**		
	Net (deficit)/surplus for the year	**(5 337 060)**	**(31 564 969)**
	Adjusted for:		
	Depreciation	580 184	526 922
	Gain on disposal of asset	-	(32 398)
	Funds surrendered to Gauteng Treasury	-	41 213 667
	Operating surplus/(deficit) before working capital changes	**(4 756 876)**	**10 143 221**
	Other Non-cash movements (Surplus / GHS surrender to Treasury)		
	Working capital changes	**(22 607 656)**	**5 440 481**
	(Increase) in Accounts Receivable	(1 106 314)	(5 832 287)
	Increase in Conditional Grants	8 011 168	5 620 984
	(Decrease)/Increase in accounts payable	(29 512 510)	5 651 784
	Cash (utilised by)/generated from operations	**(27 364 532)**	**15 583 702**

		2022/23 R	2021/22 R
9.2	**Cash and cash equivalents at beginning of the year**	**77 648 540**	**62 526 883**
	Current bank account	26 936 288	13 690 672
	Corporation for Public Deposits Account (restricted use)	50 711 361	48 835 320
	Petty cash	891	891
9.3	**Cash and cash equivalents at end of the year**	**50 284 008**	**77 648 540**
	Current bank account	16 594 160	26 936 288
	Corporation for Public Deposits Account (restricted use)	33 688 576	50 711 361
	Petty cash	1 272	891

10 NOTES TO THE STATEMENT OF CHANGES IN NET ASSETS

The accumulated surplus / (loss) reflects net assets and includes retained income for future use amounting to -R219 761

11. RETIREMENT BENEFIT OBLIGATIONS

The authority has made provision for a Liberty Life Group Provident Fund for GTA personnel. The authority contributes 100% of the amount payable 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.

	2022/23 R	2021/22 R
12. OPERATING LEASE ARRANGEMENTS/NON-CAPITAL COMMITMENTS/COMMITMENTS-AUTHORISED EXPENDITURE		
12.1 Operating lease arrangements / Non-capital Commitments		
Operating lease liability	**1 060 086**	**759 072**
At the statement of financial position date the GTA has oustanding commitments under non-cancellable operating leases, which fall due as follows:		
Not later than 1 year	5 845 349	5 513 280
Later than 1 year but not later than 5 years	10 392 932	16 238 281
Later than 5 years		-
	16 238 281	**21 751 561**

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

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

13 GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on it receiving a statutory grant. As at the time of the approval of these annual financial statements, in the, Department of Economic Development had committed to funding the entity for the period 2023/23 to 2025/26.

14 SENSITIVITY ANALYSIS

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

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments at amortised cost

Total financial assets	**2022/23** R	**2021/22** R
Trade receivables from exchange transactions	4 313 079	3 158 975
Deposits	64 198	4 198
Cash and cash equivalents	50 284 008	77 648 540
Total	**54 661 284**	**80 811 713**
Total financial liabilities		
Trade payables from exchange transactions	10 687 766	4 007 086
Accrual for Board fees	-	91 010
Accrual for general expenses	6 066 751	5 877 062
Total	**16 754 516**	**9 975 158**

Capital risk management

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

Financial risk management objectives

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

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

Significant risks

The entity has exposure to the following risks from its operations:
*Market risks;
*Interest rate risk;
*Credit risk;
*Liquidity risk.

Market risk

The entity monitors its cash forecasts closely to ensure that cash reserves are banked at the South African Reserve Bank to maximise interst received.

Credit risk

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

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing the risk during the year under review. The entity's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. The entity did not have any impairments, write-off and credit losses during the 2022/23 financial year.

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

Trade and other receivables	**2022/23** R	**2021/22** R
Trade receivables from exchange transactions	4 313 079	3 158 975
Deposits	64 198	4 198
Cash and cash equivalents	50 284 008	77 648 540
Total	**54 661 284**	**80 811 713**

Maximum credit risk exposure

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

	2022/23	2021/22
Trade receivables from exchange transactions:		
Gauteng Enterprise Propeller	56%	0%
City of Johannessburg - Meetings Africa	0%	62%
Gauteng Department of Sport, Arts, Reacreation and Culture - Community Arts Project	4%	11%
National Department of Tourism - National Tourism Career Expo	0%	7%
CATHSETA - National Tourism Career Expo	0%	16%
North West Office of the Premier - Reimbursement for seconded employee	0%	5%
Gauteng Office of the Premier	4%	0%
Gauteng Provincial Treasury	4%	0%
Gauteng Department of Social Development	4%	0%
Gauteng Department of Roads and Transport	4%	0%
Gauteng Department of Economic Development	4%	0%
Gauteng Department of Co-operative Governance and Trdaditional Affairs.	4%	0%
Gauteng Department of Community Safety	4%	0%
Gauteng Department of Education	4%	0%
Gauteng Department of Infrastructure Development	4%	0%
Gauteng Department of Health	4%	0%
Total	**100%**	**100%**

Credit quality of financial assets:

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

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

FINANCIAL INSTRUMENTS - continued

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has approved the Cash, Banking, and Investment managment policy for the management of the entity's short, medium, and long term funding and liquidity management requirements. The entiy continuously monitors cash forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity analysis

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

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

2022/23

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
Trade payables from exchange transactions	10 687 766	-	-	-
Accrual for Board fees	-	-	-	-
Accrual for general expenses	6 066 751	-	-	-
	16 754 516	**-**	**-**	**-**

2021/22

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16 Irregular Expenditure and Fruitless and wasteful expenditure

	2022/23	2021/22
Irregular Expenditure	-	-
Fruitless and wasteful expenditure	-	-
Closing balance	**-**	**-**

Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Incident description 2022/23

Incident reported- NONE

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8)		
Criteria	**Response Yes / No**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	NO	The GTA does no issue any licences of concessions that have a B-BBEE requirement.
Developing and implementing a preferential procurement policy?	YES	This forms part of the supply chain management policy (SCM). Procurement of goods and services is done in accordance with the policy and per Treasury Instructions and guidelines.
Determining qualification criteria for the sale of state-owned enterprises?	NO	Not Applicable to the GTA
Developing criteria for entering partnerships with the private sector?	X	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The GTA has no capacity to award grants or incentives as the organisation itself is a grant recipient

NOTES:

NOTES:

TOURISM

GAUTENG
it starts here

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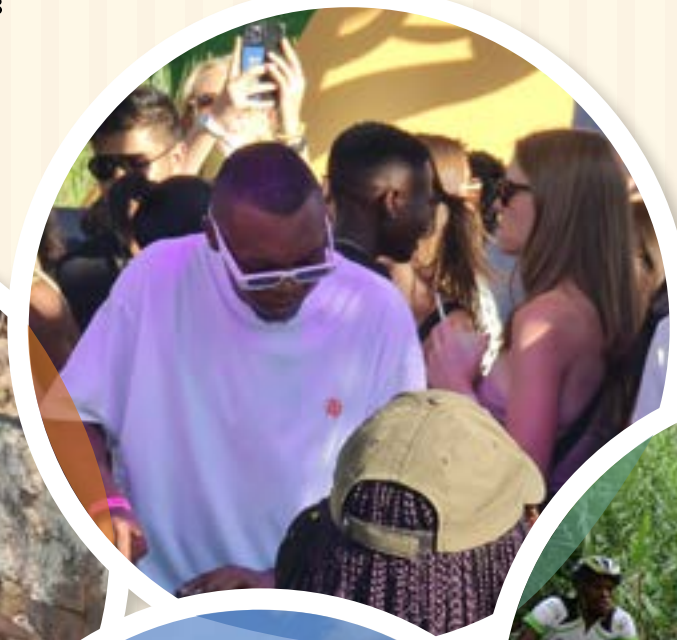
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