

Vote 33

Tourism

Adjusted budget summary

2017/18				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	2 140 156	2 140 156	(13 000)	13 000
of which:				
Current payments	635 930	648 930	–	13 000
Transfers and subsidies	1 392 033	1 379 033	(13 000)	–
Payments for capital assets	112 193	112 193	–	–
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 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September)	Changed target for 2017/18
Number of platforms facilitated to improve tourism sector stakeholder engagement and national tourism sector strategy implementation per year	Tourism Policy and Planning	Outcome 11: Create a better South Africa, a better Africa and a better world	1	1	–
Number of Working for Tourism projects funded through the expanded public works programme per year	Destination Development	Outcome 4: Decent employment through inclusive economic growth	6	3	–
Number of full-time-equivalent jobs created through the Working for Tourism programme per year	Destination Development		3 085	835 ¹	–
Number of programmes implemented to grow tourism's contribution to the ocean economy per year	Destination Development		1	1	–
Number of businesses supported in the implementation of the enterprise development programme per year ²	Enterprise and Visitor Support Services	Outcome 7: Comprehensive rural development and land reform	400	– ³	–
Number of capacity building programmes implemented per year	Enterprise and Visitor Support Services	Outcome 4: Decent employment through inclusive economic growth	4	2	–
Number of incentivised programmes implemented per year	Enterprise and Visitor Support Services		4	2	–

1. Only data for the first quarter of 2017/18 is currently available.

2. Indicator changed to align with indicator published in the department's 2017/18 annual performance plan, which was finalised after the 2017 ENE had been published.

3. Data available only at the end of 2017/18.

Mid-year progress

In the first quarter of 2017/18, the department created 835 full-time-equivalent jobs through the Working for Tourism programme out of the annual target of 3 085. Analysis of the second quarter will be completed by the end of October.

Needs assessments were conducted in the first six months of 2017/18 in respect of the targeted support to be provided to 400 businesses in the implementation of the enterprise development programme. The remaining phases of support will take place during the second half of the financial year.

The department expects to meet all its targets by the end of the financial year.

Adjusted Estimates of National Expenditure 2017

Programme	2017/18							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Administration	219 094	-	-	14 987	-	-	14 987	234 081
Tourism Policy and Planning	1 208 708	-	-	(5 600)	-	-	(5 600)	1 203 108
Destination Development	443 953	-	-	(12 100)	-	-	(12 100)	431 853
Enterprise and Visitor Support Services	268 401	-	-	2 713	-	-	2 713	271 114
Total	2 140 156	-	-	-	-	-	-	2 140 156
Economic classification								
Current payments	635 930	-	-	13 000	-	-	13 000	648 930
Compensation of employees	271 853	-	-	13 000	-	-	13 000	284 853
Goods and services	364 077	-	-	-	-	-	-	364 077
Transfers and subsidies	1 392 033	-	-	(13 000)	-	-	(13 000)	1 379 033
Departmental agencies and accounts	1 139 097	-	-	-	-	-	-	1 139 097
Foreign governments and international organisations	6 638	-	-	-	-	-	-	6 638
Public corporations and private enterprises	88 279	-	-	-	-	-	-	88 279
Non-profit institutions	500	-	-	-	-	-	-	500
Households	157 519	-	-	(13 000)	-	-	(13 000)	144 519
Payments for capital assets	112 193	-	-	-	-	-	-	112 193
Buildings and other fixed structures	107 493	-	-	-	-	-	-	107 493
Machinery and equipment	4 700	-	-	-	-	-	-	4 700
Total	2 140 156	-	-	-	-	-	-	2 140 156

Programme 1: Administration

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Ministry	30 559	-	-	(5 400)	-	-	(5 400)	25 159
Management	2 881	-	-	250	-	-	250	3 131
Corporate Services	126 677	-	-	19 437	-	-	19 437	146 114
Financial Management	29 383	-	-	700	-	-	700	30 083
Office Accommodation	29 594	-	-	-	-	-	-	29 594
Total	219 094	-	-	14 987	-	-	14 987	234 081
Economic classification								
Current payments	217 097	-	-	14 987	-	-	14 987	232 084
Compensation of employees	120 387	-	-	11 100	-	-	11 100	131 487
Goods and services	96 710	-	-	3 887	-	-	3 887	100 597
Transfers and subsidies	197	-	-	-	-	-	-	197
Departmental agencies and accounts	197	-	-	-	-	-	-	197
Payments for capital assets	1 800	-	-	-	-	-	-	1 800
Machinery and equipment	1 800	-	-	-	-	-	-	1 800
Total	219 094	-	-	14 987	-	-	14 987	234 081

Programme 2: Tourism Policy and Planning

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Tourism Policy and Planning	6 978	-	-	400	-	-	400	7 378
Management								
Research and Knowledge Management	28 705	-	-	(2 700)	-	-	(2 700)	26 005
Tourism Sector Policy and Strategy	11 222	-	-	100	-	-	100	11 322
South African Tourism	1 134 288	-	-	-	-	-	-	1 134 288
International Relations and Co-operation	27 515	-	-	(3 400)	-	-	(3 400)	24 115
Total	1 208 708	-	-	(5 600)	-	-	(5 600)	1 203 108
Economic classification								
Current payments	62 770	-	-	(5 600)	-	-	(5 600)	57 170
Compensation of employees	44 135	-	-	(5 600)	-	-	(5 600)	38 535
Goods and services	18 635	-	-	-	-	-	-	18 635
Transfers and subsidies	1 145 138	-	-	-	-	-	-	1 145 138
Departmental agencies and accounts	1 134 288	-	-	-	-	-	-	1 134 288
Foreign governments and international organisations	6 638	-	-	-	-	-	-	6 638
Households	4 212	-	-	-	-	-	-	4 212

Programme 2: Tourism Policy and Planning (continued)

Economic classification	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Payments for capital assets	800	-	-	-	-	-	-	800
Machinery and equipment	800	-	-	-	-	-	-	800
Total	1 208 708	-	-	(5 600)	-	-	(5 600)	1 203 108

Programme 3: Destination Development

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Destination Development Management	47 228	-	-	(800)	-	-	(800)	46 428
Product and Infrastructure Development	21 082	-	-	(2 400)	-	-	(2 400)	18 682
Destination Planning and Investment Promotion	36 330	-	-	900	-	-	900	37 230
Working for Tourism	339 313	-	-	(9 800)	-	-	(9 800)	329 513
Total	443 953	-	-	(12 100)	-	-	(12 100)	431 853
Economic classification								
Current payments	181 503	-	-	900	-	-	900	182 403
Compensation of employees	46 227	-	-	900	-	-	900	47 127
Goods and services	135 276	-	-	-	-	-	-	135 276
Transfers and subsidies	153 907	-	-	(13 000)	-	-	(13 000)	140 907
Public corporations and private enterprises	600	-	-	-	-	-	-	600
Households	153 307	-	-	(13 000)	-	-	(13 000)	140 307
Payments for capital assets	108 543	-	-	-	-	-	-	108 543
Buildings and other fixed structures	107 493	-	-	-	-	-	-	107 493
Machinery and equipment	1 050	-	-	-	-	-	-	1 050
Total	443 953	-	-	(12 100)	-	-	(12 100)	431 853

Programme 4: Enterprise and Visitor Support Services

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Tourism People Development Management	9 728	-	-	(1 300)	-	-	(1 300)	8 428
Tourism Human Resource Development	25 691	-	-	1 800	-	-	1 800	27 491
Enterprise Development and Transformation	41 472	-	-	2 900	-	-	2 900	44 372
Visitor Services	19 621	-	-	3 200	-	-	3 200	22 821
Tourism Incentive Programme	171 889	-	-	(3 887)	-	-	(3 887)	168 002
Total	268 401	-	-	2 713	-	-	2 713	271 114
Economic classification								
Current payments	174 560	-	-	2 713	-	-	2 713	177 273
Compensation of employees	61 104	-	-	6 600	-	-	6 600	67 704
Goods and services	113 456	-	-	(3 887)	-	-	(3 887)	109 569
Transfers and subsidies	92 791	-	-	-	-	-	-	92 791
Departmental agencies and accounts	4 612	-	-	-	-	-	-	4 612
Public corporations and private enterprises	87 679	-	-	-	-	-	-	87 679
Non-profit institutions	500	-	-	-	-	-	-	500
Payments for capital assets	1 050	-	-	-	-	-	-	1 050
Machinery and equipment	1 050	-	-	-	-	-	-	1 050
Total	268 401	-	-	2 713	-	-	2 713	271 114

Details of adjustments to Estimates of National Expenditure 2017

Virements and shifts within votes

Programmes					
1. Administration					
2. Tourism Policy and Planning					
3. Destination Development					
4. Enterprise and Visitor Support Services					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(1 900)	Programme 4		1 900
Compensation of employees	Reclassification of funds in line with approved organisational structure	(1 900)	Compensation of employees	Reclassification of funds in line with approved organisational structure	1 900
Shifts within the programme as a percentage of the programme budget		1.6%			
Virements to other programmes as a percentage of the programme budget		0.9%			
Programme 2		(5 600)	Programme 4		5 600
Compensation of employees	Reclassification of funds in line with approved organisational structure	(5 600)	Compensation of employees	Reclassification of funds in line with approved organisational structure	5 600
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.5%			
Programme 3		(13 400)	Programme 4		400
Compensation of employees	Reclassification of funds in line with approved organisational structure	(400)	Compensation of employees	Reclassification of funds in line with approved organisational structure	400
Households	Expanded public works programme projects ¹	(13 000)	Programme 1		13 000
Compensation of employees			Compensation of employees	Employee remuneration ¹	13 000
Shifts within the programme as a percentage of the programme budget		0.6%			
Virements to other programmes as a percentage of the programme budget		3.0%			
Programme 4		(5 187)	Programme 3		1 300
Compensation of employees	Reclassification of funds in line with approved organisational structure	(1 300)	Compensation of employees	Reclassification of funds in line with approved organisational structure	1 300
Goods and services	Reclassification of funds incorrectly classified in the 2017 ENE	(3 887)	Programme 1		3 887
Goods and services			Goods and services	Reclassification of funds incorrectly classified in the 2017 ENE	3 887
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		1.9%			
Total		(26 087)			26 087

1. National Treasury approval has been obtained.

Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	2016/17					2017/18				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	
Administration	237 456	100 090	42.2	227 079	95.6	234 081	10.9	107 122	45.8	
Tourism Policy and Planning	1 108 416	794 201	71.7	1 102 815	99.5	1 203 108	56.2	857 748	71.3	
Destination Development	603 555	91 409	15.1	532 892	88.3	431 853	20.2	106 412	24.6	
Enterprise and Visitor Support Services	60 089	21 350	35.5	56 860	94.6	271 114	12.7	110 800	40.9	
Total	2 009 516	1 007 050	50.1	1 919 646	95.5	2 140 156	100.0	1 182 082	55.2	
Economic classification										
Current payments	615 647	194 617	31.6	584 672	95.0	648 930	30.3	214 078	33.0	
Compensation of employees	269 541	130 799	48.5	266 118	98.7	284 853	13.3	142 840	50.1	
Goods and services	346 106	63 818	18.4	318 554	92.0	364 077	17.0	71 238	19.6	

R thousand	2016/17					2017/18				
	Audited outcome					Actual expenditure				
	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	
Transfers and subsidies	1 167 309	785 836	67.3	1 169 672	100.2	1 379 033	64.4	896 239	65.0	
Departmental agencies and accounts	1 029 424	760 811	73.9	1 040 012	101.0	1 139 097	53.2	866 160	76.0	
Higher education institutions	4 011	–	–	4 011	100.0	–	–	–	–	
Foreign governments and international organisations	6 322	6 369	100.7	6 368	100.7	6 638	0.3	6 324	95.3	
Public corporations and private enterprises	79 170	9 470	12.0	75 312	95.1	88 279	4.1	3 293	3.7	
Non-profit institutions	16 027	200	1.2	200	1.2	500	0.0	500	100.0	
Households	32 355	8 986	27.8	43 769	135.3	144 519	6.8	19 962	13.8	
Payments for capital assets	226 560	26 508	11.7	164 530	72.6	112 193	5.2	71 716	63.9	
Buildings and other fixed structures	218 841	23 347	10.7	158 988	72.7	107 493	5.0	68 302	63.5	
Machinery and equipment	7 308	3 001	41.1	5 350	73.2	4 700	0.2	3 414	72.6	
Software and other intangible assets	411	160	38.9	192	46.7	–	–	–	–	
Payments for financial assets	–	89	–	772	–	–	–	49	–	
Total	2 009 516	1 007 050	50.1	1 919 646	95.5	2 140 156	100.0	1 182 082	55.2	

Expenditure trends for the first six months of 2017/18

Total expenditure in 2016/17 was R1.9 billion, or 95.5 per cent of the 2016/17 adjusted appropriation. Expenditure in the first six months of 2017/18 was R1.2 billion, or 55.2 per cent of the adjusted appropriation of R2.1 billion for the year. In comparison, mid-year expenditure in 2016/17 was R1 billion, or 50.1 per cent of the 2016/17 adjusted appropriation. Compared to the first six months of 2016/17, expenditure over the same period in 2017/18 increased by R175 million, or 17.4 per cent. This is mainly due to an increase in transfer payments to South African Tourism, cost of living adjustments for personnel, and inflationary adjustments for goods and services.

Departmental receipts

R thousand	2016/17					2017/18				
	Audited outcome					Actual receipts				
	Adjusted estimate	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts	5 274	4 667	88.5	5 321	100.9	1 833	1 756	100.0	843	48.0
Sales of goods and services produced by department	164	78	47.6	157	95.7	162	162	9.2	80	49.4
Sales of scrap, waste, arms and other used current goods	10	6	60.0	6	60.0	–	–	–	–	–
Interest, dividends and rent on land	60	52	86.7	146	243.3	15	120	6.8	24	20.0
Sales of capital assets	40	22	55.0	39	97.5	25	40	2.3	22	55.0
Transactions in financial assets and liabilities	5 000	4 509	90.2	4 973	99.5	1 631	1 434	81.7	717	50.0
Total	5 274	4 667	88.5	5 321	100.9	1 833	1 756	100.0	843	48.0

Revenue trends for the first six months of 2017/18

Revenue in the first six months of 2017/18 was R843 000, or 48 per cent of the adjusted revenue estimate of R1.8 million for the year. In comparison, mid-year revenue in 2016/17 was R4.7 million, or 88.5 per cent of the 2016/17 adjusted estimate. Compared to the first six months of 2016/17, revenue over the same period in 2017/18 decreased by R3.8 million, or 81.9 per cent. This is mainly due to a decrease in unspent funds returned from the Working for Tourism project.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Destination Development								
Households								
Other transfers to households								
Current	104 165	-	-	(13 000)	-	-	(13 000)	91 165
Expanded public works programme	104 165	-	-	(13 000)	-	-	(13 000)	91 165