CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE 31

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC) (MUNICIPAL ENTITY) - BUSINESS PLAN

2022/23 BUDGET (MAY 2022)

THE CAPE TOWN INTERNATIONAL CONVENTION CENTRE 5-YEAR BUSINESS PLAN

2023/2027

This document is a draft only and confidential

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Executive Summary

This document represents the Cape Town International Convention Centre (CTICC)'s Five-Year Business Plan for 2023 – 2027.

Since opening its doors almost two decades ago, the CTICC has focused on building a resilient brand on the global business events stage. The continued interest in the CTICC as a venue to host conferences and trade exhibitions, most notably those in the medical and scientific fraternities, signifies the strength and flexibility of the venue and destination.

The meetings, incentives, conferences and exhibitions (MICE) industry has been one of the hardest-hit sectors over the past 20 months due to the regulations impacting travel and events. Even with many businesses and associations worldwide re-evaluating their position on business travel, the CTICC has maintained its reputation as an agile, innovative and desirable world-class space for knowledge sharing and meeting.

As the CTICC is a state-owned entity, this document is duly aligned with and guided by the City of Cape Town's Integrated Development Plan (IDP) and its strategic priorities. The city's six priorities and three foundations focus on making Cape Town the City of Hope. The business plan also aligns with the Western Cape Government's Economic Growth Strategy.

Despite global and economic challenges, the CTICC's financial history showed that the organisation generated an operating profit year-on-year before the Covid-19 pandemic. To ensure that the business rebuilds and reverts to making a profit as soon as possible, each business unit operates according to an implementation framework and action plan detailed for the next five years. These support the core business plan and explain how key performance indicators (KPIs) will guide each unit's contribution to the organisation's sustainability.

The core plans for each business unit are:

- The event and sales team will secure the forward book and grow the repeat events segment annually by promoting multi-year deals.

- The conference and exhibitions services team will focus on increasing revenue year-on-year as of the 2024 financial year, and leverage technology to host hybrid events to assist clients in improving attendance figures for events.

- Sales will focus on growing the pre-defined market segments. It will also build and strengthen the existing brands under the own events segment.

- The marketing and communications team will continue to build the brand's equity to ensure customer confidence. They will use data to develop content that is relevant to its key audiences to have maximum and measurable impact.

- The revenue management team will focus on increasing the CTICC's average occupancy year-on-year through several tactics, such as revised pricing strategies and increasing long-term contracts with corporates.

- The food and beverage team will focus on improving the cost-effectiveness of the operation and maintaining its ISO 22000:2018 certification.

- Facilities management and technical services' priority for the next five years will be the continued maintenance of the venue while reducing operational and capital expenditure.

- The finance team will ensure that the business sustains its sound financial governance and track record of unqualified audits for the next five years and into the future. At the same time, the supply management team will implement a fully integrated contract and demand management platform.

- The Human Resources (HR) Department will ensure that the CTICC remains an employer of choice to attract, recruit and retain a diverse workforce that meets the organisation's demands.

- The safety and security team will ensure the safety of the CTICC's staff, clients, delegates and suppliers through an enhanced security infrastructure, and maintain its relationship with key stakeholders, such as the Cape Town Central City Improvement District (CCID) and the South African Police Service (SAPS).

- The Information Technology (IT) team will ensure that all technology deployed supports the business activities of the organisation and the needs of the clients and visitors.

The CTICC is committed to building and upholding an ethical business culture. It is a participant of the United Nations Global Compact (UNGC) and commits to the UNGC's Ten Principles covering human rights, labour, environmental protection and anti-corruption. Economic, social and environmental sustainability is reflected in every aspect of the business. The CTICC formalised its sustainability commitment in 2008 through the Nurture Our World (NOW) committee, which has representation from each department to ensure that triple-bottom-line sustainability underpins everything it does.

The CTICC has reduced water consumption through its environmental sustainability practices for several years. Since 2018, the CTICC has saved 64 million litres of water, and plans are in place to be more water resilient in the future. The CTICC remains vigilant about waste reduction in general and minimising waste to landfill. Its recycling efforts begin with eco-procurement and aims to work primarily with suppliers who offer reusable and recyclable products where possible.

The impact of the efforts by the CTICC on its triple bottom line continues to show positive results, and the CTICC will remain focused on innovation as a key business driver and strategic differentiator over the next five years and beyond.

The CTICC is also committed to innovation and forward thinking and will continue to find new ways to build the business, support the community and create jobs using its adaptable space.

1. Strategic Focus

1.1 Forging the Future of the CTICC

The CTICC of the future will reflect its established success of the past – its success as a globally recognised and respected tourism industry icon and world-class centre of operations.

Although the Covid-19 pandemic has devastated the business events industry, at the CTICC, we hold the view that Covid-19 has given us the opportunity to evolve and become the convention centre that leads the disruption of what "space" can be. This has resulted in a strategy for re-purposing and re-imagining the CTICC.

The new strategy that the CTICC will be adopting in the next two years will position us as a significant global player in the fields of technology and innovation. As such, the Five-Year Business Plan presented here will, in the next year, include amendments to incorporate our new approach.

1.2 Purpose

We connect people to create jobs by attracting events in key economic sectors and exceeding our clients' expectations.

1.3 Mission

We will bring the purpose to reality by:

- Maximising economic spin-off and job creation.
- Focusing on innovation and exceeding expectations.
- Achieving service excellence by building capable and quality staff.
- Being a world leader in sustainability.

1.4 Values

At the very core of the CTICC, underpinning its purpose, mission and vision, lies a set of brand values displayed in every part of the organisation. Passion, integrity, innovation and excellence are more than just words at the CTICC. They are the actions that guide the teams' motivation and drive business processes, ensuring that the team thrives and that the CTICC's clients and stakeholders benefit from it.

- **Passion**: We live to go beyond.
- **Integrity:** We are transparent in all our actions.
- **Innovation**: We create magic that gives us the edge.
- **Excellence**: We create superior experiences.

- **Gratitude**: We are appreciative of the opportunities provided by the CTICC, the City of Cape Town, and the country we live in.
- **Caring:** We care for one another, our clients, our business, our building, and our equipment.

1.5 The Alignment with the City of Cape Town's Integrated Development Plan and Strategic Economic Sectors

The CTICC is committed to ensuring its activities align with and support the City of Cape Town's Integrated Development Plan (IDP). The CTICC's business plan is geared towards developing the sectors identified by the City of Cape Town and the Western Cape Government as strategic areas for job creation and economic growth.

The economic sectors identified, which are subject to change upon the release of the new IDP in 2023, include:

- Oil and Gas.
- Tourism.
- Agro-processing.
- Business Process Outsourcing.
- Renewables.
- Film.
- Electricity.
- Water.
- ICT.
- Logistics.
- Financial Services.
- Education.
- Health.
- Marine.

Table 1: The Alignment Between the CTICC's Business Objectives and the City of Cape Town's Integrated Development Plan Focus

OBJECTIVES

PRIORITIES

INCLUSIVE ECONOMIC GROWTH
- Increased jobs and investment within the Cape Town economy

BASIC SERVICES
- Well-managed and modernised infrastructure to support inclusive economic growth
- End load-shedding in Cape Town over time
- Improved access to quality and reliable basic services

SAFETY
- Effective law enforcement to make communities safer
- Combatting the causes of crime supported by community partnerships

HOUSING
- Increased supply of affordable, well located homes
- Safer, better quality homes in informal settlements and back yards over time

PUBLIC SPACE, ENVIRONMENT AND AMENITIES
- Healthy and sustainable environment
- Clean and healthy waterways and beaches
- Quality and safe parks and recreation facilities supported by community partnerships

TRANSPORT
- An integrated, efficient transport system that provides safe and affordable travel options for all
- Safe and quality roads for vehicles, cyclists and pedestrians

FOUNDATIONS
- A resilient city
- A more specially integrated and inclusive city
- A capable and collaborative City government

Source: City of Cape Town, 2022

Table 2: The Alignment of the CTICC's Business Objectives with the City of Cape Town's Integrated Development Plan Priorities

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City of Cape Town 2023 – 2027 IDP Priorities	CTICC Business Objectives (2023 – 2027)
Economic growth	The CTICC aims to: • Maximise economic impact and job creation through business events • Diversify the business to incorporate other revenue models • Maintain good corporate governance • Maintain good customer service • Continue human capital development of workforce • Good corporate citizenry
Public space, environment and amenities	The CTICC aims to: • Maintain the accredited quality of our infrastructure • Limit the business' operations impact on the environment • Improve our health and hygiene protocols and standards to reduce exposure to communicable diseases
Safety	The CTICC aims to: • Create a safe environment around the CTICC precinct • Create a safe working environment for our staff

2. Contextual Analysis

For the CTICC to grow and sustain growth, it has a set of strategies to guide it. These strategies ensure that the organisation maintains its solid financial foundation and prepares for challenges ahead. As part of the planning process, several strategic interactions were held over the last year. These meetings included several stakeholder engagements, strategic management planning sessions and staff meetings. The interactions focused on re-shaping the future of the CTICC and setting a north star for the team. The team also undertook a political, economic, sociological, technological, legal and environmental (PESTLE) and strength, weakness, opportunity and threat (SWOT) analysis, and an independent external provider compiled the competitive analysis.

2.1 Competitive Analysis

In April 2021, the CTICC undertook an analysis to determine its competitive position. The study sought to unpack the external context and the market forces affecting the CTICC, as well as a review of internal performance to assess the accomplishment of the CTICC's eight market segments. An independent research team did a benchmarking exercise based on four key variables (location, facilities, price, and customer experience) to identify the foremost international, national, and local competitors.

The analysis identified the CTICC's 12 main competitors, as shown in Figure 1 below.

Figure 1: Key Competitors

Source: CTICC Competitor Analysis, 2021

The key findings of the study included the following:

- **The CTICC is operating in an industry that is growing but at a slow pace.**
  The historic growth of the meetings, incentives, conferences and exhibitions (MICE) industry can be attributed to industrialisation and the globalisation of trade. Recent geopolitical conservatism and the consequent stagnation in trade openness have slowed the growth of the international meetings industry. Travel restrictions have significantly impacted the industry in response to the global Covid-19 pandemic. It is anticipated that the industry will return to normal and that the market will recover from 2022.

- **Regional rotation is growing in the industry, creating opportunities for the CTICC to compete.**
Regional rotation refers to the move by associations to hold their meetings within regions (i.e., North America, Latin America, etc.) Regional rotation is an important development for the CTICC, as 23% of surveyed association secretariats reside within this region. This is behind Europe with 42%. The area has usually fallen behind the traditional regional leaders (i.e., North America and Europe) in economic development, infrastructure and facilities. In this regard, South Africa, and particularly Cape Town, holds a competitive advantage on the continent, with its world-class infrastructure and facilities, positioning Cape Town as a sought-after business events location, both regionally and globally.

Figure 2: Regional Rotation
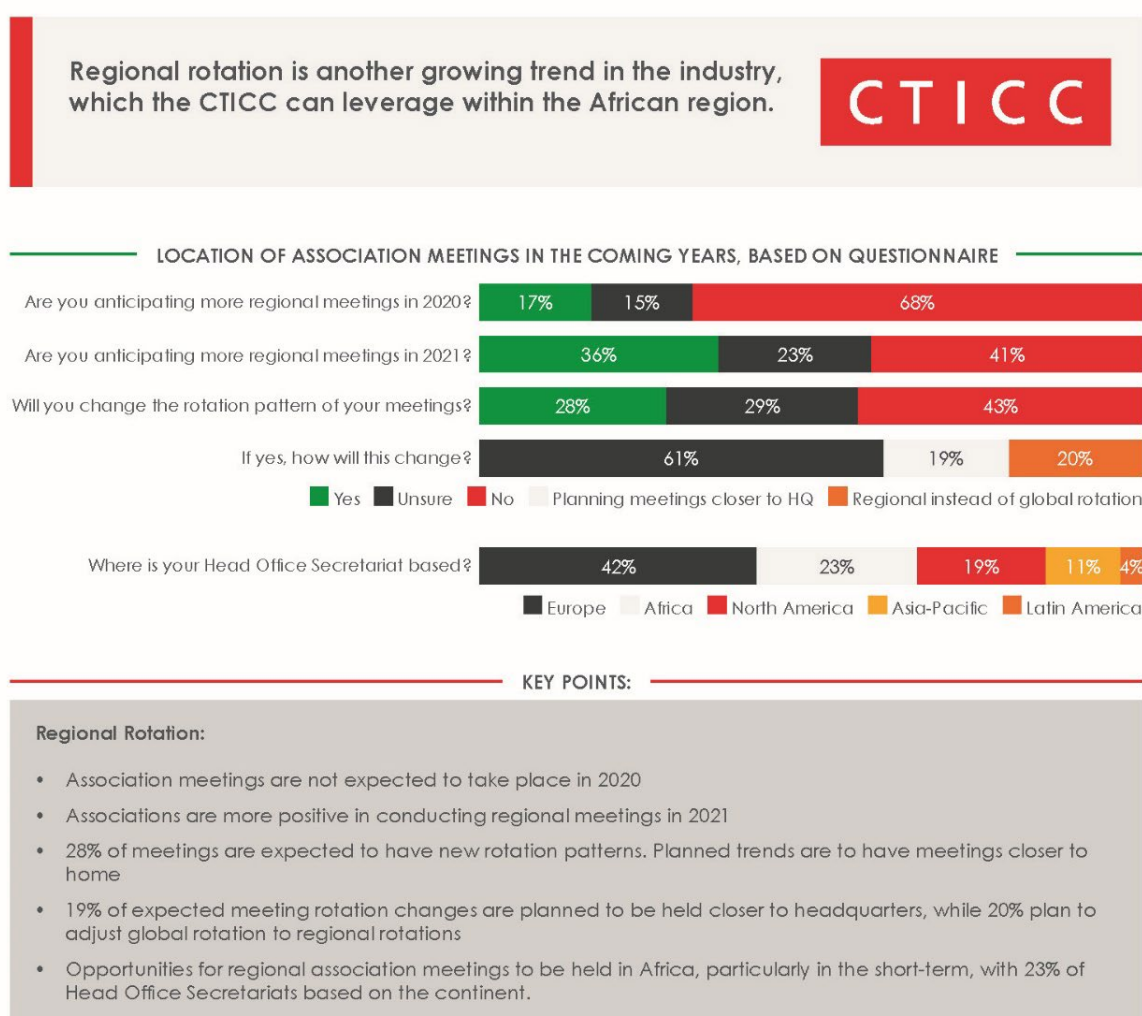
Source: CTICC Competitor Analysis, 2021

- **Virtual conferencing is the fastest-growing segment in the industry.**
  The segment is forecasted to grow 19% per annum. The Covid-19 pandemic has accelerated this, as virtual conferencing platforms have positioned themselves as key meeting enablers in a socially distanced world. 82% of recently surveyed companies indicated that they may have their event in a hybrid format, including a virtual interface over and above the standard in-person experience. Several competitors are strengthening their virtual conferencing capabilities to leverage recent market shifts brought upon by the Covid-19 pandemic.

- **The CTICC is well-positioned to compete from a location, facilities, and customer experience perspective.**
  Cape Town remains an attractive international destination for tourism and business travel. The CTICC boasts facilities that compete with other top international conferencing venues globally. Few national and local competitors can match the complete list of offerings provided by the CTICC. The CTICC promotes sustainability both within its facilities and its branding, positioning it as a venue of choice for environmentally conscious clients. It must be noted that specific national and local competitors, such as hotels that do not directly compete in all the CTICC's segments, may provide more tailored or niche services in areas such as banqueting. Client experience feedback remains positive and high, with marginal changes in performance.

- **The CTICC is competitively priced overall relative to competitors who focus on conferencing as their core business and have a five-star grading.**
  This trend can be observed across the board regarding conference packages, venue rentals and banqueting. Internationally, the CTICC has a price advantage that can be leveraged to increase competition, particularly in the region where the CTICC boasts a superior location and first-class facilities relative to the competition. Additionally, the CTICC has an ISO 14001 certification for its Environmental Management System. This is an essential branding element for the CTICC for international and local markets. Locally, the competitors are primarily hotels whose core business is accommodation. This has an impact on the pricing – for example, venue rental prices from hotels were, on average, lower than prices obtained from conference venues due to the hotels offsetting the venue rental for accommodation rental.

Figure 3: Price Comparison
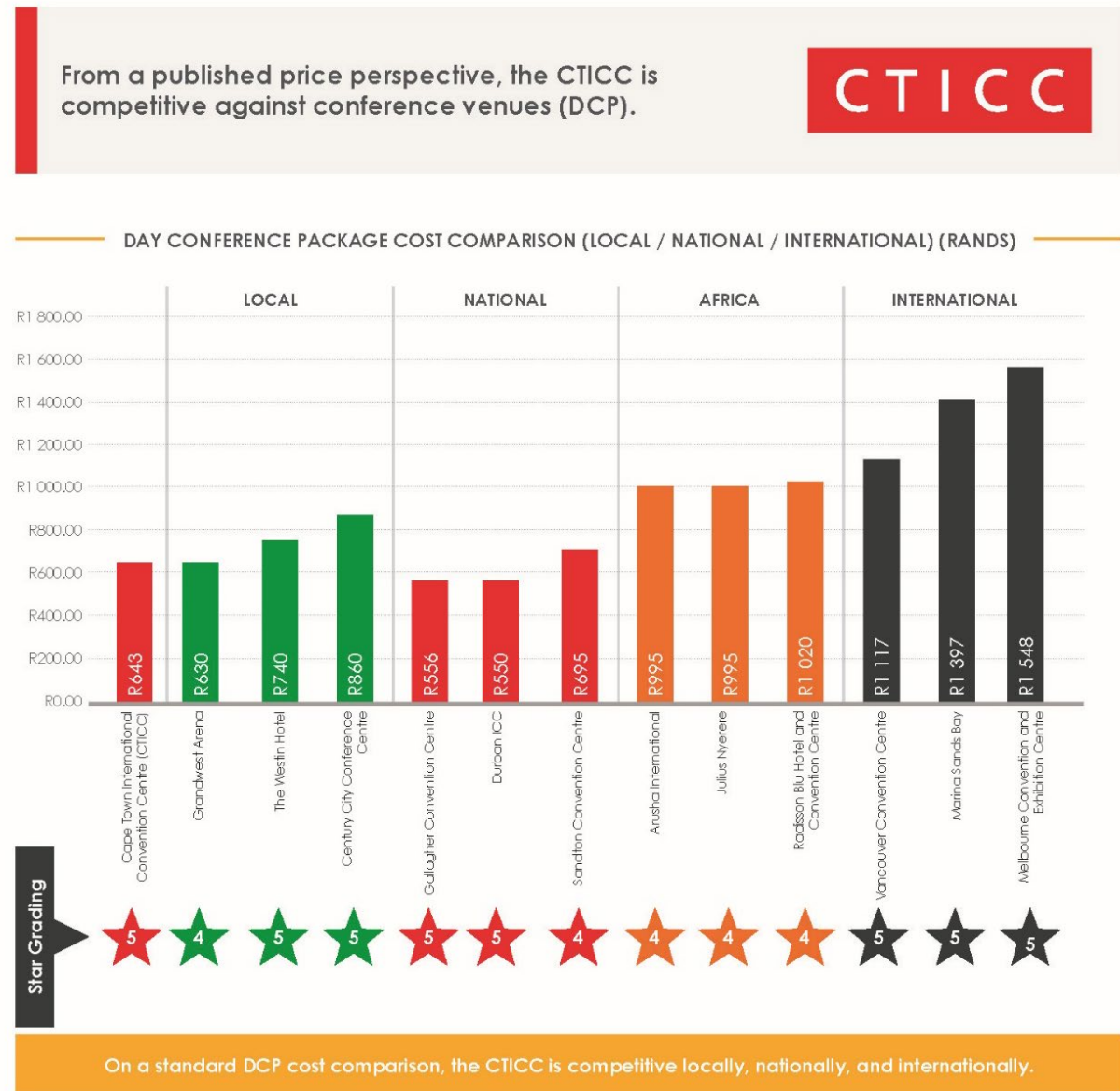
Source: CTICC Competitor Analysis, 2021

- **The CTICC segments remain relevant, although market forces threaten some.**
  As a venue, the CTICC specialises in delivering events in the following segments:
    - International conferences.
    - National conferences.
    - Exhibitions.
    - Trade fairs.
    - Special events (sports, cultural and leisure events).
    - Banquets.
    - Film and photo shoots.
        - Own events.
        - Other events (e.g., workshops, training seminars, exam writing, product launches, breakfasts, AGMs, and corporate roadshows).

    - In particular, the CTICC's banquet segment will face pressure over the short term due to the Covid-19 pandemic and the lower volumes permitted to ensure social distancing. Over the medium to long term, competition from indirect competitors (such as hotels) and a sluggish economic environment may result in further downward pressure on revenue within this segment. The CTICC's own events are an important development that can drive more significant national and local market share. The addition of virtual and hybrid event capabilities has added value to the existing segments, ensuring they remain relevant within the current and future market.

2.2 External Environment | PESTLE Analysis

The macro-environment within which the CTICC operates consists of six sub-environments or variables: political, economic, social, technological, legal and environmental. These form the backbone of a PESTLE analysis, and are constantly changing forces, which affect the market and micro-environments and impact each other, resulting in a dynamic and continually changing business environment. The macro-environment analysis ensures that focus is on these constant changes in the sub-environments and their implications for the business.

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Table 3: The Results of the CTICC's PESTLE Analysis

Political	Economic	Social
• Covid-19 regulations impact on gatherings • International travel restrictions between countries impact travel in and out of South Africa due to Covid-19 • 2024 general election • Data protection laws • Government stability and related changes • Government passes legislation, which impacts the relationship between the company and its customers, suppliers and other stakeholders • Governmental support – National Convention Bureau (subvention) • Riots and civil unrest against all spheres of government	• Stricter lockdown levels causing recessions and higher unemployment • Slow growth due to the long-lasting impact of Covid-19 regulations • Increases in the Consumer Price Index (CPI) impacting on the cost of living • Above inflation increases of essential commodities, services, fuel pricing and municipal services • The negative impact of Covid-19 on the tourism and hospitality industry • High labour costs • Fluctuating interest rate • Unfavourable exchange rates • The shift in traditional markets • Load-shedding • Higher expenses related to cleaner green energy • Lack of transport infrastructure	• Changes in diet preferences and an increase in a healthy food trend • Growth in the unemployment rate exacerbated by retrenchments due to the impact of Covid-19 • High crime rate • Increased homelessness and vagrants around the city and CTICC precinct • High rate of poverty • The hesitancy of people to vaccinate • Civil unrest due to the lack of service delivery • Population growth rate (influx from other provinces) • Customer service and product quality • Digital platforms used to ill effect (fake news)

Technological	Legal	Environmental
• E-commerce amplified by the Covid-19 regulations and the need for online solutions • Automation and self-payment systems • Hybrid/virtual events • Cyber security and threats • Migrating to cloud technology, artificial intelligence and virtual reality • The automation of many manual tasks can allow companies to replace human production lines • Global internet connectivity presents an even larger market for many companies but might mean less interest in traditional communication mediums	• Safety regulations amplified by the impact of Covid-19 • Adherence to the Protection of Personal Information (POPI) Act and General Data Protection Regulation (GDPR) • Mandatory Covid-19 vaccination • Applying for and receiving a visa is accessible to almost everyone around the world, with travel restrictions and Covid-19 passports becoming a requirement in the current climate • Tourists need to be aware of the local laws and restrictions • Competition regulation • Consumer protection	• Impact of Covid-19 on the environment and sustainability • Load-shedding due to energy shortage • Renewable energy sources • Move away from dirty to clean energy • The most significant environmental factor influencing the tourism industry is the pollution created by transportation mediums • As the number of tourists across the world increase again, governments are expected to take up strict action to regulate pollution levels caused by humans visiting tourist spots • Attitudes toward renewable energy

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2.3 Trends Impacting Business Events

The CTICC has looked at several trends and seen how it can adapt its business and take advantage of them for the next few years. These include:

- **The value of hybrid beyond the venue and event** – the value of a hybrid event, such as increasing delegate numbers, filling the sales pipeline, networking opportunities due to artificial intelligence (AI) and the ability to access the content after the event etc., is evident. Therefore, many conferences will continue to use this model.
- **The continued focus on safety by organisers** – as governments relax social distancing measures, organisers will continue to prioritise safety. Optimised use of space, ensuring the health and safety of delegates, and safety signage etc., will become the norm.
- Venues' increased focus on **environmental and social sustainability** – clients seek partners with measurable and impactful sustainable offerings and business operations, and these practices will soon become standard.
- The **acceleration of technology** – seamless digital experiences that are personalised for delegates has been fast-tracked over the past year, and this trend will grow in the business events space.

2.4 Internal Environment

The CTICC offers event-related services typically required to host an event or conference. The venue has two facilities, CTICC 1 and CTICC 2. Its offering includes conference services, food and beverage services, exhibition services, operational services, marketing and corporate communication services, a digital platform known as CTICC Engage, stringent Covid-19 protocols (C19Care and the CovidScreen app), a venue capacity management tool and an own events collection that is accessible to as many people as possible, as well as event-related services, such as IT, audio-visual and cleaning.

Together, they are designed to offer clients a unique experience in an exceptional environment. The CTICC is passionate about constantly improving the way it does business to ensure that it delivers excellent results for its shareholders and consistently enhances the experiences of clients and guests. To this end, consistent service excellence across every facet of the business is critical to its success and reputation as a world-class convention venue.

In today's challenging economic climate, the pressure on businesses to do things differently is evident. Consumer demand has evolved, and we have seen a trend towards a more discerning client. We need to cater to this demand and meet those expectations to succeed. The CTICC has recognised that the only way it can achieve this is through a dedicated focus on innovation. As a result, it prioritises the application of creative thought and action to every aspect of its business.

Table 4: Services Offered by the CTICC

Core	Ancillary
• Venue hire • Food and beverage • Own events • Innovation campus	• Audio-visual services • Décor services • Entertainment services • Confex – stand-building • ICT services – Wi-Fi • Parking facilities • Safety and security • CTICC Engage (Digital) • Branding
Speciality	**Mandatory**
• Branding • Coffee on the Square • Coffee on the Circle • Old Pier Café	• Cleaning services • Perimeter security • Electrical and plumbing

2.5 SWOT Analysis

Awareness and monitoring of the environment and the factors that affect the business positively and negatively are vital in keeping the CTICC relevant. It also allows the business to maintain its scope and competitive edge. To identify the most critical factors, the team conducted a SWOT analysis. The key findings are tabulated below.

Table 5: The Results of the CTICC's SWOT Analysis

Strengths:	Weaknesses
- Best practice in health and safety regulations - Highly dedicated and skilled workforce - CTICC owns their assets - Sound financial management and strong, long-term supplier relationships - Great location – easy access to hotels and retail and from roads/highway and airport 140 855 sqm^2 total capacity - Collaborative approach with key national, provincial and local governments and Western Cape key stakeholders - Sustainability-conscious organisation - Excellent open share platform with various law enforcement in terms of intelligence - World-class, state-of-the-art building - Flexible venue space - High-quality catering - Desirable destination - Reputable brand - Own events portfolio - Strong forward book	- Not leveraging enough of the CTICC's sustainability service offerings - Limited resources due to budget constraints - Difficulty in sustaining ever-changing technological advancements - High operating and overhead costs - Perceived as a venue for large events only - Lack of in-house training - Lack of consistency from suppliers - Exchange rates make advertising prohibitively expensive - Long haul destination
Opportunity	**Threat:**
- Increased awareness and understanding from the government regarding the value of business events - Growing national and government business - Africa's share of international association meetings is growing - Growth of the tech sector in the Western Cape - Exchange rates make international travel viable	- Long haul destination and the associated carbon footprint - Seasonality of the destination - National broadband capacity - Long-term weakness of the Rand - International perception of crime in South Africa - Political unrest/instability - High cost of travel to and accommodation in Cape Town

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3. Key Performance Indicators

#	CATEGORY	IDP Priority	Objective	Programme	INDICATOR	INDICATOR DEFINITION	TARGET 2022/2023 [2]	TARGET 2023/2024 [2]	TARGET 2024/2025 [2]	TARGET 2025/2026 [2]	TARGET 2026/2027 [2]
1	International events	Economic Growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Number of international events hosted	The indicator measures the total number of international events hosted at the CTICC. International events are defined as an event where the majority of the delegates are from outside of South Africa. The minimum number of delegates attending should be no less than 40 and the duration should be at least two days (one night) within the city.	12	17	21	25	29
	Total events hosted	Economic Growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Number of total events hosted	The indicator measures the total number of events hosted at the CTICC.	195	250	320	380	420
2	Human Capital Development	Economic Growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Percentage of annual total salary cost spent on training of permanent and temporary staff (%)	The indicator measures the percentage annual total salary cost spent on the training of permanent and temporary staff	3,5%	4%	4%	4%	4%

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3	Customer Centricity and Service Excellence	Economic Growth	1. Increased jobs and investment within the Cape Town economy	1.1 Ease of doing business	Percentage of minimum aggregate score for all CTICC internal departments and external suppliers (%)	Customer centricity and service excellence are measured independently on the level of service offered by the CTICC to our external clients and recorded as a percentage.	75%	80%	80%	80%	80%
4	Supply Chain Procurement from B-BBEE Suppliers	Economic Growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Percentage B-BBEE spend (%)	The indicator measures the percentage of expenditure with B-BBEE suppliers measured in terms of the B-BBEE Act. B-BBEE suppliers are defined as those suppliers that have a valid B-BBEE rating certificate or an affidavit in the case of EME and QSE suppliers.	70%	70%	70%	75%	75%
5	Tertiary Student Programme: Contribution to Youth Employment and Skills Development	Economic Growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Tertiary students employed (Number)	The indicator measures the number of students employed at the CTICC in the FY	2	3	4	4	4

6	Graduate Programme: Contribution to Youth Employment and Skills Development	Economic Growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Number of graduates employed (Number)	The indicator measures the number of graduates employed at the CTICC in the FY	2	3	4	4	4
7	Number of people from the employment equity target groups employed in the three highest levels of management, in compliance with the **municipal entity's** approved employment equity plan	A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.2 Modernised and Adaptive Governance	Employees from the EE designated groups in the three highest levels of management (%)	The indicator measures the percentage of people from employment equity target groups employed in the three highest levels of management, in compliance with the municipal entity's approved EE plan. Level 1 - Executive directors Level 2 - Senior managers Level 3 - Managers	75%	80%	80%	80%	80%
8	Quality Offering	A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.1 Operational Sustainability	Maintain five-star tourism grading through effective management of maintenance quality service delivery.	The indicator measures the standard of the CTICC as a world-class venue. Defined as 5-Star Grading by South African Tourism	Maintain five-star tourism grading through effective management of maintenance quality service delivery.				

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9	**Budget**										
	Reduction in year-on-year Operating Loss ³	A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.1 Operational Sustainability	Percentage reduction in Operating Loss ³ from the prior year (%)	This indicator measures the % reduction in the Operating Loss achieved from the prior year. Operating Loss is defined as earnings before interest, taxation, depreciation and amortisation (EBITDA).	45.4%	90.5%	n/a	n/a	n/a
	Operating Profit ³	A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.1 Operational Sustainability	Percentage achieved of annual budgeted operating profit ³ (%)	This indicator measures the operating profit achieved. Operating profit is defined as earnings before interest, taxation, depreciation and amortisation (EBITDA).	n/a	n/a	100%	100%	100%
	Capital Projects	A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.1 Operational Sustainability	Percentage of the total number of capital projects for the year completed or committed (%)	The indicator measures the percentage of the total number of capital projects completed or committed for the financial year.	90%	90%	90%	90%	90%
10	**Governance**										
	External Audit Report	A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.1 Operational Sustainability	Opinion of the Auditor-General	The indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor-General in determining his opinion. An unqualified audit opinion is where the auditor, having completed the audit, has no reservation as to the fairness of presentation of financial statements and their conformity with generally recognised accounting practice. This is referred to as a 'clean audit'. Alternatively, the auditor would issue a qualified audit opinion either in whole or in part over the financial statements if these have not been prepared in accordance with generally recognised accounting practice, or the auditor could not audit one or more areas of the financial statements.			Clean Audit Report		

11	**Financial Ratios**										
	Ratio of Cost Coverage maintained (RCC)	A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.1 Operational Sustainability	Cash/cost coverage ratio (NKPI)	The ratio indicates the ability to meet at least monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue during that month.	2.5 times	4 times	3 times	2 times	1 times
	Net Debtors to Annual Income (ND)	A Capable and Collaborative City Government	16. A Capable and Collaborative City Government	16.1 Operational Sustainability	Net Debtors to annual income (NKPI)	Net current debtors are a measurement of the net amounts due to the municipal entity that are realistically expected to be recovered. Net Debtors is defined as gross debtors less impairments and refunds.	6,4%	5.0%	5.0%	4.5%	4.5%

1. *The baseline figures currently reflect the audited actual achievement as of 30 June 2021.*
2. *The targets are a draft and will be presented to the CTICC Board for approval in March 2022.*
3. *Operating profit/(loss) is defined as earnings before interest, taxation, depreciation and amortisation (EBITDA).*

4. Technical Indicators and Core Strategies

The global pandemic has significantly transformed the worldwide meetings, incentives, conferencing and exhibitions (MICE) industry. For groups to return to destinations, the attendees should feel confident that they will be safe and meet their goals for the meeting or conference.

The CTICC's core plan for the medium to long term will be geared towards the region and the African continent as potential markets that have untapped opportunities. This will be a four-pronged approach, which will encompass:

- The continued implementation of our C19Care protocols, which include the maintaining of the upgraded health and safety programme, utilisation of the CovidScreen app, our mandatory vaccination policy and the use of our venue capacity management tool.
- Producing our own events – enabling the CTICC to generate new revenue opportunities and demonstrate the venue's agility and adaption prowess.
- Expanding its African reach as a source of conferencing and events business.
- Maintaining a healthy international event forward book to revive the struggling industry and work towards economic recovery.

This approach enables the CTICC to provide value to its wider industry and community by establishing the venue as a valued resource and contributor to the economy. The focus remains on reigniting visitor confidence in attending events, especially those hosted at the CTICC, and instilling confidence in the business and events industry once again.

The CTICC's teams play a pivotal role in ensuring that we meet and surpass the following objectives:

- Maximising revenue to ensure financial sustainability.
- Securing a range of events in key economic sectors.
- Exceeding targets for the number of international conferences.
- Surpassing client expectations through service excellence.

The CTICC derives its primary international business from the association market in Europe and the United Kingdom. Still, there are opportunities in the United States and international associations headquartered in Africa. The team will also target national associations, corporate organisations, government, public, and other organisations and local or provincial meetings that take the form of training sessions, roadshows, product launches and breakfast sessions. Short-term planning will be streamlined further to enable a seamless, efficient process whenever bookings are finalised within one month of the event date.

A creative, proactive approach will increase bookings in the segments with the most significant economic impact, such as international conferences, exhibitions, trade fairs and national conferences. Continued research will be conducted to identify opportunities to host indoor sporting events and federations that do not require funding. The CTICC will align its strategy for hosting sporting events with the city's tourism, events and marketing departments.

Banqueting continues to be a challenging market segment, as the CTICC competes with hotel venues in Cape Town. The team will focus on improving the food and beverage offering, paired with unique client experiences.

Film shoots are seasonal. The Sales Department intends to build on this portfolio by aligning the CTICC with film and media units in various organisations, such as the City of Cape Town's Film unit, Cape Town Film Studio and Wesgro's Film and Media unit.

Since the opening of CTICC 2, a renewed strategy around own events is being explored. This strategy includes the creation and ownership of events and the co-hosting of events with strategic partners. CTICC 2 will also house the state-of-the-art campus for entrepreneurs in the technology sector by providing them with a range of facilities.

4.1 Event Operations

Five-year strategic objectives	**4.1.1 Secure the forward book and grow the repeat events segment annually** **4.1.2 Manage events successfully and profitably whilst improving efficiencies and identifying and increasing new and existing revenue streams**

In the context of the CTICC, event management forms part of the process during which an event is planned, coordinated, and executed. The team is tasked with assisting with the retention of repeat business, securing multi-year deals, building client relations, and helping to exceed budgets through the sales of catering, technology and parking services.

4.1.1 Retain clients and secure the forward book for repeat events by promoting multi-year deals

This division manages all repeat events, from booking to ensuring continuity. We aim to increase the number of repeat bookings annually and secure the forward book by encouraging clients to sign three-year contracts where viable.

Tactics:

- Actively promote multi-year deals by offering special rates and value-add propositions to secure larger events.
- Continue to be flexible in accommodating client needs, especially with the impact that the pandemic has had on businesses and through the recovery phase.
- Increase the frequency of contracted annual events that are not able to enter into multi-year deals.
- Availability of confirmed venue rental rates two years in advance.

4.1.2 Manage events successfully and profitably whilst improving efficiencies and identifying and increasing new and existing revenue streams

The team will continue building efficiencies and investigating ways to enhance the client experience. Ways to do this include planning effectively, in-person or remotely, during the preparation phases and communicating with clients to keep them informed on new developments to ensure that their needs are met.

Tactics:

- Continue conducting research initiatives to identify what the competitors offer and what the market requires.
- Improve the customer/visitor experience and client satisfaction index through client care initiatives during pre-event planning meetings and while on-site.
- Incentivise clients for using contracted service providers through discount models linked to service providers.
- Technology will play an integral part in event planning with the new landscape of events in mind – this creates an opportunity to increase this revenue stream with CTICC Engage, the digital and hybrid event platform.
- Collaborate with other departments to increase in-house offerings, like smart boardrooms with a complete technical offering.

4.2 Conference and Exhibition Services

Five-year strategic objectives	4.2.1 Increase revenue for the conference and exhibition services area year-on-year annually 4.2.2 Event technology to play an integral role in all events to increase attendance figures, or both physical and virtual attendance, which will increase productivity for venue staff and decrease event-related costs to clients

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The Conference and Exhibition Services Department is responsible for providing a turnkey solution to all clients by establishing partnerships with important event-related suppliers. These suppliers can offer services to all conference and exhibition organisers. Services range from audio-visual, digital solutions, stand building, safety and security, cleaning and décor services.

As part of the department's recovery response to the Covid-19 pandemic, there has been a change in the business landscape. The team has discovered new revenue streams with their current services providers and new service providers. Examples are transportation, rapid Covid-19 testing for events, providing digital platforms and solutions, selling personal protective equipment and leasing furniture.

In addition to this, the department will also focus on providing ticketing solutions for the CTICC's own events, registration systems, and infrastructure that will reduce contact and the need for queueing while we adhere to social distancing.

One of the core objectives of the department is to meet and exceed the Conference and Exhibition Services budget. In addition to this revenue component, the department also ensures that all events comply with the by-laws set by the City of Cape Town, the Safety at Sports and Recreational Events Act, and regulations passed by the National Government concerning the Disaster Management Act.

The department is also focused on providing sustainable event solutions in line with the Nurture Our World (NOW) committee's objectives.

4.2.1 Increase revenue for the conference and exhibition services area year-on-year by 10% as of the 2024 FY

The department is responsible for generating up to 15% of the overall budget by selling various event-related services to all clients, suppliers and events to improve the overall event experience.

Tactics:

- Increase market share for CTICC key service providers, focusing on the CTICC's repeat clients.
- Encourage all exhibition clients to use sustainable initiatives by 2023 when hosting their exhibitions.

4.2.2 Event technology to play an integral role in all events to increase attendance figures

Technology has and will continue to play a role in successfully hosting event experiences for clients. We would like to see technology driving both in-person events and virtual attendance. The goal is to increase productivity for venue staff and an opportunity for clients to improve their overall event profitability.

Tactics:

- The appointment of a dedicated staff member, either within the Confex or Information Technology (IT) department, to focus on the sale of event technology and identify solutions the client might require, such as artificial intelligence (AI), virtual reality, clever use of floor space, augmented reality, as well as virtual networking. These technologies can enhance customer experience and networking, and result in better data management and collection.
- Ensure compliance and adherence to the Supply Chain Management (SCM) policies and procedures to secure suppliers as and when required.
- Regular client engagements to drive awareness of the CTICC's offerings and how this will benefit their events.
- Increase the services offered on the CTICC e-commerce platform by 2023.

4.3 Event Sales

Five-year strategic objectives	4.3.1 **Grow market segments as part of the recovery plan** 4.3.2 **Bid for larger association conferences in core markets** 4.3.3 **Build and strengthen existing brands under the own events segment**

4.3.1   Grow market segments as part of the recovery plan

The CTICC's focus has been on securing international association conferences, which remains our primary source of revenue. However, Covid-19 research indicates that the number of delegates attending these events will decrease, and many conference dates and rotations have changed. The hybrid element has now become part of conferences.

Accordingly, an additional objective is to attract more national corporate, association and government meetings to Cape Town. African regional meetings are still a low hanging fruit that needs to be tapped into even more.

Tactics:

- Base business plan – to build and maintain relationships with existing clients through retention. Continue to formulate key account and partner account agreements with identified top accounts through specified criteria.
- Offer Professional Conference Organisers (PCO) attractive incentives to increase loyalty to the CTICC. The aim is to drive business to the CTICC and ensure that the centre remains the venue of choice for PCOs.
- Increase CTICC visibility by attending more tradeshows and roadshows nationally, regionally and internationally, as well leveraging on partnerships in the industry.
- For larger events (sports, etc.), we provided added extras (as sponsorship) to position CTICC as the venue of choice.
- Acquisition – attract new business through marketing promotions and campaigns.
- Develop a Key Account Management Standard Operating Procedure to formulate and formalise the sales calling cycle.

4.3.2 Bid for larger association conferences in core markets

Despite the increased competition from new convention centres and hotels, the CTICC is still the only venue with the infrastructure, resources and space to host large international association meetings. Hosting larger conferences will have a more significant economic impact, create more jobs, and ensure optimal use of CTICC 1 and CTICC 2.

Tactics:

- Proactively target international association meetings that attract more than 1 000 delegates.
- Increase visibility in regional and international markets through in-market representatives.
- Increase the number of leads generated through in-market representatives, and by participating at international tradeshows and association memberships.
- Actively work with local and international PCOs, destination management companies (DMCs) and stakeholders to attract more international incentives and corporate conferences.

4.3.3 Build and strengthen the existing brands under the own events segment

By creating events aimed at the higher living standards measure (LSM) audience, the team intends to grow and maintain the existing four own events with a year-on-year growth.

Tactics:

- Increasing each own event portfolio by adding additional revenue streams, such as activations, workshops and conference programmes.
- Ensure buy-side and sell-side objectives are met with exhibitors and visitors, showing a return on investment (ROI) and high Net Promoter Score (NPS).
- Create digital and technology components to increase market share and stay abreast with the latest trends by 2023.

4.4 Marketing and Communications

Five-year strategic objectives	**4.4.1 Build brand equity to improve customer confidence** **4.4.2 Leverage data diagnosis for value creation** **4.4.3 Engage with our key audiences through more relevant content**

The marketing and communication strategy will promote the CTICC's distinctive positioning and build a relationship between its clients and/or visitors to increase brand equity and drive sales. It also aims to connect the CTICC to its customer and/or consumer base through three key elements: data, channels and content.

4.4.1 Build brand equity to improve customer confidence

Brand equity intercedes the relationship between customer relationship marketing and the commercial value of an organisation. A brand with high brand equity provides value to the customer and/or consumer, as they will have more confidence in booking space with the CTICC or attending an event at the CTICC.

For the organisation itself, brand equity provides a clear advantage over its competitors, as marketing campaigns are more effective, brand loyalty is higher, and they can price more strategically. Therefore, it is of utmost importance to the CTICC to continually focus on the elements that improve and build the CTICC's equity as a brand.

Tactics:

- The building of brand loyalty with new and existing clients and/or visitors.
- The building of brand awareness through a mix of long-term brand building and reputation work and short-term performance-based promotional campaigns.
- The promotion of a defined and distinctive positioning of the brand and its services. A robust and differentiating positioning provides customers and/or consumers with an apparent reason "to buy" and will assist the CTICC in responding to its competitors.
- The creation of positive feelings for the brand through positive brand associations with individuals, organisations and industries with like-minded values and purpose.

4.4.2 Leverage data diagnosis for value creation

The marketing and sales team will continually use various data sources to unlock client and visitor insights to adapt to change and improve customer relationships and engagement. The team's ability to tap into their multiple data sources will enable them to build value out of the diagnosis through the implementation of relevant promotional and customer relationship tactics that are measurable for maximum sales impact.

Tactics:

- Development of a marketing dashboard.
- Development of a loyalty programme.
- Compiling a touchpoint audit of the client journey.

4.4.3 Engage with our key audiences through more relevant content

The marketing and sales team will develop a detailed buyer persona for each of the seven business segments. This will also include selecting channels and the format of the content needed. The buyer personas will provide the team with insights for creating content that the audience will see as valuable and relevant.

Tactics:

- The hiring of an in-house designer to assist in the "always-on" approach to content development and distribution in various formats.

4.5 Revenue Management

Revenue Management provides a support function to the organisation, focusing on the sales, marketing and communications operations. Whilst adhering to the City of Cape Town's requirements in response to change in the external environment, this department ensures that the CTICC achieves its long-term and short-term business strategies through effective rate management, revenue streams management, business-mix strategies, channels, distribution, and strategic pricing and benchmarking. The below was formulated with recovery in mind due to the impact of Covid-19

Five-year strategic objectives	4.5.1 To ensure that the CTICC maximises and optimises revenue opportunities and increases the CTICC's average occupancy year-on year

4.5.1 To ensure that the CTICC maximises and optimises revenue opportunities and increases the CTICC's average occupancy annually

Based on the revised vision for CTICC 1 and 2, the primary intent is to increase occupancy, and formulate a client retention/acquisition plan and revenue streams management and sustainability plan within a competitive rate model.

Tactics:

- Formulate a clearly defined pricing strategy for the traditional CTICC model for CTICC 1 and the new strategy for CTICC 2.
- Ensure price relevance in the marketplace based on a competitive and changing business environment – rates available two years in advance.
- Develop a yield management strategy based on dynamic pricing for venue rental and day conference package (DCP) pricing (seasonal rates/tiered pricing).
- Base business plan – through retention and acquisition, the strategy is established by ensuring that repeating events, three-year deals, and partner and key accounts are formalised and booked. This is to be monitored through the Forward Book Report.
- Effective demand planning through the marketing calendar for promotions.
- Drive revenue streams through effective business-mix management.
- Drive an effective and efficient contract management process while ensuring audit and the City of Cape Town requirements are met.
- Further development on e-commerce to offer online services, including an online booking portal for short-term events (one-stop shop) – this tactic will be incorporated based on the overall IT objectives for the business to offer online services.

4.6 Food and Beverage

Five-year strategic objectives	4.6.1 Improve cost-effectiveness of operations 4.6.2 Maintain ISO 22000:2018 certification

The key focus for the Food and Beverage (F&B) Department is to ensure ongoing service excellence throughout the pandemic and beyond. The F&B Department will look for habits to contain costs in the immediate short term of the next 12 – 24 months.

The F&B Department will ensure that Covid-19 compliance protocols and CTICC standards are followed to maintain the safe provision of all services in conjunction with the City of Cape Town by-laws.

Spread over the latter two to three years, the department will be observing trends to increase revenue and create new revenue streams.

4.6.1   Improve cost-effectiveness of operations

Uncover approaches to become more cost-effective in our daily operations, taking the below tactics into consideration, technology to support costing processes and labour cost containment.

Tactics:

- Import all event inventory and menus into the database (Procure.Net) to reduce stock hold to ensure better inventory management.
- Create costing templates.
- Compile bid specifications to support outcomes.
- Staff to be trained as multi-talented F&B operators through a programme designed with the Human Resources Department.
- Improve equipment care to ensure that equipment lasts longer, reduce breakages and losses and avoid unnecessary equipment write-offs.

4.6.2   Maintain ISO 22000:2018 certification

The CTICC is a world-class event and catering facility, which prides itself on delivering consistent service, supported by technology and superior quality equipment to enhance the food offering. We are Halaal-certified by the Islamic Council of South Africa (ICSA).

The centre is ISO 22000:2018 (Food and Management System) certified, and this will help grow the CTICC's market share, as the certification provides international confidence in our products and services.

Tactics:

- Continuous internal audits to guarantee compliance with the system.
- Eliminate the use of single-use plastic.
- Better chemical and waste management.

4.7 Facilities Management and Technical Services

Five-year strategic objectives	4.7.1	Continuance of venue maintenance while focusing on reducing operational and capital expenditure during the Covid-19 pandemic
	4.7.2	Diversifying staff skill sets through cross- and on-the-job training due to a reduction in staff numbers, while ensuring sustainable business continuity
	4.7.3	Control costs through efficient financial management and planning

The CTICC is cognisant of the following, in particular, which have been adopted into operational planning:

- Sustainability remains important worldwide.
- Disaster preparation is required to ensure business continuity after a disruptive event.
- CTICC 1 demands a growing focus on "repair or replace" policies.
- A healthy, functioning venue (fully functioning air conditioning, operational drainage and plumbing, etc.) is a growing requirement, especially in the event industry, to attract more businesses, as the wellbeing of building occupants affect the bottom line.
- A computerised maintenance management system (OnKey) is continuously upgraded and programmed to manage all forms of building equipment, including maintenance job plans. This system greatly enhances the existing ability to determine ongoing maintenance concerns and assists in formulating repair and/or replacement, preparation and planning.
- A Building Management System (BMS) is continually upgraded and improved to ensure that the building operates at optimal capacity. In-house resources have been trained to keep the system up to standard.
- A comprehensive strategic document (the future strategic facility and equipment condition assessment, maintenance and renovation plan) has been compiled and is used to project and plan future enhancements and replacements to the venue.
- Operational efficiency in terms of health and safety forms an integral part of the CTICC's commitment to service excellence, providing a safe working environment and environmentally-friendly operations by implementing Covid-19 protocols and adherence to the International Organization for Standardization (ISO) standards.

4.7.1 Continuance of venue maintenance while focusing on reducing operational and capital expenditure during the Covid-19 pandemic

The CTICC focuses on maintaining its building assets to be a world-class venue.

Tactics:

- Due to the significant budget reduction, the focus has shifted to repairing and maintaining legislatively mandated and critical assets. Replacements are done only when deemed necessary, aiding in maintaining a healthy, functioning venue.
- Focus on the maintenance of assets to increase the lifespan.

4.7.2 Diversifying staff skill sets through cross- and on-the-job training due to a reduction in staff numbers, while ensuring sustainable business continuity

Although the CTICC has seen a reduction in staff due to the Covid-19 pandemic, the team remains committed to training and upskilling current staff in anticipation of business levels returning.

Tactics:

- Current staff members will receive further training and skills transfer through on-the-job training to be universally knowledgeable within the Facilities and Operations Department.
- Cross-train heating, ventilation and air conditioning (HVAC) and electrical technical staff to be universal in performing tasks in either area.

4.7.3 Control costs through efficient financial management and planning

Facilities Management focuses on managing and reducing operating expenses by optimal planning.

Tactics:

- To implement the comprehensive strategic plan.
- The use of OnKey to ensure the implementation of the preventative maintenance plan.
- Training internal staff to operate and programme the BMS to reduce cost.
- Utilising the BMS to identify critical assets that need repair or replacement through condition monitoring.

4.8   Finance

Five-year strategic objectives	4.8.1 Sustain sound financial governance
	4.8.2 Increase reliance on automated financial controls
	4.8.3 Integrate financial systems

With sustained sound financial governance and a track record of nine unqualified audits with no significant findings, the systems implemented at the CTICC very clearly work well.

4.8.1   Sustain sound financial governance

The Finance Department will continue to sustain its record of sound financial governance and unqualified audits. All relevant and applicable legislation and regulations will be applied across the organisation. Cash coverage on operating costs will continue to be maintained above five times through working capital management.

Tactics:

- Continuous review and improvement of internal controls and the control environment.
- Adherence to the legislation, which includes the Companies Act, Municipal Finance Management Act (MFMA), Municipal Budget and Reporting Regulations and Municipal Supply Chain Management Regulations.
- Prepare the financial statements in terms of Generally Accepted Accounting Practice (GRAP).

4.8.2   Increase reliance on automated financial controls

The department will continue to maximise its operational efficiency, improve accuracy, decrease the level of assurance required on the integrity of financial information, reduce potential fraud and positively impact the environment by using less paper, through increasing its reliance on automated financial controls and using integrated finance systems.

The automated system will reduce auditing time usually spent on checking figures manually, which will reduce the cost of this function for the CTICC.

Tactics:

- Improving configuration controls.
- Consolidating the overall control environment.
- Integrating the different systems in use.
- Designing and implementing custom automated tests.
- Implementing continuous monitoring tools and detective controls.

4.8.3   Integrate financial systems

The CTICC currently manages various legacy IT systems, which currently do not all integrate seamlessly. A review of all systems will be continued, detailing their purpose, effectiveness, integration with other systems and operating cost. The information will streamline the processes and integrate systems where possible. There is a possibility that a single enterprise resource planning (ERP) system could replace legacy systems.

Integrating financial systems improves response and processing times and enhances decision-making and performance information.

Tactics:

- Reviewing the current legacy systems and levels of integration.
- Identify areas of improvement or those requiring additional development.
- Integrate systems where appropriate to improve the control environment and reduce manual interventions.
- Improve the control environment, including IT general controls.

4.8.4   Supply Chain Management

Five-year strategic objectives	4.8.4.1 Implement fully integrated acquisition and contract and demand management platforms on the enterprise resource planning system
	4.8.4.2 Enhance contract management systems and controls

The focus is to drive down the financial and economic costs associated with the CTICC's procurement processes and improve the efficiency of the Supply Chain Management (SCM) unit.

4.8.4.1 Implement fully integrated acquisition and contract and demand management platforms on the enterprise resource planning system

In addition to managing the CTICC supplier database, processing requisitions and issuing purchase orders, the company's supply chain and procurement processes are all manually driven, with a high dependence on supervisory intervention. To reduce this dependence and minimise associated risks, the department will investigate migrating from a manual to an ERP-driven acquisition and contract management system that speaks to company policy and business processes. This will improve procurement planning and compliance to the SCM policy and supplier performance. It will enforce cost savings and provide credible data for procurement forecasting.

4.8.4.2 Enhance contract management systems and controls

As a municipal entity, the CTICC must ensure compliance with the MFMA. To this end, the CTICC must develop, implement and maintain an effective contract management system that meets the requirements of section 116 of this legislation. The CTICC has introduced a dedicated resource(s) within the department to ensure compliance with legislation and the implementation of the CTICC's contract management framework. The CTICC will expand on this by enhancing the application of templates/documentation, existing processes and the adoption of an information communication technology (ICT)-based archiving and contract management software.

Tactics:

- Development of an online supplier portal.
- Investigation and/or development of procurement modules within the Employee Benefit Management Services (EBMS).
- Investigation and/or development of contract management modules within the EBMS.

The implementation of contract management and automated financial controls maximise operational efficiency, improves accuracy, decreases the assurance required on financial information integrity, reduces potential fraud, and positively impacts the environment by using less paper.

4.9 Human Resources

Five-year strategic objectives	4.9.1. **Ensure that the CTICC remains an employer of choice** 4.9.2. **Develop employees to create an environment that recognises hard work and talent** 4.9.3. **Full utilisation of HR-related systems to ensure a paperless and streamlined HR system and processes** 4.9.4. **Recruit and retain a diverse workforce to meet the demands of the organisation**

HR, as a business partner to the organisation, will assist with formulating strategies, designing the organisation, and implementing the business model. The overall goal of the HR Department is to drive and support the workforce through development, recruitment and retention. The CTICC believes that growing its people contributes to the organisation's growth.

4.9.1 Ensure that the CTICC remains an employer of choice

Staff development, recognition and retention strategies are a significant focus for the CTICC. The focus would be to fully integrate the company values of passion, innovation, integrity, excellence, gratitude and caring in all its operations by being accountable for the results, impact and work.

Tactics:

- Advertising positions on relevant social media and job portals.
- Ensuring a robust onboarding process.
- Providing competitive, market-related remuneration and affordable employee benefits, as guided by the CTICC Remuneration, Reward and Recognition Policy.
- Implementing an Employee Assistance Programme (EAP) that focuses on the holistic wellbeing of staff, with an emphasis on mental, physical and financial wellbeing.

4.9.2 Develop employees to create an environment that recognises hard work and talent

Human capital development, minimum competency level, and student and graduate programmes form part of the HR key performance indicators (KPIs). To achieve these objectives, the HR Department will recruit students and graduates from hospitality and other core sectors (e.g. commercial, human resources and finance) and place them throughout the business to gain valuable work experience.

Tactics:

- Compile individual development plans for all staff focusing on skills gaps.
- Implement cross-training and on-the-job staff training, with a focus on multiskilling.
- Recruit students within the hospitality sector.
- Recruit graduates within the core departments of the organisation.
- Ensure senior management members are enrolled and complete the minimum competency level courses.

4.9.3 Full utilisation of HR-related systems to ensure a paperless and streamlined HR system and processes

The team must ensure that all processes within the HR Department are streamlined to improve service delivery to clients.

Tactics:

- Streamlining human resources processes on the SAGE 300 system.
- Full utilisation of an automated system for shortlisting during recruitment processes.
- Implement the performance management module into the SAGE 300 system.

4.9.4 Recruit and retain a diverse workforce to meet the needs of the organisation

This objective will focus on retention and succession planning, ensuring the retention of all high-performing staff.

Tactics:

- Ensuring that the CTICC is an organised, professional and supportive environment to work in.
- Maintaining 80% on the KPI for the number of people from the employment equity target groups employed in the three highest levels of management.
- Aligning the Remuneration, Reward and Recognition Policy to best practices in top employer companies.
- Succession planning programme for high performers in the senior, middle and junior management teams.
- Aligning performance management to an inclusive 360˚ process.
- Incorporating instant rewards for high achievers by introducing an instantaneous recognition and rewards programme.

4.10   Safety and Security

Five-year strategic objectives	4.10.1 **Ensure the safety and security of all involved in events hosted at the CTICC** 4.10.2 **Enhance security infrastructure to ensure public safety** 4.10.3 **Obtain SAPS risk grading certificates** 4.10.4 **Collaborate with CCID and CBD stakeholders to improve security measures within the CTICC precinct** 4.10.5 **Continuous implementation of stringent Covid-19 measures**

The CTICC's focus is to ensure the safety and security of all individuals, property and assets during the execution of events hosted within the complex, according to strict legislative requirements.

4.10.1 Ensure the safety and security of all involved in events hosted at the CTICC

The safety and security of people, property, patrons and assets at events held at the CTICC remain a prime concern. The level of safety and security at all events is maintained by close cooperation with the South African Police Service (SAPS) in shared intelligence to effect accurate risk grading to events.

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Tactics:

- Quality, environmental and safety management systems are maintained and enhanced at every level to retain the ISO certification and ensure full legislative compliance.
- Technological enhancements (e.g., vehicle licence-plate recognition) to be installed to improve the safety and security of CTICC and its patrons.
- Ensure adherence to city by-laws by assisting in the smooth process of event applications, permits and Building Development Management (BDM).

4.10.2 Enhanced security infrastructure to ensure public safety

Workplace safety is assured by the ISO standards and will continue to provide a support framework for managing safety at events for contractors, employees and visitors.

Tactics:

- Upgrade the Occupational Health and Safety Assessment Series (OHSHAS) 18001/2015 to 45001 in June 2021 and implement new Occupational Health and Safety practices according to ISO 45001 standards.
- The migration audit, which was conducted as a desktop audit, and Phase 1 was completed. Phase 2 will be conducted in July 2022.

4.10.3 Obtain SAPS risk grading certificates

The City of Cape Town's Events Permit Office requires venues that host public events to have risk grading certificates. Event organisers will need to submit these certificates with their application to receive a permit to host an event at the CTICC.

Tactic:

- Continue submitting applications to the SAPS timeously to complete the risk grading certification process.
- Apply for the venue grading certificate to mitigate the individual event risk grading certification process.

4.10.4 Collaborate with CCID and CBD stakeholders to improve security measures within the CTICC precinct

The team aims to provide a safe venue and host events without incident. To this end, the CTICC works closely with law enforcement agencies, such as the SAPS, Metro Police, City of Cape Town Fire Department, Cape Town Central City Improvement District (CCID) and City of Cape Town Disaster Risk Management Centre.

Tactics:

- The CTICC has a disaster preparedness plan covering eventuality, such as fires, viral outbreaks, power cuts, water shortages, bomb threats, terror attacks, or incidents resulting in mass casualties.
- Conducting regular fire tests.

4.10.5 Continuous implementation of stringent access control measures

In preparation to host events post the Covid-19-related pandemic, the CTICC upgraded its existing operational protocols to ensure the health and safety of guests, clients, and staff by developing the new C19Care protocols. This was done in collaboration with local and international health, tourism and industry leaders. All National Department of Health guidelines were also applied in its development.

Tactics:

The CTICC implemented stringent access control protocols in line with Covid-19 regulations. This guaranteed that the CTICC remains one of the safest venues to do business in. It also protects the workforce by enforcing the following:

- Mandatory Covid-19 screening.
- Mandatory wearing of masks inside the venue.
- Floor plans have been revised to implement physical distancing.
- Covid-19 standard operating procedures (SOPs) and protocols.
- Good hygiene practices and procedures.
- Remote working policy, allowing only essential staff into the venue daily, with communication taking place via Teams or other online portals.

The CTICC received the globally recognised Safe Travels stamp from the World Travel and Tourism Council (WTTC) due to its stringent compliance with all Covid-19 industry protocols.

4.11 Technology

Five-year strategic objectives	**4.11.1 Use technology to support business activities** **4.11.2 Adhere to corporate governance guidelines** **4.11.3 Provide services that support the business and event-hosting activities** **4.11.4 Upgrade systems to enhance cyber security and disaster resilience** **4.11.4.1 IT security enhancements** **4.11.4.2 Disaster recovery**

The CTICC is dedicated to continually enhancing systems in the technology space. The centre will continue to look at ways to improve service availability, resilience and efficiency in the field. Particular focus will be placed on cyber security systems and services to enhance the CTICC's security posture to match the ever-changing threat landscape. This department strives to ensure that a balance is achieved and maintained among competing current industry trends, client expectations and departmental revenue budgets, while remaining relevant – locally and internationally.

4.11.1   Use technology to support business activities

The team will use technology as a differentiator in business activities to enhance the client experience and increase revenue.

Tactics:

- Enhancement of the ERP system via an optimisation plan forms part of the ERP upgrade. This optimisation plan will streamline processes within the ERP platform, improving the user experience and reducing the time to perform tasks.
- The opportunity to develop the Budgeting and Management Information System (MIS) components within the ERP solution exists and, when completed, would consolidate budgeting and event-related MIS and ERP into one system that reduces costs.
- ICT hardware and systems will be maintained in the medium term to limit spending.

4.11.2   Adhere to corporate governance guidelines

The IT Governance Institute defines IT governance as "the responsibility of the Board of Directors and executive management. It is an integral part of corporate governance and consists of the leadership, organisational structures and processes that ensure that the organisation's IT sustains and extends the organisations strategies and objectives."

ICT governance is designed to ensure that the acquisition, management and use of IT enhance service delivery to the public, as well as the productivity and cost-efficiency of the department.

Tactics:

- Continue evaluating, directing and monitoring the effectiveness of the technology and information resources in line with the guidelines set out in the King IV™ Code.
- Review, plan and implement changes required, as identified in the ICT Risk Register, delivered as part of the CTICC financial year 2021 internal audit coverage plan.

4.11.3   Provide services that support the business and event-hosting activities

This department strives to ensure that a balance among current industry trends, client expectations and departmental revenue budgets is achieved and maintained, while remaining relevant – locally and internationally.

Tactics:

- The migration to cloud-hosted services, such as the Microsoft 365 platform and other modules, will continue. Cloud technologies are being used to reduce capital and operating costs through economies of scale. An additional advantage to cloud-hosted services is constant updates and upgrades, ensuring the latest security and vulnerability compliance.

4.11.4   Upgrade systems to enhance cyber security and disaster resilience

The CTICC has implemented and is improving security measures to prevent a breach. Further development and activation of cloud-based security components within the Microsoft 365 platform will significantly improve cyber security resilience.

Tactics:

- Enable the Microsoft 365 security suite to consolidate all related security monitoring and reporting into one holistic platform.
- Schedule and execute regular vulnerability scanning, penetration testing and remediation operations.
- Conduct cyber security training programmes and user awareness campaigns.
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4.11.4.1 IT security enhancements

It has been identified that the IT security positioning would be enhanced by implementing a specialised IT Security Operation Centre (SOC) by an outsourced specialist IT security service provider. This is due to the highly technical skill sets required to establish an in-house SOC and the advanced systems needed to analyse and interrogate the data generated from the underlying systems.

4.11.4.2 Disaster recovery

The CTICC owns, manages and maintains its off-site disaster recovery infrastructure. An enhancement of the disaster recovery infrastructure has been carried out to facilitate an effective solution to meet the company's requirements over the next three to five years.

5. Key Projects

Some improvements may take longer to plan and implement but small, incremental changes go a long way towards streamlining operations. Task teams and sub-teams will be identified to generate ideas around quick-win solutions through the power of collaboration.

CTICC

Table 6: Key Projects

Project Description	Project Detail	Implementation Date	Completion Date
5.1 Photovoltaic (PV) panels	To investigate the feasibility of adding PV panels to the roof of CTICC. The intention is to reduce the centre's electrical costs in an environment where the cost of energy consumption increases at double the inflation rate. This will also contribute to the environmental sustainability of the CTICC.	Currently under investigation if budget allows for it in 2023/24	Currently under investigation
5.2 Grow and strengthen our own events	Build and strengthen exciting and newly developed own events to ensure continued growth.	2020/2021 and 2022/2023 financial year	As per the event date.

Project Description	Project Detail	Implementation Date	Completion Date
5.3 Integrate technology throughout the business	IT's integration as a technology partner is one of the new initiatives in the pipeline. The team will establish what enhancements are required and integrate systems across departments. The focus is on improving efficiencies through technology.	Q4 of 2020/21 – Sage 300 and Jarrison time and attendance integration Q2 of 2021/22 – Business Process Optimisation (BPO) and EBMS v30 Upgrade Q3 of 2020/21 – Microsoft 365 migration Q2 of 2022/23 – Management information systems integration Q2 of 2023/24 – Wi-Fi 6/7 upgrade	Q3 of 2021/22 – Sage 300 and Jarrison time and attendance integration Q1 of 2022/23 – BPO and EBMS v30 upgrade Q4 of 2021/22 – Microsoft 365 migration Q4 of 2022/23 – Management information systems integration Q4 of 2023/24 – Wi-Fi 6/7 upgrade

6. Sustainability

The CTICC strives to harness the power and performance of its people to maximise economic spin-off, contribute to job creation, drive innovation, exceed service expectations, nurture quality and be a world leader in sustainability. Economic, social and environmental sustainability is reflected in every aspect of the business.

In 2008, the CTICC formalised its sustainability commitment by introducing its Nurture Our World (NOW) initiative, a public expression of the CTICC's intention to be a leader in environmental awareness. This is what drives its triple bottom line. The collective also supports other subsidiary initiatives, such as International Organization for Standardization (ISO) certifications (ISO 9001: 2015 Quality Management, ISO 14001: 2015 Environmental Management and OHSAS 18001: 2007 BS Occupational Health and Safety Management).

The CTICC has been a member of the United Nations Global Compact (UNGC) since 2010. It operates in line with the ten guiding principles of the UNGC derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. The CTICC submits its Integrated Annual Report annually as a Communication of Progress, and it has received active or advanced status for the past 12 years.

As a responsible company, the CTICC always strives to reduce its environmental footprint and mitigate its impact. The CTICC also actively helps clients to upcycle their events. The CTICC believes that sustainability principles and practices should be implemented throughout the venue to improve upon initiatives by:

- Supporting local community partners.
- Tracking all sustainability activities to ensure that they have a significant impact.
- Promoting sustainable events through early assessment of construction type and waste generation.
- Measurably building the CTICC brand as a conference and events industry world leader in sustainability.

6.1 Environmental

Five-year strategic objectives	6.1.1 Reduce water consumption through environmental sustainability practices
	6.1.2 Further reduce electricity consumption year-on-year in terms of kWh
	6.1.3 Divert more than 70% of waste from landfill
	6.1.4 Drive ISO standards as part of the embedded CTICC work-life culture

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Environmental sustainability is a key focus area of the business. To ensure maximum resource management, effective monitoring and management systems that encourage resource management must be implemented throughout the CTICC.

6.1.1 Reduce water consumption through environmental sustainability practices

The CTICC has reduced water consumption through its environmental sustainability practices for several years.

The venue is fortunate to have a reverse osmosis plant which, in a 24-hour cycle, can produce up to 200 000 litres of drinking water from groundwater. Greywater is recycled for irrigation and cleaning purposes, and 265 000 litres of rainwater is captured in storage tanks.

Tactic:

- The venue intends to continue with its water resilience plans to reduce dependence on the municipal supply and obtain water for cooking and food preparation from non-municipal sources.

6.1.2 Further reduce electricity consumption by 1% year-on-year in terms of kWh

The CTICC's electricity consumption decreased by 574 457 kWh, which equated to a 4.7% reduction in the 2019/20 year. The decline is attributed to the impact of the Covid-19 pandemic on business demand and, thus, no energy-saving conclusions can be drawn from such.

Tactic:

- The CTICC is committed to reducing its electrical energy consumption. The five-year strategic plan includes an investigation into more sustainable electrical generation. The proposed reduction methods include photovoltaic (PV) solar panels and solar water heating. The CTICC's technical team is committed to lowering kVA by ensuring that the Building Management System (BMS) is running optimally.

CTICC

- The department will improve these efficiencies by adhering to environmental sustainability practices, utilising technology to streamline business operations and improve client service levels. The team is continuously implementing initiatives to reduce the impact of the future occurrence of drought conditions in the Western Cape. This includes radically reducing potable water consumption by utilising the reverse osmosis plant that uses extracted sea and groundwater. We have already installed heat pumps for water heating to reduce the use of the existing boiler technology within the venue.

- Our primary focus has shifted from predominantly potable water-saving initiatives to seeking methods of providing the venue with its energy requirements through the implementation of renewable energy systems. To this end, appropriate consultants will be appointed in the 2021/22 financial year to compile a feasibility study to determine a solution best suited for the venue.

6.1.3 Divert more than 70% of waste from landfill

The CTICC encourages clients and events to participate in the CTICC's goal of diverting waste from landfill. The CTICC has a sustainability strategy and reporting measures to ensure that waste is separated at source, weighed, and disposed of correctly.

Tactic:

- The CTICC is committed to waste reduction in general and minimising waste being sent to landfill sites in particular. Action around this policy focuses on eco-procurement from suppliers who offer reusable and recyclable products.
- The Conference and Exhibition Services Department, with the assistance of the Sustainability Officer, proactively identify events where they can either advise clients to adhere to more sustainable practices or where they can upcycle conference materials. Upcycling initiatives have included sending wood from exhibition stands to schools, and conference banners are donated to various projects that repurpose these items.

6.1.4 Drive ISO standards as part of the embedded CTICC work-life culture

The CTICC aims to provide quality services and products that are safe, competitive, efficient, reliable and environmentally sustainable through safe and healthy practices.

Tactic:

- Ensure all policies are actively communicated and made available to all personnel, clients, sub-contractors and concessionaires, including the public at large.

6.2 Social

Five-year strategic objectives	**6.2.1** **Ensure that the Local Community Partners are aligned with the centre's focus areas** **6.2.2.** **Assist in achieving a higher B-BBEE level through the social and economic development plan** **6.2.3.** **Maintain the CTICC's positioning as a leader in sustainability** **6.2.4.** **Create a more substantial presence and understanding among staff around the Local Community Partners**

As a strategic asset of the City of Cape Town and the Western Cape Government, the CTICC is committed to giving back to the community and strives to be a responsible corporate citizen. The CTICC's contribution to social capital (job creation) is an important corporate social responsibility (CSR) measure, supported by a comprehensive strategy that lists various focus areas for the CTICC's community support. This extends beyond mere financial support and includes skills development, education and overall community upliftment.

6.2.1 Ensure that the Local Community Partners are aligned with the centre's focus areas

Choosing new Local Community Partners (LCPs) with focus areas aligned to the CTICC's purpose and values will create effective partnerships between each organisation and the CTICC.

Tactic:

- The sectors of venue sponsorship, skills exchange, food donations, conference material donations and building material donations are where the CTICC can offer the most value. The CTICC will focus on assisting LCPs with these offerings. The team will also support the LCPs should they run activations for special needs individuals.

6.2.2. Assist in achieving a higher B-BBEE level through the social and economic development plan

According to the B-BBEE Commission, Socio-Economic Development (SED) can advance the empowerment of black people. The venue aims to align its CSR activations and spending to facilitate income-generating activities for targeted beneficiaries.

Tactic:

- Supporting socio-economic development to at least 75% of the total value of SED contributions directly benefiting black people.

6.2.3. Maintain the CTICC's positioning as a leader in sustainability

The team will continue to create awareness about all the social and environmental sustainability initiatives that they are participating in, including activations and environmental measures.

Tactics:

- Use multiple platforms, including the website and social media, external media (such as publications), and entering into award programmes for all sustainability initiatives.
- Conduct and publish case studies on how the CTICC has assisted clients in upcycling and offsetting their carbon footprint.

6.2.4. Create a more substantial presence and understanding among staff around the Local Community Partners

The team will continue to initiate CSR activations and facilitate staff awareness and participation.

Tactic:

- Create more awareness about the CSR programme to encourage staff to participate in CTICC activations. Attention will be increased by creating collateral to educate staff about the LCPs and their work and encourage staff to pinpoint where they would like to assist in the CSR programme (either at or outside of the CTICC). Should staff wish to support any CSR initiatives outside of the LCP base, the CTICC has committed to considering these initiatives where possible.

CTICC

7. Corporate Governance and Risk Management

The CTICC's Board of Directors ("the Board") ascribes to the principles and recommended practices as set out in the King IV Report on Corporate Governance for South Africa ("King IV"). This outcomes-based corporate governance code recommends best practices for cultivating good governance in relation to ethical culture, performance, effective control and legitimacy.

The Board is committed to maintaining high financial management, accounting, and reporting standards to ensure that the CTICC's affairs are managed ethically, transparently and responsibly, while also considering appropriate risk parameters.

The Board is responsible for risk governance and delegates oversight to the Audit and Risk Committee, which monitors the implementation and effectiveness of the enterprise risk management framework and risk management processes. Risk management is an integral part of the CTICC's strategic management and ensures sustainable growth.

The Board is further responsible for the governance of technology and information and delegates oversight to the Finance Committee, which monitors the implementation and effectiveness of the CTICC's Information Technology (IT) governance framework to support the CTICC in setting and achieving its strategic objectives.

With the assistance of the Audit and Risk Committee and Social and Ethics Committee, the Board ensures that compliance with applicable laws, rules, codes and standards are implemented to ensure that the CTICC acts as an ethical corporate citizen. The CTICC is also compliant with the Municipal Finance Management Act (MFMA), which provides for "secure, sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government" as well as other legislation, such as the Companies Act, the European Union General Data Protection Regulations (GDPR) and the Protection of Personal Information (POPI) Act.

The remuneration of the Board of Directors and its committee members, executives and senior managers are aligned with the MFMA. The Cape Town City Council sets and revises the upper limits of remuneration for the Board, its committee members, and the Chief Executive Officer (CEO). The Board also determines the senior managers' compensation who report to the CEO. Shareholders approve the policy for directors and independent Audit and Risk Committee members' remuneration at every second Annual General Meeting (AGM), as required by the Companies Act.

Bonuses are linked to performance and the Human Resources and Remuneration Committee determines the CEO's performance bonus. The management team (senior and middle management) receives performance bonuses in July, based on met company performance, while the bonuses paid out in February are based on personal performance.

The CTICC has revised and implemented its enterprise risk management framework, combined assurance framework, IT governance framework and legal and compliance framework to ensure that they were all concise, accessible, and appropriate for the size and nature of the CTICC's business operations and are aligned with recent changes in laws and regulations.

Effectively, responsible parties are employed to ensure the integrity and confidentiality of personal information by taking reasonable technical and organisational measures for the level of security required. This included the POPI Act, which means clients residing in countries governed by this legislation have the assurance that their personal data is protected. The team takes a global view and applies what is common to both legislation sets.

The frameworks referred to in this section are critical. They set out the structure and the rules that outline how the CTICC is managed and controlled in terms of risk, combined assurance and IT governance, and legal and regulatory compliance. The CTICC will continue to monitor the maturity of these frameworks.

The CTICC has a record of nine clean, unqualified audits and is committed to maintaining this. Procurement from B-BBEE companies is a priority, and the CTICC continually strives to improve on its targets.

7.1 The Company Secretary

The core focus of the Company Secretary is the effective administration of the Board and its committees and shareholder matters to ensure that procedures and structures are in place to promote good corporate governance outcomes.

The Company Secretary strives to ensure that the CTICC has a balanced and representative board, which is adequately informed and equipped to make the right decisions in the best interests of the CTICC within the constraints of its legal frameworks.

The Board is ultimately responsible for determining the direction of the CTICC through the establishment of strategic objectives and policies. Board meetings are held at least quarterly to review the company's performance against budgeted targets. These can be held more frequently if necessary.

It is important that Board members know their duties and responsibilities as directors regarding the applicable legislation and good corporate governance principles and recommended practices. Therefore, new Board members must receive a thorough induction as soon as possible to add value to the company. Board members and shareholders must also receive comprehensive reports to allow them to make informed decisions regarding the CTICC. Per King IV™, the Board is ultimately responsible for the legitimacy of all reports issued to stakeholders.

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8. Financial Projections

Historically, the CTICC was able to sustain and support its operating and capital expenditure requirements since inception without having to obtain loan funding or require an equity injection from shareholders – other than for the expansion and building of CTICC 2. By all accounts, the CTICC was successful in the implementation of its business plan and strategies in the pre-Covid-19 environment.

In March 2020, South Africa experienced its first cases of Covid-19, and this was when the CTICC started to see the impact of the pandemic on the business. Bans on gatherings or events with more than 100 people were imposed on 15 March 2020 and the latter part of the month resulted in a nationwide lockdown commencing on 27 March 2020. The resultant National State of Disaster and lockdown has meant that the CTICC has, at times, been unable to host any events due to stringent regulations.

This has placed the financial security of the company at risk, as it is unable to operate at a level that is sustainable. However, the CTICC was still incurring operational and capital expenditure to maintain its assets and secure its future by continuing to market its services and venues to secure future bookings. At the time, the CTICC's forward book of events amounted to R877 million for a total of 196 events expected to be held from January 2021 to 2024. These included international and national events. Consequently, the CTICC had received advance deposits totalling R33.3 million from the contracted events.

The strategy was to protect the CTICC's forward book and to request clients whose events were affected during the lockdown to postpone rather than cancel them. The strategy proved successful, with many events being moved several times as the regulations changed.

This strategy also allowed the CTICC to retain the deposits paid by clients, which aided the funds available. These funds have been ring-fenced and invested so that they are not utilised for operational purposes.

Currently the value of the Forward Book is estimated at R607 million, with events contracted to the 2026 financial year. The lower value of the Forward Book, prior to the pandemic, is due to the lower revenues expected from food and beverage and other services with the decrease in attendance numbers expected.

The Forward Book remains the key to the recovery plan of the CTICC and the ability to grow it further and to secure repeat business from the clients.

Table 7: Forward Book – 2022/23 to 2025/26

Financial year	Events	Attendees	VR Revenue	F&B and Other	Total
2022	175	146 191	R39 448 240	R19 724 120	R59 172 360
2023	88	212 968	R106 420 349	R53 210 175	R159 630 524
2024	53	155 080	R126 978 240	R63 489 120	R190 467 360
2025	31	106 500	R85 299 864	R42 649 932	R127 949 796
2026	11	46 750	R46 628 085	R23 314 043	R69 942 128
Total	**358**	**667 489**	**404 774 778**	**202 387 390**	**607 162 168**

Management has reviewed all cost drivers and plans to ensure that non-critical expenditure is prevented, and capital projects deferred where possible. The assets are being maintained to ensure that the venues are operational and able to accommodate clients as and when required, as clients are booking events at short notice. All other interventions are further highlighted earlier within the document.

The CTICC is forecasting a return to profitability by the 2024/25 financial year based on the strength of the Forward Book as well as the potential "Blue Sky" included in the forecasts. The CTICC is also projecting to generate sufficient cash flow to fund its capital expenditure program, which was negatively impacted through the pandemic.

Table 8: Revenue Projections – 2022/23 to 2026/27

Description	Actual 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Revenues	**48 161 399**	**49 769 038**	**125 747 996**	**187 247 580**	**213 944 512**	**236 626 083**	**257 388 234**
Venue Hire	20 568 095	18 639 485	74 250 010	113 862 634	125 201 647	135 217 779	144 683 023
Food & Beverage	7 675 172	9 050 550	33 448 024	49 335 836	62 903 190	72 338 669	81 019 309
Parking & Other Income	19 918 132	22 079 003	18 049 962	24 049 111	25 839 675	29 069 635	31 685 902
Less: Direct Costs	**4 259 489**	**8 948 565**	**21 079 851**	**27 685 595**	**32 709 635**	**36 773 767**	**40 567 519**
Cost of Sales	2 144 236	4 439 342	13 929 109	19 691 329	24 286 503	27 929 478	31 281 016
Other Direct Costs	2 115 253	4 509 223	7 150 742	7 994 266	8 423 132	8 844 289	9 286 503
Gross Profit	**43 901 910**	**40 820 473**	**104 668 145**	**159 561 985**	**181 234 877**	**199 852 316**	**216 820 715**
Less: Indirect Costs	**137 620 199**	**132 208 024**	**154 585 561**	**164 311 780**	**174 430 756**	**184 477 680**	**194 510 049**
Personnel & Management	71 885 927	56 430 742	63 913 385	70 795 867	75 736 346	80 848 549	85 699 462
Building Costs	45 695 197	54 520 657	66 636 443	68 034 755	71 923 586	75 519 765	79 295 753
Marketing & Other Indirect Costs	20 039 075	21 256 625	24 035 733	25 481 158	26 770 824	28 109 366	29 514 834
EBITDA	**(93 718 289)**	**(91 387 552)**	**(49 917 416)**	**(4 749 795)**	**6 804 121**	**15 374 636**	**22 310 666**
Interest Received	3 927 058	552 170	737 658	826 177	908 795	1 072 378	1 201 063
Less: Depreciation	54 607 019	45 699 215	45 205 175	44 301 071	44 269 444	45 774 605	47 330 942
Less: Impairment	109 838 514	-	-	-	-	-	-
Net Loss Before Taxation	**(254 236 764)**	**(136 534 596)**	**(94 384 933)**	**(48 224 690)**	**(36 556 528)**	**(29 327 591)**	**(23 819 213)**
Taxation	12 575 828	37 760 526	25 483 932	13 337 203	10 110 212	8 110 950	6 587 532
Net Loss After Taxation	**(241 660 936)**	**(98 774 070)**	**(68 901 001)**	**(34 887 487)**	**(26 446 316)**	**(21 216 641)**	**(17 231 681)**

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Table 9: Budget Statement of Financial Position – 2022/23 to 2026/27

	Actual 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Assets							
Non–current Assets	**686 335 363**	**689 274 362**	**687 407 103**	**688 935 604**	**692 597 152**	**698 652 021**	**707 546 636**
Property, Plant and Equipment	338 839 340	306 141 789	280 914 574	271 229 848	266 905 160	266 973 055	271 404 114
Investment In Subsidiary	100	100	100	100	100	100	100
Service-in-kind benefit	170 803 072	168 679 096	166 555 120	164 431 144	162 307 168	160 183 192	158 059 216
Deferred Taxation	176 692 851	214 453 377	239 937 309	253 274 512	263 384 724	271 495 674	278 083 206
Current Assets	**39 968 247**	**41 022 256**	**57 687 316**	**94 370 588**	**83 036 739**	**62 291 452**	**47 963 440**
Inventories	2 089 801	1 830 150	1 724 587	1 988 449	2 012 310	2 173 295	2 281 960
Trade and Other Receivables	12 875 901	12 589 047	13 532 157	14 979 806	17 115 561	16 563 826	18 017 176
Service-in-kind benefit	2 123 976	2 123 976	2 123 976	2 123 976	2 123 976	2 123 976	2 123 976
Current tax receivable	663 252	-	-	-	-	-	-
Cash and Cash Equivalents	22 215 317	24 479 083	40 306 596	75 278 357	61 784 892	41 430 355	25 540 328
Total Assets	**726 303 610**	**730 296 618**	**745 094 419**	**783 306 192**	**775 633 891**	**760 943 473**	**755 510 076**
Net Assets and Liabilities							
Net Assets	**680 567 769**	**671 802 367**	**655 901 366**	**678 013 879**	**651 567 564**	**630 350 923**	**613 119 242**
Contribution from Owners	1 277 427 701	1 367 427 700	1 420 427 700	1 477 427 700	1 477 427 700	1 477 427 700	1 477 427 700
Accumulated Deficit	(596 859 932)	(695 625 333)	(764 526 334)	(799 413 821)	(825 860 136)	(847 076 777)	(864 308 458)
Non-current liabilities	**-**	**-**	**231 456**	**373 521**	**459 042**	**275 425**	**-**
Operating lease liability	-	-	231 456	373 521	459 042	275 425	-
Current Liabilities	**45 735 841**	**58 494 251**	**88 961 597**	**104 918 792**	**123 607 285**	**130 317 125**	**142 390 834**
Client Deposits	22 146 933	39 945 719	57 521 835	60 397 927	63 417 823	61 605 886	62 209 865
Trade and Other Payables	23 588 908	18 548 532	31 439 762	41 563 365	57 024 937	65 293 552	76 524 044
Provisions	-	-	-	2 957 500	3 164 525	3 417 687	3 656 925
Total Net Assets and Liabilities	**726 303 610**	**730 296 618**	**745 094 419**	**783 306 192**	**775 633 891**	**760 943 473**	**755 510 076**

Table 10: Budget Cash Flow Statement – 2022/23 to 2026/27

	Actual 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Cash Flow from Operating Activities	**(128 058 558)**	**(74 743 239)**	**(16 700 486)**	**12 588 106**	**26 451 291**	**25 487 963**	**35 871 973**
Cash Receipts from Customers	36 789 914	50 055 892	127 294 359	188 663 472	213 865 280	238 993 339	257 625 773
Cash Paid to Suppliers and Employees	(169 499 781)	(126 014 552)	(144 732 503)	(176 901 542)	(188 322 784)	(214 577 754)	(222 954 863)
Suppliers	(94 006 322)	(74 301 511)	(85 540 046)	(114 157 538)	(121 500 420)	(143 244 879)	(147 342 016)
Employee Costs	(75 493 459)	(51 713 041)	(59 192 457)	(62 744 004)	(66 822 365)	(71 332 874)	(75 612 847)
Cash Generated from Operations	(132 709 867)	(75 958 661)	(17 438 144)	11 761 929	25 542 496	24 415 585	34 670 910
Finance Income	4 651 309	552 170	737 658	826 177	908 795	1 072 378	1 201 063
Taxation Refund/(Paid)	-	663 252	-	-	-	-	-
Cash Flow from Investing Activities	**(20 774 888)**	**(12 992 996)**	**(20 472 000)**	**(34 616 346)**	**(39 944 756)**	**(45 842 500)**	**(51 762 000)**
Acquisition of Property, Plant and Equipment	(20 774 888)	(12 992 996)	(20 472 000)	(34 616 346)	(39 944 756)	(45 842 500)	(51 762 000)
Cash Flow from Financing Activities	**-**	**90 000 000**	**53 000 000**	**57 000 000**	**-**	**-**	**-**
Proceeds from share issue	-	90 000 000	53 000 000	57 000 000	-	-	-
Decrease In Cash and Cash Equivalents	(148 833 446)	2 263 766	15 827 514	34 971 761	(13 493 465)	(20 354 537)	(15 890 027)
Cash and Cash Equivalents at Beginning of the Year	171 048 763	22 215 317	24 479 083	40 306 597	75 278 357	61 784 892	41 430 355
Cash and Cash Equivalents at End of the Year	**22 215 317**	**24 479 083**	**40 306 597**	**75 278 357**	**61 784 892**	**41 430 355**	**25 540 329**

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Table 11: Capital Expenditure Budget – 2022/23 to 2026/27

Category and description	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Building Enhancements	6 950 000	13 880 000	24 050 682	48 819 964	52 550 000	54 850 000
IT & Electronic Infrastructure	5 395 324	4 650 000	11 482 750	14 726 025	20 225 000	20 670 000
Kitchen Enhancements	21 921	122 000	1 772 000	3 595 000	3 285 000	4 000 000
Catering Furniture & Equipment	600 000	1 820 000	5 965 000	5 485 840	7 290 000	6 750 000
Total Capex Budget	**12 967 245**	**20 472 000**	**43 270 432**	**72 626 829**	**83 350 000**	**86 270 000**

CTICC

9. Terminology and Abbreviations

AGM	–	Annual General Meeting
AI	–	Artificial Intelligence
B-BBEE	–	Broad-based Black Economic Empowerment
BDM	–	Building Development Management
BMS	–	Building Management System
CCID	–	Central City Improvement District
CEO	–	Chief Executive Officer
CPI	–	Consumer Price Index
CTICC	–	Cape Town International Convention Centre
CSR	–	Corporate Social Responsibility
DCP	–	Day Conference Package
DMC	–	Destination management Company
EAP	–	Employee Assistance Programme
EBMS	–	Employee Benefit Management Services
ERP	–	Enterprise Resource Planning
F&B	–	Food & Beverage (Department)
GDPR	–	General Data Protection Regulation
GRAP	–	Generally Recognised Accounting Practice
HR	–	Human Resources (Department)
HVAC	–	Heating, Ventilation and Air Conditioning
ICSA	–	Islamic Council of South Africa
ICT	–	Information and Communications Technology
IDP	–	Integrated Development Plan
ISO	–	International Organization for Standardization
IT	–	Information Technology
King IV Code	–	King Report on Corporate Governance for South Africa, 2006
KPIs	–	Key Performance Indicators
LCP	–	Local Community Partner
LSM	–	Living Standards Measure
MFMA	–	Municipal Finance Management Act
MICE	–	Meetings, Incentives, Conferences and Exhibitions
NOW	–	The CTICC's Nurture our World initiative
NPS	–	Net Promoter Score
OHSAS	–	Occupational Health and Safety Standard
PCO	–	Professional Conference Organiser
PESTLE	–	The six sub-environments of the macro-environment within which the CTICC operates: political, economic, social, technological, legal and environmental
POPI	–	Protection of Personal Information (POPI) Act
PV	–	Photovoltaic
ROI	–	Return on Investment
SAPS	–	South African Police Service

SCM	–	Supply Chain Management
SED	-	Socio-Economic Development
SMMEs	–	Small, Medium and Micro-sized Enterprises
SOC	–	Security Operations Centre
SOPs	–	Standard Operating Procedures
SWOT	–	A strategic planning technique to identify the Strengths, Weaknesses, Opportunities and Threats (SWOT) related to business competition or project planning
UNGC	–	United Nations Global Compact
WTTC	–	World Travel and Tourism Council

CTICC

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NURTURE OUR WORLD

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