



THE SOUTH AFRICAN STATE THEATRE

STRATEGIC PLAN

1 April 2025 - 31 March 2030

Tabling Date	31-Mar-25
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www.statetheatre.co.za
320 PRETORIUS STREET PRETORIA 0002
REPUBLIC OF SOUTH AFRICA



Accounting Authority Statement

It gives me great pleasure to submit this Five-Year Strategic Plan of the South African State Theatre (SAST) for the period 2025 to 2030.

This Strategic Plan is prepared in accordance with the Constitution of the Republic of South Africa, 1996, Public Finance Management Act, 01 of 1999, the Cultural Institutions Act, 119 of 1998, the National Treasury Framework on Strategic Plans and Annual Performance Plans and the Framework on Strategic Plans, which was issued by the Department of Planning, Monitoring and Evaluation (DPME).

In compiling this Strategic Plan, the South African State Theatre took into consideration the changes in Government national priorities, the Minister's priorities, and the strategic direction of the Department of Sport, Arts and Culture (DSAC). The vision of DSAC, which seeks to strive for an active, creative, winning and socially cohesive society was taken into account. The department's mission, which is to develop, transform, preserve, protect and promote sport, arts and culture as well as the values of Batho Pele, Equality, Innovation, Responsiveness, Integrity, Professionalism and Accountability informed the SAST's strategic discussions. The SAST ensured that its Strategic Plan pays particular attention to Outcomes and Impact, in line with government's planning framework.

This Five Year Plan is further informed by the preceding five-year planning cycle of 2020-2025 which provides a performance baseline. Council has updated its vision to "The premier theatre of choice for a distinctly inclusive, transformative, and innovative entertainment experience". SAST continues to focus on social and cultural diversity, maintaining a healthy balance between artistic creativity and fiscal stability, socio-economic transformation, environmental friendliness, establishment of partnerships and collaborations, and embracing of information and communication technology. It is envisaged that by following its vision and mission the SAST will fulfil its mandate of providing the performing arts with access to creative spaces in order to provide inspirational and challenging performances.

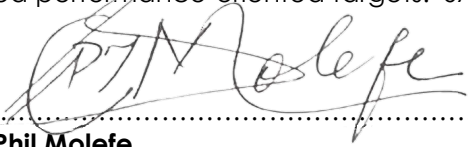
The strategic outcome-oriented goals of the SAST have remained unchanged. However, Council has prioritised the six themes of the business model. These are Revenue Generation from available resources, Reputation Enhancement, Human Capital Mindset Shift, Improvement in Internal Communication, Audience Development, and Enhancement of Marketing and Public Relations. In order to deliver on these themes, the SAST has identified six strategic pillars, which are: Maximising Revenue (increase capacity to generate own revenue); Enhancement of Reputation; Development of Human Capital; Promotion of a Culture of Excellence and Good Corporate Governance; Audience Development; and Maintain and Improve Infrastructure.

This 2025-2030 Strategic Plan for the SAST was prepared by management and reviewed by the previous SAST Council whose term ended in December 2024. The new SAST Council that was subsequently appointed in December 2024, reviewed and approved the plan. The budget contained herein has been updated in accordance with the Estimates of National Expenditure (ENE). Council outlined certain key focus areas, which will find expression in the 2025/26 Annual Performance Plan, with priority being placed on a Programme of Action.

The Council, Management and Staff of the SAST look forward to receiving support from the Department of Sport, Arts and Culture in implementing its Strategic Plan. As stated above, Council will prioritise the strengthening of the pillars of good corporate governance and the achievement of socio-economic transformation as espoused in the NDP.

A word of gratitude and appreciation is extended to Council for the oversight and support to the cause of SAST, the CEO, Management team and all staff who performed with integrity and dedication. We continue to fiercely take appropriate actions against non-performance, corruption and any behaviour that compromises SAST.

Members of Council, Council Committees, Management and Staff reaffirm commitment to the mandate of DSAC through implementation of this Strategic Plan. SAST commits to bringing exemplary good governance, effective controls, accounting systems, and service delivery to the performing arts sector through outcomes-based performance-oriented targets. SAST tirelessly strives to bring a positive impact on the lives of the people of South Africa.

A handwritten signature in black ink, appearing to read 'P. Molefe', is written over a horizontal dotted line.

Mr. Phil Molefe
Chairperson of Council
The South African State Theatre

CEO's Foreword

In approaching the 2025-2030 Strategic Plan (SP), the South African State Theatre (SAST) has taken into consideration the current prevailing factors that affect both the trading environment as well as the long-term future of the SAST. These factors include; the National Treasury cost containment measures, Capital Works budget constraints, prevailing geo-political factors, rapid climate change, and SAST's baseline performance during the preceding five-year planning cycle. SAST has also implemented its own financial austerity measures, that are outlined in its turnaround plan which is aimed at addressing ongoing cashflow challenges in order to balance financial sustainability with artistic creativity.

The above has prompted management to undertake a detailed intrusive review of its operations in order to optimise the annual artistic programme, while ensuring implementation of SAST's overarching mandate to support the performing arts sector. The review process was concluded during the fourth quarter of 2024/25 and is outlined by the strategic programmes which give effect to the revised strategic direction of the SAST. Together with the core artistic programme, the support programmes, namely; marketing, infrastructure and revenue generation complement the strategic direction. SAST's control environment ensures compliance with legislation, safeguarding of resources and accurate reporting on the financial position.

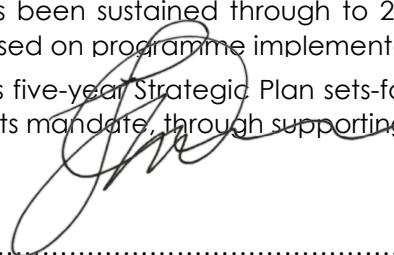
Underpinning the strategic direction is SAST's six strategic pillars, namely; Maximise Revenue, Enhance Reputation, Develop and Manage Human Capital, Promote a Culture of Excellence, Audience Development, and Maintain and Improve Infrastructure. Integral to all SAST programmes is the focus on priority groups participation in respect of Women, Youth and People Living with Disabilities. Where possible, SAST programmes take into consideration the GBV agenda and include activities aligned to the fight against GBV.

Programme outcomes are aligned to the National Development Plan (NDP), the Medium-Term Development Plan (MTDP), and the key priorities of the Government of National Unity (GNU). In particular, the plan is aligned to government's priority areas of;

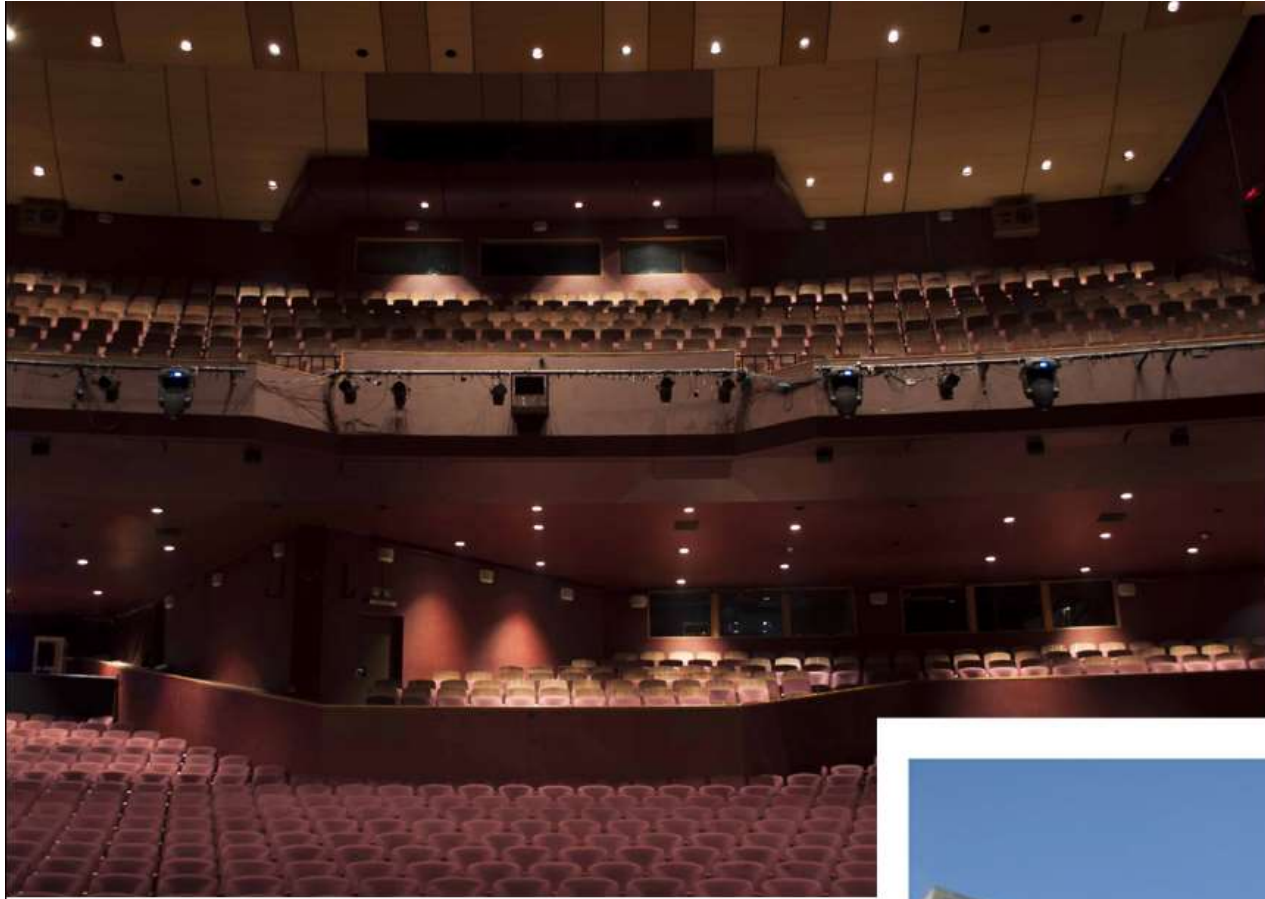
- i) Drive inclusive growth and job creation,
- ii) Reduce Poverty and tackle the high cost of living, and
- iii) Build a capable, ethical and developmental state.

Performance achieved during the preceding 2020-2025 five-year planning cycle provides a baseline for the 2025-2030 programme targets. The initial programme targets for the 2020-2025 term were revised in July 2020 to accommodate the drastic changes in the trading environment that was brought-about by the Covid-19 pandemic outbreak in South Africa, and the world. SAST did achieve many programme targets under these circumstances, however programmes that were affected by the National Lockdown such as audience attendance became impossible to achieve. Programme performance began to improve from 2022/23 and has been sustained through to 2024/25. Programme targets outlined for the 2025-2030 term aim to improve baseline programme achievements. Targets are set based on programme implementation plans, budget allocations, and predetermine escalations in revenue rates.

This five-year Strategic Plan sets-forth SAST's strategic focus through its programme outcomes, outputs, and targets. SAST remains committed to the implementation of its mandate, through supporting development of the performing arts sector and fostering social cohesion amongst theatre goers.



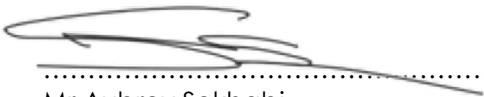
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Dr Sibongiseni Mthokozisi Mkhize
Chief Executive Officer
The South African State Theatre



Official sign off:

It is hereby certified that this Strategic Plan of The South African State Theatre (SAST) for the period **2025 to 2030**:

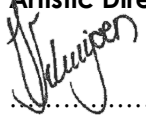
- Was developed by the management of The South African State Theatre under the guidance of the SAST Council.
- Takes into account the relevant policies, legislation and other mandates for which The South African State Theatre is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which The South African State Theatre will endeavour to achieve over the period 2025 to 2030.



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Mr Aubrey Sekhabi

Artistic Director



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Ms Santa Viljoen

Chief Financial Officer

e/s. SAhmed.....

Mr Shiraz Ahmed

Senior Manager: Performance, Risk and Compliance (Planning)



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Dr Sibongiseni Mthokozisi Mkhize

Chief Executive Officer

ACCOUNTING AUTHORITY:



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Mr. Phil Molefe

Chairperson of Council

Approved by:

EXECUTIVE AUTHORITY:



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Gayton McKenzie, MP

Minister

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PART A: OUR MANDATE

1. Constitutional mandate

The mandate of the South African State Theatre (SAST) is derived directly from the legislative mandate of the Department of Sport, Arts and Culture (DSAC) which in turn comes from the Constitution of the Republic of South Africa Act, 1996, including from the Preamble and Founding Provisions, and in particular:

Section 16 (1): Everyone has the right to freedom of expression, which includes:

- a) freedom of press and other media;
- b) freedom to receive or impart information or ideas;
- c) freedom of artistic creativity ;and
- d) academic freedom and freedom of scientific research".

Section 30 "Everyone has the right to use language and to participate in the cultural life of their choice, but no one exercising these rights may do so in manners inconsistent with any provision of the Bill of Rights".

Section 32(1): Everyone has the right of access to:

- a) any information held by the state; and any information that is held by another person and that is required for the exercise or protection of any rights.

2. Legislative and Policy mandate

2.1 Legislative mandate

On 1 April 2005, the former Minister of Arts and Culture Mr Pallo Jordan declared the Renaissance Theatre a Cultural Institution in accordance with the Cultural Institutions Act, 1998 (Act 119 of 1998). The Renaissance Theatre is now known as The South African State Theatre.

As a Cultural Institution we are established under the auspices of the Department of Sport, Arts & Culture and are then bound by the Public Finance Management Act 1 of 1999 (PFMA), under schedule 3A, as well as other applicable legislation. SAST's legislative mandate is thus to advance, promote and preserve the performing arts in South Africa; enhance the contribution of arts and culture to the economy; create job opportunities; and create initiatives that enhance nation building.

In the White Paper on Arts and Culture and Heritage, the following Acts have been promulgated by Parliament to create institutions in furtherance of the Constitutional mandate of the Department of Sport, Arts and Culture. The primary legislative framework of the Department of Sport, Arts & Culture emanates from the Acts, as amended, listed below:

- Cultural Institutions Act, 1998 (Act 119 of 1998);
- Culture Promotion Act, 1983 (Act 35 of 1983);
- National Heritage Council Act, 1999 (Act 11 of 1999);
- National Heritage Resources Act, 1999 (Act 25 of 1999);
- Heraldry Act, 1962 (Act 18 of 1962);
- Legal Deposit Act, 1997 (Act 54 of 1997);
- National Arts Council Act, 1997 (Act 56 of 1997);
- National Film and Video Foundation Act, 1997 (Act 73 of 1997);
- Pan South African Language Board Act, 1995 (Act 59 of 1995);
- National Library of South Africa Act, 1998 (Act 92 of 1998); and
- South African Library for the Blind Act, 1998 (Act 91 of 1998).
- South African Geographical Names Council Act, 1998 (Act 118 of 1998);
- National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996)

There are no updates to the legislative mandate.

The proposed new National Theatre and Dance Policy is acknowledged. SAST has provided inputs into the policy during the consultation process.

2.2 Policy mandate

Overall government's mandate is being driven by the National Development Plan (NDP) 2030, the new Government of National Unity Minimum Programme as outlined in the Medium Term Development Plan 2024-2029. The mandate of the Department of Sport, Arts and Culture (DSAC) has accordingly been aligned in the NDP under Priority 6; Social cohesion and nation building (Outcome 14).

NDP 2030 - CHAPTER 15
Transforming society & uniting the country
NDP FIVE YEAR IMPLEMENTATION PLAN (2019-2024) PRIORITIES
Social cohesion
DEPARTMENT OF SPORT, ARTS AND CULTURE (2020-2025) OUTCOME
A diverse socially cohesive society with a common identity
MEDIUM TERM DEVELOPMENT PLAN (MTDP) 2024-2029
Strategic Priority 2: Reduce Poverty and tackle the high cost of living.
2024-2029 MTDP STRATEGIC PRIORITY 2 OUTCOMES
Social cohesion and nation building
2024-2029 MTDP STRATEGIC PRIORITY 2 SCNB SUB-OUTCOMES
Fostering the Constitution and its Values. Equal opportunities, inclusion and redress. Increased interaction across space and class. Active citizenship and leadership; and Social Compact.

The SAST has accordingly aligned its mandate to the DSAC's drivers, outcomes and/or outputs to derive its mandate as follows:

THE SOUTH AFRICAN STATE THEATRE
Provide access to performance spaces in which the performing arts sector creates productions that are watched by diverse audiences.

3. Institutional Policies and Strategies over the next five year planning period

3.1 Institutional policies

SAST has implemented a culture of good governance which is underpinned by our control environment. The control environment is enabled by the policies and their associated procedures (SoP's) which have been developed and implemented. These policies are reviewed on an ongoing basis, according to the policy's review requirements, to ensure conformity with legislation and related rulings that become relevant. We have developed standard operating procedures that set-out the various controls that must be complied with when processing any transaction. Where necessary, policies and SoP's will be revised to be aligned to this five-year strategic plan.

Institutional policies are approved by our Council and a detailed register of these policies is maintained.

3.2 Strategies over the next five year planning period

In compiling this five-year Strategic Plan (SP) for the period 2025-2030, the South African State Theatre (SAST) has adopted the following strategy.

The SAST Council held a strategy workshop in November 2023 aimed at reviewing and updating SAST's strategic outlook. The workshop sought to examine the SAST's business model with a view to achieving long-term sustainability. Strategically, focus is on artistic excellence; identity and branding; audience development; the generation of own revenue; and SAST's capacity to deliver on its mandate. The implementation of the strategic priorities has already resulted in the integration of the strategy, structure and financial resources, which is critical to the success of this organisation. In line with its identity as a pan African theatre, it was agreed that the SAST should continue to fervently and effectively identify and position itself as the home of African creative excellence, with its vision as: "The prestigious theatre of choice for a distinctly Pan-African experience. ("The theatre of Africa")". Besides transformation and the identity being reflected in the Artistic programme, the SAST will prioritise the process of renaming of theatre venues and other public spaces within the theatre complex. The workshop focused on the core business, more particularly on the question of balancing artistic creativity and fiscal stability.

To give effect to Council's strategic direction, SAST has updated its Vision, Mission and Values as follows:

Vision

The premier theatre of choice for a distinctly inclusive, transformative, and innovative entertainment experience.

Mission

A dynamic arts and culture institution for creativity, inspiration, education, innovation, social cohesion, and economic transformation.

Values

• Transparency

Provide access to information to promote society and employee trust in our programmes.

• Accountability

Exercise responsibility and be able to account for our actions and transactions.

• Freedom of expression

Encourage the constitutional right, and a pillar of democracy, to freedom of expression, in particular freedom to artistic creativity, in a responsible and unoffensive manner.

• Honesty

Interact and transact with a good moral character to ensure truthfulness and openness.

• Integrity

Practice consistency and uncompromising adherence to strong moral and ethical principles and values.

• Excellence

Strive to achieve and surpass all expectations in our service delivery.

• Empathy

Professional consideration, underpinned by emotional intelligence, for the circumstances affecting our colleagues, patrons and stakeholders.

Note: This first draft of the SP is to be reviewed by the new Council, to be appointed later in the current financial year. The new Council will review this draft which may be amended accordingly. Also, to note is that the budget contained herein is still to be updated during November 2024 in accordance with the ENE to be compiled then.

The **strategic pillars and priorities** identified during prior council workshops served to guide the Council in monitoring and evaluating the performance of the SAST during the 2024/25 financial year. The strategic pillars were reviewed and confirmed during the November 2023 workshop. The pillars form part of the SAST's current Five-Year Strategic Plan. The 2025/26 financial year is the first year of the new five-year strategic plan covering the period 2025-2030. The strategic pillars are:

1. Maximise Revenue (increase capacity to generate own revenue instead of hoping to receive donations and sponsorships)
2. Enhance reputation
3. Develop and Manage Human Capital
4. Promote a Culture of Excellence
5. Audience Development
6. Maintain and Improve Infrastructure

Council provides guidance and leadership to ensure that the strategic priorities of the SAST are aligned to the National Development Plan and the Minister's 10-Point Plan. Particular emphasis is placed on achieving nation-building and social cohesion while ensuring a healthy balance between fiscal stability and artistic creativity.

In order to successfully implement our mandate, we have developed the following **outcome-oriented strategic programmes** which are underpinned by the strategic pillars:

Outcome 1: In-house developed and externally sourced performing arts works presented.

Outcome Statement: Present In-house Performing Arts productions.

Outcome 2: Development opportunities provided.

Outcome Statement: Provide development opportunities for emerging Arts Practitioners in the context of our programmes.

Outcome 3: Revenue generated from commercial activities.

Outcome Statement: Generate revenue from commercial activities which includes Ticket Sales, Rentals, Fundraising and Front of House Sales.

Outcome 4: Buildings and assets maintained and upgraded.

Outcome Statement: Ensure long term sustainability of our Buildings and Assets.

Outcome 5: Audience attendance improved.

Outcome Statement: Attract Audiences to watch the Performing Arts.

Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.

Outcome Statement: Ensure compliance with applicable Laws, Regulations and Statutory Legislation.

These outcomes have been aligned to the National Treasury programmes of Administration, Business Development and Public Engagement as follows:

PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to engage in commercial activities which ensure self-generated revenue to augment the Government Grant, to maintain and upgrade our unique Theatre facilities to ensure its long-term economic sustainability and to comply with applicable Laws, Regulations and Statutory Legislation including the PFMA, the Cultural Institutions Act, Treasury Regulations and the LRA in support of our Artistic ambitions.

The programme aims to achieve the following SAST Outcomes:

Outcome 3:

Generate revenue from commercial activities which includes Ticket Sales, Rentals, Fundraising and Front of House Sales.

Outcome 4:

Ensure long term sustainability of Buildings and Assets.

Outcome 6:

Ensure compliance with applicable Laws, Regulations and Statutory Legislation.

PROGRAMME 2: BUSINESS DEVELOPMENT

This programme aims to stage the very best In-house developed and externally sourced Performing Arts work, to promote audience diversity and growth by implementing Audience Development Programmes and to promote the outcomes of the government's programme of action by creating job opportunities.

The programme aims to achieve the following SAST Outcomes:

Outcome 1:

Present In-house Performing Arts productions.

Outcome 5:

Develop Theatre going Audiences.

PROGRAMME 3: PUBLIC ENGAGEMENT

This programme is intended to provide development opportunities for emerging Arts Practitioners to learn, perform and stage their Productions thereby encouraging Socio-Economic Development.

The programme aims to achieve the following SAST Outcomes:

Outcome 2:

Provide development opportunities for emerging Arts Practitioners in the context of our programmes.

The overriding consideration as we prepared this SP to implement the strategic programmes is the focus on stabilising and strengthening the core operations while managing ever increasing input costs compounded by uncertain consumer buying behaviour. The perpetuated negative impact on the trading environment affecting suppliers and consumers caused by the Covid-19 pandemic, the July 2021 Riots, the Ukraine-Russia war, and the KZN flooding is undeniable, and compounded by several geo-political issues as well as the significant impact of climate change. SAST's operational budget has thus been accordingly prepared taking into consideration these factors. Furthermore, the operational budget is intrinsically aligned with SAST's core programme, namely; the SAST artistic programme that supports self-generated revenue as well as the fulfilment of SAST's mandate. In preparing the operational budget to support implementation of the APP programmes, SAST has considered the national treasury cost containment measures. The overarching purpose of the operational budget programme alignment is to ensure that SAST achieves positive cash flow from operations and is financially sustainable.

In developing programmes to implement our strategies, we have, as far as possible, included the key **priority groups**, namely Youth, Women and people living with Disabilities and those affected by Gender-based Violence (GBV). While this may not always be expressed in programme indicators, it is incorporated into the programme activities at an operational level.

SAST is committed to fighting **Gender-based Violence (GBV)** and supports governments campaigns against GBV. Wherever possible, SAST programmes will adopt prevailing government campaign objectives and assist with implementation to intensify the fight against GBV.

Performing arts programmes are developed to allow people **across all races, classes, gender, religion, nationality, ethnic origin and language** to unite in a shared space with a common goal that is to present the very best performing arts works.

Programmes are aligned to the **national days**, where we celebrate our rich history through relevant performing arts works. We attract diverse audiences of people from across our society to unite in safe performance spaces to watch performances free from any form of social exclusion.

In developing the SAST programmes, emphasis is placed on creating employment opportunities in support of the government's imperative of **job creation**. Key areas of job creation include the Artistic programme and Infrastructure projects. Internship positions are also created to firstly provide employment opportunities, but more importantly to provide young graduates with experiential learning opportunities to start-off their careers.

Access to the performing arts space, especially for those communities that have never before been allowed access, is the main focus of our programmes. Together with access, we also provide **development opportunities** for performing arts practitioners to identify and establish economically viable careers and create performing arts products for local and international market consumption.

Self-generated revenue remains a priority area. Parking revenue has stabilised but remains a focus area to improve further. Front of house bar sales has improved and has been supplemented by addition of the new SAST restaurant. Property rentals are subject to improvement of the facilities to attract new tenants. Ticket sales revenue has increased but is also a key focus area to improve. Revenue targets are increased by the following percentages:

- Generate rental revenue from the SAST immovable property portfolio, i.e. Kilnerton, Office Blocks, Restaurants and other spaces. (8% annual escalation.)
- Generate revenue from ticket sales of in-house productions and from Theatre rentals. (10% escalation on theatre rental rates. Commission on theatre rentals gross box office sales has increased to 10%.)
- Generate revenue from the Parking garage. (6% annual escalation.)
- Generate revenue from Front of House sales. (escalation will vary based on the product range input costs.)

An accelerated **infrastructure** programme commenced during 2023/24 and continued during 2024/25, both to maintain existing buildings and equipment as well as to modernise and enhance the building and equipment capabilities. Key capital works projects include the Repairs and Maintenance project and the Transformation project, as well as the Kilnerton property refurbishment.

Compliance with regulations is a fundamental requirement for SAST as a public entity. The annual financial audit must have, at a minimum, an unqualified outcome but SAST does aim to achieve a clean audit outcome. Weaknesses in the control environment are addressed on an ongoing basis to ensure the occurrence of fraud is mitigated as far as possible. Improvements in the control environment includes enhancing the information and communication technology systems and processes, in particular to avoid cybercrime, and also to improve the transaction environment and customer relationship management. The governance environment is underpinned by robust policies and procedures which are aligned to prevailing legislative prescripts and regulations and SAST must ensure that policies and procedures are developed, implemented and reviewed regularly.

The strategies outlined above are intended to support the achievement of the SP programmes over the medium term while we implement SAST's strategic focus outlined for the new five-year planning cycle. It is anticipated that through the infrastructure improvements, aligned budget and revised artistic programme, SAST will establish the platform for a rapid increase in outputs during the ensuing medium term.

3.3 Alignment of SAST Strategies to the DSAC Programmes

DEPARTMENT OF SPORT, ARTS AND CULTURE PUBLIC ENTITIES STANDARDISED INDICATORS

DSAC Standardised Indicator	SAST Indicator
• Number of productions staged	SPA1 - Number of In-house Productions staged.
• Number of community-based productions	SPD1 - Number of Community Arts Groups participating in the programme.
• Number of festivals staged	SPA2 - Number of In-house Festivals staged.
• Proportion of local content staged	SPA1 - Number of In-house Productions staged.
	- Disaggregated: SPA1.a (new) Percentage of local content in the Number of In-house Productions staged.

PUBLIC ENTITY OUTCOMES

Public Entity Mandate from the Act	Public Entity Outcome
Provide access to performance spaces in which the performing arts sector creates productions that are watched by diverse audiences.	Outcome 1: In-house developed and externally sourced performing arts works presented.
	Outcome 2: Development opportunities provided.
	Outcome 3: Revenue generated from commercial activities.
	Outcome 4: Buildings and assets maintained and upgraded.
	Outcome 5: Audience attendance improved.
	Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.

PUBLIC ENTITY OUTCOMES RESPONDING TO DSAC OUTCOMES

Government priorities	DSAC outcomes responding to Government priorities	Public Entity outcomes responding to Department of Sport, Arts and Culture Outcomes
Inclusive growth & job creation;	Increased market share of sport, recreation, heritage, cultural and creative industries.	Outcome 1: In-house developed and externally sourced performing arts works presented.
Reduce poverty and tackle the high cost of living;	A diverse, socially cohesive society with a common national identity	Outcome 5: Audience attendance improved.
		Outcome 1: In-house developed and externally sourced performing arts works presented.
Build a capable, ethical & developmental state.	Compliant and responsive Governance/Administration	Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.
	Accessible sport, recreation, arts, culture and heritage infrastructure and information	Outcome 4: Buildings and assets maintained and upgraded.
	Transformed, capable and professional sport, recreation, arts, culture and heritage sector	Outcome 2: Development opportunities provided.
		Outcome 3: Revenue generated from commercial activities.

PUBLIC ENTITY RESPONSE TO SECTOR FOCUS AREAS

Sector Focus Areas	Public Entity Response
Social Cohesion & Nation building	Outcome 5: Audience attendance improved.
	Outcome 1: In-house developed and externally sourced performing arts works presented.
Job opportunities / Economic Recovery	Outcome 1: In-house developed and externally sourced performing arts works presented.
Transformation	Outcome 2: Development opportunities provided.
Woman & anti GBVF	Outcome 1: In-house developed and externally sourced performing arts works presented.
	Outcome 2: Development opportunities provided.
Youth	Outcome 1: In-house developed and externally sourced performing arts works presented.
	Outcome 2: Development opportunities provided.
Persons with disabilities	Outcome 1: In-house developed and externally sourced performing arts works presented.
	Outcome 2: Development opportunities provided.
Children	Outcome 1: In-house developed and externally sourced performing arts works presented.
	Outcome 2: Development opportunities provided.

PUBLIC ENTITY CORE OUTPUTS

Public Entity Outcomes	Public Entity Outputs	Output also delivered by DSAC	
		Yes	No
Outcome 1: In-house developed and externally sourced performing arts works presented.	Stage In-house Festivals.		No
	Stage school set-work productions.		No
	Stage In-house Productions.		No
	Short term job opportunities created in In-house Productions.		No
Outcome 2: Development opportunities provided.	Implement the Community Arts Dramaturgy Outreach Fieldwork programme.		No
	Provide dramaturgy to in-house production's creative team members.		No
Outcome 5: Audience attendance improved.	Attract audiences for events.		No
	Conduct surveys of patron satisfaction.		No

4. Relevant court rulings

None.

PART B: OUR STRATEGIC FOCUS

Strategic Focus

5. Vision

The premier theatre of choice for a distinctly inclusive, transformative, and innovative entertainment experience.

6. Mission

A dynamic arts and culture institution for creativity, inspiration, education, innovation, social cohesion, and economic transformation.

7. Values

- Transparency

Provide access to information to promote society and employee trust in our programmes.

- Accountability

Exercise responsibility and be able to account for our actions and transactions.

- Freedom of expression

Encourage the constitutional right, and a pillar of democracy, to freedom of expression, in particular freedom to artistic creativity, in a responsible and unoffensive manner.

- Honesty

Interact and transact with a good moral character to ensure truthfulness and openness.

- Integrity

Practice consistency and uncompromising adherence to strong moral and ethical principles and values.

- Excellence

Strive to achieve and surpass all expectations in our service delivery.

- Empathy

Professional consideration, underpinned by emotional intelligence, for the circumstances affecting our colleagues, patrons and stakeholders.

8. Situational Analysis

8.1 External Environment Analysis

Population dynamics ¹

The SAST is situated in the central business district of the metropolitan municipality of the City of Tshwane. The City of Tshwane is part of the province of Gauteng. With a population of 4,040,315 (2022, Stats SA), the City of Tshwane is ranked as the fifth largest city of South Africa. The Population consists of; Working age 15 to 64 years (70.9%), Young children 0 to 14 years (23.0%) and the Elderly 65+ years (6.1%). People classified as Youth (age 14 to 35, per the National Youth Commission Act, 1996) makeup 37% of the population. Racial composition of the population across the four primary race groups, being; Black African, Coloured, Indian and White are 82.8%, 1.8%, 1.7% and 13.4%, respectively. First Languages spoken include Sepedi (19.4%), Afrikaans (18.4%), Setswana (14.7%), Xitsonga (8.4%) and Other (39.1%) which includes English at 8.4%. Gender composition is almost equal with 49.9% being Female and 50.1% Male, though details of gender parity are unknown. Foreign nationals also form part of the City's population and includes a significant number of diplomatic corps members, considering that Tshwane boasts a large concentration of diplomatic missions. According to the Stats SA Quarterly Labour Force Survey for the second quarter of 2024, economically active people in the Tshwane population, the labour force participation rate, is 70.6% which numbers some 1,954,000 people. SAST aims to attract audiences from this population group as well as from the greater Gauteng population.

Political influence

As an implementing agency of the DSAC, we have an obligation to further the manifesto of the ruling party. South Africa has transitioned into a new era of the 7th Administration under the new Government of National Unity (GNU) following the 2024 May 29th General Elections. Under the new administration, the Department of Sport, Arts and Culture has a newly appointed minister, Honourable Gayton McKenzie who is also the president of the Patriotic Alliance. The outcome of the elections triggered a review of the approved 2024/25 Annual Performance Plan. The APP must be reviewed to reflect the commitments of the new administration, specifically within the available budgets. The outlook and focus of the 2025-2030 Strategic Plan together with the 2025/26 Annual Performance Plan will also be guided by the new Minimum Programme of Priorities that will be developed by the new administration in accordance with its three strategic priorities, namely;

- i) Drive inclusive growth and job creation,
- ii) Reduce Poverty and tackle the high cost of living, and
- iii) Build a capable, ethical and developmental state.

The political landscape at a local government level consists of the African National Congress (ANC), Democratic Alliance (DA), the Economic Freedom Fighters (EFF), Action SA and various others. While the SAST operates in this political environment, it remains independent and apolitical and unequivocally strives to embrace people from different walks of life irrespective of their political affiliations. Local government elections will be held during 2026, The related impact on the trading environment is seen on an ongoing basis, more especially in respect of power supply and water disruptions.

Technology improvements

The advances in technology has made it possible for our productions to be digitally recorded and streamed in video format online through the SAST online programme. Leveraging on technology has allowed the SAST to rapidly adapt to changing market dynamics. As the SAST online programme is further entrenched into the core programme, technology has become the cornerstone of our continued existence and has enabled the SAST to continue delivering on its mandate. We will continue to introduce new improved systems during the year, not only in our artistic programme but also in our record keeping and transactional environment in an effort mitigate fraud and corruption.

Social realities

The South African society is socially diverse in its makeup. People from different races, cultures and ethnic backgrounds co-exist as the society of the country. Social challenges are prevalent across society and are not limited to any specific denomination. Abuse of women and children has become a focal area, together with issues of gender-based violence and the ever-increasing problems of substance abuse. These, and other, social challenges affect and influence how society interacts and becomes a barrier of participation for victims. Regrettably, the very same entertainment spaces where victims may find an opportunity to interreact with the rest of society are also used as an opportunity by criminals and offenders to proliferate some of these social illnesses. SAST has implemented safety and security measures to ensure the safety of our patrons and customers in both the theatre complex and in the office block. Artistic productions, where possible, focus on issues of GBV in order to tell the stories of victims and encourage those suffering under such oppression to speak-out and seek help.

8.2 Internal Environment Analysis

The South African State Theatre's vision is linked to the Department of Sport, Arts and Culture's vision and mission, which stems from the Constitution, more specifically from Article 27 of the Universal Declaration of Human Rights: "everyone shall have the right to freely participate in the cultural life of the community (and) to enjoy the arts". SAST's strategic programme consists of the following key outcomes:

Outcome 1

1. Stage In-house Festivals.
2. Stage school set-work productions.
3. Host partnership-based productions
4. Record productions for digital distribution.
5. Host authors to present their published books.
6. Create new artistic productions.
7. Present productions featuring people living with disabilities.
8. Stage In-house Productions.
9. Short term job opportunities created in Productions presented by SAST.
10. Provide opportunities for Females to participate in the creative team of productions presented by SAST.
11. Provide opportunities for Youth (maximum age of 34) to participate in the creative team of productions presented by SAST.

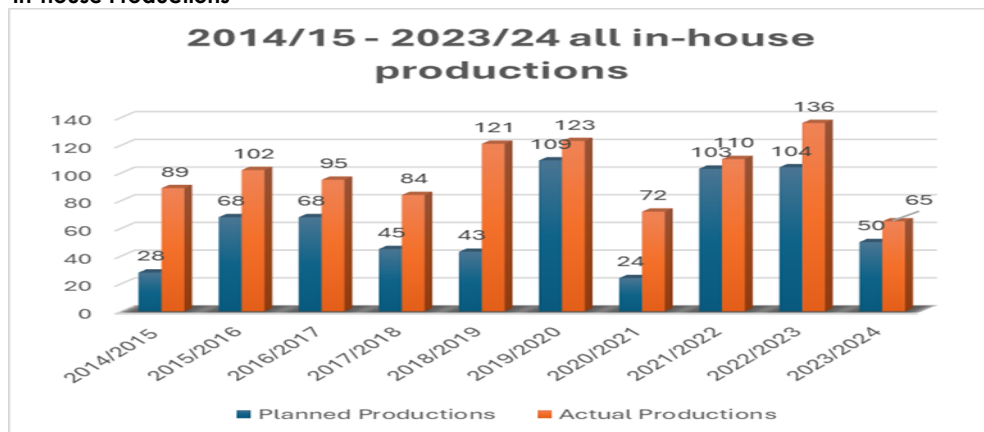
The key outputs for Outcome 1 were achieved for the year. This included the core outputs *Stage In-house Productions* and *Short-term job opportunities created in Productions presented by SAST* which overachieved their respective targets. Staging of in-house productions provides the opportunity for SAST to attract audiences to the theatre and thereby generate not only revenue from Ticket Sales but also from the related revenue streams, namely; the Parking Garage revenue and Front of House Bar sales.

65 in-house productions were staged compared to the target of 50. Together with in-house productions, SAST presented 4 school network productions, against a target of 2. In support of the priority groups, 2 productions, against a target of 1, featuring people living with disabilities were presented. The well-established 4 annual SAST festivals, namely; Kucheza Afrika Festival, Youth Expressions Festival, Vavasati International Women's Festival and Mzansi Fela Festival were staged during the year which featured both curated in-house productions together with several partnership based productions. Partnership based productions handsomely supported the in-house productions with 34 productions compared to a target of 30.

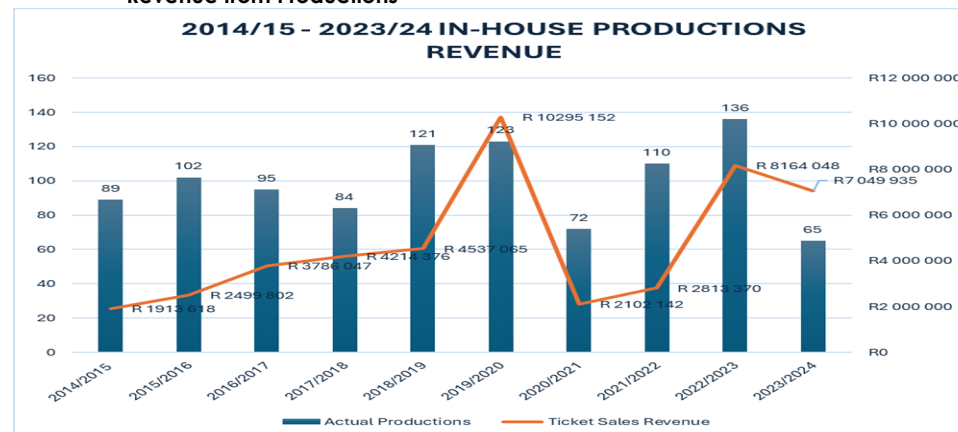
Outcome 1 was diversified to include the authors programme, which while not achieved for the year with 12 authors hosted compared to the target of 16, still presented notable authors and also contributed to audience attendance.

The output *Short-term job opportunities created in Productions presented by SAST* achieved the target of 700 with 903 jobs created in the year.

In-house Productions



Revenue from Productions



Outcome 2

1. Provide dramaturgy to in-house production's creative team members.
2. Implement the Community Arts Dramaturgy Outreach Fieldwork programme.
3. Provide internship positions.

The key output under Outcome 2 is *Implement the Community Arts Dramaturgy Outreach Fieldwork programme*. This programme is implemented in partnership with the Tshwane University of Technology and focuses on the development of emerging artists at a community level. In the 2023/24 year, 15 community groups participated in the programme, achieving the target of 15. The overall purpose of the programme is to identify and develop new talent and productions and nurture these to become commercially viable skills and products for artists and thereby contribute to economic development in the sector. This programme is supported by the related output *Provide dramaturgy to in-house production's creative team members* which ensures that the creative works are ready to be presented.

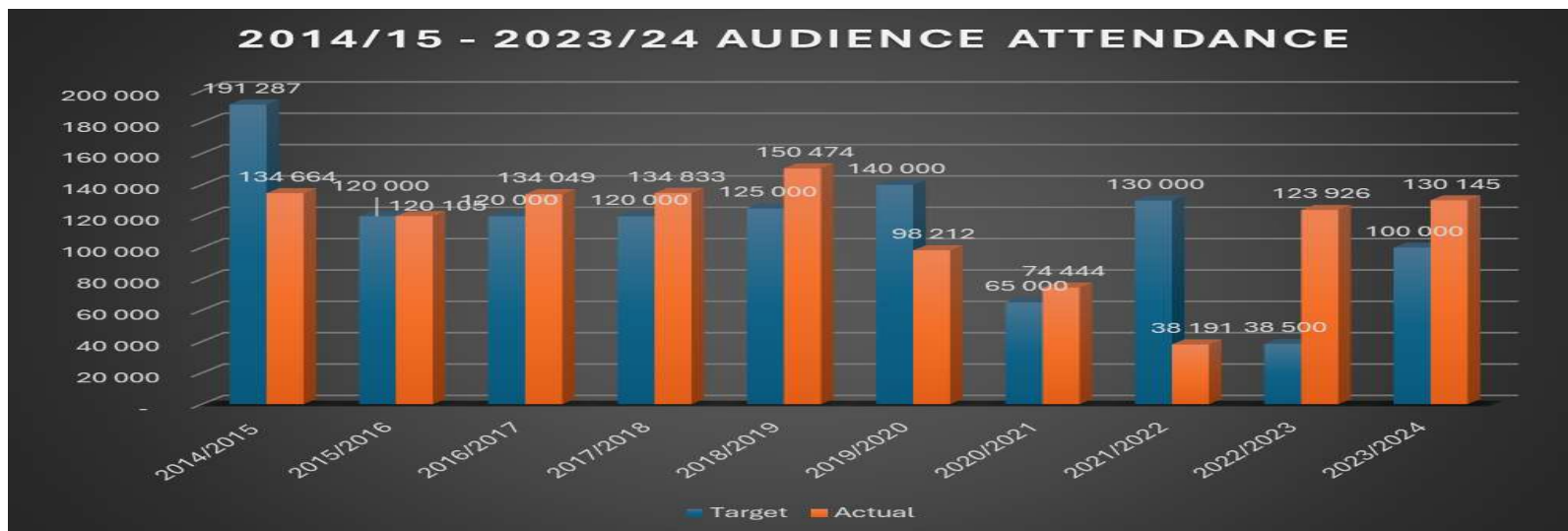
Outcome 5

1. Implement the marketing strategy.
2. Establish media partnerships to promote SAST and productions.
3. Implement the audience development strategy.
4. Establish strategic corporate partnerships.

5. Attract patrons to join the SAST membership programme.
6. Increase audience attendance and online streaming views.
7. Conduct surveys of patron satisfaction.

Increase audience attendance and online streaming views is the key output under Outcome 5 and focusses on attracting and retaining audience for in-house productions, as well as to support partnership based productions and rental productions. The priority here is to foster a socially cohesive environment for society to come together to witness and appreciate theatrical productions in order to develop a culture of theatre goers. While increasing audience attendance is important, developing a paying audience that appreciates the value of the arts is equally important to ensure the financial viability of theatre productions. In total, 130,145 audiences attended productions and related events compared to the target of 100,000 for the year.

Audience

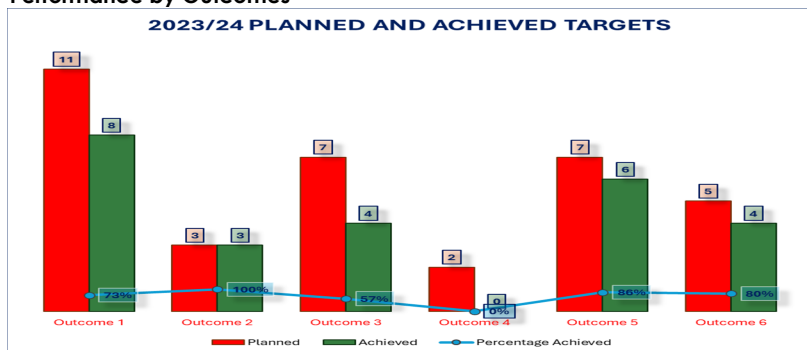


Overall Performance

SAST achieved an overall performance of 71% for the 2023/24 financial year, which when compared to the prior 2022/23 year performance of 71% remained consistent.

The number of programmes implemented increased from twenty-one in the prior year to thirty-five for 2023/24. Twenty-five of the planned thirty-five programme targets were achieved in full. Ten targets were not achieved.

Performance by Outcomes



SUMMARY OF PERFORMANCE BY STRATEGIC OUTCOME 2023/24

2023/2024				
Outcome	Number of Outputs	Achieved	Not Achieved	Overall Performance *
In-house developed and externally sourced performing arts works presented.	11	8	3	73%
Development opportunities provided.	3	3	0	100%
Revenue generated from commercial activities.	7	4	3	57%
Buildings and assets maintained and upgraded.	2	0	2	0%
Audience attendance improved.	7	6	1	86%
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	5	4	1	80%
	35	25	10	
		71%	29%	

* Total overall performance is calculated using the weighted average method.

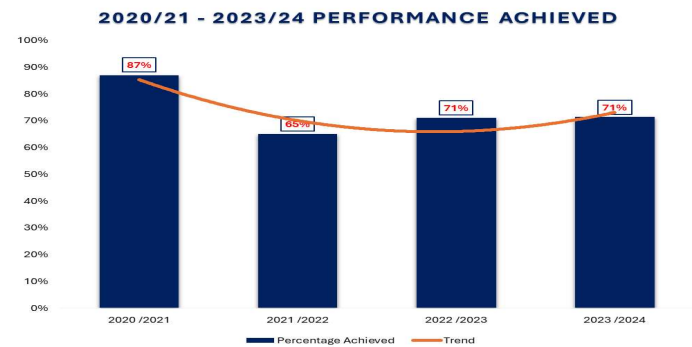
Progress towards achievement of institutional Impacts and Outcomes

The 2023/24 year is the fourth year in the five-year planning cycle 2020 to 2025. SAST achieved 71% of the predetermined targets.

Annual performance targets for the 2023/24 year were revised from the initial planned medium-term targets outlined along with the 2020-2025 Strategic Plan due to the outbreak of the Covid-19 pandemic and implementation of the related National Lockdown Regulations in March 2020. As such, some targets in the 2023/24 APP are lower than reported performance in the preceding years. Implementation activities were developed during the year to adapt to changes in trading conditions.

Continuing from the previous years, good progress was made during the year in terms of the planned impact and outcomes outlined in the 2020-2025 strategic plan. Over the past four years, SAST achieved an **annual average of 73.5%**. 87% was achieved in 2020/21, 65% in 2021/22 and 71% for both 2022/23 and the 2023/24 year under review. Key strategic outcomes under Programme Two focusing on the core mandate of SAST were implemented during the year with good results reported for Audience engagement, providing Access to Theatre spaces, and for Job creation in the Performing Arts sector. The **overall impact** will be assessed during the end of term review to be compiled during the 2024/25 year.

Programme Performance



8.3 Broad-Based Black Economic Empowerment (B-BBEE)

The annual B-BBEE verification for the 2022/23 financial year was conducted during the 2023/24 financial year. SAST received a rating of non-compliant contributor, with an overall score of 29.84% for the four measured elements of Management Control, Skills Development, Enterprise and Supplier Development, and Socio-Economic Development. SAST is not measured against the element of Ownership, since it is a public entity. A B-BBEE improvement plan was implemented during the 2023/24 year. The areas that have been identified for improvement include:

- Skills Development,
- Enterprise and Supplier Development Programme, and
- Socio Economic Development.

The 2023/24 budget provides a minimum of 1% spending on skills development. Providing cashflow allows, training will be implemented accordingly and will contribute to improving the B-BBEE score.

The following table has been completed in accordance with the compliance with the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to SAST.
Developing and implementing a preferential procurement policy?	Yes	The SAST Preferential Procurement Policy was compiled and approved during the 2023/24 financial year. The policy provides for points allocation based Specific Goals identified by SAST.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to SAST.
Developing criteria for entering into partnerships with the private sector?	Yes	Any partnership concluded, is considered on its merits to further the SAST mandate and contribute to implementation of the SAST programmes.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to SAST.

Notes:

1. Population statistics are sourced from the Stats SA Census 2022. <https://census.statssa.gov.za/#/province/7/2>

PART C: MEASURING OUR PERFORMANCE

9. Institutional Performance Information

9.1 Measuring the impact

IMPACT STATEMENT

Access provided to the performing arts sector to create and present their artistic work that is experienced by diverse audiences in a professional theatre environment.

9.2 Measuring outcomes

Outcome	Outcome Indicator	Baseline (Past 5-years)	5 Year Targets
Revenue generated from commercial activities.	Self-generated revenue recognised. • Property rental revenue recognised. • Ticket sales and theatre rental revenue recognised. • Parking garage revenue recognised. • Front of House sales revenue recognised.	R93 689 804	R160 183 900
Buildings and assets maintained and upgraded.	Number of Capital-works projects completed.	12	10 (Subject to CAPEX funding)
	Number of maintenance programmes completed.	20	5 (Format of the maintenance programme has changed from baseline)
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Audit report issued by the Auditor-General South Africa.	Unqualified Audit (2019/20). Qualified Audit (2020/21). Qualified Audit (2021/22). Clean audit (2022/23). Clean Audit (2023/24).	Clean Audit report for each Financial Year completed.
	Number of labour matters with rulings against SAST.	0 Incidents reported in each Financial Year completed	No incidents of non-compliance with labour-related legislation.
In-house developed and externally sourced performing arts works presented.	Number of in-house productions staged.	451	310
	Number of short term job opportunities created in In-house Productions.	3 681	2 345
Audience attendance improved.	Number of audience for events.	436 706	824 189
Development opportunities provided.	Number of community groups participating in the programme.	57	75
	Number of internship positions created and filled.	30	30

9.3 Explanation of Planned Performance over the Five-year Planning Period

9.3 a) Contribution to the NDP and Priority Groups

Outcome	NDP IMPLEMENTATION PLAN PRIORITY AREA CONTRIBUTION	PRIORITY GROUP PARTICIPATION
In-house developed and externally sourced performing arts works presented.	Economic transformation and job creation	Youth
	Social cohesion and safe communities	Women
	A better Africa and world.	People with disabilities
Development opportunities provided.	Economic transformation and job creation	Youth
	Education, skills and health	Women
	Social cohesion and safe communities	People with disabilities
	Building a capable, ethical and developmental State	
Audience attendance improved.	Social cohesion and safe communities	Youth
	Education, skills and health	Women
		People with disabilities
Buildings and assets maintained and upgraded.	Economic transformation and job creation	Youth
	Building a capable, ethical and developmental State	Women
	Spatial integration, human settlements and local government	People with disabilities
Revenue generated from commercial activities.	Building a capable, ethical and developmental State	Youth
		Women
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Building a capable, ethical and developmental State	Youth
		Women
		People with disabilities

9.3 b) Rationale for the selection of outcome indicators

Outcome	Outcome Indicator	Rationale
In-house developed and externally sourced performing arts works presented.	Number of in-house productions staged.	Represents the number of performing arts productions staged which relates to the number of practitioners that have been provided with access.
	Number of short term job opportunities created in In-house Productions.	Reports the number of jobs created in the performing arts sector.
Development opportunities provided.	Number of community groups participating in the programme.	Reports the number of community groups that have been provided with access to development programmes.
	Number of internship positions created and filled.	Provides the number of arts practitioners who have participated in programmes to fulfil their formal education requirements in order to achieve a qualification in the arts.
Audience attendance improved.	Number of audience for events.	Reports the number of people from society that have participated in our activities.
Buildings and assets maintained and upgraded.	Number of Capital-works projects completed.	Provides an indication of our contribution to government's infrastructure development.
	Number of maintenance programmes completed.	Reports on our maintenance of infrastructure.
Revenue generated from commercial activities.	Self-generated revenue recognised.	Reports on the revenue that we generate from utilising the property infrastructure and from staging performances.
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Audit report issued by the Auditor-General South Africa.	Reports on our ability to comply with the PFMA and its related legislation.
	Number of labour matters with rulings against SAST.	Reports on our ability to comply with labour legislation.

9.3 c) Enablers to achieve five-year targets

The primary enabler to achieving the five-year targets, is the allocation of the government grant to fund our operational budget. It also is of critical importance that the Capital Works budget is funded by DSAC to ensure the sustainability of our infrastructure. Timely promulgation of the revised White Paper on Arts and Culture together with the implementation of its related activities is of strategic importance.

9.3 d) Outcomes contribution to achieve impact

Outcome	Impact	Outcome Contribution to the Impact
In-house developed and externally sourced performing arts works presented.	Provide the performing arts sector with access to performance spaces to stage their artistic works. Job opportunities created in the performing arts through staging of performing arts works.	Staging of performing arts works thereby creating access. Artistic, technical and administrative jobs created in the staging of the performing arts.
Audience attendance improved.	Attract a diverse audience of people from across all races, languages, religions and the different nationalities that form the society of South Africa to watch performances and Create an awareness of the performing arts as a form of entertainment and as a career path that becomes inculcated into the culture of the youth of South Africa. Promote nation building and a socially cohesive society through commemorating our National Days in our spaces that are free of social barriers.	Product and brand positioning to attract audience and practitioners to the performing arts.
Development opportunities provided.	Enable the performing arts sector, in particular the priority groups, namely; women, youth and the disabled, to develop their artistic products to become commercially viable for both local and international market consumption.	Programme engages communities and arts practitioners thereby creating access to development and commercial activities.
Revenue generated from commercial activities.	Government grant augmented with self-generated revenue to ensure financial sustainability.	Revenue is generated by staging of performing arts works and from rental of the property infrastructure.
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Implementation of our mandate according to legislative prescripts through transparent administrative processes that are free of corruption.	Compliance with legislation and combating corrupt activities to enable efficient and legitimate transactions.
Buildings and assets maintained and upgraded.	Ensure long-term sustainability of buildings and assets.	Availability of infrastructure and assets that enables the implementation of our programmes.

PART D: TECHNICAL INDICATOR DESCRIPTION (TID)

10. Technical Indicator Description (TID)

Indicator title	Self-generated revenue recognised.
Definition	Revenue that is generated by the SAST through implementing commercial activities which includes; Ticket Sales, Theatre, Office and other space Rentals, Parking and Front of House Sales.
Source of data	Pastel accounting system.
Method of calculation	Simple count, using account ledger balances for the reporting period.
Assumptions	Functional, accurate and updated Pastel system.
Desired performance	Higher than target.
Indicator responsibility	Chief Financial Officer

Indicator title	Number of Capital-works projects completed.
Definition	Renovations, upgrades and acquisition of property, plant and equipment. Projects are outlined on the User Asset Management Plan (UAMP). Approved and funded projects may be implemented. Implementation may be over several years and progress will be reported accordingly.
Source of data	UAMP progress report.
Method of calculation	Simple count, considering the number of completed projects.
Assumptions	Funding availability per approved UAMP. Updated and accurate progress report.
Desired performance	Completion of projects within budget and according to agreed timeframes.
Indicator responsibility	Chief Financial Officer

Indicator title	Number of maintenance programmes completed.
Definition	Maintenance and repairs of property, plant and equipment on a routine basis.
Source of data	Maintenance progress report.
Method of calculation	Simple count, considering the number of completed programmes.
Assumptions	Updated and accurate progress report.
Desired performance	Maintenance implemented according the programme plan.
Indicator responsibility	Chief Financial Officer

Indicator title	Audit report issued by the Auditor-General South Africa.
Definition	The audit opinion expressed by the Auditor General for the financial year being audited.
Source of data	Auditors Report.
Method of calculation	No calculation required.
Assumptions	Accurate report issued.
Desired performance	Clean audit report.
Indicator responsibility	Chief Financial Officer.

Indicator title	Number of labour matters with rulings against SAST.
Definition	Labour disputes which are referred to the CCMA or Labour Court in which SAST is found to have contravened applicable legislation. Non-compliance with Income Tax Act, and other applicable legislation.
Source of data	CCMA or Labour Court award.
Method of calculation	No calculation required.
Assumptions	Fair and unbiased award issued.
Desired performance	No labour matters are awarded against the SAST.
Indicator responsibility	Chief Executive Officer.

Indicator title	Number of in-house productions staged.
Definition	In-house productions staged, including school set-work productions and partnership based productions.
Source of data	Production contract or budget.
Method of calculation	Simple count, considering the number of in-house productions staged.
Assumptions	Contracts and budget signed and filed.
Desired performance	Productions are staged according to contract or budget.
Indicator responsibility	Artistic Director.

Indicator title	Number of short term job opportunities created in In-house Productions.
Definition	Short-term jobs that are created in in-house productions staged by SAST. This may include exhibitions, related events and supporting activities.
Source of data	Employment report.
Method of calculation	Simple count, considering the number of jobs created.

Assumptions	Accurate and complete employment report.
Desired performance	Jobs are created according to the contract or budget.
Indicator responsibility	Artistic Director.

Indicator title	Number of audience for events.
Definition	The audience numbers for both in-house and rental productions, exhibitions and events for the reporting period.
Source of data	Ticketing system, or Attendance register, or Streaming platform, or Broadcaster.
Method of calculation	Simple count, considering the attendance figures.
Assumptions	Accurate and complete electronic system, attendance registers used where ticketing or electronic records are not practicable.
Desired performance	Higher than target.
Indicator responsibility	Artistic Director.

Indicator title	Number of community groups participating in the programme.
Definition	Community groups that participate in the programme.
Source of data	Programme report
Method of calculation	Simple count, considering the number of groups participating.
Assumptions	Accurate and complete programme report.
Desired performance	Planned number of groups to participate.
Indicator responsibility	Artistic Director.

Indicator title	Number of internship positions created and filled.
Definition	Graduates and students pursuing formal qualifications in the performing arts provided with internship positions to obtain formal work experience required for the fulfilment of requirements of the qualification being studied.
Source of data	Internship contract.
Method of calculation	Simple count, considering the number of interns.
Assumptions	Contracts signed and filed.
Desired performance	Planned number of positions created filled.
Indicator responsibility	Chief Executive Officer.

ANNEXURES

Annexure A

Key Risks

Risk No	Strategic Output	Risk Description	Risk Mitigation Plan
Outcome 1: In-house developed and externally sourced performing arts works presented.			
Purpose: Present In-house Performing Arts productions			
1	SPA / Artistic Productions	Misappropriation of SAST intellectual property.	1. Implement the IP policy and ensure registration of SAST productions with DALRO.
2	SPA / Artistic Productions	Inadequate budget to implement artistic programme	1. Implement the key productions of the approved artistic programme within the available budget.
Outcome 2: Development opportunities provided.			
Purpose: Provide development opportunities for emerging Arts Practitioners in the context of our programmes.			
3	SPD1 / Implement the Community Arts Dramaturgy Outreach Fieldwork programme.	Limited implementation of the Community Outreach Fieldwork programme.	1. Implement the programme within the allocated budget.
Outcome 5: Audience attendance improved.			
Purpose: Attract Audiences to watch the Performing Arts.			
4	SPM5 / Conduct surveys of patron satisfaction.	Inadequate audience engagement.	1. Implement revised strategy to entice target market participation. Ensure monthly analysis and assessment of audience surveys with information shared to MANCO for appropriate action.
Outcome 3: Revenue generated from commercial activities.			
Purpose: Generate revenue from commercial activities which includes Ticket Sales, Rentals, Fundraising and Front of House Sales.			
5	SPI4 / Generate revenue from ticket sales of in-house productions and from Theatre rentals.	Inadequate return on investment-made in productions as a portfolio.	1. Implement the Revised Sales and Marketing strategy, to achieve 60% (minimum 20% on developmental productions) sales of the theatre capacity for the duration of a production run.
6	SPI2 / Generate rental revenue from the SAST immovable property portfolio, i.e. Kilnerton, Office Blocks, Restaurants and other spaces.	Inadequate revenue generated from the property portfolio.	1. Revised marketing strategy to be implemented with aggressive approach to securing new business. 2. SAST properties to be maintained and upgraded. 3. New online rentals portal being developed to automate leasing and recurring payments.
7	SPI5 / Generate revenue from the Parking garage.	Inadequate revenue generated from the Parking Garage	1. Attract new long-term customers to the SAST parking garage.
Outcome 4: Buildings and assets maintained and upgraded.			
Purpose: Ensure long term sustainability of Buildings and Assets			
8	SPB1 / Implement CAPEX projects that are approved and funded on the UAMP.	Inadequate infrastructure refurbishment and upgrading.	1. Implement approved and funded CAPEX and maintenance projects.
Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.			
Purpose: Ensure compliance with applicable Laws, Regulations and Statutory Legislation			

Risk No	Strategic Output	Risk Description	Risk Mitigation Plan
9	SPR2 / Comply with South African Laws and Regulations governing labour relations.	High vacancy rate	1. All vacancies to be frozen until budget has stabilised. 2. Where new vacancies arise due to posts being vacated, these must be filled within the allocated budget of the vacant post.
10	SPR1 / Achieve an Unqualified Audit report.	Inaccurate financial statements	1. Implement an integrated financial management system that captures source documents and accurately records each transaction with complete asset information. 2. Financial statements to be prepared according to the accounting standards with complete and accurate information and format of the required statements, with due consideration of audit findings outlined in the AG-SA audit report.
11	SPR1 / Achieve an Unqualified Audit report.	SCM non-compliance with treasury regulations	1. National Treasury to partner with SAST during the 2023/24 year to assist in improving compliance. 2. Internal Audit function to provide experienced personnel for tender reviews. 3. Probity reviews to be conducted on all major transactions and selected purchases over R100,000.
12	SPR / Governance	Fraud and corruption	1. Implement additional improvements to the financial transactions environment that may be recommended in the forensic investigation report into the R24m fraud matter.
13	SPR / Governance	ICT Vulnerability	1. Approve and implement ICT strategy with an approved annual ICT workplan to address ICT vulnerabilities, with specific focus on Cybersecurity and data integrity. 2. Secure funding for ICT projects
14	SPR / Governance	Inadequate compliance with occupational health and safety regulations, in particular from theatre rental productions.	1. Implement OHS compliance requirements for all productions, with emphasis on theatre rental productions.

Materiality Significance Framework

Important Note: The continued appropriateness of this Framework will be assessed at least annually against SAST (1) Strategic Plan (2) Budget (3) Risk Management Strategy and (4) Fraud Prevention Plan.

1. Background

This document was developed to give effect to the May 2002 amendment to the Treasury Regulations, whereby the following new requirement was set for public entities:

"For purposes of material [sections 50(1), 55(2) and 66(1) of the Public Finance Management Act (PFMA)] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors."
[Section 28.1.5]

Public entities are required to include the Materiality and Significance Framework in the Strategic Plan to be submitted to its Executive Authority. [TR 30.1.3] Furthermore, the Materiality and Significance Framework must be detailed in the public entity's annual report. [TR 28.2.1]

No definitions for the concepts "material" and "significant" are included in either the PFMA or in the Treasury Regulations. Accordingly, in compiling this framework the South African State Theatre has sought guidance from, inter-alia International Standards on Auditing 320 (ISA 320) paragraph A2, which indicates the following considerations specific to the public entity when determining materiality:

In the case of a public sector entity, legislators and regulators are often the primary users of its financial statements. Furthermore, the financial statements may be used to make decisions other than economic decisions. The determination of materiality for the financial statements as a whole (and, if applicable, materiality level or levels for particular classes of transactions, account balances or disclosures) in an audit of the financial statements of a public sector entity is therefore influenced by law, regulation or other authority and by the financial information needs of legislators and the public in relation to public sector programs."

Materiality can be based on a number of financial indicators. However guidance in terms of Practice Note on Applications under Section 54 of the PFMA Act No 1 of 1999 dated 13 July 2006, paragraph 3.7 states the following:

"In arriving at acceptable levels of significance, the guiding principles set out below should be applied:

3.7.1 The parameters are derived from the rand values of certain elements of the individual public entity's audited financial statements, as follows:

Elements % range to be applied against rand value
Total Assets 1% - 2%
Total Revenue 0.5% - 1%
Profit after tax 2% - 5%

2. Broad Framework for South African State Theatre

South African State Theatre will be dealing with this framework under two main categories, being quantitative and qualitative aspects.

2.1 Overall Quantitative materiality

Materiality level

The SAST assesses the level of a material loss as being 1.5% of total revenue as disclosed on the 2023/24 audited financial statements

Total revenue as per the 2023/24 audited financial statements = R140,141,131

Factors considered

In determining the said materiality value of 1.5% of total revenue, SAST took into account factors that include:

Base Amount Consideration

Revenue is considered to be the most appropriate Base amount. Revenue comprises of grants received from Department of Sport, Arts and Culture and self-generated income. Revenue is the most appropriate due to it being the key driver for SAST financial sustainability.

Financial data to be used

The 2023/24 audited financial statements is considered to be the most appropriate financial data to be used in determining the materiality of SAST in compliance with National Treasury's Practice Note.

Reason for 1.5% of total revenue

The SAST elects to give preference to a higher level of materiality due to the following:

- Clean audit for the 2023/24 financial year

Based on the above, SAST has undertaken a conservative approach by assessing the materiality at lower level of materiality in consultation with the Auditor General of South Africa.

Furthermore a lower materiality is considered appropriate due to SAST being closely governed by various acts and the public accountability responsibility it has to its stakeholders.

3. SAST General Approach to Qualitative Aspects

Materiality is not confined to the size of the entity and the elements of its financial statements.

The SAST recognises that misstatements that are large either individually or in the aggregate may affect a "reasonable" user's judgement. Further, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst other:

- o New ventures that SAST may enter into.
- o Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof due to knowledge thereof affecting the decision making of the user of the financial statements.
- o Transactions entered into that could result in reputational risk to SAST.
- o Any fraudulent or dishonest behaviour of an officer or staff of SAST.
- o Any infringement of the SAST's agreed performance levels.
- o Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations).
- o Items of a non-financial nature, which would impact on the continued operation and deliverables of the SAST.
- o The acquisition or disposal of a significant asset; and
- o The beginning of a significant business activity.

The SAST further expands on these aspects under Annexure A, to this document.

The policy contained in this framework will be appropriately presented in the Annual Report of the SAST as required.

Definitions and Abbreviations

Accounting Authority: South African State Theatre Council

Executive Authority: Department of Arts and Culture

Entity: South African State Theatre

PFMA: Public Finance Management Act (Act 1 of 1999 as amended by act 29 of 1999)

Treasury Regulations: Public Finance Management Act, 1999: amendment of Treasury Regulations in Terms of Section 76 as published in Government Gazette No. 7372

Annexure A: Detailed/Specific SAST Responses to Requirements

4.1 SAST Response to Fiduciary duties of the Accounting Authority Requirements

The accounting authority must on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts including those reasonably discoverable, which in any way influence the decisions or actions of the executive authority or that legislature.		
Further/Specific Requirement (PFMA section 5a)	Quantitative (Amount)	Qualitative
None	<u>SAST Response:</u> Any fact discovered of which the amount exceeds the determined materiality figure as calculated under par 2.1	<u>SAST Response:</u> 1. Any item or event of which specific disclosure is required by law 2. Any fact discovered of which its omission or misstatement, in the Council's opinion, could influence the decisions or actions of the executive authority or legislature.

4.2 SAST Response to Annual Report and Financial Statements Requirement

<u>General/Principal Requirement (PFMA section 55)</u>
The annual report and financial statements referred to in subsection (1) (d) must (a) fairly present the state of affairs of the public entity, <u>its business</u> , <u>its financial results</u> , its <u>performance against predetermined objectives</u> and its <u>financial position</u> as at the end of the financial year concerned:

Further/Specific Requirement (PFMA section 55 (a))	SAST Response: Quantitative	SAST Response: Qualitative
(b) include particulars of: (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; (ii) any criminal or disciplinary steps taken consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; (iii) any losses recovered or written off; (iv) any financial assistance received from the state and commitments made by the state on its behalf; and (v) any other matters that may be prescribed.	1. Losses through criminal conduct: any loss identified. 2. Losses through irregular, fruitless, wasteful expenditure: Where combined total exceeds the planning materiality figure used by the external auditors for the year under review.	All identified losses through criminal conduct will be disclosed. Fruitless and wasteful expenditure and financial misconduct.

4.3 SAST Response to Information to be submitted by Accounting Authority Requirement

Council Charter

1. INTRODUCTION

- 1.1 The Minister of Arts and Culture, as the department was known as at that time, declared The Renaissance Theatre, a cultural institution, in terms of Section 3(1) of the Cultural Institutions Act, 1998, on 22 April 2005.
- 1.2 The Renaissance Theatre, a cultural institution, trades as the South African State Theatre (SAST), which is a Public Entity in terms of Schedule 3A of the PFMA.
- 1.3 SAST is an Entity of the National Department of Sport, Arts and Culture (DSAC).
- 1.4 In terms of Section 5 of the Cultural Institutions Act, all cultural institutions must be placed under the control, management and direction of a Council, appointed by the Minister of Sport, Arts and Culture.
- 1.5 The SAST Council has thus been duly appointed by the Minister of Sport, Arts and Culture.
- 1.6 The Council's roles, responsibilities and functions are defined in this SAST Council Charter.

2. PURPOSE OF THE CHARTER

- 2.1 SAST has adopted the King Code to provide an overarching corporate governance framework.
- 2.2 The purpose of this Council Charter is thus to;
 - 2.2.1 Clearly define the Council's duties, functions and responsibilities.
 - 2.2.2 Prescribe the composition of the Council and its members requirements,
 - 2.2.3 Establish procedures for Council meetings, and
 - 2.2.4 Provide the requirements for evaluation of this Council's performance.

3. LEGISLATIVE AND POLICY ENVIRONMENT

- 3.1. Constitution of the Republic of South Africa, Act 108 of 1996, as amended.
- 3.2. Public Finance Management Act, Act no. 1 of 1999, read together with the National Treasury Regulations, as amended.
- 3.3. Cultural Institutions Act, 1998 (as amended) and the White Paper on Arts and Culture.
- 3.4. Companies Act, 71 of 2008 (as amended).
- 3.5. The King Code of Good Governance.
- 3.6. SAST Council Charter.
- 3.7. SAST Shareholders Compact with the Department of Sport, Arts and Culture (DSAC).
- 3.8. SAST Policies and Procedures.
- 3.9. SAST Mandate and Strategies.
- 3.10. All other legislation applicable to SAST.

4. DUTIES, FUNCTIONS AND RESPONSIBILITIES OF THE COUNCIL

4.1 Powers and Delegation of Powers

- 4.1.1 In respect of the duties of the Council as outlined herein, the Council will report to the Minister of Sport, Arts and Culture.
- 4.1.2 The Council may in writing delegate any of the duties, functions, responsibilities and powers to a committee or an official at the SAST or instruct a committee or an official at the SAST to perform any of the duties assigned to the Council.
- 4.1.3 A delegation or instruction to a committee or official of the SAST is subject to any limitations and conditions that the Council may impose and does not divest the Council of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.
- 4.1.4 The Council may confirm, vary or revoke any decision taken by a committee or an official of the SAST as a result of a delegation or instruction, subject to any rights that may have become vested as a consequence of the decision.
- 4.1.5 The SAST Council has established the following Committees, and delegated to each Committee through its Committee Charter responsibilities and duties:
 - 4.1.5.1 Audit and Risk Committee [Statutory Committee] (ARC)
 - Internal control and combined assurance (Internal and External Audit)
 - Financial reporting and related policies
 - Risk management and related policies
 - Performance information management and related policies
 - ICT management and related policies (as referred by ICTSC)

- 4.1.5.2 Social and Ethics Committee [Statutory Committee] (SEC)
 - Socio-economic development
 - Good corporate citizenship
 - Environment, health and public safety
 - Ethical leadership, management and conduct
 - Corporate governance services (company secretary)
- 4.1.5.3 Institutional Development Committee (IDC)
 - Artistic programme and related policies
 - Performing arts and the cultural sector advocacy and advancement
 - Audience development programme and related policies
 - Brand and reputation management and related policies
 - Revenue generation programme and related policies
 - Fundraising and related policies
 - Infrastructure management programme and related policies
- 4.1.5.4 Human Resources and Remuneration Committee (HRRC)
 - Human capital management and related policies.
 - Remuneration and related policies.
- 4.1.5.5 Finance Committee (FinCom)
 - Financial accounting and related policies.
 - Procurement and related policies.
 - Budget management.
 - Asset management and related policies.
 - Capital Works projects.
- 4.1.5.6 Information and Communication Technology Strategic Committee (ICTSC)
 - ICT matters and related policies.

4.2 Guiding Principles

- 4.2.1 To exercise its duties with utmost care and ensure reasonable protection of the assets and records of the SAST.
- 4.2.2 To act with fidelity, honesty, integrity and in the best interests of the SAST in overseeing the financial affairs of the SAST.
- 4.2.3 To seek, within its sphere of influence to prevent any prejudice to the financial interests of the state.
- 4.2.4 Members may not act in any way which is inconsistent with the responsibilities assigned to them.
- 4.2.5 Members may not use their position of privilege, or any confidential information obtained as a member for personal gain or to improperly benefit another person.
- 4.2.6 Members must disclose to the Council any direct or indirect personal or private business interest that a Council member or any spouse, partner or close family member may have in any matter before the Council and withdraw from the proceedings of the Council when that matter is considered, unless the Council decides that the Council member's direct or indirect interest in the matter is trivial or irrelevant.
- 4.2.7 The Council must on request, disclose to the Minister of Sport, Arts and Culture all material facts, including those responsibly discovered, which in any way may influence the decisions or actions of the Minister of Sport, Arts and Culture.

4.3 Scope of Work

4.3.1 Statutory functions in terms of the provisions of section 8 of the Cultural Institutions Act:

- 4.3.1.1 To oversee policy development and implementation at the SAST.
- 4.3.1.2 To oversee that SAST Management holds, preserves and safeguards all movable and immovable property of whatever kind placed in the care of or loaned or belonging to the SAST.
- 4.3.1.3 To oversee that SAST Management receives, holds, preserves and safeguards all movable property placed under the care and management of the SAST by the Minister of Sport, Arts and Culture, in terms of section 10(1) of the Cultural Institutions Act.
- 4.3.1.4 To assist in and support SAST Management to raise funds for the SAST.
- 4.3.1.5 To oversee that SAST Management manages and controls money received by the SAST and to utilise those monies for defraying expenses in connection with the performance of the SAST's functions.
- 4.3.1.6 To oversee that SAST Management keeps a proper record of the property of the SAST and submits to the Director-General of the Department of Sport, Arts and Culture any returns required by him or her in regard thereto and to cause proper books of account to be kept.
- 4.3.1.7 To determine, subject to the Cultural Institutions Act and with the approval of the Minister of Sport, Arts and Culture, the objects of the SAST.
- 4.3.1.8 To generally carry out the objects of the SAST.
- 4.3.1.9 To oversee that the SAST Management determines the hours during which and the conditions and restrictions subject to which the public may visit the SAST, or portion thereof, and the admission charges to be paid.

- 4.3.1.10 The Council may appoint such persons as it considers necessary to perform the functions of the SAST.
- 4.3.1.11 The Council must oversee that the determination of the remuneration and other conditions of service of persons appointed by SAST must be in accordance with a scheme approved by the Minister of Sport, Arts and Culture in consultation with the Minister of Finance.
- 4.3.1.12 The Council must no later than one month before the commencement of each financial year, cause to be submitted an Annual Performance Plan covering the next three financial years and containing such information as may be prescribed by the Minister of Sport, Arts and Culture for his or her approval.
- 4.3.1.13 To oversee that SAST Management prepares and submits an annual report to the Minister of Sport Arts and Culture which must contain such information regarding the activities and financial position of the SAST as may be prescribed, to be tabled in Parliament by the Minister of Sport, Arts and Culture.
- 4.3.1.14 Where requested to do so, within five months after the report has been tabled at Parliament, a delegation consisting of the Council Chairperson and at least two other Council members, together with the CEO and CFO must brief the relevant committee of Parliament on the annual report.
- 4.3.2 Statutory functions in terms of the provisions of Chapter 6 of the Public Finance Management Act:**
- 4.3.2.1 The Council must oversee that the SAST has and maintains effective, efficient and transparent systems of financial and risk management and internal controls.
- 4.3.2.2 The Council must oversee that the SAST has and maintains a system of internal audit under the control and direction of the SAST Audit and Risk Committee.
- 4.3.2.3 The Council must oversee that an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective, is adopted at the SAST.
- 4.3.2.4 The Council must oversee that there is a system for properly evaluating all major capital projects prior to making a final decision on the project.
- 4.3.2.5 The Council must oversee that SAST Management takes effective and appropriate steps to collect all revenue due to the SAST.
- 4.3.2.6 The Council must oversee that SAST Management takes effective and appropriate steps to prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the SAST.
- 4.3.2.7 The Council must oversee that SAST Management takes effective and appropriate steps to manage available working capital efficiently and economically.
- 4.3.2.8 The Council is responsible to oversee financial management, including safe-guarding of assets and the management of revenue, expenditure and liabilities of the SAST.
- 4.3.2.9 To oversee that SAST Management complies with any tax, levy, duty, pension and audit commitment as required by legislation.
- 4.3.2.10 To oversee that SAST Management takes effective and appropriate disciplinary steps against any employee of the SAST who:
- 4.3.2.10.1 Contravenes or fails to comply with any provision of law;
- 4.3.2.10.2 Commits an act which undermines the financial management and internal controls system of the SAST; or
- 4.3.2.10.3 Makes or permits an irregular expenditure or a fruitless and wasteful expenditure.
- 4.3.2.11 The Council is responsible to oversee that SAST Management submits all reports, returns, notices and other information to Parliament, the Department of Sport, Arts and Culture or to any other organ of state as may be required by the Public Finance Management Act, or any other Act outlining statutory submission requirements applicable to the SAST.
- 4.3.2.12 To oversee that SAST Management promptly informs the National Treasury of any new entity which the SAST intends to establish or in the establishment of which it takes the initiative and allows the National Treasury a reasonable time to submit its decision prior to the formal establishment thereof.
- 4.3.2.13 To oversee that SAST Management complies with the provisions of Public Finance Management Act and any other legislation applicable to the SAST.
- 4.3.2.14 To oversee that if the SAST Management is unable to comply with any of the responsibilities set out in Part 6 of the Public Finance Management Act, the Council must promptly report the inability, together with reasons, to the Minister of Sport, Arts and Culture and treasury.
- 4.3.2.15 To oversee that SAST Management submits to the Department of Sport, Arts and Culture and to the relevant treasury, at least one month, or another period agreed with the National Treasury, before the start of its financial year a projection of revenue, expenditure and borrowings, if any, for that financial year in the prescribed format; and an Annual Performance Plan in the prescribed format covering the affairs of the SAST for the following three financial years.
- 4.3.2.16 To oversee that SAST Management submits to the Department of Sport, Arts and Culture, at least six months before the start of the financial year or another period agreed to between the Minister of Sport, Arts and Culture and the SAST, a budget of estimated revenue and expenditure for that financial year, for approval by the Minister of Sport, Arts and Culture.
- 4.3.2.17 To oversee that SAST Management ensures that expenditure of the SAST is in accordance with the approved budget.
- 4.3.2.18 To oversee that SAST Management submits to the relevant treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require.
- 4.3.2.19 Before the SAST concludes any of the following transactions, the Council must oversee that SAST Management promptly and in writing informs the relevant treasury of the transaction and submits relevant particulars of the transaction to the Minister of Sport, Arts and Culture for approval of the transaction:
- 4.3.2.19.1 Establishment or participation in the establishment of a company;
- 4.3.2.19.2 Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
- 4.3.2.19.3 Acquisition or disposal of a significant shareholding in a company;
- 4.3.2.19.4 Acquisition or disposal of a significant asset;
- 4.3.2.19.5 Commencement or cessation of a significant business activity; and
- 4.3.2.19.6 A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.
- 4.3.2.20 To oversee that SAST Management keeps full and proper records of the financial affairs of the SAST.
- 4.3.2.21 To oversee that SAST Management prepares financial statements for each financial year in accordance with Generally Recognised Accounting Practice (GRAP).
- 4.3.2.22 To oversee that SAST Management submits those financial statements within two months after the end of the financial year to the Auditor-General and the relevant treasury.

4.3.2.23 To oversee that SAST Management submits within five months of the end of a financial year to the relevant treasury and the Minister of Sport, Arts and Culture:

4.3.2.23.1 An annual report on the activities the SAST during that financial year.

4.3.2.23.2 The financial statements for that financial year after the statements have been audited; and

4.3.2.23.3 The report of the Auditor-General on those statements.

4.3.2.24 To oversee that SAST Management submits the annual report and annual financial statements for tabling in Parliament, to the Minister of Sport, Arts and Culture.

4.3.3 Duties and functions in accordance with the King IV Report on Corporate Governance for South Africa, 2016:

4.3.3.1 Council must lead ethically and effectively.

4.3.3.2 Council must govern the ethics of the SAST in a way that supports the establishment of an ethical culture.

4.3.3.3 Council must ensure that the SAST is and is seen to be a responsible corporate citizen.

4.3.3.4 Council must appreciate that the SAST's core purposes, its risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process.

4.3.3.5 Council must oversee that reports issued by the SAST Management enables stakeholders to make informed assessments of the SAST's performance and its short, medium and long terms prospects.

4.3.3.6 Council must serve as the focal point and custodian of corporate governance in the SAST.

4.3.3.7 Council must ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

4.3.3.8 Council must ensure that the evaluation of its own performance and that of its committees, its chairperson, its members and the company secretary support continued improvement in its performance and effectiveness.

4.3.3.9 Council must ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities.

4.3.3.10 CEO appointment and role

Council shall:

4.3.3.10.1 oversee the CEO's nomination and appointment process, ensuring that it is robust and transparent in accordance with approved procedures.

4.3.3.10.2 oversee that the CEO's letter of appointment is clear and sets out that:

4.3.3.10.2.1 the CEO is accountable to the Council;

4.3.3.10.2.2 sets out the performance measures and targets for the CEO; and

4.3.3.10.2.3 that Council is responsible for the appointment, discharge and assessment of the CEO.

4.3.3.10.3 annually review the terms and conditions of the employment contract of the CEO.

4.3.3.10.4 annually evaluate and assess the performance of the CEO against predetermined goals and criteria.

4.3.3.10.5 oversee that appropriate mechanisms are in place regarding succession planning for the position of the CEO.

4.3.3.11 Council must govern risk in a way that supports the SAST in setting and achieving its strategic objectives.

4.3.3.12 Council must govern technology and information in a way that supports the SAST setting and achieving its strategic objectives.

4.3.3.13 Council must govern compliance with laws and adopted, non-binding rules, codes and standards in a way that supports the SAST being ethical and a good corporate citizen.

4.3.3.14 Council must oversee remuneration such that the SAST remunerates, fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

4.3.3.15 Council must oversee that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the SAST external reports.

4.3.3.16 In the execution of its governance role and responsibilities, the Council must adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the SAST over time.

4.3.3.17 Council must monitor socio-economic transformation within the SAST.

4.3.3.18 Council must retain a copy of the current Charter at the registered office of the SAST and provide stakeholders with a copy of the same if required.

4.3.3.19 Council must consider such other topics and fulfil such other duties as defined by the Minister of Sport, Arts and Culture.

4.3.3.20 In order to discharge its responsibilities and fulfil its duties the Council will engage in the specific activities in accordance with the Councils approved work plan.

5. COMPOSITION OF COUNCIL

5.1 Composition and appointment

5.1.1 The Council shall consist of at least the following members:

5.1.1.1 Nine Council members, duly appointed by the Minister of Sport, Arts and Culture, one of which shall chair the Council; and

5.1.1.2 The Chief Executive Officer (CEO) of the SAST who shall serve as *ex officio* and has no voting powers.

5.1.2 Council members are recommended for appointment to the Minister through a process managed directly by the Department of Sport, Arts and Culture.

5.1.3 Appointment to the Council must be in accordance with the principles of transparency and representivity.

5.1.4 Council members must perform their duties with due consideration of the Business Judgment Rule outlined under Section 76 (S76(3) and S76(4)) of the Companies Act, 2008.

5.1.5 The Chief Executive Officer is an ex-officio member of Council, with both strategic and operational responsibilities, including but not limited to, management of the business of Council and assigning responsibilities to members of Executive Management.

5.2 Skills

- 5.2.1 The members appointed to the Council must have experience in matters relating to the performing arts, and cultural activities.
- 5.2.2 At least one of the members appointed to the Council must have experience in financial matters.
- 5.2.3 The Council, as a whole, must have relevant skills and experience to execute its duties, functions and responsibilities effectively.
- 5.2.4 The members must be familiar with the SAST Legislative and Policy environment.

5.3 Training

- 5.3.1 Council members must receive a complete induction into the SAST operations that allows them to function effectively from the start.
- 5.3.2 Opportunities for continuous education and training should be actively pursued by each Council member.
- 5.3.3 All Council members shall be required to keep up to date with developments affecting the areas of responsibility of the Council.

5.4 Termination

- 5.4.1 A member of the Council is appointed for a period of three years, unless a shorter period is prescribed.
- 5.4.2 A member of the Council whose period of office has expired may be reappointed, at the Minister's discretion, but may not serve for more than two consecutive terms.
- 5.4.3 If a member of the Council dies or vacates office before the expiry of the period for which the member has been appointed, another person may be appointed to fill the vacancy for the unexpired portion of the period for which the member was appointed.
- 5.4.4 A member of the Council must vacate office if:
 - 5.4.4.1 that member resigns in writing;
 - 5.4.4.2 that member has been absent from three consecutive meetings of the Council without permission;
 - 5.4.4.3 that member is an un-rehabilitated insolvent;
 - 5.4.4.4 that member is found to be of unsound mind by a court of law;
 - 5.4.4.5 that member is convicted of an offence involving dishonesty or bodily harm and is sentenced to imprisonment without the option of a fine;
 - 5.4.4.6 that member materially breaches the ethics code of the SAST; or
 - 5.4.4.7 on reasonable grounds, the majority of the Council recommends termination, and the recommendation is approved by the Minister of Sport, Arts and Culture.
- 5.4.5 The Minister of Sport, Arts and Culture may dissolve the Council on any reasonable grounds, including for the purpose of amalgamation of entities.
- 5.4.6 Council should fill any vacancies on the Council within 60 (sixty) business days after the vacancy arises.

5.5 Culture and Interpersonal Dynamics

- 5.5.1 The Council contains a collection of diverse minds that need to speak as one voice and therefore requires Council members to be mindful of the diversity and differences of fellow Council members.
- 5.5.2 Council members shall treat each other with mutual respect.
- 5.5.3 Any form discrimination as set out in The Constitution of South Africa shall not be tolerated.
- 5.5.4 Openness and equality between Council members is essential.
- 5.5.5 Debates on critical issues are brought to a clear and consensual conclusion.
- 5.5.6 Threats and intimidation of any kind shall not be tolerated.

5.6 Council Chairperson

5.6.1 Appointment

- 5.6.1.1 The Chairperson of the Council is appointed by the Minister of Sport, Arts and Culture from the appointed Council members and holds office for the period or the unexpired portion of the period for which he or she has been appointed as a Council member.
- 5.6.1.2 If the Council Chairperson vacates the office as Chairperson before the expiration of the period for which he or she is appointed, Council shall, within seven days, inform the minister in writing that the Chairperson has vacated the office.

5.6.2 Role of the Council Chairperson

- 5.6.2.1 To guide Council members to participate as a cohesive and effective team.
- 5.6.2.2 To create awareness with Council members' in order for a mutual understanding of roles, responsibilities and accountability, including the need to comply with the Code of Conduct.
- 5.6.2.3 To inform members about developments in government policy, priorities and financial reporting.
- 5.6.2.4 To manage the evaluation of the performance of the Chief Executive Officer along with the Chairperson of the Audit and Risk Committee and one other appointed Council member and present the result of the evaluation to the Council members in a Council meeting for further action, if required.

5.6.2.5 To represent the Council to external parties as an official spokesperson for the Council, unless otherwise delegated to another Council member

5.6.2.6 To promptly and in writing report, any transactions related to fraud, corruption or gross negligence, in which a Council member or accounting officer is implicated, as reported by to the internal audit function or from any other source, to the DSAC and to the National Treasury.

5.6.3 Chairperson's Responsibilities and Duties within a Meeting

5.6.3.1 To preserve order, determine quorum, approve proxies, voting procedures, adjournments and to declare outcomes of voting and recommendations.

5.6.3.2 To monitor the progress of the meeting by ensuring everyone has an opportunity to give his or her opinion, thus facilitating all-around participation.

5.6.3.3 To encourage robust and productive debate and ensure interactive participation by all Council members.

5.6.3.4 To make sure the discussion of the agenda does not drift to irrelevant issues unconnected with the objectives of the meeting.

5.6.3.5 To keep track of the time allocated to participants to avoid stretches in discussions that may lead to long, perennial points and at the same time listen attentively to the information discussed in the meeting.

5.6.3.6 To seek the opinion of the Council members on their responses to the meeting and possible recommendations or concerns.

5.6.3.7 To encourage all Council members to be always mindful, adhere to professional courtesy and conduct at all times, also to illustrate the necessary respect regarding the importance of professional time.

5.6.4 Chairperson's Responsibilities and Duties related to Media

5.6.4.1 The Council Chairperson is the only Council member authorised to communicate or express thoughts and opinions to the media, unless otherwise delegated to another Council member.

5.6.4.2 The Council Chairperson will inform Council members of any and all interviews granted or comments made to the media.

5.6.4.3 The Council Chairperson in co-operation and understanding with the Chief Executive Officer will compile information regarding the discussion of certain matters before addressing the media or releasing a media statement.

5.7 Remuneration

5.7.1 A Council member who is not in the full-time employment of the State may receive out of the funds of the SAST, in respect of his or her functions as a member, honoraria and reimbursement for expenses as the Council may determine.

5.7.2 The determination criteria for the payment of the honoraria and reimbursement of expenses contemplated in 5.7.1 above, is subject to the National Treasury's Instructions on cost containment measures as issued from time to time.

6. PROCEDURES FOR COUNCIL MEETINGS

6.1 Frequency

6.1.1 The Council will meet at least four times during a financial year.

6.1.2 The dates for the four meetings will be agreed upon by the Council members and disseminated to the Council members at the beginning of every financial year.

6.1.3 Any member of the Council or the Chief Executive Officer, may request a meeting if deemed necessary and a meeting will then be arranged in consultation with the Chairperson of the Council.

6.2 Agenda

6.2.1 The Chief Executive Officer and the Company Secretary shall, in consultation with the Chairperson of the Council, draft an agenda, which shall be circulated with supporting documentation and notice of the meeting preferably seven days before the meeting.

6.2.2 The Council must establish an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual work plan must ensure proper coverage of the matters referred to in this Charter.

6.2.3 Council members must be fully prepared for Council meetings, to provide appropriate and constructive input on matters tabled at meetings.

6.3 Minutes and reporting procedures

6.3.1 The Company Secretary shall attend and minute all meetings.

6.3.2 The minutes of the Council meetings shall be completed within fourteen days of such meeting and shall be circulated to all members of the Council and other relevant personnel as directed by the Council Chairperson.

6.3.3 The official minutes shall consist of those duly signed by the Council Chairperson and Company Secretary after approval by the Council members.

6.4 Resolutions

6.4.1 Decisions of the Council will be made by resolution of 50% plus 1 of the Council members present at the Council meeting.

6.4.2 In the event of an equality of votes on any matter, the Council Chairperson will have an additional casting vote.

6.4.3 A written resolution (round robin resolution) signed by 50% plus 1 of the Council members shall be as valid and effectual as if it has been passed at a duly constituted meeting of the Council, provided that each Council member shall have been afforded 7 ordinary days opportunity to express an opinion on the matter to which such resolution relates.

6.4.4 Once a recommendation has been approved, it may not be challenged or impugned by any person in any forum on the grounds that it did not satisfy sections 6.4.1, 6.4.2 and 6.4.3 above.

6.5 Quorum and postponement

6.5.1 A quorum for meetings of the Council shall be 50% plus one (1) of the Council members.

6.5.2 If the Council Chairperson is not present within 15 (fifteen) minutes of the stipulated start time for such meeting, then the Council members present shall elect a Chairperson from among them to act as Chairperson of the meeting.

6.5.3 If after 30 minutes of the stipulated time for such meeting to commence, quorum has not been met, the Chairperson may, without obtaining consent of those present at the meeting declare that the meeting be postponed, for one week.

6.5.4 If at the time appointed for the postponed meeting to begin, the requirements of section 6.5.1 have not been satisfied, then the member of the Council present shall be deemed to constitute quorum.

6.6 Attendance and apologies

6.6.1 The Chief Financial Officer and any other senior member of management may be invited to attend Council meetings.

6.6.2 The Council may, if deemed fit, confer and meet by telephone, closed circuit television or video conferencing and decision taken at such meeting shall constitute a proper recommendation of the Council provided that the requirements of section 6.4 and 6.5 of this Charter have been met.

6.6.3 The Council and the Chief Executive Officer may in consultation with the Chairperson invite any other relevant person to attend Council meetings.

6.6.4 All Council members have an obligation to attend all Council meetings.

6.6.5 Absence of a Council member for whatever reason must be reported by way of a written apology via e-mail forwarded to the organiser of the meeting no later than 3 days (72 hours) before the meeting.

6.6.6 In circumstances beyond the control of the Council member, such as unexpected situations or emergencies, apologies may be accepted via telephone call or text message forwarded to the organiser of the meeting, up to 1 hour prior to the meeting.

6.6.7 In the event that no apology is recorded for a meeting, the Council member shall be recorded as absent.

7. EVALUATION

The Council shall conduct a self-assessment or self-evaluation of its effectiveness on an annual basis.

8. COMPANY SECRETARY

8.1 The Council is entitled to appoint a Company Secretary or other professional, as is appropriate for the needs of the SAST, to provide professional corporate governance services to the Council, either as an in-house or out-sourced service.

8.2 Irrespective of the type of appointment, the Council will ensure the following:

8.2.1 that the person and/or service provider has the requisite knowledge, skills and experience to fulfil the functions of a Company Secretary;

8.2.2 that the office of the Company Secretary or other professional providing corporate governance services, is empowered to perform his or her duties;

8.3 The Council has the responsibility to evaluate the Company Secretary or other professional providing corporate governance services, on an annual basis and remove the Company Secretary or other professional providing corporate governance services, as it sees fit.

9. ATTENDING SAST PRODUCTIONS

9.1 The use of complimentary tickets and house seats for a SAST production is a benefit afforded to Council members.

9.2 This will be made available to Council members, from the office of the Chief Executive Officer, provided that there are tickets available for the requested production.

9.3 All Council members are encouraged to attend at least one SAST production, quarterly.



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