CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE 33

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

BUSINESS PLAN

2023/24 Budget (May 2023)

CAPE TOWN INTERNATIONAL CONVENTION CENTRE

2023/24 BUSINESS PLAN

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Section 1: Highlights

The CTICC will focus on operational performance in order to achieve the following targets in the 2023/24 financial year

1. Financial – R269 Million Revenue Target
2. Achieving an unqualified audit report
3. Sales & Marketing – 415 Events & 27 International Conferences
4. Event Delivery – 80% Client Satisfaction
5. 5-STAR Grading
6. Procurement – 70% of spend with B-BBEE suppliers
7. Youth Skills Development – 4 Students & 4 Graduate Placements

Section 2: Executive Summary

2.1 Introduction

Since opening its doors 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.

As the CTICC approaches its third decade since its establishment, the Board and Executive Team has been working hard to reimagine and redefine their future, to serve the business and larger communities. The CTICC team has acquired some valuable attributes during the pandemic, which include resilience, agility and the ability to think 'out of the box' and adapt to change by being innovative.

The CTICC challenged itself to think differently about the next 20 years – and beyond. To achieve that, they engaged in a process of brainstorming sessions that led to the creation of what will influence the strategic growth of the business and brand and what is at the heart of the CTICC's new strategy moving forward, which is outlined below.

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 strategy 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. From February 2022, the CTICC experienced an increase in the number of events with the second quarter heralding a noticeable positive booking trend, with many of the larger events returning for the first time since the start of the pandemic.

Due to no restrictions in place from the third quarter of 2022, this positive trend continued, which indicated the optimism and confidence in the business events industry with the majority of events returning. The start of the last quarter of 2022 also reflected positive growth, with recovery well underway.

The forward book of the CTICC is strong with expectations of a full recovery during 2023, as large national and international events return. From December 2022 to February 2027, 81 international events are to date confirmed, many of which intersect with, and support, the catalytic 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 rebuilds and reverts to making a profit as soon as possible, each business unit will continue to operate according to an implementation framework and action plan detailed 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 the Own Events segment.
ii. The commercial team will continue to focus on increasing revenue and event numbers year-on-year through some of the low-hanging fruit market segments, such as government and international NGOs.
iii. The marketing and communications team will continue to build the brand's equity to ensure customer confidence. They will use data to develop content relevant to its key audience to have 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 focus 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, cost-effectiveness of the operation and to maintain the ISO 22000:2018 certification.
vi. Facilities management and technical services priority 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 audits for the next three years and into the future. At the same time, the supply management team will implement a fully integrated contract and demand management platform.
viii. The Human Resources 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 focus will also be on fully utilising the SAGE 300 People HR system to ensure efficiency and effectiveness of all HR operations.
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 Technology (IT) team will ensure that all technology deployed supports the business activities of the organisation and the needs of the 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 a participant for many years of the United Nations Global Compact (UNGC) and commits to the UNGC's Ten Principles covering human rights, labour, environmental protection, and anti-corruption. The CTICC is making strides to meet the United Nations Sustainable Development Goals (SDGs) and now meets the criteria for 15 of the 17 goals, either through their own efforts or by supporting the communities. The two remaining SDGs do not currently apply to CTICC's business.

Tangible and measurable Environmental, Social and Governance (ESG) practices lie at the heart of the CTICC and its commitment to sustainability. The centre promotes social and environmental responsibility in the form of its Nurture Our World (NOW) mission, alongside an equally strong commitment to rigorous and transparent governance.

As a responsible corporate citizen with a passion for regeneration, renewal, and the environment, the CTICC recognises the importance of the Net Zero Carbon Events initiative and the call for organisations to sign the Net Zero Carbon Events pledge. The CTICC is in the process of identifying how they can continue reducing their carbon emissions, in line with the goals set at COP21, which are 50% by 2030 and by 100% by 2050.

The CTICC has reduced water consumption through its reverse osmosis plant that was built in 2018, which ensures that can be water-independent and produce up to 200 000 litres per day of potable water. 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 social, environmental and regeneration initiatives continue to show positive results, and the CTICC will remain focused on innovation as a key business driver and strategic differentiator.

2.4 Reimagining its spaces and services

The CTICC is 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.

CTICC's strategy will continue to focus on its own events' initiative, which started in 2019, with the objectives of boosting job creation in the region, in line with shareholder mandates, supporting Small, Medium and Micro Enterprises (SMMEs), and creating 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 and will continue to roll out in the future.

2.5 Strategic Focus

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. 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, even though some of those events might be incredible experiences for those involved.

The new strategy that the CTICC will adopt in the next two years will position the CTICC as a significant global player in the fields of technology and innovation, aligning with the City of Cape Town's Integrated Development Plan & Strategic Economic Sectors.

One of the steps in the CTICC's rejuvenation journey was to refresh its logo to represent out-of- the-box thinking. The CTICC logo was literally 'unboxed' resulting in the figurative unveiling of the CTICC's true form – one that has been rolled out to the public with their name now framed in a softer, more inclusive capsule shape to represent its new way forward. In line with this rejuvenation process, and the new strategy to take the CTICC into the future, the slogan for the CTICC has changed from 'Experience Extraordinary' to 'Create Extraordinary'.

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.

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 & 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 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.

2.6 CTICC Innovation Campus

The CTICC Board and Executive Team has been hard at work growing the concept for its reimagined future. Through a series of strategy sessions involving the board, staff, shareholders, key stakeholders and industry experts, the CTICC began the journey of looking at what it currently is, and what it can be in a new and always-changing future.

The concept for an Innovation Campus at the CTICC was born because of the impact of the pandemic and the need to reinvent itself. An innovation campus can be defined as an innovation ecosystem situated within a physical location on a large organisation's premises, with high quality real estate. It features shared facilities, with the aim to actively foster open innovation practices in a community that is engaged, connected and dependent on the output of the campus, thereby having a global impact.

The Innovation Campus at the CTICC will target key vertical sectors, namely healthtech, agritech, biotech and cybersecurity, all identified as key future technology growth areas.

Selecting the right partners will be key to the success of the Innovation Campus to provide start-ups with the necessary resources, servicing, funding, start-up programmes and opportunities. Partners identified will include but are not limited to corporates, academic institutions, government (SPVs & SOEs), event organisers, funders, and programme experts. From the campus, a wide variety of focused and aligned programmes will be run, which are of the highest quality, address ecosystem needs, and where success can be measured, and community reach achieved by African and international collaboration.

The combination of the right partners and programmes at the CTICC Innovation Campus will have a significant social and economic impact by job creation, additional revenue streams, opportunities, 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 & 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 strategy 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 below outlines the economic sectors identified by the City:,

- Oil and Gas
- Tourism
- Agri-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 CoCT's Integrated Development Plan Focus

PRIORITIES	OBJECTIVES
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 CoCT's Integrated Development Plan Priorities

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

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 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 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.

3.3 Competitive Analysis

A review was conducted of the CTICC's internal performance and the centre was compared to similar businesses in the wider meetings market to understand its position in terms of key variables (location, facilities, price and customer experience) across the international, regional, national and local markets. The key findings of the study include the following:

International: Marine Bay Sands, Singapore; Vancouver Convention Centre; Melbourne Convention Centre – The CTICC has more competitive prices and better experience ratings

National: Gallagher Convention Centre, The Durban ICC, Sandton Convention Centre - the CTICC has a locational advantage, superior facilities and better experience ratings

Local: Century City Convention Centre, The Westin Hotel, Grand West Arena – the CTICC has superior facilities, as well as more competitive pricing

Regional: Radisson Blue Hotel & CC Kigali, Julius Nyerere ICC – the CTICC has a locational advantage, superior facilities, and better experience ratings

Some key industry insights:

i. The CTICC is operating in an industry that is growing but at a slow pace: For a long time, the MICE industry has been experiencing a decrease in international meetings, which has been exacerbated by Covid-19. The market started to recover during 2022, with a rapid recovery expected during 2023.

ii. The CTICC is competitive from a location, facilities, pricing and customer experience point of view: This is in part due to Cape Town remaining an attractive international destination for the tourism and business travel industry and because the CTICC is a world-class venue with facilities that compete with the top international conferencing venues. Few national and local competitors can match its complete list of offerings, and client experience feedback remains positive. Additionally, the pricing of its conference packages, venue rentals and banqueting options are all within range or more affordable than its competitors. To back this up the CTICC has maintained its five-star tourism grading over the years.

iii. Clients appreciate companies that offer sustainable solutions: The CTICC places a huge focus on sustainability, whether it's by helping its clients green their events or through its in-house sustainability measures. This makes the venue the obvious choice for environmentally conscious clients. The ISO 14001 certification for its Environmental Management System is further testament to its commitment to sustainability.

iv. The segments the CTICC serves remains relevant despite market forces: The banquet segment of the CTICC faces pressure due indirect competitors (such as resorts) and a sluggish economic environment. To combat this, the CTICC launched its Own Events segment, which aims to drive greater national and local market share

The pace is currently really high, with rapid recovery

Post pandemic recovery during 2022 has demonstrated that there is a strong appetite for in-person live events, and after months of virtual meetings, it became clear that people craved real face-to-face connection. What also emerged is that the prediction of virtual conferencing as the faster-growing segment was not realised. What has emerged is that flexibility is likely to be a key theme going into 2023 as the trend for hybrid events continues. Clients are making use of multiple familiar digital platforms to run hybrid events to improve accessibility and enjoy benefits, such as data analytics and insights, increased attendance, reduced travel costs for attendees and inclusion of virtual keynote speakers.

3.4 The CTICC segments

The following 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)

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 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.

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

Political	Economic	Social
o 2024 general election o Government stability and related changes o Government passes legislation, which impacts the relationship between the company and its customers, suppliers and other stakeholders o Governmental support – National Convention Bureau (subvention) o Riots and civil unrest against all spheres of government	o Post pandemic rapid recovery o Increases in the Consumer Price Index (CPI) impacting on the cost of living o Above inflation increases of essential commodities, services, fuel pricing and municipal services o High labour costs o Fluctuating interest rate o Unfavourable exchange rates o The shift in traditional markets o Load-shedding o Higher expenses related to cleaner green energy o Lack of transport infrastructure	o Changes in diet preferences and an increase in a healthy food trend o Growth in the unemployment rate exacerbated by retrenchments due to the impact of Covid-19 o High crime rate o Increased homelessness and vagrants around the city and CTICC precinct o High rate of poverty o The hesitancy of people to vaccinate o Civil unrest due to the lack of service delivery o Population growth rate (influx from other provinces) o Customer service and product quality o Digital platforms used to ill effect (fake news)
Technological	**Legal**	**Environmental**
o Automation, self-payment systems o Hybrid/virtual events o Cyber security and threats o Migrating to cloud technology, artificial intelligence, virtual reality o The automation of many manual tasks can allow companies to replace human resources o Global internet connectivity presents an even larger market for many companies but might mean less interest in traditional communication mediums	o Adherence to the Protection of Personal Information (POPI) Act and General Data Protection Regulation (GDPR) o Data protection laws o Tourists need to be aware of the local laws o Competition regulation o Consumer protection	o Load-shedding due to energy shortage o Renewable energy sources o Move away from dirty to clean energy o The most significant environmental factor influencing the tourism industry is the pollution created by transportation mediums o 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 o Attitudes toward renewable energy

3.6 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.
- 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. Although eco-friendly event practices and 'going green' has 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 now being a top priority.
- The acceleration of technology – seamless digital experiences that are personalised for delegates has been fast-tracked over the past 2 years, and this trend will grow in the business events space.
- The Internet of things - It is predicted that by 2025, the total number of connected devices in the world will be approximately 75.44 billion. It has become the norm for everyday devices to be connected to the internet. Smartphones, smartwatches, and smart TVs are already commonplace. Technology is becoming smaller and cheaper all the time. In the not-too-distant future, almost every electronic device will likely be 'smart' in some way.
- The booking lead time for events has reduced significantly with clients requiring more flexibility.
- 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 that provides 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 8,500 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 within a 45-minute radius, offering the most varied accommodation to those visiting the convention centre and Cape Town.

The CTICC complex comprises two buildings, CTICC 1 and CTICC 2, connected by a Skybridge, which offers world-class venues for meetings, conferences, exhibitors, trade fairs, banquets, concerts, film 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 which include food and beverage services, conference services, security and parking, ICT, sustainability and facilities management as outlined below.

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. The CTIIC 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 7: Services Offered by the CTICC

Core	Ancillary
o Venue hire o Food and beverage o Own events	o Audio-visual services o Décor services o Entertainment services o Confex – stand-building o ICT services – Wi-Fi o Parking facilities o Safety and security o CTICC Engage (digital, hybrid solution) o Branding o Sustainability
Speciality	**Mandatory**
o Coffee on the Square o Coffee on the Circle o Old Pier Café	o Cleaning services o Perimeter security o Electrical and plumbing o Waste Management Services o IT services

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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 8: The Results of the CTICC's SWOT Analysis

Strengths	**Weaknesses**
o Best practice in health and safety standards o Highly dedicated and skilled workforce o CTICC owns their assets o Sound financial management and strong, long-term supplier relationships o Great location – easy access to hotels and retail and from roads/highway and airport o Collaborative approach with key national, provincial and local governments and Western Cape key stakeholders o Sustainability-conscious organisation o Excellent open share platform with various law enforcement in terms of intelligence o World-class, state-of-the-art building with140 855 sqm2 total capacity o Flexible venue space o High-quality catering o Reputable brand o Own events portfolio o Strong forward book o Protection of employees' rights o Certified for ISO 9001, 14001, 22000 and 45001	o Not leveraging enough or the CTICC's sustainability service offerings o Limited resources due to budget constraints o Difficulty in sustaining ever-changing technological advancements o High operating and overhead costs o Lack of in-house training o Lack of consistency from suppliers o Exchange rates make advertising prohibitively expensive
Opportunities	**Threats**
o Increased awareness and understanding from the government regarding the value of business events o Growing national and government business o Africa's share of international association meetings is growing o Growth of the tech sector in the Western Cape o Exchange rates make international travel viable	o The impact of loadshedding o Long haul destination and the associated carbon footprint o Seasonality of the destination o National broadband capacity o Long-term weakness of the Rand o International perception of crime in South Africa o Political unrest/instability o High cost of travel to Cape Town and accommodation cost

○ Evolving HR policies ○ Increase in the HR budget ○ Desirable destination	○ Shortage of skilled labour due to increased demand

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Section 4: Key Performance Indicators

The CTICC's performance is measured by the City of Cape Town against a set of 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	Revised Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
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.	27	27	28	29
	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.	295	415	445	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 Annual total salary cost spent on training of permanent and temporary staff	3.5%	4.0%	4.5%	5.0%
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 is measured independently on the level of service offered by the CTICC to our external clients and recorded as a percentage.	75%	80%	80%	80%

#	Category	IDP Priority	Objective	Programme	Indicator	Indicator Definition	Revised Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
4	Supply Chain Procurement from B-BEE 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%	70%	70%	70%
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 FY	4	4	4	6
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	4	4	6
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	75%	80%	80%	80%

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#	Category	IDP Priority	Objective	Programme	Indicator	Indicator Definition	Revised Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
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**									
	Reduction in year-on-year Operating Loss	A Capable and collaborative City Government	16. Capable and collaborative City Government	16.1 Operational Sustainability	Percentage reduction in Operating Loss from the prior year (%)	This indicator measures the Operating Loss achieved. Operating Loss is defined as earnings before interest, taxation, depreciation and amortisation (EBITDA).	55.2%	n/a	n/a	n/a
	Achievement of annual 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).	n/a	100%	100%	100%
	Total number of 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	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	Clean Audit Report	Clean Audit Report	Clean Audit Report	Clean Audit Report

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#	Category	IDP Priority	Objective	Programme	Indicator	Indicator Definition	Revised Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26
						reservation as to the fairness of presentation of financial statements and their conformity with general 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 general recognised accounting practice, or the auditor could not audit one or more areas of the financial statements.				
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.	2.8 times	2.4 times	2 times	1.2 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.	3.0%	2.5%	2.2%	2.2%

Section 5: Sales & Marketing

5.1 Sales

5.1.1 Sales' Objectives

The overarching sales' objective is to increase the CTICC's competitiveness in the global long-haul market through successfully bidding for international and regional association conferences, as well as targeting domestic corporate and government events.

Key focus areas include:

- Build and maintain strong client relationships
- Generate leads within the City's catalytic sectors
- Acquire and grow all market segments
- Retain and grow repeat business
- Develop new or alternative revenue streams
- Ensure a clearly defined retention and acquisition strategy is established
- Drive revenue streams through effective business-mix management

5.1.2 CTICC Own Events' Objectives

The objective of Own Events is the creation of CTICC owned events by identifying additional revenue sources. The focus is on creating a platform to stimulate the economy, providing employment and revenue sources to local businesses, The CTICC's own events is an important development that could drive more significant national and local market share

The current portfolio of CTICC owned events includes:

- The AllSport Expo
- The Gift Fair
- This is Art
- The Ultimate Beverage Show

5.1.3 Sales' Trends

- Customer retention through value-based selling
- Implement sales automation
- Manage the sales process for short term events Social selling is essential

5.1.4 Sales' Tactics

- Continue to identify key accounts and develop partner agreements through social selling
- Target regional and international associations as per the City's catalyst sectors
- Support sponsorship deals for sports and lifestyle events to position CTCC as a more appealing brand
- Increase exhibitor and visitor numbers at CTICC Own Event by implementing sales automation

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- Continually develop customer relationships to grow client loyalty

5.2 Marketing

5.2.1 Marketing & Communications

To stay relevant, the CTICC has analysed new trends; relooked at its plan; to ensure that its and marketing tactics are in line with its purpose, mission and values so that as an organisation it can adequately and successfully provide solutions to meet client demands and challenges.

The following are key focus areas:

- 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 client and/or visitor, 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 the ability to price more strategically. Therefore, it is of utmost importance to the CTICC to continually focus on the elements that improve, build and safeguard the CTICC's equity as a brand.

- Leverage data diagnosis for value creation: The marketing and sales team continually use various data sources to unlock clients and visitor insights to adapt to change and improve customer relationships and engagement. The team taps into multiple data sources and extracts insights, which 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.

- Engage with the key audiences through more relevant content: The marketing and sales team is developing a detailed buyer persona for its stakeholders who book events. The buyer personas will provide the team with insights for creating content that the audiences will see as valuable and relevant.

5.2.2 Key Messaging and Positioning and Target Audiences

The CTICC's overarching messaging and positioning target all markets but are nuanced enough to target each audience segment. These segments include the public; clients (Professional Conference Organisers (PCOs); travel management companies; event organisers; patrons, supplier's, stakeholders (Western Cape Government, City of Cape Town, Cape Town Tourism, South African Tourism, Industry associations, Professional bodies); CTICC staff; Local Community Partners (LCPs) and the media.

The objective of these key messages is to guide all marketing content to position the CTICC as more than just a venue, but a place that has a real, emotional connection. This is done by interesting storytelling across different platforms, which assists in differentiating the CTICC from its competitors.

The following messages are used across multiple marketing platforms:

- Cape Town is a leading global destination

- The CTICC is a 5-star venue with multiple awards and certifications
- The CTICC is a place where ideas are born and nurtured, where knowledge is shared, and change ignited
- The CTICC is a place where people and communities meet
- The CTICC is an organisation where sustainability and the environment matter
- The CTICC team prioritises service
- The CTICC is driven by innovation and technology
- The CTICC reflects a culture of resilience, agility, and flexibility

5.2.3 Marketing Objectives

- Assisting with securing events for all business segments as well as the retention of existing clients
- Building relationships and promoting the CTICC as an ideal venue
- Establishing market presence for Own Events and building brand equity

5.2.4 Marketing Tactics

- Securing events for all business segments through various activities which include promotions, campaigns, awards, advertisements, sponsored content, public relations, social media and stakeholder engagement
- Leverage its relationships with key stakeholders to create awareness with the leisure market who might not know of the venue
- Increase value creation with Own Events business segments by engaging with these audiences further to build brand equity

5.2.5 Trends

- World-class customer experience & personalisation
- Customer retention, loyalty and advocacy
- Artificial intelligence automation
- Growth in emerging markets and a more diverse audience
- Focus on sustainability and corporate social responsibility

5.3 Revenue Management

Revenue Management provides a support function to the organisation, with a focus on the Sales, Events and Conference & Exhibition Services functions. While adhering to the City's requirements, the department ensures that the CTICC achieves its long-term and short-term business strategies through effective rate management, revenue-streams management, business-mix strategies, , strategic pricing and benchmarking.

5.3.1 Revenue Management Objectives

- Commercial team alignment to the external business environment
- Price relevance in the marketplace based on the business environment
- Effective base business rate strategy
- Define a rate plan to support the Sales demand calendar
- Drive an effective and efficient contract management process in line with the policies

5.3.2 Revenue Management Tactics

- Adaption of the rate philosophy in line with demand and supply and market trends
- Secure events for all business segments with a defined retention and acquisition plan

5.3.3 Revenue Management Trends

- Industry trends reflect a faster recovery rate than forecasted
- Pricing in the market place has reflected growth
- Market confidence since the start of the pandemic and rate negotiation continue
- Increase in future events and short lead time of booking
- Growth in emerging markets and a more diverse audience
- Securitisation of General Terms and Conditions prior to signing of a contract

Section 6: Event Delivery

6.1 Event Management

The event management department is integral to the delivery of events by ensuring that clients have a seamless experience.

The is facilitated by the CTICC's EBMS CRM system, which allows it to optimise efficiencies and co-ordinate larger events, as well as smaller events with detailed itineraries.

6.1.1 Event Management Objectives

- The successful management of events
- Up-selling CTICC contracted services
- Streamlining the systems and internal processes to improve efficiencies to enhance the client experience

6.1.2 Event Management Tactics

- Improve the clients/visitors/delegates experience and client satisfaction index through client care initiatives during pre-event planning meetings and while on-site
- Promote the usage of CTICC preferred contracted suppliers

6.1.3 Event Management Trends

- Environmentally conscious events
- Adoption of event technology
- Surge in future bookings and short lead time of booking
- Continued growth of in-person and live events

6.2 Conference and Exhibition Services

The Conference and Exhibition Services department 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 and entertainment services.

The department is exploring new revenue streams that will enhance its stand hospitality services to exhibitors, in terms of bespoke food and beverage elements, as well as infrastructure to track and record delegate movement.

The Conference and Exhibition Services department plays a key role in reducing the exhibition organiser's carbon foot print by arranging various upcycling initiatives. The department is also tasked with meeting and exceeding the budgets set for the department.

6.2.1 Conference and Exhibition Services Objectives

- Increase revenue by increasing market share and ensuring all clients are advised of our offerings
- Improve relationship with the City's events department by streamlining the event application process
- Focus on training for the operations services coordinators
- Increase environmental awareness to provide more sustainable events
- Ensure that technology solutions are available to support all clients 5.2.3 Tactics
- Adapting all marketing collateral pertaining to waste management to clearly highlight the changes to reducing waste to landfill
- Increase revenue by ensuring the preferred suppliers increase their market share with an emphasis on customer experience

6.2.2 Conference and Exhibition Service Trends

- Focus on Health and Safety during the event life cycle
- Increase demand for sustainable exhibition stands
- Increase demand for digital takeaways oppose to printed material
- Increase demand for hybrid events

6.3 Facilities Management

From a facilities perspective, the CTICC strives to keep the building rating at 5-star standard by performing regular maintenance and replacing end-of-life equipment with newer and more efficient technologies. This will improve the customer experience and keeps ahead of the curve.

6.3.1 Facilities Management Objectives

- Preventative and proactive maintenance remains a key focus point
- Refurbishment and upgrade of plant and equipment that has reached its end of live
- Upkeep of emergency plant and equipment to ensure that clients are not affected by utility interruptions due to loadshedding and water shortage
- Environmental sustainability

6.3.2 Facilities Management Tactics

- Ensure regular preventative maintenance is done to increase lifespan of equipment and minimise downtime that can affect the client experience
- Introduce proactive maintenance and implement sensor technology to monitor plant and equipment failures, and energy consumption
- Investigating renewable energy options
- Maintain the ISO 14001 certification

6.3.3 Facilities Management Trends

The pandemic has altered how many businesses operate, which can be seen in the 2022 facilities management trends according to the International Facility Management Association (IFMA). Some of the trends include:

- Use of sensors as spaces become more flexible. Room sensors are used to detect occupants, temperature, lighting levels and allows HVAC and electrical systems to adjust automatically.
- Increase in Proactive Maintenance. With the use of the Internet of Things (IoT) and sensors that can keep track of equipment performance, more data can be collected to improve decision making.
- Sustainability with the industry drive to Net Zero, more ways of being environmentally sustainable will have to be implemented.

6.4 Facilities Operations

6.4.1 Parking and Logistics

The Parking and Logistics division 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.

6.4.2 Parking and Logistics' Objectives

- Increase revenue
- Ensure efficient and simple load-in and load-out processes in the marshalling yards
- Training of staff and flexi-staff
- Improve customer experience: Provide clear signage, ample lighting, and easy access to parking facilities, as well as ensuring that parking facilities are clean, safe, and well-maintained
- Enhance security: install more security cameras in P1 to ensure the safety of vehicles and individuals

6.4.3 Parking and Logistics' Tactics

- Increase parking revenue by introducing specials and packages to the public during slow business months
- Rent storage space for all external access machinery parked in the marshalling yards
- Streamline the event build-up and breakdown processes by implementing the scheduling process
- Off-site marshalling yard to be used consistently to ensure that event contractors are familiar with the process to eliminates frustrations during big events
- Continuously train staff to ensure consistent service delivery

6.4.4 Parking and Logistics' Trends

- Using the Internet of Things (IoT) for carparks (drivers can see in real-time through an app service or a website the availability of parking space)

- Tap and Go – Fast and secure contactless parking: The use of mobile payments, RFID, and other contactless payment methods to make parking and logistics transactions more efficient and secure.
- Electric Vehicle Charging Stations: The installation of charging stations for electric vehicles in parking facilities to encourage the use of electric vehicles and reduce emissions.
- Smart Parking: The use of technology, such as sensors and real-time data analytics, to optimize the use of parking spaces and improve the customer experience.

6.4.5 Information Communication and Technology (ICT)

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

6.4.6 ICT Objectives

- Enhancement of technical solutions to support good governance
- Provision of services that support the business and event hosting activities
- Proactive monitoring and maintenance of ICT systems
- Expansion of digital technology suite to support operations
- Continual enhancement of cybersecurity controls

6.4.7 ICT Tactics

- Review, plan and implement changes required, as identified in the ICT Risk Register
- Consolidation and increased virtualisation of server infrastructure
- Refinement of monitoring systems to enhance reporting functions on ICT systems
- Carry out vulnerability scanning, penetration testing and remediation operations

6.4.8 ICT Trends

- Internet of Things (IoT) and IoT security
- Artificial Intelligence (AI) and automation
- Wireless-Value Realisation

6.4.9 Safety and Security

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

6.4.10 Safety and Security Objectives

- The Safety and Security division will ensure that a secure infrastructure is maintained for clients and all stakeholders
- Adopt industry hygiene best practices
- Ensure medical safety and security plans are obtained for all events hosted at the CTICC that require an event permit
- Ensure industry standards pertaining to Health & Safety trends are met
- Ensure compliance with Occupational Health & Safety standards as set by SABS

- Provide a safe facility to host world-class events
- Obtain Venue Safety and Risk Grading Certificates
- Work in collaboration with CBD stakeholders, the SAPS and other governmental security agencies to improve security measures within the CTICC precinct
- Ensure all ISO certifications are maintained i.e., ISO 9001, ISO 14001, ISO 45001 and ISO 22000

6.4.11 Safety and Security Trends

- Autonomous artificial intelligence-based facial recognition within convention centres to enhance security proficiency
- Artificial Intelligence based 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 in terms of attending delegates by means of smart accreditation

6.5 Food & Beverage

The centre's exceptional food and beverage offering and personalised service, is a key differentiator that positions the CTICC ahead of its competitors.

6.5.1 Food and Beverage Objectives

- Generating and achieving set revenues
- Maintaining Food and Beverage costs
- Achieve service excellence and maintain customer centricity by reaching set targets
- Maintain relationships with all clients and suppliers
- Keep up to date with industry trends and innovate timeously
- Training of staff to ensure consistent service delivery
- Increasing opportunities for outside catering as currently provided to Artscape,
- Improving and maintaining standards for public catering. Tailor made public catering menus for specific event and market segments
- Inventory and asset management
- Maintain the ISO 22 000 certification

6.5.2 Food & Beverage Trends

- Increase in public catering rather than clients taking inclusive packages
- Technology and Innovation for fast convenient service, such as mobile apps to access interactive menus through personal mobile devices for quick pick-up or ordering to a vendor booth/break-out meeting space
- Use of organic products and reducing the use of processed foods
- Healthy lifestyle and wellness - plant based meals
- Using local and sustainable products e.g., Fair trade products, green listed fish from the South African Sustainable Sea-Food Initiative (SASSI)
- Cocktails and Mocktails using fresh botanicals and local produced items
- Pre-mixed cocktails and grab and go food

- Creating house made / artisan items resulting in a unique, individualised and memorable experience for guests, all produced and customised in house
- A significantly shift from planned to short term events

Section 7: Sustainability

In a post-pandemic, climatically changing world, the CTICC believes that tangible and measurable Environmental Social Governance (ESG) commitment is at the heart of the organisation. It promotes social and environmental responsibility in the form of its Nurture Our World (NOW) mission, alongside an equally strong commitment to rigorous and transparent governance. A clear understanding of the issues surrounding climate change, global warming, air and water pollution, ozone depletion, deforestation, the loss of biodiversity and global poverty is essential.

Present and future event executives need to know how sustainable management systems can be integrated into their daily operations. This is a key part of its NOW committee, led by the NOW team, in conjunction with the Sustainability Officer.

7.1 Sustainability Objectives

The CTICC will continue to leverage sustainability through business integration and approaching sustainability management differently. This will be achieved by continuing to align our business practices with the United Nations Global Compact (UNGC) Ten Principles (in the areas of human rights, labour, environment and anti-corruption) and the Sustainable Development Goals (SDGs) (including business integration processes, people and technology)

The CTICC will review the Net Zero carbon events pledge and the science-based targets initiative in order to reduce emissions in line with the Paris Agreement goals, which further demonstrate its commitment to the planet. The CTICC stays committed to environmental sustainability and maintaining the ISO 14001 certification.

7.2 Social Sustainability Tactics

As a responsible company, the CTICC always strives to reduce its environmental footprint, as well as mitigate its impact. It also actively helps clients upcycle their events, by recycling wood waste, conference materials and banners. The CTICC believes that sustainability principles and practices should be implemented throughout its operation to improve initiatives by:

- Supporting its local community partners in line with the centre's focus areas
- Tracking all sustainability activities to ensure they are having a significant impact
- Promoting sustainable events through early assessment of waste generation
- Retaining the reputation of the CTICC brand as a conference and events industry world leader in sustainability

7.3 Sustainability Trends

- Signing up for the Net Zero pledge – reducing emissions by half by 2030
- Aligning to Sustainability Development Goals of the UNGC
- Clients wanting to leave a social legacy
- Implementing sensor technologies in spaces to control lighting and HVAC and reduce energy waste
- Using Internet of things (IoT) to have real-time data to analyse and promote better decision-making that can benefit the environment

7.4 Environmental Sustainability

Water: The CTICC remains committed to use water responsibly. It acquires its main water supply from the City of Cape Town and has a reverse osmoses plant that can produce potable drinking water in accordance with SANS 241:2015 from two ground water boreholes. Over the past financial year 2021/2022, 26% more water was consumed when compared to the previous finance year due to the lifting of restrictions during the pandemic and events starting to return.

The CTICC is still gathering proximity 50 000 litres of rainwater that is used for irrigation and outside cleaning. Where possible, recycling grey water is gathered for outside irrigation.

Going forward, the CTICC intends to:

- Focus on replanting inside vegetation with water resilient plants
- Focus on air-cooled instead of water-cooled equipment when replacement is necessary
- Establish a new baseline to incorporate data into its carbon footprint reduction drive
- Electricity: The CTICC sources its electrical supply from the City of Cape Town.
- Going forward, the CTICC intends to:
- Focus on replacing plant and equipment with energy saving in mind
- Investigate renewable energy units (Solar PV, Solar Heating)
- Use building automation and sensing to reduce wasteful energy consumption
- Establish a new baseline to incorporate data into its carbon footprint reduction drive

Waste: The CTICC stays committed to divert as much waste as possible from land fill. In 2021/2022 finance year 200 metric tonnes of waste was produced.

Going forward, the CTICC intends to:

- Focus on eco procurement that will include recyclable and reusable products
- Work closely with service partners and event organisers to understand their waste stream
- Work closely with waste management service providers to improve processes to ensure landfill diversion
- Establish a new baseline to incorporate data into its carbon footprint reduction drive

Carbon: As a responsible company the CTICC is considering how to reduce its carbon emission year on year. It also acknowledges the Net Zero Carbon initiative and understands that it is necessary to participate to sustains its business.

Going forward, the CTICC intends to:

- Create base line data documenting all the areas in its business that contributes to carbon emissions

Section 8: 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 goods and services.

Supply Chain Management objectives

- Ensure legislative compliance, including MFMA, PPPFA, SCM regulations and policies of CTICC
- Implement detailed demand management and strategic sourcing
- Institute effective cost-saving mechanisms to improve profitability, without compromising service standards
- Maximise enterprise supplier development and empowerment, and align this to the CTICC's B-BBEE strategy/target
- Ensure that SCM forms an integral part of the financial management system and the
- CTICC's digital strategy
- Align the organisation with industry trends and ensure that CTICC adheres to international best practices
- Encourage sustainable procurement
- Ensure no material findings in SCM which impact achieving a clean audit.

Section 9: Human Resources

The Human Resources department is a business partner to the organisation, assisting with the formulation and implementation of strategies. The overall goal of the HR department is to drive and support the workforce through training and development, recruitment, selection and retention of staff, as well as a focus on holistic employee wellness. The CTICC believes that growing its people contributes to the organisation's growth and success.

HR Objectives

- Achieve organisational goals by utilising human resources to achieve business requirements and goals by efficient planning and execution of all HR operations
- Create a work culture that embodies the values of the CTICC
- Training and development of all staff in line with CATHSSETA sector skills plan
- Retention of staff by ensuring the CTICC remains an employer of choice
- Data and compliance through full utilisation of the SAGE 300 People HR system

HR Tactics

- Providing competitive, market-related remuneration and affordable employee benefits as guided by the CTICC Remuneration, Reward and Recognition policy
- Expanding the SAGE 300 People system by including the performance management module to ensure a robust and accurate performance management system
- Opening 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
- Retention and recruiting of staff by improving the talent value proposition with a focus on creating an employee experience through an instant recognition and reward programme
- Creating awareness and committing to addressing issues relating to diversity, equity and inclusivity

HR Trends

- Hybrid work has become a well-accepted business practice. Flexibility needs to be adopted in work practices to ensure the continued attraction of new talent, as well as retention of staff
- Staff reskilling and development will be prioritised with a bigger investment on staff training, including bursary allocation
- Focus on coaching of management and supervisors on how to lead, work in teams, collaborate, communicate and think strategically
- Retention and recruitment will continue to be a focus area to improve the talent value proposition
- Renewed focus on diversity, equity and inclusion

Section 10: 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 principle 11, 12, 13, 15 and 16 of King IV. These principles relate to the governance of risk, information technology, compliance with applicable laws, regulations, codes and standards and assurance services and functions as well as 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 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 and delegated the formulation and development of the CTICC's long-term strategy to management with the oversight of the Strategic Sub-Committee.

10.1 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.

10.2 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 Board of Directors directs and governs the centre 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 governance structure in the centre 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 11: Finance

11.1 Financial Projections

Description	Actual 2021/22	Adjustment Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
Revenues	**98 111 088**	**207 865 345**	**269 124 510**	**288 492 231**	**307 721 383**
Venue Hire	40 110 575	102 076 416	130 569 243	140 169 574	148 925 524
Food & Beverage	27 013 272	68 237 644	90 598 743	96 940 655	103 726 500
Parking & Other Income	30 987 241	37 551 285	47 956 524	51 382 003	55 069 359
Less: Direct Costs	**13 740 372**	**39 782 244**	**51 882 047**	**55 398 193**	**59 083 105**
Cost Of Sales	9 438 330	27 975 876	36 083 406	38 612 137	41 247 922
Other Direct Costs	4 302 042	11 806 368	15 798 640	16 786 055	17 835 183
Gross Profit	**84 370 716**	**168 083 101**	**217 242 463**	**233 094 039**	**248 638 278**
Less: Indirect Costs	**118 331 180**	**183 319 310**	**212 492 333**	**224 011 614**	**236 916 078**
Personnel & Management	56 330 416	76 674 454	92 027 842	97 262 645	102 960 162
Building Costs	43 713 234	77 241 021	89 281 924	94 592 879	100 163 198
Marketing & Other Indirect Costs	18 287 530	29 403 835	31 182 567	32 156 090	33 792 718
EBITDA	**(33 960 465)**	**(15 236 209)**	**4 750 130**	**9 082 424**	**11 722 200**
Interest Received	1 557 378	3 269 903	4 288 062	5 070 633	5 553 865
Less: Depreciation & Amortisation	39 390 990	42 246 782	41 535 681	40 923 124	40 752 584
Add: Impairment Reversal	127 751 987	-	-	-	-
Net loss before taxation	**55 957 911**	**(54 213 088)**	**(32 497 489)**	**(26 770 066)**	**(23 476 520)**
Taxation	(54 151 668)	13 747 683	7 915 935	6 788 515	5 953 318
Net loss after taxation	**1 806 243**	**(40 465 405)**	**(24 581 554)**	**(19 981 551)**	**(17 523 202)**

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11.2 Financial Position

Budget 2022/23 – 2025/26

	Actuals 2021/22	Adjustment Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
Assets					
Non–current Assets	**728 630 210**	**730 659 135**	**732 659 758**	**732 924 954**	**732 163 711**
Property, Plant And Equipment	437 409 931	427 815 149	424 023 813	419 624 470	415 033 885
Service-in-kind benefit	168 679 096	166 555 120	164 431 144	162 307 168	160 183 192
Deferred Taxation	122 541 183	136 288 866	144 204 801	150 993 316	156 946 634
Current Assets	**63 877 983**	**56 891 110**	**67 480 892**	**55 356 366**	**43 712 920**
Inventories	1 968 224	2 075 571	2 188 773	2 351 398	2 450 157
Trade and Other Receivables	8 389 554	9 948 544	10 621 355	10 097 228	10 000 945
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	50 732 977	42 743 019	52 546 788	40 783 764	29 137 842
Total Assets	**792 508 193**	**787 550 245**	**800 140 650**	**788 281 320**	**775 876 631**

Net Assets and Liabilities					
Net Assets	**733 374 008**	**692 908 603**	**668 327 049**	**648 345 498**	**630 822 295**
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	(595 053 693)	(635 519 098)	(660 100 652)	(680 082 203)	(697 605 406)
Non-current liabilities	**235 087**	**437 839**	**373 519**	**459 040**	**275 424**
Operating lease liability	235 087	437 839	373 519	459 040	275 424
Current Liabilities	**58 899 098**	**94 203 803**	**131 440 082**	**139 476 782**	**144 778 912**
Client Deposits	30 292 526	43 621 237	61 724 051	64 810 254	68 050 766
Trade and Other Payables	28 606 572	48 488 140	65 216 547	67 955 642	69 681 716
Bank Overdraft	-	-	-	-	-
Provisions	-	2 094 426	4 499 484	6 710 886	7 046 430
Total Net Assets and Liabilities	**792 508 193**	**787 550 245**	**800 140 650**	**788 281 320**	**775 876 631**

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11.3 Cash Flow Statement

	Actuals 2021/22	Adjustment Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
Cash Flow From Operating Activities	**(12 108 283)**	**24 662 043**	**47 548 115**	**24 760 756**	**24 516 078**
Cash Receipts from Customers	114 133 219	211 030 762	272 676 412	293 197 257	309 853 570
Cash Paid to Suppliers and Employees	(127 645 572)	(189 638 622)	(229 416 359)	(273 507 135)	(290 891 356)
Suppliers	(72 881 366)	(122 017 788)	(150 514 747)	(190 068 680)	(202 446 594)
Employee Costs	(54 764 206)	(67 620 834)	(78 901 613)	(83 438 455)	(88 444 763)
Cash Generated from Operations	**(13 512 353)**	**21 392 140**	**43 260 053**	**19 690 122**	**18 962 214**
Finance Income	1 404 070	3 269 903	4 288 062	5 070 633	5 553 865
Taxation Refund/(Paid)	-	-	-	-	-
Cash Flow from Investing Activities	**(10 374 057)**	**(32 652 000)**	**(37 744 346)**	**(36 523 780)**	**(36 162 000)**
Acquisition of Property, Plant and Equipment	(10 374 057)	(32 652 000)	(37 744 346)	(36 523 780)	(36 162 000)
Cash Flow from Financing Activities	**51 000 000**	**-**	**-**	**-**	**-**
Proceeds from share issue	51 000 000	-	-	-	-
Decrease In Cash and Cash Equivalents	**28 517 660**	**(7 989 957)**	**9 803 769**	**(11 763 025)**	**(11 645 922)**
Cash and Cash Equivalents at Beginning of the Year	22 215 317	50 732 976	42 743 019	52 546 788	40 783 764
Cash and Cash Equivalents at End of the Year	**50 732 977**	**42 743 019**	**52 546 788**	**40 783 764**	**29 137 842**
Cash Generated from Operations					
Profit/(Loss) Before Taxation	55 957 911	(54 213 088)	(32 497 489)	(26 770 066)	(23 476 521)
Adjustments for:					
Depreciation & Amortisation	39 390 990	42 246 782	41 535 681	40 923 124	40 752 584
Impairment reversal	(127 751 987)	-	-	-	-
Finance income	(1 557 378)	(3 269 903)	(4 288 062)	(5 070 633)	(5 553 865)
Loss on Disposal of Property, Plant and Equipment	164 563	-	-	-	-
Service-in-kind Benefit	2 123 976	2 123 976	2 123 976	2 123 976	2 123 976
Lease Straight-lining	235 087	202 752	(64 320)	85 521	(183 616)
Decrease in Provisions	-	2 094 426	2 405 058	2 211 402	335 544
Increase in Provision for Impairment of Trade Receivables	(45 159)	-	-	-	-
Movements in Working Capital	17 969 645	32 207 194	34 045 209	6 186 799	4 964 110
Increase)/Decrease in Inventories	121 577	(107 347)	(113 202)	(162 626)	(98 759)
Decrease/(Increase) in Trade and Other Receivables	4 684 811	(895 738)	(672 811)	524 127	96 283
Increase/(Decrease) in Trade and Other Payable	13 163 257	33 210 279	34 831 222	5 825 298	4 966 586

11.4 Capital Expenditure

Category and description	Adjustment Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
Building Enhancements	23 030 000	25 960 682	29 319 964	33 900 000
IT & Electronic Infrastructure	7 180 000	13 582 750	12 926 025	17 625 000
Kitchen Enhancements	122 000	1 772 000	4 795 000	1 585 000
Catering Furniture & Equipment	2 320 000	5 865 000	5 135 840	7 160 000
Total Capex Budget	**32 652 000**	**47 180 432**	**52 176 829**	**60 270 000**