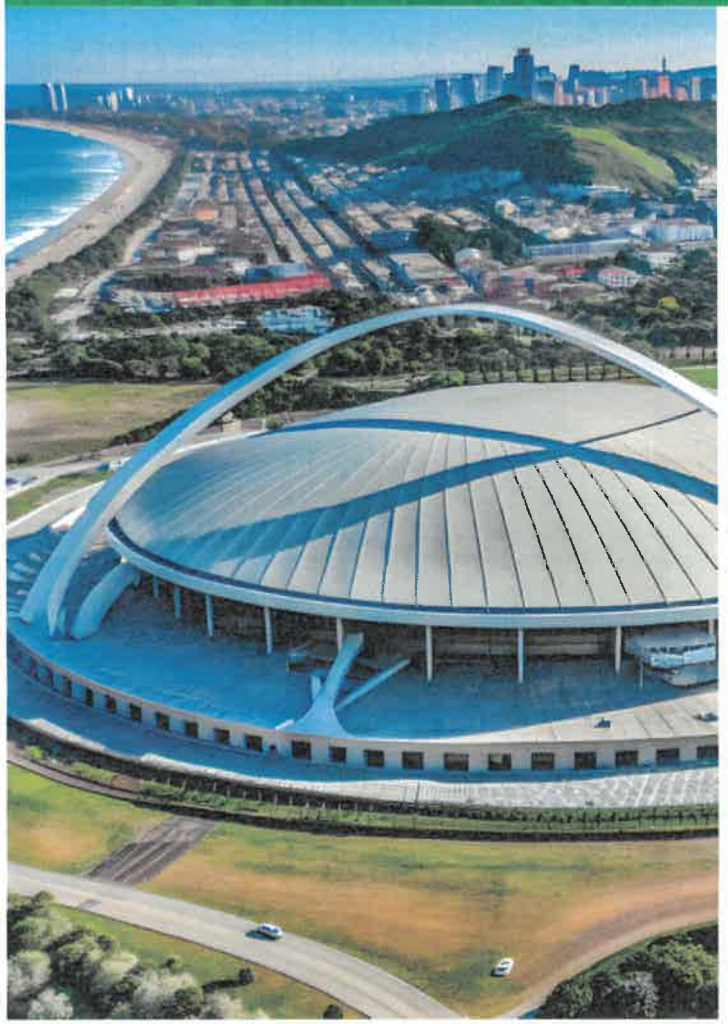

Presentation to
Portfolio Committee
on Tourism
FY2025/26 Annual Report
South Africa
SOUTH AFRICAN TOURISM

Table of Contents



1. FY2025/26 Audit Outcome
2. Planned actions to address the qualified audit outcome
3. Tourism Sector Performance: International
4. Tourism Sector Performance: Domestic
5. Non-Financial Performance
6. Financial Performance
7. Human Capital: Vacancies & Employment Equity
8. Governance
9. Outlook for FY2026/27
10. Abbreviations & Acronyms

FY2025/26 Audit Outcome



Annual Financial Statements

The entity received a qualified audit opinion on Annual Financial Statements based on the following:

- Accumulated surplus: Management made direct adjustments to accumulated surplus in the statement of changes in net assets to correct prior period errors. However, sufficient appropriate audit evidence was not provided to support and reconcile these adjustments to the underlying supporting documents.
- Prior period errors: Not all prior period errors were disclosed in note 29 to the financial statements, as required by GRAP 3 – Accounting Policies, Changes in Accounting Estimates and Errors.

Annual Performance Report

The entity received no material findings on the Annual Performance Report. AGSA assessed selected material performance indicators under Programme 3: Leisure Tourism Marketing.

Compliance with Legislation

The entity received material findings on compliance with legislation based on the following:

- Annual Financial Statements: The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.
- Annual Financial Statements: Material misstatements of liabilities, revenue and disclosure items identified by the auditors in the submitted financial statements were corrected, but the supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.
- Consequence management: Investigations were not conducted into all allegations of financial misconduct committed by some of the officials, as required by Treasury Regulation 33.1.1.

Planned actions to address the qualified audit outcome

Planned Actions	Completion Date
Confirm the remediation plan with the AGSA audit team and communicate the requirements for external audit support	30 September 2026
Investigate and document how the Oracle system processes the accumulated surplus account, including the effects of foreign-exchange translations and revaluations	10 October 2026
Obtain an external technical opinion on the accounting treatment, presentation and disclosure of prior-period error corrections and foreign-exchange translations and revaluations. The opinion should also address whether obtaining supporting evidence is impracticable.	31 October 2026
Implement the recommendations arising from the technical opinion	30 November 2026
External auditors to test the integrity of Oracle system data and assess the technical opinion, the accumulated surplus account in the statement of changes in net assets, and the disclosure of prior-period errors	31 January 2027
Assess the need for an annual ICT audit of Oracle system data integrity, configuration and operation.	28 February 2027



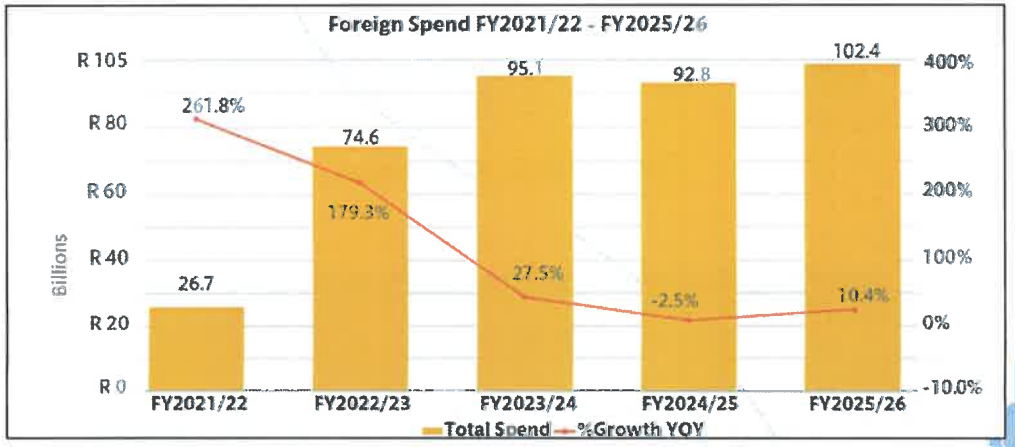
Tourism Sector Performance: International

International Tourism:

- **International tourist arrivals** reached 10.8 million in FY2025/26, up from 9.1 million in FY2024/25, representing 19.4% year-on-year growth. Africa remained the largest source region with 8.4 million arrivals (77.4%), followed by Europe with 1.5 million (13.6%), the Americas with 549 063 (5.1%), Asia with 210 833 (1.9%), Australasia with 146 206 (1.4%) and the Middle East with 57 861 (0.5%). All regions recorded growth, with the strongest increases from the Middle East (26.3%), Africa (21.6%) and Australasia (20.2%).

- **Total foreign direct spend** increased by 10.4%, from R92.8 billion in FY2024/25 to R102.4 billion in FY2025/26. Africa remained the largest contributor at R46.9 billion (45.8%), followed by Europe at R32.5 billion (31.7%) and the Americas at R14.6 billion. Australasia and the Middle East recorded the strongest growth in spend at 26.3% and 29.2% respectively, while Asia was the only region to decline, by 1.2%.







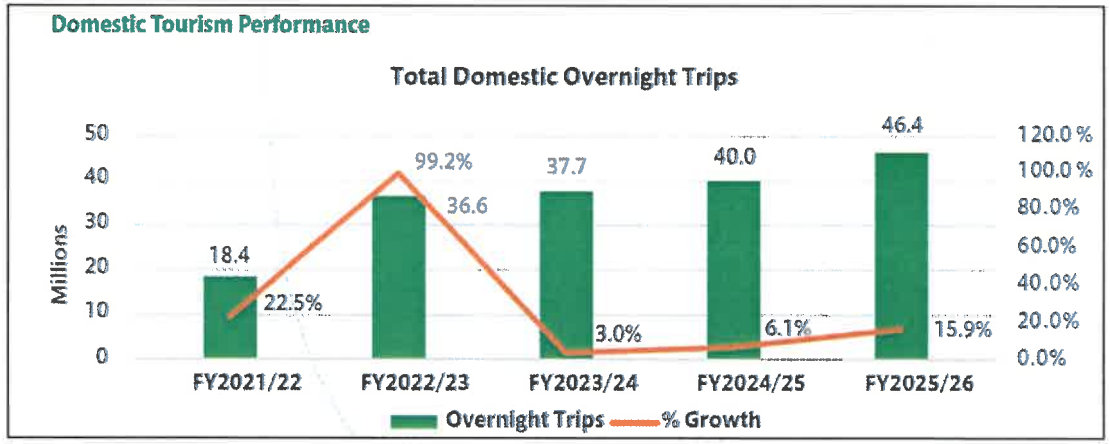
Sources: Statistics South Africa Tourism & Migration Report, South African Tourism Departure Survey & South African Tourism Domestic Survey *FY2025/26*

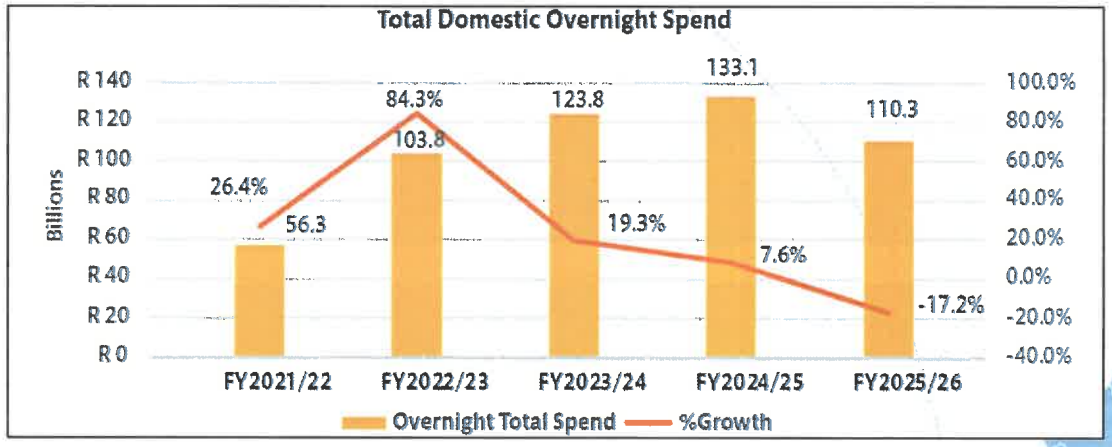
Tourism Sector Performance: Domestic

Domestic Tourism:

- **Domestic overnight trips** The FY2025/26 was a strong year for domestic overnight travel, with domestic trips increasing to 46.4 million from 40.0 million in FY2024/25, representing a 15.9% increase. This indicates a willingness by South Africans to travel within their own country. The growth in overnight trip volumes was largely driven by tourists taking more frequent, shorter trips.

- **Domestic tourism spend** decreased by 17.2% from R133.1 billion in FY2024/25 to R110.3 billion in FY2025/26. While more trips are being taken, tourists are cost conscious, opting for shorter, more cost-effective trips, rather than cutting out travel altogether. Overall domestic tourism performance trends reflect a sector navigating a tough economic climate. South Africans are still travelling but doing so more deliberately and within tighter budgets.



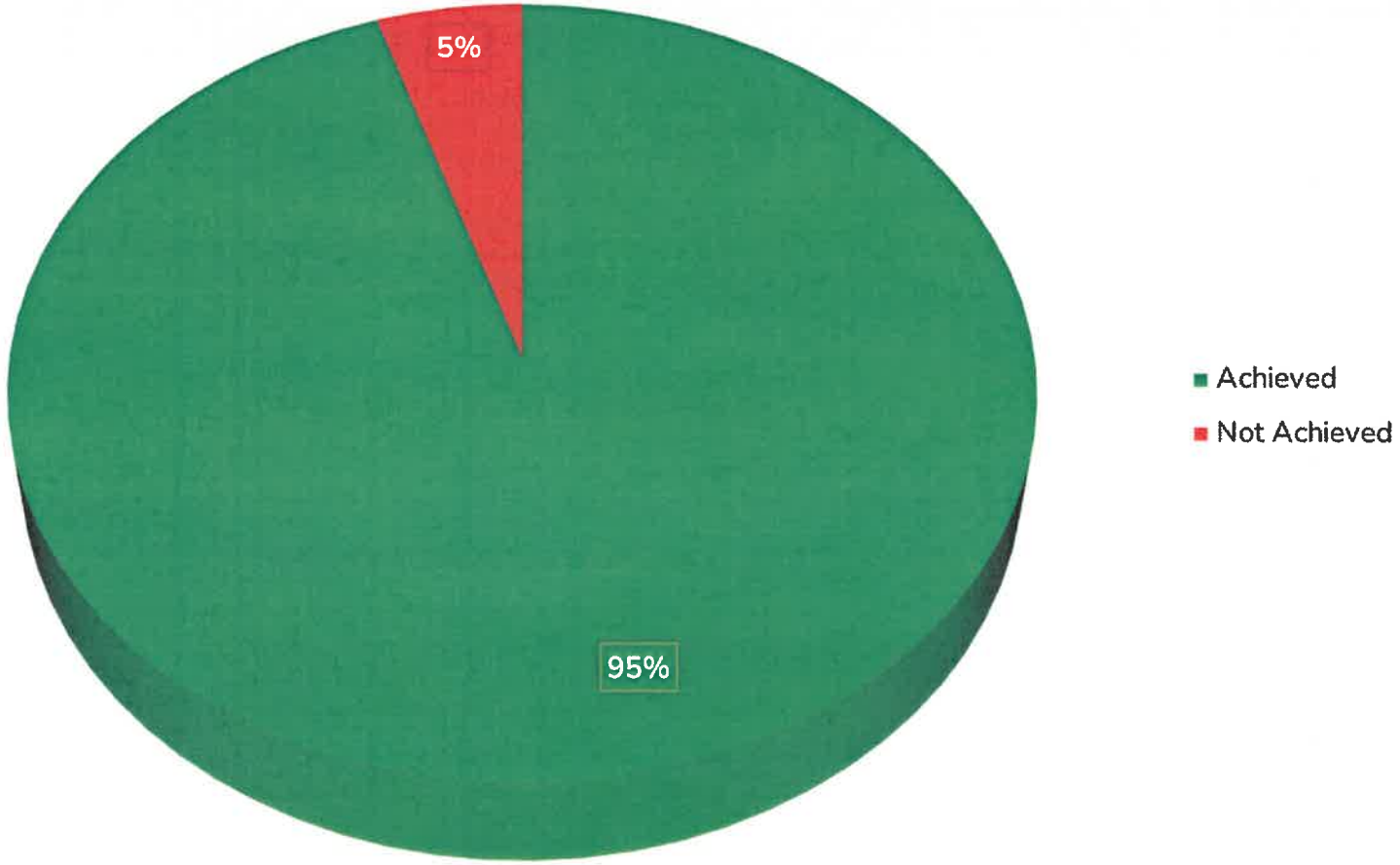


Sources: *Statistics South Africa Tourism & Migration Report, South African Tourism Departure Survey & South African Tourism Domestic Survey FY2025/26*

Non-Financial Performance: Organisational Performance Overview

Programme	Total Number of Planned Annual Targets for FY2025/26	Achieved	Not Achieved: Significant Work Done	Not Achieved: Intervention Required
Corporate Support	8	75% (6 of the planned 8 targets were achieved)	0%	25% (2 of the planned 8 targets were not achieved)
Business Enablement	4	100% (The planned 4 targets were achieved)	0%	0%
Leisure Tourism Marketing	16	100% (The planned 16 targets were achieved)	0%	0%
Business Events	9	100% (The planned 9 targets were achieved)	0%	0%
Tourist Experience	4	100% (The planned 4 targets were achieved)	0%	0%
Total	**41**	**95%** **(39 of the planned 41 targets were achieved)**	**0%**	**5%** **(2 of the planned 41 targets were not achieved)**

Non-Financial Performance: Organisational Performance Overview



Non-Financial Performance | Programme 1: Corporate Support

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Enhanced internal control environment and mitigation of audit findings	Percentage of valid internal and external audit recommendations implemented	Implement 100% of valid audit recommendations	**Target not achieved:** Implemented 97% of valid internal and external audit recommendations **Reason/s for Deviation:** Six audit recommendations were not implemented by the due dates in the Finance, Human Capital, Facilities and National Convention Bureau business units. **Corrective Measure/s:** Management should ensure implementation of audit recommendations as per the agreed action date before the audit recommendation/s become overdue
Operation Clean Audit implemented towards an improved audit outcome and sound governance	Annual Operation Clean Audit Programme implemented	Implement the FY2025/26 Operation Clean Audit Programme	**Target achieved:** Implemented the FY2025/26 Operation Clean Audit Programme
Strengthened compliance, integrity and ethical conduct in procurement (as per PFMA Section 57)	Number of initiatives that promote compliance, integrity and ethical conduct in the procurement of goods and services implemented	Implement 8 initiatives that promote compliance, integrity and ethical conduct in the procurement of goods and services	**Target achieved:** Implemented 8 initiatives that promote compliance, integrity and ethical conduct in the procurement of goods and services
Improved staff engagement and morale	Staff Engagement Survey Two-Year Improvement Plan implemented	Implement the annual deliverables of the Staff Engagement Survey Two-Year Improvement Plan	**Target exceeded:** Implemented the annual deliverables of the Staff Engagement Survey Two-Year Improvement Plan with additional activities focusing on employee wellness **Reason/s for Deviation:** Emerging needs in the internal environment related to employee well-being. **Corrective Measure/s:** n/a
		Conduct a staff engagement survey to assess engagement levels	**Target achieved:** Conducted a staff engagement survey to assess engagement levels

Non-Financial Performance | Programme 1: Corporate Support

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Organisational design enabling optimal functioning of the entity	Reviewed organisational design implemented	Review the operating model for the entity	**Target achieved:** Reviewed the operating model for the entity
		Implement the reviewed organisational structure	**Target not achieved:** Reviewed organisational structure to capacitate the entity was not implemented **Reason/s for Deviation:** While a structural optimisation process was initially considered appropriate, diagnostic findings confirmed the need for a comprehensive organisational redesign in order to address systemic inefficiencies and align South African Tourism's operating model with the corporate strategy. **Corrective Measure/s:** A service provider will be appointed to undertake a holistic organisational redesign process.
Track productivity to enable a high-performance culture	Productivity Matrix established	Establish the baseline for the Productivity Matrix	**Target achieved:** Established the baseline for the Productivity Matrix



Non-Financial Performance | Programme 2: Business Enablement

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Tourism information tracking to monitor arrivals, spend, and brand performance	Number of tourism information tracking surveys conducted	Conduct 3 tourism information tracking surveys	**Target achieved:** Conducted 3 tourism information tracking surveys
Assessment of tourist perceptions of South Africa as a destination	Sentiment Index established	Establish the Sentiment Index baseline	**Target achieved:** Established the Sentiment Index baseline
Enhanced public and private sector collaboration on tourism	Number of stakeholder engagement activities implemented	Implement 16 stakeholder engagement activities	**Target achieved:** Implemented 16 stakeholder engagement activities
Enhanced visitor experience through digital platforms	Number of digital platforms implemented	Implement one digital platform	**Target achieved:** Implemented one digital platform



Non-Financial Performance | Programme 3: Leisure Tourism Marketing

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Global Tourism Brand Campaign to create demand for South Africa as a premier tourist destination	Global Tourism Brand Campaign implemented	Implement the FY2025/26 Global Tourism Brand Campaign Execution Plan	**Target achieved:** Implemented the FY2025/26 Global Tourism Brand Campaign Execution Plan
Integrated digital marketing to increase brand visibility for destination South Africa	Integrated Digital Marketing Strategy implemented	Implement the FY2025/26 Integrated Digital Marketing Strategy	**Target achieved:** Implemented the FY2025/26 Integrated Digital Marketing Strategy
Destination South Africa profiled through strategic events	Number of communication activities to profile destination South Africa through strategic events implemented	Implement 4 communication activities to profile destination South Africa through strategic events	**Target exceeded:** Implemented 8 communication activities to profile destination South Africa through strategic events **Reason/s for Deviation:** Collaboration with the tourism industry **Corrective Measure/s:** n/a
Global public relations and communications to strengthen the destination brand	Number of global public relations and communications activities to strengthen the destination brand implemented	Implement 36 global public relations and communications activities to strengthen the destination brand	**Target exceeded:** Implemented 61 global public relations and communications activities to strengthen the destination brand **Reason/s for Deviation:** Leveraged sector insights to drive destination coverage and publicity. **Corrective Measure/s:** n/a
Leisure tourism campaigns to increase demand in South Africa	Number of domestic leisure tourism campaigns executed	Execute 3 domestic leisure tourism campaigns	**Target achieved:** Executed 3 domestic leisure tourism campaigns

Non-Financial Performance | Programme 3: Leisure Tourism Marketing

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Brand affinity to increase conversion in South Africa	Number of distribution channel initiatives in the domestic market implemented	Implement 16 distribution channel initiatives in the domestic market	**Target exceeded:** Implemented 26 distribution channel initiatives in the domestic market **Reason/s for Deviation:** Collaboration with Provincial Tourism Authorities, trade and non-travel partners **Corrective Measure/s:** n/a
Localised marketing campaigns to increase demand in the Africa region	Number of localised marketing campaigns in the Africa region executed	Execute 4 localised marketing campaigns in the Africa region	**Target achieved:** Executed 4 localised marketing campaigns in the Africa region
Brand affinity to increase conversion in the Africa region	Number of distribution channel initiatives in the Africa region implemented	Implement 26 distribution channel initiatives in the Africa region	**Target exceeded:** Implemented 38 distribution channel initiatives in the Africa region **Reason/s for Deviation:** Leveraged sector opportunities. **Corrective Measure/s:** n/a
Localised marketing campaigns to increase demand in the Europe region	Number of localised marketing campaigns in the Europe region executed	Execute 4 localised marketing campaigns in the Europe region	**Target achieved:** Executed 4 localised marketing campaigns in the Europe region
Brand affinity to increase conversion in the Europe region	Number of distribution channel initiatives in the Europe region implemented	Implement 36 distribution channel initiatives in the Europe region	**Target exceeded:** Implemented 145 distribution channel initiatives in the Europe region **Reason/s for Deviation:** Leveraged sector opportunities **Corrective Measure/s:** n/a
Localised marketing campaigns to increase demand in the Americas region	Number of localised marketing campaigns in the Americas region executed	Execute 2 localised marketing campaigns in the Americas region	**Target achieved:** Executed 2 localised marketing campaigns in the Americas region

Non-Financial Performance | Programme 3: Leisure Tourism Marketing

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Brand affinity to increase conversion in the Americas region	Number of distribution channel initiatives in the Americas region implemented	Implement 12 distribution channel initiatives in the Americas region	**Target exceeded:** Implemented 50 distribution channel initiatives in the Americas region **Reason/s for Deviation:** Leveraged sector opportunities **Corrective Measure/s:** n/a
Localised marketing campaigns to increase demand in the Asia Australasia region	Number of localised marketing campaigns in the Asia Australasia region executed	Execute 4 localised marketing campaigns in the Asia Australasia region	**Target achieved:** Executed 4 localised marketing campaigns in the Asia Australasia region
Brand affinity to increase conversion in the Asia Australasia region	Number of distribution channel initiatives in the Asia Australasia region implemented	Implement 16 distribution channel initiatives in the Asia Australasia region	**Target exceeded:** Implemented 51 distribution channel initiatives in the Asia Australasia region **Reason/s for Deviation:** Effective stakeholder collaboration **Corrective Measure/s:** n/a
Localised marketing campaigns to increase demand in the Embassy Support markets	Number of localised marketing campaigns in the Embassy Support markets executed	Execute 1 localised marketing campaign in the Embassy Support markets	**Target achieved:** Executed 1 localised marketing campaign in the Embassy Support markets
Brand affinity to increase conversion in the Embassy Support markets	Number of distribution channel initiatives in the Embassy Support markets implemented	Implement 16 distribution channel initiatives in the Embassy Support markets	**Target exceeded:** Implemented 23 distribution channel initiatives in the Embassy Support markets **Reason/s for Deviation:** Collaboration with Missions **Corrective Measure/s:** n/a

Non-Financial Performance | Programme 4: Business Events

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Increased economic benefits and job creation through bidding and hosting of events	Meetings Africa hosted	Host Meetings Africa 2026	**Target achieved:** Hosted Meetings Africa 2026
	Africa's Travel Indaba hosted	Host Africa's Travel Indaba 2025	**Target achieved:** Hosted Africa's Travel Indaba 2025
	Number of bid submissions for the MICE industry supported	Support 105 bid submissions for the MICE industry	**Target exceeded:** Supported 107 bid submissions for the MICE industry **Reason/s for Deviation:** Intensified sales activities **Corrective Measure/s:** n/a
	Number of business events hosted in VTSDs	Host 10 business events in VTSDs	**Target exceeded:** Hosted 16 business events in VTSDs **Reason/s for Deviation:** Collaboration with industry **Corrective Measure/s:** n/a
Enhanced sustainability (economic, environmental, social) of South African Tourism owned platforms	Business model for the growth and sustainability of South African Tourism owned strategic platforms implemented	Implement a business model for the growth and sustainability of South African Tourism owned strategic platforms	**Target achieved:** Implemented a business model for the growth and sustainability of South African Tourism owned strategic platforms

Non-Financial Performance | Programme 4: Business Events

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Promotion of South African tourism products at global platforms	Number of South African tourism products promoted at global market access platforms	180 South African tourism products promoted at global market access platforms	**Target exceeded:** 246 South African tourism products promoted at global market access platforms **Reason/s for Deviation:** Strengthened industry partnerships **Corrective Measure/s:** n/a
B2B Campaign to create demand for South Africa as a premier business events destination	Number of B2B brand campaigns to create demand for South Africa as a premier business events destination executed	Execute 1 domestic B2B brand campaign	**Target achieved:** Executed 1 domestic B2B brand campaign including additional activities
		Execute 1 global B2B brand campaign	**Target achieved:** Executed 1 global B2B brand campaign including additional activities
MICE sector capacitated for future growth	Number of assessments to demonstrate the economic impact of bids awarded conducted	Conduct 2 assessments to demonstrate the economic impact of bids awarded	**Target achieved:** Conducted 2 assessments to demonstrate the economic impact of bids awarded



Non-Financial Performance | Programme 5: Tourist Experience

Output	Output Indicator	FY2025/26 Annual Target	FY2025/26 Actual Performance
Enhanced visitor experience through quality assurance of tourism establishments	Number of graded establishments	4 500 graded establishments	**Target exceeded:** 4 544 graded establishments **Reason/s for Deviation:** A high number of establishments maintained their grading status. **Corrective Measure/s:** n/a
Product development and job creation through basic quality verification	Basic Quality Verification (BQV) Programme implemented	Complete the BQV Programme in Gauteng	**Target achieved:** Completed the BQV Programme in Gauteng
Global trade equipped to better sell South Africa	Number of initiatives to equip global trade to better sell South Africa implemented	Implement 2 initiatives to equip global trade to better sell South Africa	**Target exceeded:** Implemented 5 initiatives to equip global trade to better sell South Africa **Reason/s for Deviation:** Collaboration with industry partners. Corrective Measure/s: n/a
Promotion of increased air access for destination South Africa	Number of initiatives to support air access through the Tourism Route Development Marketing Plan implemented	Implement 4 initiatives to support air access through the Tourism Route Development Marketing Plan	**Target exceeded:** Implemented 11 initiatives to support air access through the Tourism Route Development Marketing Plan **Reason/s for Deviation:** Collaboration with industry partners. **Corrective Measure/s:** n/a



Financial Performance: Revenue

Sources of revenue	FY2025/26			FY2024/25 RESTATED		
	Estimates	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grants & Subsidies	1 300 207	1 300 207	0	1 243 555	1 243 555	0
Grading Income	14 467	24 789	(10 322)	13 804	25 580	(11 776)
Interest Income	31 316	24 853	6 463	29 881	52 936	(23 055)
Sundry Income	37 652	73 196	(35 544)	65 809	113 136	(47 327)
Voluntary TOMSA Levy	0	0	0	108 787	0	108 787
Total	**1 383 642**	**1 423 045**	**(39 403)**	**1 461 836**	**1 435 207**	**26 629**



Financial Performance: Expenditure by Programme

Programme / activity / objective	FY2025/26			FY2024/25 RESTATED		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Corporate Support	203 595	123 665	79 930	225 336	212 697	12 639
Programme 2: Business Enablement	90 232	67 216	23 016	82 422	73 360	9 062
Programme 3: Leisure Tourism Marketing	705 858	724 599	(18 741)	774 736	773 805	931
Programme 4: Business Events	300 957	239 337	61 620	269 162	259 434	9 728
Programme 5: Tourist Experience	83 000	78 615	4 385	80 299	70 041	10 258
Total	**1 383 642**	**1 233 433**	**150 209**	**1 431 955**	**1 389 337**	**42 618**

Human Capital: Employment & Vacancies

202	171	31	15.4%	160
Approved posts 2025/26	Employees 2025/26	Vacancies 2025/26	Vacancy rate Overall	Employees 2024/25

Personnel by programme

Programme	Approved	Employees	Vacancies	Rate
Corporate Support	60	59	1	1.7%
Business Enablement	18	15	3	16.7%
Leisure Tourism Marketing	86	64	22	25.6%
Business Events	17	14	3	17.7%
Tourist Experience	21	19	2	9.5%

Personnel by salary band

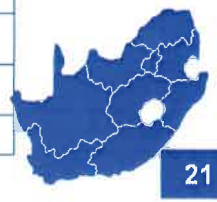
Band	Approved	Employees	Vacancies	Rate
Top Management	7	5	2	28.6%
Senior Management	25	15	10	40.0%
Professional qualified	89	80	9	10.1%
Skilled	67	59	8	11.9%
Semi-skilled	14	12	2	14.3%

The entity had 171 employees against 202 approved posts at the end of FY2025/26, with 31 vacancies and an overall vacancy rate of 15.4%. Employment increased from 160 to 171 employees during the year

Human Capital: Equity Targets & Employment Equity Status

Levels	Male								
	African		Coloured		Indian		White		Non-SA
	Current	Target	Current	Target	Current	Target	Current	Target	Current
Top Management	1	2	0	1	0	1	0	0	0
Senior Management	4	3	0	1	0	2	1	0	0
Professional qualified	24	24	0	2	0	2	2	0	8
Skilled	6	12	1	1	1	1	1	0	4
Semi-skilled	5	3	0	1	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0	0
Total	**40**	**44**	**1**	**6**	**1**	**6**	**4**	**0**	**12**

Levels	Female								
	African		Coloured		Indian		White		Non-SA
	Current	Target	Current	Target	Current	Target	Current	Target	Current
Top Management	2	3	1	0	0	1	1	0	0
Senior Management	8	3	1	2	1	1	0	0	0
Professional qualified	31	28	4	5	2	1	1	0	8
Skilled	32	27	3	4	2	2	1	0	8
Semi-skilled	7	6	0	1	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0	0
Total	**80**	**67**	**9**	**12**	**5**	**5**	**3**	**0**	**16**



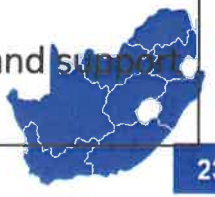
Governance

Committee	Total Number of Meetings for FY2025/26
Board[1]	8
Audit and Risk Committee (ARCO)	11
Human Capital, Remuneration, Social and Ethics Committee (HCREMSEC)	8
Marketing, Commercial and Awards Committee (MARCACOM)	4
Tourism Grading Council of South Africa Committee (TGCSA Awards)	2

[1] In addition to the formal Board meetings reflected above, the Board participated in 19 stakeholder engagement meetings and 10 events during FY2025/26

Outlook for FY2026/27

- Continue to position South Africa as a destination that inspires, connects and delivers value, not only for visitors, but for the people and communities who are at the heart of our tourism sector.
- Further strengthen governance, compliance and organisational stability, reinforce leadership cohesion and deepen collaboration across the tourism sector.
- Support the TGPP overarching strategic framework for the sector and contribute to the government-business partnership (B4SA) process.
- Advance coordinated destination marketing through country-specific Joint Marketing Plans with the private sector, strengthen stakeholder engagement and customised agreements with Provincial Tourism Authorities.
- Continue implementing the B2B Global and Domestic Campaigns to position South Africa as a competitive business events destination and promote upcoming business events secured for the country.
- Progress the National Association Project to increase the geographic spread of business events, strengthen the capacity of associations and provinces, improve infrastructure data collection and promote local procurement.
- Continue implementation of the Tourism Grading Support Programme to support tourism establishments and strengthen the quality of South Africa's tourism offering.
- Release stakeholder-facing tourism dashboards to enable real-time monitoring of key tourism indicators and improve the timeliness, accuracy and usability of tourism insights.
- Advance the centralised tourism data ecosystem through AI-driven models to strengthen predictive analytics and support evidence-based strategic planning and decision-making.

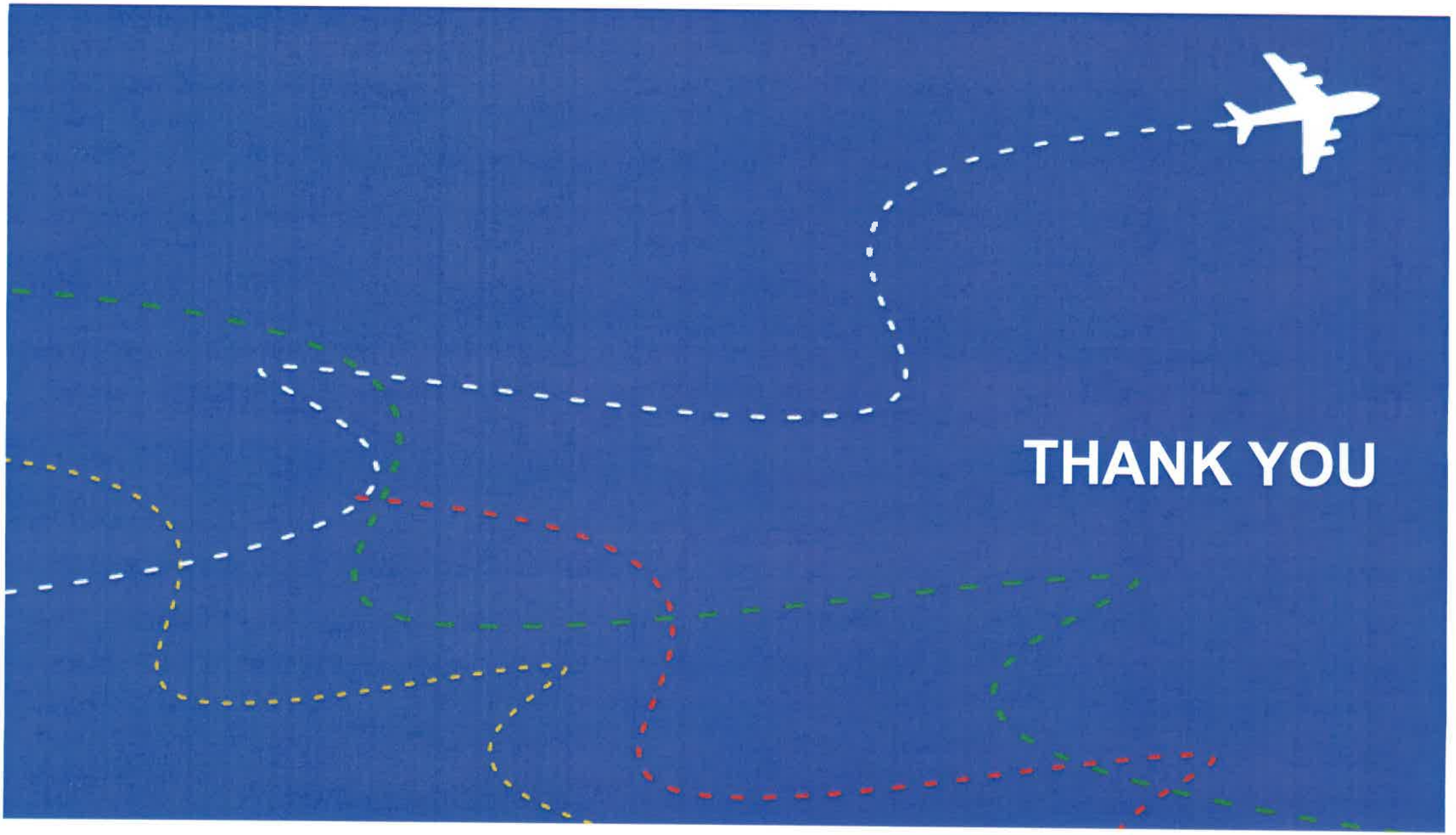


List of Abbreviations and Acronyms

Abbreviation / Acronym	Full Description
AGSA	Auditor-General of South Africa
AI	Artificial Intelligence
ARCO	Audit and Risk Committee
B2B	Business-to-Business
B4SA	Business for South Africa
BQV	Basic Quality Verification
FY	Financial Year
GRAP	Generally Recognised Accounting Practice

Abbreviation / Acronym	Full Description
HCREMSEC	Human Capital, Remuneration, Social and Ethics Committee
MARCACOM	Marketing, Commercial and Awards Committee
MICE	Meetings, Incentives, Conferences and Exhibitions
PFMA	Public Finance Management Act
TGCSA	Tourism Grading Council of South Africa
TGPP	Tourism Growth Partnership Plan
TOMSA	Tourism Marketing South Africa
VTSD	Villages, Townships and Small Dorpies




THANK YOU