ANNEXURE 28

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC) (MUNICIPAL ENTITY)

BUSINESS PLAN

2024/25 BUDGET (MAY 2024)

CAPE TOWN INTERNATIONAL CONVENTION CENTRE

2024/25 BUSINESS PLAN

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Section 1: Highlights

The Cape Town International Convention Centre (CTICC) will focus on the following aspects of its operational performance to achieve the listed targets in the 2024/25 financial year:

1. Financial – R350 million revenue target;
2. Achieving a clean audit report;
3. Sales & Marketing – 445 events, including 34 international conferences;
4. Event delivery – 80% client satisfaction index (CSI);
5. 5-Star Tourism Grading Council rating;
6. Procurement – 75% of spend with B-BBEE suppliers;
7. Capital projects – 90% of projects for the year completed or committed;
8. Youth skills development – ten student and six graduate placements.

Section 2: Executive Summary

2.1   Introduction

This one-year business plan must be read in conjunction with the CTICC's five-year strategy.

Since opening its doors two decades ago in 2003, the CTICC has been dedicated to establishing a strong global presence in the business events sector. During this time, interest in the CTICC as a venue for hosting conferences, trade fairs, exhibitions and other events has steadily grown.

As the CTICC enters its third decade, the Board and Executive Team have been working hard to reimagine, redefine and future-proof the CTICC's mandate. The CTICC team has reinforced key strategic attributes during the pandemic, building resilience, agility and the ability to think 'out of the box' and adapt to change by being innovative.

As part of this process, the business reviewed and realigned its vision, mission and purpose to reflect its new Why, What and How. The Why is the CTICC's purpose, which focuses on leaving lasting impressions on tomorrow by accelerating economic prosperity, opportunity, inclusivity, creativity and innovation.

In line with that purpose, its refreshed vision is to be respected as the enabler of Africa's smartest community of creativity, opportunity, sustainability and excellence. The CTICC's mission, then, is to realise that vision by establishing and activating an integrated 'smart' hub model that consistently and continuously unlocks innovation, collaboration, transformation and the power of location to re-ignite opportunity and possibility for all stakeholders.

The opportunity now, however, is to extend the business into a collaborative partnership space that goes beyond the conventional three Ps of people, planet and profit, which it has always espoused. The CTICC is now looking to encompass partnership and peace as well. This will allow it to provide more tangible support for the 17th United Nations Sustainable Development Goal (SDG): Peace, Justice and Strong Institutions. It is only through the innovative melding of these imperatives that a truly possible and positive future can be created.

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

The CTICC's forward book is looking positive. From February 2024 to February 2029, 80 international events are confirmed at the time of writing, many of which intersect with, and support, the catalytic investment sectors of both the City of Cape Town and the Western Cape Government.

2.2   Core business strategy: Five-year business plan

To ensure that the business remains profitable, each business unit will continue to operate according to an implementation framework and action plan for the next five years. These support the core business strategy 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:

i.   The sales team will secure the forward book and grow the repeat events segment annually by promoting multi-year deals. It will also build and strengthen the existing brands under its own events segment;

ii.   The commercial team will continue to focus on increasing revenue and event numbers year-on-year through market segments with the greatest growth potential, such as government and international non-governmental organisations;

iii.   The marketing and communications teams will continue to build the brand's equity to ensure customer confidence. They will use data to develop content relevant to their key audiences for maximum and measurable impact;

iv.   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 focusing on increasing long-term contracts with corporates;

v.   The focus for the food and beverage team will be to grow the outside catering offering to increase revenues, manage the cost-effectiveness of the operation and maintain the International Organization for Standardization (ISO) 22000:2018 certification;

vi.   The priority for facilities management and technical services is continued maintenance of the facility, while reducing and managing operational costs;

vii.   The finance team will ensure that the business sustains its sound financial governance and track record of unqualified audit with no findings for the next three years and into the future. At the same time, the supply chain management (SCM) team will monitor and maintain the CTICC's fully integrated contract and demand management platform;

viii.   The human capital department will ensure that the CTICC remains an employer of choice to attract, recruit and retain a diverse workforce that meets the organisation's needs;

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

x.   The information and communication technology (ICT) team will ensure that all technology deployed supports the business activities of the organisation and the needs of clients and visitors.

2.3   Upholding an ethical business culture

The CTICC is committed to building and upholding an ethical business culture. It has been aligned with the United Nations Global Compact (UNGC) for many years and commits to the UNGC's Ten Principles, which focus on human rights, labour practice, environmental protection and anti-corruption measures. The CTICC is also making progress with its plans to positively impact the United Nations Sustainable Development Goals (SDGs) and now meets the criteria for all 17 goals, either through its own efforts or by supporting the communities it serves.

Tangible and measurable environmental, social and governance (ESG) practices lie at the heart of how the CTICC operates and its commitment to sustainability. The centre promotes social and environmental responsibility in the form of its Nurture Our World (NOW) mission. NOW is a multi-departmental group that monitors the social and environmental impact of the CTICC, alongside an equally strong commitment to rigorous and transparent governance.

In the last few years, the CTICC has reinforced its sustainability commitment, with business tourism and events as its main focus, together with its support of the Net Zero Carbon Events initiative, to which many of the CTICC's clients and sector associations are already pledged.

The CTICC has reduced its municipal-supplied potable water usage through its reverse osmosis (RO) plant, which was built in 2018. The RO plant ensures that the CTICC can be water-independent and produce up to 200 000 litres of potable water per day. In addition, the CTICC remains vigilant about waste reduction in general and minimising waste to landfill in particular. Its recycling efforts begin with eco-procurement and it aims to work primarily with suppliers who offer reusable and recyclable products, where possible.

The impact of the efforts by the CTICC on its social, environmental and regeneration initiatives show positive results and the CTICC will remain focused on innovation in these areas as a key business driver and strategic differentiator.

2.4   Reimagining its spaces and services

The CTICC is committed to innovation and is forward thinking in all aspects of its operations. It will keep finding new ways to build the business, support the community and create jobs using its highly flexible spaces.

In this regard, the CTICC's strategy will continue to focus on its own events initiative, which started in 2019. This project is driven by the following three core objectives: to boost job creation in the region, in line with shareholder mandates; to support small, medium and micro enterprises (SMMEs); and to create new revenue streams. To date, three CTICC Gift Fairs, two This is Art events, one Ultimate Beverage Show and one AllSport Expo have taken place, with a number of online AllSport workshops also implemented in 2020.

The CTICC will only be rolling out the AllSport Expo and the Ultimate Beverage Show in the future. The Ultimate Beverage Show will be renamed the Cape Town Beverage Show to encompass a broader range of beverages beyond just craft options. The focus will remain on home-grown local South African beverages, building local brands in the beverage sector, as well as supporting the important agro-processing sector.

The CTICC will continue to leverage South Africans' love of sport by developing the AllSport Expo, which will be offered again at the end of September 2024. Some of the most popular events hosted at the CTICC are sports-focused. The CTICC is also partnering with the City of Cape Town to pursue hosting international sporting events, such as the Netball World Cup that recently took place at the CTICC. The upcoming Karate World Championships is another example of this future focus.

2.5 Strategic focus

Forging the future of the CTICC

The CTICC of the future will reflect its success as a globally recognised and respected tourism industry icon and world-class convention centre. The challenges of the pandemic have given the CTICC management team the opportunity to evolve and reimagine what the space can be beyond hosting events, notwithstanding that these events continue to be incredible experiences for those involved.

The CTICC's focus is to position itself as a significant global player in the fields of technology and innovation, aligning with the City of Cape Town's IDP and strategic economic sectors.

The 1-year Business Plan being presented here includes amendments to incorporate the new strategy, as well as a new 'compass' outlined below that will guide the CTICC going forward.

The CTICC's value is equivalent to its impact. It welcomes the future, anchored by its value proposition, which states that "the long-term sustainability of the CTICC will be in providing consistent quality services and being socially relevant, by intentionally facilitating, supporting or managing programmes, projects and activities that benefit society."

- **Purpose:** To accelerate economic prosperity, opportunity, inclusivity, creativity and innovation.

- **Vision:** To be respected as the enabler of Africa's smartest community of creativity, opportunity, sustainability and excellence.

- **Mission:** By establishing and activating an integrated 'smart' hub model that consistently and continuously unlocks innovation, collaboration, transformation and the power of location (Cape Town and Western Cape) to re-ignite opportunity and possibility for all stakeholders.

- **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 its people thrive and that the CTICC's clients and stakeholders benefit from it. The CTICC's values are as follows:

  - 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.

2.6   CTICC Innovation Centre

The CTICC went through a period of unsettling uncertainty due to the effects of Covid-19 on the industry and business. As a response, it saw the need to diversify beyond event-based revenue and developed a novel strategy to utilise, at the time, unused space to establish an innovation hub.

Since then, as events have returned in full force, the idea has evolved and the CTICC has identified other ways that it could still implement the innovation centre concept. However, new space has been identified, emanating from the hospital interface development at the back of CTICC 2. This space fits perfectly with the CTICC's new focus.

The initial innovation centre idea was based on a large space footprint ($31m^2$ of CTICC 2). This option is no longer available due to the return of big events, which are the core revenue-generating business of the CTICC.

The CTICC is now looking at developing its *innovation brand* and building trust and credibility with other innovation projects, programmes and brands. The business also intends to repurpose this new space for greater socio-economic impact through the programmes and projects that it will host there.

Selecting the right partners will be key to the success of the Innovation Centre. Partners identified will include, but are not limited to, corporates, academic institutions, government (special purpose vehicles and state-owned entities), event organisers, funders and programme experts.

The combination of the right partners and programmes at the CTICC Innovation Centre will have a significant social and economic impact on job creation, additional revenue streams, opportunities and community reach, with a positive brand impact on the CTICC, Cape Town, the Western Cape, South Africa and Africa at large.

Section 3: About the CTICC

3.1   Strategic alignment with the City of Cape Town's Integrated Development Plan and strategic economic sectors

The City of Cape Town and the Western Cape province work with a number of catalytic investment sectors that offer the best opportunities for growth and job creation. The CTICC seeks to align with these economic sectors, the City's Integrated Development Plan (IDP) and the Western Cape's provincial Wesgro investment promotion initiative. The list that follows draws from these documents:

In this context, the Western Cape's high-growth sectors have been identified as:

- Agro-processing;
- Business process outsourcing (BPO);
- Construction;
- Communication;
- Design;
- Education;
- Electricity;
- Engineering;
- Film;
- Finance and insurance;
- Furniture;
- Health;
- ICT;
- Infrastructure;
- Logistics;
- Marine;
- Oil and gas;
- Renewables;
- Research;
- Tourism;
- Water.

In particular, the CTICC has aligned its objectives with the City of Cape Town's 2022–2027 IDP inclusive economic growth priority, as follows:

The CTICC seeks to:

- Maximise economic impact and job creation through business events;
- Diversify the business to incorporate other revenue models;
- Maintain good corporate governance;
- Deliver good customer service;
- Continue human capital development of the workforce;
- Always practise good corporate citizenry.

Although challenging economic conditions continue to influence its ability to contribute to these sectors, the events that the CTICC has hosted still take these priorities into account. Specifically, the CTICC has been successful in attracting several events in the health and renewable energy sectors.

3.2   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 the challenges ahead.

As part of the planning process, several strategic interactions were held over the last three years. These meetings included several stakeholder engagements, strategic management planning sessions and staff engagements. The interactions focused on reshaping 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) review, as well as a strength, weakness, opportunity and threat (SWOT) analysis. An independent external provider compiled the competitor analysis.

3.3   Competitor analysis

A comprehensive review was undertaken to assess the internal performance of the CTICC and to strategically position it within the broader meetings market for future planning purposes. The evaluation involved a thorough comparison of the CTICC to similar businesses, considering crucial variables, such as location, facilities, pricing and customer experience. This comparative analysis spanned international, regional, national and local markets, providing valuable insights to inform strategic decision-making and enhance the CTICC's competitive edge in the evolving landscape of the meetings industry.

3.4   The CTICC segments

The following CTICC event segments remain relevant, although market forces threaten some. As a venue, the CTICC specialises in delivering the following:

- International conferences;
- National conferences;
- Exhibitions (B2C);
- Trade fairs (B2B);
- Special events (sports, cultural and leisure events);
- Banquets;
- Film and photo shoots;
- Own events;
- Other events (e.g. one-day workshops, training seminars, examinations, graduations, product launches, breakfasts, annual general meetings and corporate roadshows).

3.5 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. They also impact each other, resulting in a dynamic and continually changing business environment. The macro-environment analysis ensures that the focus is on these constant changes in the sub-environments and their implications for the business as a whole.

Table 1: The results of the CTICC's PESTLE analysis

Political	Economic	Social
• 2024 general election; • 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; • Political influence on events; • Local government by-law changes with regards to event safety.	• Increases in the Consumer Price Index (CPI), impacting the cost of living; • Above-inflation increases of essential commodities, services, fuel pricing and municipal services: fuel will become an even more scarce commodity if the country experiences total electrical grid collapse; • High labour costs; • Fluctuating interest rate. • Unfavourable exchange rates; • The shift in traditional events; • Load-shedding; • Higher expenses related to cleaner energy; • Lack of transport infrastructure.	• Changes in diet preferences and an increase in a healthy food trend; • Growth in the unemployment rate; • High crime rate; • High rate of poverty; • Civil unrest due to the lack of service delivery; • Population growth rate in the Western Cape; • Customer service and product quality; • Digital platforms used to ill effect (fake news); • Attractiveness of the Western Cape.

Technological	Legal	Environmental
• Automation and self-payment systems; • Cyber security and threats; • Migrating to cloud technology, artificial intelligence (AI) and virtual reality; • Rising costs of technology; • Feasibility of solar power implementation; • Addition of facial recognition cameras in strategic positions.	• Adherence to the Protection of Personal Information (POPI) Act and General Data Protection Regulation (GDPR); • Competition regulation; • Consumer protection legislation; • Adherence to the City of Cape Town by-laws and Safety at Sports and Recreational Events Act (SASREA).	• Promoting the use of renewable energy sources; • Mitigating carbon footprint; • Responsible waste management.

3.6   Trends impacting business events

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

- **Venues' increased focus on environmental and social sustainability**. Clients seek partners with measurable and impactful sustainable offerings and business operations. These practices will soon become standard. Although eco-friendly event practices and 'going green' have been on the table for a while, there has been a renewed focus on climate change, which has moved to the forefront, with environment, social and governance (ESG) considerations now being a top priority;

- **The Internet of Things (IoT)**. It is predicted that, by 2025, the total number of connected devices in the world will be approximately 75.4 billion. In addition to smartphones, smart watches and smart televisions, building management control and various other 'back-end' devices are increasingly IoT-enabled. The enhanced monitoring and control features from these systems will produce efficiencies and improvements in the delivery of services to the event space. In the not-too-distant future, almost every electronic device will likely be 'smart' in some way (https://www.statista.com/statistics/471264/iot-number-of-connected-devices-worldwide/);

- **Shorter booking lead times for events.** Clients had previously confirmed and booked their events at least 5 to 9 months in advance of the start date, but as they require more flexibility of the location, venue and costs, bookings are now being confirmed within 2 to 3 months of the start for local and national events and less than 1 year for internationals. This reduction in the lead time for the booking of events is a global trend since Covid-19;

- **Growth in emerging markets and a more diverse audience**. Emerging markets in Asia and Africa have grown significantly over the last decade and are expected to continue this trajectory. Over a billion new middle-class consumers from countries like China, India and Indonesia will be added to the global pool of consumers.

3.7   CTICC internal environment

The CTICC is one of the leading convention centres in Africa and one of South Africa's most iconic spaces, providing a platform for inspiration and transformation, where individuals, businesses and communities gather to share ideas.

As a significant knowledge hub, the CTICC attracts international events and delegates, which has helped establish Cape Town as Africa's preferred business and leisure tourism destination. Over the past two decades, the CTICC has hosted over 9 000 events, 662 of which were international association conferences from a broad range of sectors.

Within walking distance of the CTICC are over 4 500 rooms, as well as over 16 000 hotel and guesthouse rooms in and around the city, offering a vast range of accommodation options to those visiting the convention centre and Cape Town.

The CTICC complex comprises two buildings, CTICC 1 and CTICC 2, connected by a Skybridge. The complex offers world-class venues for meetings, conferences, exhibitors, trade fairs, banquets, concerts, film and photo shoots and stage productions – including digital and hybrid events – where people can meet, collaborate, create and find solutions.

What is key to the CTICC's reputation as a world-leading venue is the wide range of services it offers. This includes food and beverage services, conference services, security and parking, information and communication technology ((ICT), sustainability services and facilities management, as outlined below.

Together, these services 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 frequently 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 constant. Consumer demand has evolved and the CTICC has seen a trend towards a more discerning client. The CTICC needs to cater to this demand and meet those expectations to succeed. It 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 2: Services offered by the CTICC

Core	Ancillary
• Venue hire; • Food and beverage services; • Parking facilities.	• Audio-visual services; • Décor services; • Entertainment services; • Stand-building services; • Safety and security; • Branding; • Sustainability; • Medical services.
Speciality	**Mandatory**
• Coffee on the Square; • Coffee on the Circle; • Old Pier Café.	• Cleaning services; • Perimeter security; • Electrical and plumbing; • Waste management services; • IT services.

3.8   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 3: The Results of the CTICC's SWOT analysis

Strengths	Weaknesses
• Voted the Greatest City on Earth by the Telegraph Travel Awards; • South Africa was voted best country to travel to in the same awards;* • World-class, state-of-the-art building with 140 855 m^2 total capacity; • Best practice in health and safety standards, in line with the International Organization for Standardization (ISO) 45001:2018 certification; • Highly dedicated and skilled workforce; • CTICC owns its assets; • Sound financial management and strong, long-term supplier relationships; • Great location – easy access to hotels and retail and from roads/highway and airport; • Collaborative approach with key national, provincial and local governments, as well as Western Cape key stakeholders; • Sustainability-conscious organisation; • Excellent open-share platform with various law enforcement units in terms of intelligence; • Versatile venue space; • High-quality catering; • Reputable brand; • Own events portfolio; • Positive forward book; • Protection of employees' rights;	• Not leveraging enough of the CTICC's sustainability service offerings; • Costs associated with technological advancements; • High operating and overhead costs; • Staff retention; • Exchange rates make international advertising challenging; • Lack of supplier participation in the tender process.

• Certified for ISO 9001, 14001, 22001 and 45001; • Focus on training of staff.	
Opportunities	**Threats**
• Increased awareness and understanding from the government regarding the value of business events; • Growing national and government business; • Increased market share of international association meetings in Africa; • Growth of the tech sector in the Western Cape; • Exchange rates make travel viable for international visitors; • Evolving human capital (HC) policies; • Increase in the HC budget; • Desirable destination.	• The impact of load-shedding; • 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 Cape Town and accommodation costs; • Shortage of skilled labour due to increased demand.

*https://www.capetown.travel/cape-town-is-the-greatest-city-on-earth/

Section 4: Key Performance Indicators – for three years to 2026/27

The CTICC's performance is measured by the City of Cape Town against a set of key performance indicators (KPIs) that are reviewed annually. As a results-driven organisation, much emphasis is placed on the attainment of these targets – at an organisational, departmental and individual level of performance appraisals. This system of performance management is integral to achieving financial and non-financial targets.

#	Category	IDP Priority	Objective	Programme	Indicator	Indicator Definition	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27
1	International events	Inclusive economic growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	International events hosted (number)	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 2 days (1 night) within the city.	34	34	34	34
	Total events hosted	Inclusive economic growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Total events hosted (number)	The indicator measures the total number of events hosted at the CTICC.	415	445	460	480
2	Human capital development	Inclusive economic growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Annual total salary cost spent on training of permanent and temporary staff (%)	The indicator measures the percentage of annual total salary cost spent on training of permanent and temporary staff.	4%	4%	4%	4%
3	Customer centricity and service excellence	Inclusive economic growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	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 its external clients and recorded as a percentage.	80%	80%	80%	80%

#	Category	IDP Priority	Objective	Programme	Indicator	Indicator Definition	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27
4	Supply chain procurement from B-BBEE suppliers	Inclusive economic growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	B-BBEE spend (%)	The indicator measures the percentage expenditure with B-BBEE suppliers measured ito 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%	75%	75%	75%
5	Tertiary student programme: contribution to youth employment and skills development	Inclusive 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 tertiary students employed at the CTICC in the financial year.	4	10	4	4
6	Graduate programme: contribution to youth employment and skills development	Inclusive economic growth	1. Increased jobs and investment within the Cape Town economy	1.3 Inclusive economic development and growth	Graduates employed (number)	The indicator measures the number of graduates employed at the CTICC in the financial year.	4	6	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. 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.	80%	80%	80%	80%

#	Category	IDP Priority	Objective	Programme	Indicator	Indicator Definition	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27
8	Quality offering	A capable and collaborative City government	16. Capable and collaborative City government	16.1 Operational sustainability	Maintain five-star tourism grading through effective asset maintenance	Asset maintenance is defined as preventative maintenance, corrective maintenance, reactive maintenance, emergency maintenance, as well as repairs of damages after events.	Achieve 5-Star Tourism Grading Council rating	Achieve 5-Star Tourism Grading Council rating	Achieve 5-Star Tourism Grading Council rating	Achieve 5-Star Tourism Grading Council rating
9	**Budget**									
	Operating Profit	A capable and collaborative City government	16. Capable and collaborative City government	16.1 Operational sustainability	Achievement 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).	100%	100%	100%	100%
	Capital Projects	A capable and collaborative City government	16. Capable and collaborative City government	16.1 Operational sustainability	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%
10	**Governance**									
	External audit report	A capable and collaborative City government	16. Capable and collaborative City government	16.1 Operational sustainability	Opinion of the Auditor-General	Measures the opinion of the Auditor-General. The indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor-General (AG) in determining its opinion. The AG has various approved opinions and the City will be measured against these opinions based on the outcome of the audit.	Clean audit report	Clean audit report	Clean audit report	Clean audit report

#	Category	IDP Priority	Objective	Programme	Indicator	Indicator Definition	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27
						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. A 'clean audit' is an unqualified audit opinion with no material findings on compliance with laws, regulations and predetermined objectives.				
11	**Financial Ratios**									
	Ratio of cost coverage maintained (RCC)	A capable and collaborative City government	16. 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.	4.5 times	4.5 times	4.5 times	4.5 times
	Net debtors to annual Income (ND)	A capable and collaborative City government	16. 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.	4.8%	3.5%	4.0%	4.0%

Section 5: Sales & Marketing

5.1 Sales

5.1.1 Sales objectives

The primary objective of the sales unit is to enhance the CTICC's competitive position in South Africa by attracting domestic association, corporate and government events. Additionally, this objective extends to the global long-haul market, which will be achieved by effectively securing bids for both international and regional association conferences, as well as corporate meetings.

Key focus areas include:

- Building and maintaining strong client relationships;
- Generating leads within the City's catalytic investment sectors and beyond;
- Acquiring and growing business in all market segments;
- Implementing a clearly defined retention and acquisition strategy;
- Retaining and growing repeat business and multi-year deals;
- Developing new and alternative revenue streams;
- Driving revenue streams through effective business-mix management;
- Increasing CTICC market share locally, regionally and internationally.

5.1.2 CTICC own events objectives

The own events initiative aims to expand the CTICC's current proprietary events. This entails the creation of a platform that stimulates economic activity that generates employment opportunities and revenue streams for local businesses. The development of the CTICC's internal events holds substantial potential to not only enhance its presence in the national and local markets but also to contribute to a more substantial market share overall.

The current portfolio of the CTICC's own events includes:

- The AllSport Expo;
- The Cape Town Beverage Show, previously known as The Ultimate Beverage Show.

5.1.3 Sales trends

- Customer retention through value-based selling;
- Automation of the customer journey through interactions that take place between sales and a prospect throughout the sales cycle;
- Implementation of an overall sales performance analysis;
- Analysis of customer feedback.

5.1.4 Sales tactics

- Continue to identify key and partner accounts through the client retention process;
- Target regional and international associations as per the City's catalytic investment sectors;
- Support sponsorship deals for sports and lifestyle events to position CTICC as a more appealing brand;
- Increase exhibitor and visitor numbers at the CTICC's own events by implementing sales automation;
- Continually develop customer relationships to grow client loyalty.

5.2   Marketing

In the context of the CTICC's overarching business strategy, this section outlines the targeted objectives, which are to focus on brand elevation, leverage data-centric insights and implement relevant marketing initiatives.

5.2.1 Marketing objectives

- To engage and retain loyal clients by securing events across all business segments;
- To promote the CTICC as a venue and build relationships by fostering and enhancing strategic partnerships;
- To entrench the CTICC's own events by enhancing its market footprint for exclusive CTICC-hosted events;
- To promote the CTICC's cuisine by showcasing its food and beverage offerings and coffee shops.

5.2.2 Marketing trends

- World-class customer experience and personalisation;
- Customer retention, loyalty and advocacy;
- Artificial intelligence (AI) automation;
- Growth in emerging markets and a more diverse audience.

5.2.3 Marketing tactics

- **To secure events**: Throughout the year, the CTICC will utilise integrated marketing campaigns, merging promotions and stakeholder interactions, to significantly boost event bookings across all segments;
- **To enhance venue recognition:** The focus will be on strategically leveraging partnerships to bolster the CTICC's visibility, particularly targeting untapped sectors like the leisure market – business gained through holidaymakers who have come into contact with the CTICC;
- **To strengthen event engagement**: The CTICC will refine its engagement models to amplify the reach and impact of its proprietary events, thereby cementing its brand's dominance in the South African and global marketplace.

Section 6: Communications

6.1   Communications

The primary objective of the communications strategy over the next year is to ensure that an internal and external strategy, aligned with the CTICC's objectives, is developed and implemented. This will ensure that the CTICC has unified and consistent messages defining and promoting its brand, off the platform of its refreshed purpose, vision and mission.

6.1.1   Communications objectives

- To identify opportunities to promote and positively represent the organisation through internal and external communication;
- To seek out creative strategies to increase internal and external awareness of key events and changes in the CTICC;
- To increase publicity of all in-house activities;
- To make the CTICC's target audiences aware of what it is doing;
- To promote the CTICC's sustainability ventures and also the strides it is taking to innovate;
- To ensure that internal communication is increased so that its staff are well informed and have access to the required information.

6.1.2   Communications trends

- Social media is a go-to platform for information;
- Websites (internal and external) speak to the brand;
- Being reactive to current affairs;
- Having pre- and post-press releases for major events;
- Having a unified voice across the communications strategy.

6.1.3   Communications tactics

- **External communication:** To increase the CTICC's output of press statements and social media posts to stakeholders;
- **Internal communication:** To ensure that the intranet is revamped by looking at more ways to communicate with staff and working with human capital regarding internal communication;
- **Digital:** To revamp the website so it is aligned with the CTICC's refreshed purpose, vision and mission, as well as auditing its social media output to create content that engages and grows its audience.

Section 7: Revenue Management

7.1   Revenue Management

Revenue management provides a support function to the organisation, with a focus on the sales, events and conference and exhibition services functions. While adhering to the City's requirements, the unit ensures that the CTICC achieves its long-term and short-term business strategies through effective rate management, revenue-streams management, business-mix plans, strategic pricing and benchmarking.

7.1.1   Revenue management objectives

- To align the commercial team to the external business environment;
- To ensure price relevance in the marketplace based on the business environment;
- To drive revenue streams through effective business-mix management and strategic pricing;
- To ensure a clearly defined retention and acquisition plan is established;
- To ensure an effective and efficient contract management process aligned to policies;

7.1.2   Revenue management trends

- A faster sector recovery rate than forecasted;
- Pricing in the marketplace has reflected growth;
- An increase in future events and shorter lead times for bookings;
- Growth in emerging markets and a generally more diverse audience;
- Greater scrutiny of general terms and conditions prior to the signing of contracts.

7.1.3   Revenue management tactics

- To adapt a rate philosophy in line with demand, supply and market trends;
- To secure events for all business segments with a clearly defined retention, acquisition and base business plan;
- To increase occupancies year-on-year through the maximisation of space utilisation;
- To ensure the contract management process is aligned to audit requirements.

Section 8: Event Delivery

8.1 Event management

The event management unit is integral to the delivery of events, as it ensures that clients have a seamless experience from initial enquiry to event feedback. This is facilitated by the CTICC's customer relationship management (CRM) system, which allows it to optimise efficiencies and coordinate events of any size with detailed itineraries.

8.1.1 Event management objectives

- To manage events successfully;
- To up-sell CTICC contracted services;
- To streamline systems and internal processes to enhance the client experience.

8.1.2 Event management trends

- Building eco-friendly and sustainable events;
- Shorter lead times for bookings;
- Focus on cost saving and efficiencies;
- Experiential events are more in demand;
- Virtual events are still relevant as we embrace digital technology.

8.1.3 Event management tactics

- To improve the client/visitor/delegate experience and client satisfaction index (CSI) through client care initiatives during pre-event planning meetings and while on-site;
- To promote the usage of CTICC's preferred contracted suppliers.

8.2 Conference and exhibition services

The conference and exhibition services unit is responsible for providing a turnkey solution to all clients by establishing partnerships with key event-related suppliers. These suppliers can offer services to all conference and exhibition organisers. Services range from audio-visual and electrical connections to plumbing, safety and security, cleaning and décor, as well as entertainment services.

The unit plays a key role in reducing the exhibition organiser's carbon footprint by arranging various upcycling initiatives. The unit is also tasked with meeting and exceeding the budgets set.

8.2.1 Conference and exhibition services objectives

- To increase revenue by ensuring all clients are advised of the CTICC's offerings;
- To improve relationships with the City's events department by streamlining the event application process;
- To focus on training for the operations services coordinators;
- To increase environmental awareness to provide more sustainable events;
- To ensure that technology solutions are available to support all clients.

8.2.2 Conference and exhibition services trends

- Focus on health and safety throughout the event life cycle;
- Increased demand for sustainable exhibition stands.

8.2.3 Conference and exhibition services tactics

- To adapt all marketing collateral pertaining to waste management to clearly highlight the changes to reducing waste to landfill;
- To increase revenue by ensuring that preferred suppliers emphasise the customer experience;
- To elevate the CTICC's food and beverage offering, including speciality beverages.

8.3 Facilities management

The facilities management unit strives to uphold the building's 5-star rating standards by implementing preventative, corrective and predictive maintenance and replacing end-of-life equipment with newer and more efficient technologies. This will improve the customer experience and keep the business sustainable.

8.3.1 Facilities management objectives

- To focus primarily on preventative and predictive maintenance;
- To refurbish and upgrade plant and equipment that has reached the end of its life;
- To maintain emergency plant and equipment to ensure that clients are not affected by utility interruptions due to load-shedding and water disruption;
- To ensure environmental sustainability at all times.

8.3.2 Facilities management trends

These are the main facilities management trends, according to the International Facility Management Association (IFMA):

- Room sensors and the Internet of Things (IoT) being used to detect occupants, temperature, lighting levels and allow heating, ventilation and air-conditioning (HVAC) and electrical systems to adjust automatically;
- An increase in predictive maintenance, driven by the use of the IoT, including sensors that can keep track of equipment performance and supply more data to improve decision making;
- Sustainability focus, as seen in the industry drive to Net Zero Carbon Events, signalling that more ways of being environmentally sustainable will have to be implemented.

8.3.3 Facilities management tactics

- To ensure regular preventative maintenance is done to increase the lifespan of equipment and minimise downtime that can affect the core business;
- To introduce proactive maintenance and implement sensor technology to monitor plant and equipment failures, as well as energy consumption;
- To investigate renewable energy options, such as photo-voltaic solar energy systems;
- To maintain the CTICC's International Organization for Standardization (ISO) 9001, 14001, 22001 and 45001 certifications.

8.4   Parking and logistics

The parking and logistics unit manages the overall traffic flow into the CTICC to ensure large events are covered in terms of overflow parking facilities, shuttle services and road closures, where and when required. The unit also manages event logistics during build-up and breakdown, while maximising revenues from internal and external events.

8.4.1   Parking and logistics objectives

- To increase revenue;
- To ensure efficient and simple load-in and load-out processes in the marshalling yards;
- To train full-time and temporary staff;
- To improve customer experience by providing clear signage, ample lighting and easy access to parking facilities, as well as ensuring that parking facilities are clean, safe, and well maintained;
- To enhance security by installing more security cameras in P1 to ensure the safety of vehicles and individuals.

8.4.2   Parking and logistics trends

- Using IoT to facilitate car parking: drivers can see in real time, through an app service or a website, the availability of parking space;
- Tap and go to make parking and logistic transactions more efficient and secure: fast and secure contactless parking through the use of mobile payments, radio frequency identification (RFID) and other contactless payment methods;
- The installation of electric vehicle charging stations in the parking facilities: to encourage the use of electric vehicles and reduce carbon emissions;
- Smart parking to optimise the use of parking spaces: harnessing modern technology, such as sensors and real-time data analytics, to make parking easier and more efficient and improve the customer experience.

8.4.3   Parking and logistics tactics

- To increase parking revenue by introducing specials and packages to the public during low-demand periods;
- To promote CTICC parking as first choice for City of Cape Town events;
- To rent storage space for all external access machinery parked in the marshalling yards;
- To streamline the event build-up and breakdown processes by implementing a scheduling process;
- To use the off-site marshalling yard consistently to ensure that event contractors are familiar with the process, which eliminates frustrations during big events;
- To continuously train staff to ensure consistent service delivery.

8.5 Information and communication technology (ICT)

The information and communication technology (ICT) unit supports the business through the provision of services to both internal and external clients, the latter being a revenue generator for the CTICC. Maintaining the operational functionality of the vast range of ICT systems and platforms is a core function of the unit.

8.5.1 ICT objectives

- To enhance technical solutions in support of good governance;
- To provide services that support the business and event-hosting activities;
- To proactively monitor and maintain the CTICC's ICT systems;
- To expand the CTICC's digital technology suite to support operations;
- To continually enhance the CTICC's cybersecurity controls.

8.5.2 ICT trends

- XaaS – the all-encompassing option of anything as a service;
- IoT and IoT security;
- Artificial intelligence (AI), generative AI and automation;
- Sustainable technology;
- Cyber resilience.

8.5.3 ICT tactics

- To review, plan and implement changes, as identified in the ICT risk register;
- To migrate to cloud-hosted services (XaaS), where practicable;
- To enhance cybersecurity through enhancement of systems, vulnerability scanning, penetration testing and remediation operations;
- To consolidate and increase virtualisation of server infrastructure;
- To enhance the CTICC's IT network design to improve fault tolerance and service redundancy;
- To refine monitoring systems to enhance reporting functions on ICT systems.

8.6   Safety and security

The safety and security of people and property are essential to the safe execution of events hosted. The necessary quality, environmental and safety management systems must be maintained at every level to retain the CTICC's ISO certifications and ensure full legislative compliance, as required by the Safety at Sports and Recreational Events Act and Regulations (SASREA).

8.6.1   Safety and security objectives

- To ensure that a secure infrastructure is maintained for clients and all stakeholders;
- To ensure medical, safety and security plans are obtained for all events hosted at the CTICC that require an event permit;
- To ensure industry standards pertaining to health and safety trends are met;
- To ensure compliance with occupational health and safety standards as set by the South African Bureau of Standards (SABS);
- To provide a safe facility to host world-class events;
- To obtain venue safety and risk grading certificates;
- To work in collaboration with central business district (CBD) stakeholders, the South African Police Service (SAPS) and other governmental security agencies to improve security measures within the CTICC precinct;
- To ensure all ISO certifications are maintained (i.e., ISO 9001, ISO 14001, ISO 45001 and ISO 22000).

8.6.2   Safety and security trends

- Autonomous AI-based facial recognition within convention centres to enhance security proficiency;
- AI-based closed-circuit television (CCTV) tracking of persons of interest within convention centres;
- Tamper-proof non-transferable accreditations;
- Enhanced app-based meeting room access control;
- Ability to determine venue occupation numbers by means of smart accreditation.

8.6.3   Safety and security 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);
- 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;
- CTICC has a disaster preparedness plan covering eventualities, such as fires, viral outbreaks, power cuts, water shortages, bomb threats, terror attacks or incidents resulting in mass casualties;
- Conducting regular fire tests.

8.7   Food and Beverage

The centre's exceptional food and beverage offering, along with its personalised service, are key differentiators that position the CTICC ahead of its competitors.

8.7.1   Food and beverage objectives

- To generate and achieve set targeted revenues;
- To ensure food and beverage costs remain within budget;
- To maintain culinary excellence;
- To achieve service excellence and maintain customer centricity;
- To increase the opportunities for outside catering;
- To improve offering and maintain high standards for public catering;
- To ensure that inventory and asset management is conducted accurately;
- To maintain the ISO 22000 certification;
- To uphold sustainability objectives for food and beverage.

8.7.2   Food and beverage trends

- **Ancient grains and healthy food options:** The resurgence of ancient grains and the rise of plant-based and meat alternatives are driving healthier and more sustainable dining choices;
- **New dairy alternatives:** Alternative milks are ever increasing on the shelves, with potato milk being one of the new additions to the market;
- **Emphasis on organic and local**: The use of organic and locally sourced products, including fair trade and sustainable seafood, is being prioritised for ethical and environmental reasons;
- **Creative beverages:** Unique and individually curated beverages, featuring old-world flavours, add an element of creativity;
- **Sustainable practices:** Sustainable water sources and a reduction in single-use plastic are becoming more critical considerations;
- **Convenience-focused products:** Pre-packed items and convenience-focused food and beverage products are gaining prominence;
- **Technology and innovation:** The integration of technology, like mobile apps, is streamlining food service for quick ordering and pick-up, enhancing convenience;
- **Automation:** Robotic coffee kiosks and vending machines serving hot food items are becoming more accessible.

8.7.3 Food and beverage tactics

- To improve sustainable practices, reducing food waste and minimising the environmental impact of food and beverage operations;
- To reintroduce the water bottling plant;
- To investigate cost-effective sustainable bottles to replace single-use plastic bottles;
- To introduce a new beverage portfolio and services for events and exhibitions;
- To continue to engage and negotiate food prices with suppliers to meet revenue targets and reduce costs;
- To maintain strong relationships with clients and suppliers through regular communication and collaboration;
- To explore and expand outside catering services for clients, such as the Artscape Theatre Centre and the DHL Stadium;
- To invest in training programmes for staff to maintain high standards of professionalism;
- To set stretch targets for service excellence and continuously improve services based on customer feedback;
- To maintain the CTICC's ISO 22000 certification through regular audits and adherence to food safety standards.

Section 9: Sustainability

9.1 Sustainability

Having always embraced a forward-thinking approach to sustainability, the CTICC is committed to impactful emission reductions, aligning with global sustainability benchmarks, harnessing innovative technologies for efficiency and fostering a lasting social and environmental legacy.

9.2 Social and environmental objectives

- To leverage sustainability through business integration;
- To support the Net Zero Carbon Events pledge and the science-based targets initiative;
- To maintain a steadfast commitment to environmental sustainability;
- To uphold the International Organization for Standardization (ISO) 14001 certification;
- To minimise the environmental footprint and mitigate impacts;
- To facilitate clients in upcycling events, emphasising the recycling of wood waste, conference materials and banners;
- To align business practices with the United Nations Global Compact (UNGC) Ten Principles, covering human rights, labour, environment and anti-corruption;
- To integrate the Sustainable Development Goals (SDGs) into business operations, encompassing processes, people and technology.

9.3 Social and environmental sustainability trends

- Commitment to the Net Zero Carbon Events pledge for 50% emission reduction by 2030;
- Alignment with the UNGC and SDGs;
- Rising interest in creating a lasting social legacy;
- Sensor tech adoption for energy efficiency in lighting and heating, ventilation and air-conditioning (HVAC);
- Internet of Things (IoT) utilisation for real-time environmental decision making.

9.4 Social tactics

- To implement sustainability principles throughout the CTICC's operations to enhance sustainability practices;
- To collaborate with local community partners (LCPs) aligned with the CTICC's mandate;
- To elect new LCPs for March 2024 and beyond;
- To monitor sustainability efforts to ensure a significant impact;
- To prioritise sustainable events by evaluating waste generation early in the event planning process;
- To preserve the CTICC brand's global reputation as a leader in sustainable conferences and events.

9.5   Environmental tactics

- Vegetation: To prioritise replanting with water-resilient plants;
- Equipment: To opt for air-cooled over water-cooled replacements;
- Carbon footprint: To set a new baseline for carbon emissions reduction, focusing on:
  - Electricity
    - Upgrading to energy-efficient plant and equipment;
    - Exploring renewable energy options, like solar photo-voltaic panels and solar water heating;
    - Implementing building automation to curtail wasteful energy consumption.
  - Waste
    - Adopting eco-procurement, emphasising recyclable and reusable products;
    - Collaborating with event organisers to manage waste streams;
    - Partnering with waste management providers to maximise landfill diversion.
  - Carbon emissions
    - Targeting year-on-year carbon reduction;
    - Establishing baseline data to capture all business segments contributing to emissions.

Section 10: Supply Chain Management

The core function of the supply chain management (SCM) unit is to ensure that the correct products and services are procured to meet client and operational needs in a manner that is cost-effective, fair, equitable, transparent, competitive and in line with prevailing legislation. SCM plays a pivotal role, working in tandem with the business units, to ensure proper planning, market analysis and development of the correct specifications for the procurement of goods and services.

10.1   Supply chain management objectives

- To optimise the CTICC's processes from demand to acquisition, ensuring cost-effectiveness, compliance with legislation, transparent bidding and value maximisation for the CTICC and its clients;
- To promote accountability through performance management, transparency, fairness via clear documentation, reporting, effective use of resources and compliance with CTICC policies;
- To maintain efficient distribution processes and timely delivery through sustainable sourcing, enhancing the CTICC's service delivery while reducing disruptions for its clients.

10.2   Supply chain management trends

- An increase in sustainable and ethical practices in SCM, including sourcing from environmentally responsible suppliers, supporting local businesses and promoting fair labour practices.;
- The growth in green procurement initiatives aimed at reducing the environmental footprint of operations, aligning with broader sustainability and environmental, social and governance (ESG) goals;
- Digital transformation in adopting digital technologies, platforms and data analytics to optimise supply chain processes;
- Digital technologies enhance transparency, automate workflows and improve contract management and decision-making, leading to a more efficient and accountable supply chain;
- Digitalisation also contributes to reducing legislative red tape through streamlined and automated procedures;
- Improved resilience and risk management by focusing on diversifying supplier bases, adopting contingency plans and using predictive analytics to anticipate and mitigate supply chain disruptions. This trend ensures uninterrupted service delivery even in the face of unforeseen challenges. By enhancing supply chain resilience, organisations can also reduce the impact of regulatory hurdles during emergencies.

10.3 Supply chain management tactics

- To adopt digital procurement systems for end-to-end efficiency, improving requisition to payment, online bidding and automated approvals, as well as increasing transparency, reducing paperwork and speeding up decision making;
- To cultivate supplier relationships through engagement, evaluation and feedback that ensures quality, timeliness and risk reduction, as well as sustainable and ethical sourcing.

Section 11: Human Capital

The human capital (HC) department is a business partner to the organisation, assisting with the formulation and implementation of strategies that support the overall business objectives. The overall goal of the department is to drive and support the workforce through training and development, recruitment, selection and retention of staff, as well as promote a focus on holistic employee wellness. The CTICC believes that nurturing its people contributes to the organisation's growth and success.

11.1 Human capital objectives

- To achieve organisational goals by utilising HC to achieve business requirements and goals by efficient planning and execution of all HC operations;
- To create a work culture that embodies the values of the CTICC;
- To train and develop all staff in line with the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) sector skills plan;
- To retain staff by ensuring the CTICC remains an employer of choice.

11.2 Human capital trends

- Staff reskilling and development will be prioritised, with a bigger investment in staff training and bursary allocation;
- Growing focus on leadership development for management and supervisors, with an emphasis on working in teams, collaboration, communication and strategic thinking;
- Retention and recruitment will continue to be a focus area to improve the talent value proposition;
- Renewed focus on diversity, equity and inclusion.

11.3 Human capital tactics

- To provide competitive, market-related remuneration and affordable employee benefits, as guided by the CTICC remuneration, reward and recognition policy;
- To open up bursaries for employees, ensuring upskilling and reskilling of staff to allow them to expand their knowledge base and develop beneficial skills for the company and industry;
- To recruit and retain staff by improving the talent value proposition, in line with the CTICC's remuneration, recognition and reward policy;
- To create awareness and commit to addressing issues relating to diversity, equity and inclusivity.

Section 12: Governance

The company's Board of Directors ('the Board') subscribes to the principles set out in the King Report on Corporate Governance for South Africa 2016 (King IV™). The Board places a strong emphasis on maintaining high standards of financial management, accounting and reporting to ensure that the company's affairs are managed in an ethical, transparent and responsible manner, while also taking into consideration appropriate risk parameters.

The company has an experienced and stable Board, which directs, governs and remains in effective control of its business. The Board is ultimately responsible for determining the strategic direction of the company through the establishment of strategic objectives and policies. Board meetings are held at least quarterly to review the company's performance against budgeted targets and more frequently, if necessary.

The Board, with the assistance of its committees, has undertaken an exercise to ensure that emphasis is placed on principles 11, 12, 13, 15 and 16 of King IV™. These principles relate to the governance of risk and information technology, as well as compliance with applicable laws, regulations, codes, standards and assurance services. The process also includes ensuring that its stakeholder-inclusive approach balances the needs, interests and expectations of material stakeholders in the best interests of the CTICC over time.

Furthermore, because of the prior impact of the Covid-19 pandemic on the business and to mitigate the impact of future similar events, significant emphasis has been placed on principle 4 of King IV™. In this regard, the Board has assumed responsibility of the CTICC's performance by steering and setting the direction against the CTICC's core purpose and values via the CTICC's strategy. In this regard, it has delegated the formulation and development of the CTICC's long-term strategy to management, with the oversight of the Strategic Subcommittee.

12.1   The Company Secretariat

The core focus of the company secretariat is the effective administration of Board and shareholder matters and to ensure that procedures and structures are in place to promote good corporate governance by the company. The company secretariat strives to ensure that the company has a balanced and representative Board of Directors, which is properly informed and equipped to make the right decisions in the best interests of the CTICC, within the constraints of the legal framework within which it operates.

Board members must be made aware of their duties and responsibilities as directors in terms of the applicable legislation and good corporate governance principles in general. New Board members must, therefore, receive a thorough induction as soon as possible to enable them to add value to the company.

It is also important that Board members and shareholders respectively receive comprehensive reports to enable them to make informed decisions regarding the CTICC.

12.2   Ethical Business Culture and Governance

The CTICC is committed to upholding and building an ethical business culture. As mentioned previously in this document, the CTICC subscribes to the United Nations Global Compact (UNGC) and adheres to its ten guiding principles in support of a principled approach to doing business. The CTICC is additionally committed to meeting all 17 of the United Nations Sustainable Development Goals (SDGs).

The Board of Directors directs and governs the CTICC based on its mandate to be self-sustaining and contribute to economic growth and job creation. As an adopter of King IV™, the Board ensures that the governance structure at the CTICC cultivates good governance outcomes concerning ethical culture, performance, effective control and legitimacy.

The Board of Directors, with the assistance of the Social and Ethics Committee and the Audit and Risk Committee, has undertaken an exercise to ensure that all of the CTICC's ethics-related policies are in line with prevailing laws, regulations, codes and industry standards.

Section 13: Finance

13.1   Financial Projections

Description	Actual 2022/23	Adjustment Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Revenues	**272 505 860**	**322 683 339**	**350 055 866**	**374 432 683**	**398 828 936**
Venue Hire	121 885 278	155 056 976	167 676 985	179 335 800	190 089 005
Food & Beverage	102 335 975	112 119 420	123 475 911	132 119 225	141 367 571
Parking & Other Income	48 284 607	55 506 943	58 902 970	62 977 658	67 372 360
Less: Direct Costs	**55 404 592**	**65 246 698**	**71 303 834**	**75 184 921**	**80 103 506**
Cost Of Sales	38 948 682	43 428 013	47 220 064	49 656 125	53 042 982
Other Direct Costs	16 455 910	21 818 685	24 083 770	25 528 796	27 060 524
Gross Profit	**217 101 268**	**257 436 641**	**278 752 032**	**299 247 762**	**318 725 430**
Less: Indirect Costs	**171 418 381**	**215 425 416**	**237 593 102**	**251 312 998**	**265 770 926**
Personnel & Management	74 580 312	95 876 339	103 460 240	109 331 910	115 715 048
Building Costs	70 105 313	87 244 059	99 771 255	105 709 599	111 940 761
Marketing & Other Indirect Costs	26 732 756	32 305 018	34 361 607	36 271 489	38 115 117
EBITDA	**45 682 887**	**42 011 225**	**41 158 930**	**47 934 764**	**52 954 504**
Interest Received	5 595 183	11 280 070	12 000 359	14 190 425	15 542 772
Less: Depreciation & Amortisation	40 127 536	41 535 681	41 829 324	41 411 030	41 825 141
Add: Impairment Reversal	29 170 817	-	-	-	-
Net loss before taxation	**40 321 351**	**11 755 614**	**11 329 965**	**20 714 158**	**26 672 135**
Taxation	(22 497 988)	(3 174 016)	(3 093 885)	(5 592 823)	(7 201 477)
Net loss after taxation	**17 823 363**	**8 581 598**	**8 236 080**	**15 121 335**	**19 470 658**

13.2 Financial Position

Budget 2023/24 to 2026/27

	Actual 2022/23	Adjustment Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Assets					
Non–current Assets	**719 329 029**	**710 239 701**	**705 321 980**	**708 724 150**	**704 340 558**
Property, Plant And Equipment	452 730 714	448 939 378	449 239 518	460 358 487	465 300 347
Service-in-kind benefit	166 555 120	164 431 144	162 307 168	160 183 192	158 059 216
Deferred Taxation	100 043 195	96 869 179	93 775 294	88 182 471	80 980 995
Current Assets	**122 406 891**	**150 501 159**	**165 019 278**	**180 735 695**	**208 557 565**
Inventories	2 750 629	2 875 315	3 005 653	3 228 973	3 364 590
Trade and Other Receivables	15 209 817	16 016 525	16 891 665	15 538 956	15 953 157
Service-in-kind benefit	2 123 976	2 123 976	2 123 976	2 123 976	2 123 976
Current tax receivable	663 252	-	-	-	-
Cash and Cash Equivalents	101 659 217	129 485 342	142 997 984	159 843 790	187 115 842
Total Assets	**841 735 920**	**860 740 860**	**870 341 258**	**889 459 845**	**912 898 123**
Net Assets and Liabilities					
Net Assets	**751 197 371**	**759 778 968**	**768 015 049**	**783 136 384**	**802 607 043**
Contribution from Owners	1 328 427 701	1 328 427 701	1 328 427 701	1 328 427 701	1 328 427 701
Accumulated Deficit	(577 230 330)	(568 648 733)	(560 412 652)	(545 291 317)	(525 820 658)
Non-current liabilities	**202 750**	**486 346**	**371 356**	**83 061**	**-**
Operating lease liability	202 750	486 346	371 356	83 061	-
Current Liabilities	**90 335 799**	**100 475 545**	**101 954 853**	**106 240 400**	**110 291 080**
Client Deposits	44 186 280	53 686 330	56 746 451	59 073 056	61 731 343
Trade and Other Payables	42 358 911	39 953 433	37 684 558	39 267 308	40 264 699
Provisions	3 790 608	6 835 782	7 523 844	7 900 036	8 295 038
Total Net Assets and Liabilities	**841 735 920**	**860 740 860**	**870 341 258**	**889 459 845**	**912 898 123**

13.3   Cash Flow Statement

	Actual 2022/23	Adjustment Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Cash Flow From Operating Activities	**77 506 475**	**65 570 471**	**55 642 105**	**69 375 806**	**74 039 052**
Cash Receipts from Customers	277 901 083	327 752 629	351 637 774	377 757 265	400 610 651
Cash Paid to Suppliers and Employees	(205 420 596)	(273 462 228)	(307 996 029)	(322 571 883)	(342 114 371)
Suppliers	*(136 581 081)*	*(193 083 880)*	*(221 325 361)*	*(230 917 653)*	*(244 960 887)*
Employee Costs	*(68 839 515)*	*(80 378 348)*	*(86 670 667)*	*(91 654 231)*	*(97 153 485)*
Cash Generated from Operations	**72 480 487**	**54 290 401**	**43 641 746**	**55 185 381**	**58 496 280**
Finance Income	5 025 988	11 280 070	12 000 359	14 190 425	15 542 772
Cash Flow from Investing Activities	**(26 580 235)**	**(37 744 346)**	**(42 129 463)**	**(52 530 000)**	**(46 767 000)**
Acquisition of Property, Plant and Equipment	(26 580 235)	(37 744 346)	(42 129 463)	(52 530 000)	(46 767 000)
Cash Flow from Financing Activities	-	-	-	-	-
Decrease In Cash and Cash Equivalents	**50 926 240**	**27 826 125**	**13 512 641**	**16 845 806**	**27 272 052**
Cash and Cash Equivalents at Beginning of the Year	50 732 977	101 659 217	129 485 342	142 997 984	159 843 790
Cash and Cash Equivalents at End of the Year	**101 659 217**	**129 485 342**	**142 997 984**	**159 843 790**	**187 115 842**
Cash Generated from Operations					
Profit/(Loss) Before Taxation	40 321 351	11 755 613	11 329 965	20 714 158	26 672 135
Adjustments for:					
Depreciation & Amortisation	40 127 536	41 535 681	41 829 324	41 411 030	41 825 141
Impairment reversal	(29 170 817)	-	-	-	-
Finance income	(5 595 183)	(11 280 070)	(12 000 359)	(14 190 425)	(15 542 772)
Loss on Disposal of PPE	302 735	-	-	-	-
Service-in-kind Benefit	2 123 976	2 123 976	2 123 976	2 123 976	2 123 976
Lease Straight-lining	(32 337)	283 596	(114 990)	(288 295)	(83 061)
Decrease in Provisions	3 790 608	3 045 174	688 062	376 192	395 002
Increase in Provision for Impairment of Trade Receivables	-	-	-	-	-
Movements in Working Capital	20 612 618	6 826 430	(214 232)	5 038 745	3 105 859
Increase)/Decrease in Inventories	*(782 405)*	*(124 686)*	*(130 338)*	*(223 320)*	*(135 617)*
Decrease/(Increase) in Receivables	*(6 251 068)*	*(143 456)*	*(875 140)*	*1 352 709*	*(414 201)*
Increase/(Decrease) in Payable	*27 646 091*	*7 094 572*	*791 245*	*3 909 356*	*3 655 677*

13.4   Capital Expenditure

Category and description	Adjustment Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Building Enhancements	30 272 444	29 804 964	33 180 000	30 550 000
IT & Electronic Infrastructure	13 582 750	12 926 025	19 875 000	13 270 000
Kitchen Enhancements	1 772 000	4 795 000	1 585 000	4 000 000
Catering Furniture & Equipment	6 485 000	5 135 840	7 160 000	7 200 000
Total Capex Budget	**52 112 194**	**52 661 829**	**61 800 000**	**55 020 000**