

Vote 33

Tourism

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated of which:	2 009 516	2 009 516	-	-
Current payments	671 063	615 647	(55 416)	-
Transfers and subsidies	1 226 083	1 167 309	(58 774)	-
Payments for capital assets	112 370	226 560	-	114 190
Executive authority	Minister of Tourism			
Accounting officer	Director-General of Tourism			
Website address	www.tourism.gov.za			

Vote purpose

Promote and support the growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of tourism attractions supported to enhance destination competitiveness per year	Policy and Knowledge Services	Outcome 4: Decent employment through inclusive economic growth	3	3	-
Number of priority areas incentivised per year	Policy and Knowledge Services		3	3	-
Number of skills development opportunities facilitated through bilateral cooperation per year	International Tourism		3	1	-
Number of full time equivalent jobs created through the social responsibility implementation programme of the expanded public works programme per year	Domestic Tourism		3 488	354	-
Number of rural enterprises supported for development per year	Domestic Tourism	Outcome 7: Comprehensive rural development and land reform	100	15	-
Number of programmes implemented to grow the contribution of tourism to the oceans economy per year	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	1	1	-
Number of capacity building programmes implemented per year	Domestic Tourism		4	1	-

Mid-year progress

Although the performance for some indicators in the first six months of 2016/17 was slow and below the targets set, the department expects to meet all its targets by year-end.

The progress on the number of full time equivalent jobs created through the social responsibility implementation programme was slow, with only 354 of the annual target of 3 488. This was because the procurement of service providers for projects was not finalised on time.

There was also slow progress on the number of rural enterprises supported for development per year, with only 15 out of a targeted 100 rural enterprises supported. This was due to delays in the appointment of external service providers.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	237 456	-	-	-	-	-	-	237 456
Policy and Knowledge Services	1 272 613	-	-	(2 860)	-	-	(2 860)	1 269 753
International Tourism	54 708	-	-	916	-	-	916	55 624
Domestic Tourism	444 739	-	-	1 944	-	-	1 944	446 683
Total	2 009 516	-	-	-	-	-	-	2 009 516
Economic classification								
Current payments	671 063	-	-	(55 416)	-	-	(55 416)	615 647
Compensation of employees	265 541	-	-	4 000	-	-	4 000	269 541
Goods and services	405 522	-	-	(59 416)	-	-	(59 416)	346 106
Transfers and subsidies	1 226 083	-	-	(58 774)	-	-	(58 774)	1 167 309
Departmental agencies and accounts	1 029 424	-	-	-	-	-	-	1 029 424
Higher education institutions	4 011	-	-	-	-	-	-	4 011
Foreign governments and international organisations	6 322	-	-	-	-	-	-	6 322
Public corporations and private enterprises	108 965	-	-	(29 795)	-	-	(29 795)	79 170
Non-profit institutions	16 027	-	-	-	-	-	-	16 027
Households	61 334	-	-	(28 979)	-	-	(28 979)	32 355
Payments for capital assets	112 370	-	-	114 190	-	-	114 190	226 560
Buildings and other fixed structures	104 651	-	-	114 190	-	-	114 190	218 841
Machinery and equipment	7 308	-	-	-	-	-	-	7 308
Software and other intangible assets	411	-	-	-	-	-	-	411
Total	2 009 516	-	-	-	-	-	-	2 009 516

Programme 2: Policy and Knowledge Services

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Policy and Knowledge Services Management	4 734	-	-	360	-	-	360	5 094
Policy Development and Evaluation	27 737	-	-	(5 245)	-	-	(5 245)	22 492
Research and Knowledge Management	26 364	-	-	5 665	-	-	5 665	32 029
South African Tourism	1 024 847	-	-	-	-	-	-	1 024 847
Tourism Incentive Programme	188 931	-	-	(3 640)	-	-	(3 640)	185 291
Total	1 272 613	-	-	(2 860)	-	-	(2 860)	1 269 753
Economic classification								
Current payments	133 930	-	-	(67 081)	-	-	(67 081)	66 849
Compensation of employees	42 647	-	-	1 140	-	-	1 140	43 787
Goods and services	91 283	-	-	(68 221)	-	-	(68 221)	23 062
Transfers and subsidies	1 137 223	-	-	(29 795)	-	-	(29 795)	1 107 428
Departmental agencies and accounts	1 024 847	-	-	-	-	-	-	1 024 847
Higher education institutions	4 011	-	-	-	-	-	-	4 011
Public corporations and private enterprises	108 365	-	-	(29 795)	-	-	(29 795)	78 570
Payments for capital assets	1 460	-	-	94 016	-	-	94 016	95 476
Buildings and other fixed structures	-	-	-	94 016	-	-	94 016	94 016
Machinery and equipment	1 425	-	-	-	-	-	-	1 425
Software and other intangible assets	35	-	-	-	-	-	-	35
Total	1 272 613	-	-	(2 860)	-	-	(2 860)	1 269 753

Programme 3: International Tourism

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
International Tourism Management	4 637	–	–	295	–	–	295	4 932
Americas and Western Europe	19 956	–	–	205	–	–	205	20 161
Africa and Middle East	16 267	–	–	184	–	–	184	16 451
Asia, Australasia and Eastern Europe	13 848	–	–	232	–	–	232	14 080
Total	54 708	–	–	916	–	–	916	55 624
Economic classification								
Current payments	47 222	–	–	916	–	–	916	48 138
Compensation of employees	38 606	–	–	916	–	–	916	39 522
Goods and services	8 616	–	–	–	–	–	–	8 616
Transfers and subsidies	6 322	–	–	–	–	–	–	6 322
Foreign governments and international organisations	6 322	–	–	–	–	–	–	6 322
Payments for capital assets	1 164	–	–	–	–	–	–	1 164
Machinery and equipment	1 164	–	–	–	–	–	–	1 164
Total	54 708	–	–	916	–	–	916	55 624

Programme 4: Domestic Tourism

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Domestic Tourism Management	13 814	–	–	513	–	–	513	14 327
Domestic Tourism Management: Southern Region	14 031	–	–	459	–	–	459	14 490
Domestic Tourism Management: Northern Region	15 259	–	–	486	–	–	486	15 745
Social Responsibility Implementation	386 108	–	–	486	–	–	486	386 594
Strategic Partners in Tourism	15 527	–	–	–	–	–	–	15 527
Total	444 739	–	–	1 944	–	–	1 944	446 683
Economic classification								
Current payments	256 758	–	–	10 749	–	–	10 749	267 507
Compensation of employees	53 880	–	–	1 944	–	–	1 944	55 824
Goods and services	202 878	–	–	8 805	–	–	8 805	211 683
Transfers and subsidies	82 353	–	–	(28 979)	–	–	(28 979)	53 374
Departmental agencies and accounts	4 392	–	–	–	–	–	–	4 392
Public corporations and private enterprises	600	–	–	–	–	–	–	600
Non-profit institutions	16 027	–	–	–	–	–	–	16 027
Households	61 334	–	–	(28 979)	–	–	(28 979)	32 355
Payments for capital assets	105 628	–	–	20 174	–	–	20 174	125 802
Buildings and other fixed structures	104 651	–	–	20 174	–	–	20 174	124 825
Machinery and equipment	977	–	–	–	–	–	–	977
Total	444 739	–	–	1 944	–	–	1 944	446 683

Details of adjustments to the Estimates of National Expenditure 2016

Virements and shifts within votes

Programmes					
1. Administration					
2. Policy and Knowledge Services					
3. International Tourism					
4. Domestic Tourism					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(98 016)	Programme 2		95 156
Goods and services	Reclassification of funds in line with the guidelines of the standard chart of accounts	(68 221)	Buildings and other fixed structures	Reclassification of funds in line with the guidelines of the standard chart of accounts	68 221
Public corporations and private enterprises	Reclassification of funds in line with the guidelines of the standard chart of accounts ¹	(25 795)	Buildings and other fixed structures	Reclassification of funds in line with the guidelines of the standard chart of accounts ¹	25 795
	Reallocation of funds from the tourism incentive programme due to retention fees for the energy efficiency project due in 2017/18 ²	(1 140)	Compensation of employees	Performance bonuses, merit assessments, and pay progressions ²	1 140
	Reallocation of funds from the tourism incentive programme as retention fees for the energy efficiency project are due only in 2017/18 ²	(1 944)	Programme 4		1 944
	Reallocation of funds from the tourism incentive programme as retention fees for the energy efficiency project are due only in 2017/18 ²	(916)	Compensation of employees	Performance bonuses, merit assessments, and pay progressions ²	1 944
	Reallocation of funds from the tourism incentive programme as retention fees for the energy efficiency project are due only in 2017/18 ²		Programme 3		916
			Compensation of employees	Performance bonuses, merit assessments, and pay progressions ²	916
Shifts within the programme as a percentage of the programme budget		7.5%			
Virements to other programmes as a percentage of the programme budget		0.2%			
Programme 4		(62 913)	Programme 4		62 913
Goods and services	Reclassification of funds in line with the guidelines of the standard chart of accounts	(8 021)	Households	Reclassification of funds in line with the guidelines of the standard chart of accounts	8 021
	Reclassification of funds in line with the guidelines of the standard chart of accounts	(17 892)	Buildings and other fixed structures	Reclassification of funds in line with the guidelines of the standard chart of accounts	17 892
Households	Reclassification of funds in line with the guidelines of the standard chart of accounts	(2 282)	Buildings and other fixed structures	Reclassification of funds in line with the guidelines of the standard chart of accounts	2 282
	Reclassification of funds in line with the guidelines of the standard chart of accounts	(34 718)	Goods and services	Reclassification of funds in line with the guidelines of the standard chart of accounts	34 718
Shifts within the programme as a percentage of the programme budget		14.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(160 929)			160 929

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement in terms of the Public Finance Management Act (1999).

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16 Audited outcome					2016/17 Actual expenditure				
	Adjusted appropriation	Apr 15 - Sep 15	adjusted appropriation % of	Apr 15 - Mar 16	adjusted appropriation % of	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	adjusted appropriation % of	
R thousand										
Administration	233 656	103 109	44.1	224 811	96.2	237 456	11.8	100 090	42.2	
Policy and Knowledge Services	1 206 214	654 355	54.2	1 195 525	99.1	1 269 753	63.2	797 689	62.8	
International Tourism	47 308	27 504	58.1	49 928	105.5	55 624	2.8	29 308	52.7	
Domestic Tourism	307 000	147 358	48.0	307 130	100.0	446 683	22.2	79 963	17.9	
Total	1 794 178	932 326	52.0	1 777 394	99.1	2 009 516	100.0	1 007 050	50.1	
Economic classification										
Current payments	559 044	182 871	32.7	452 618	81.0	615 647	30.6	194 616	31.6	
Compensation of employees	250 051	124 213	49.7	252 906	101.1	269 541	13.4	130 799	48.5	
Goods and services	308 993	58 658	19.0	199 712	64.6	346 106	17.2	63 817	18.4	
Transfers and subsidies	1 229 041	746 627	60.7	1 230 784	100.1	1 167 309	58.1	785 836	67.3	
Departmental agencies and accounts	1 077 478	628 347	58.3	1 045 570	97.0	1 029 424	51.2	760 811	73.9	
Higher education institutions	3 809	–	–	3 800	99.8	4 011	0.2	–	–	
Foreign governments and international organisations	6 004	5 810	96.8	5 810	96.8	6 322	0.3	6 369	100.7	
Public corporations and private enterprises	–	–	–	72 915	–	79 170	3.9	9 470	12.0	
Non-profit institutions	14 750	11 193	75.9	24 200	164.1	16 027	0.8	200	1.2	
Households	127 000	101 277	79.7	78 489	61.8	32 355	1.6	8 986	27.8	
Payments for capital assets	6 093	2 828	46.4	93 413	1533.1	226 560	11.3	26 509	11.7	
Buildings and other fixed structures	–	–	–	87 160	–	218 841	10.9	23 347	10.7	
Machinery and equipment	5 750	2 749	47.8	6 211	108.0	7 308	0.4	3 002	41.1	
Software and other intangible assets	343	79	23.0	42	12.2	411	–	160	38.9	
Payments for financial assets	–	–	–	579	–	–	–	89	–	
Total	1 794 178	932 326	52.0	1 777 394	99.1	2 009 516	100.0	1 007 050	50.1	

Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 99.1 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R1 million, or 50.1 per cent of the adjusted appropriation of R2 billion for the year. In comparison, mid-year expenditure in 2015/16 was R932.3 million or 52 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 increased by R74.7 million, or 8 per cent. This was mainly due to the transfer payment made to South African Tourism for purchases paid for in foreign currency.

Departmental receipts

Programme	2015/16 Audited outcome					2016/17 Actual receipts				
	Adjusted estimate	Apr 15 - Sep 15	adjusted estimate % of	Apr 15 - Mar 16	adjusted estimate % of	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	adjusted estimate % of
R thousand										
Departmental receipts	1 864	938	50.3	6 770	363.2	1 832	5 274	100.0	4 667	88.5
Sales of goods and services produced by department	168	84	50.0	165	98.2	162	164	3.1	78	47.6
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	–	10	0.2	6	60.0
Interest, dividends and rent on land	11	5	45.5	559	5 081.8	15	60	1.1	52	86.7
Sales of capital assets	135	68	50.4	84	62.2	25	40	0.8	22	55.0
Transactions in financial assets and liabilities	1 550	781	50.4	5 962	384.6	1 630	5 000	94.8	4 509	90.2
Total	1 864	938	50.3	6 770	363.2	1 832	5 274	100.0	4 667	88.5

Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R4.7 million, or 88.5 per cent of the adjusted revenue estimate of R5.3 million for the year. In comparison, mid-year revenue in 2015/16 was R938 000, or 50.3 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 increased by R3.7 million, or 397.5 per cent. This was mainly due to debt recovered in relation to expenditure from previous years.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2016/17 Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Policy and Knowledge Services								
Public corporations and private enterprises								
Private enterprises								
Other transfers								
Current	108 365	–	–	(29 795)	–	–	(29 795)	78 570
Tourism incentive programme	108 365	–	–	(29 795)	–	–	(29 795)	78 570
Domestic Tourism								
Households								
Other transfers to households								
Current	61 334	–	–	(28 979)	–	–	(28 979)	32 355
Expanded public works programme	–	–	–	8 021	–	–	8 021	8 021
Expanded public works programme incentive	61 334	–	–	(37 000)	–	–	(37 000)	24 334