

Vote 38

Tourism

Adjusted budget summary

R thousand	Appropriation	2021/22 Adjustments appropriation		Adjusted appropriation
		Decrease	Increase	
Amount to be appropriated	2 429 627	(51 700)	167 411	2 545 338
<i>of which:</i>				
Current payments	804 807	–	167 411	972 218
Transfers and subsidies	1 620 834	(51 700)	–	1 569 134
Payments for capital assets	3 986	–	–	3 986
Executive authority	Minister of Tourism			
Accounting officer	Director-General of Tourism			
Website	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.

Performance

Indicator	Programme	MTSF priority	Annual performance		
			Projected for 2021/22	Achieved in the first half of 2021/22 (April to September)	Changed target for 2021/22
Number of monitoring and evaluation reports produced per year ¹	Tourism Research, Policy and International Relations	Priority 2: Economic transformation and job creation	1	0	8
Number of work opportunities created through the Working for Tourism programme per year ¹	Destination Development		4 977	1 997	3 826
Number of initiatives to support tourism SMMEs per year ¹	Tourism Sector Support Services		6	0	1
Number of capacity building programmes implemented per year	Tourism Sector Support Services		5	0	10

1. Target changed to align with the department's revised strategic plan and 2021/22 annual performance plan.

Progress

In the first half of 2021/22, initiatives to support SMMEs in the tourism sector were delayed due to difficulties in appointing service providers, and in developing and concluding concept documents. By mid-year, no capacity building programmes were implemented against an initial projected annual target of 5, which was changed to 10. This underachievement was due to numerous delays, including in the verification process and the appointment of service providers.

Adjusted estimates

Programme		2021/22							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Amounts announced in the budget	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Administration	305 279	–	–	–	–	–	4 497	4 497	309 776
Tourism Research, Policy and International Relations	1 382 209	–	–	–	–	–	442	442	1 382 651
Destination Development	305 567	–	108 000	52 000	–	–	759	160 759	466 326
Tourism Sector Support Services	436 572	–	–	(52 000)	–	–	2 013	(49 987)	386 585
Total	2 429 627	–	108 000	–	–	–	7 711	115 711	2 545 338
Economic classification									
Current payments	804 807	–	108 000	51 700	–	–	7 711	167 411	972 218
Compensation of employees	333 082	–	–	–	–	–	7 711	7 711	340 793
Goods and services	471 725	–	108 000	51 700	–	–	–	159 700	631 425
Transfers and subsidies	1 620 834	–	–	(51 700)	–	–	–	(51 700)	1 569 134
Departmental agencies and accounts	1 304 348	–	–	–	–	–	–	–	1 304 348
Foreign governments and international organisations	2 341	–	–	300	–	–	–	300	2 641
Public corporations and private enterprises	310 000	–	–	(52 000)	–	–	–	(52 000)	258 000
Non-profit institutions	431	–	–	–	–	–	–	–	431
Households	3 714	–	–	–	–	–	–	–	3 714
Payments for capital assets	3 986	–	–	–	–	–	–	–	3 986
Machinery and equipment	3 044	–	–	–	–	–	–	–	3 044
Software and other intangible assets	942	–	–	–	–	–	–	–	942
Total	2 429 627	–	108 000	–	–	–	7 711	115 711	2 545 338

Programme 1: Administration

Subprogramme		2021/22							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Amounts announced in the budget	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Ministry	36 389	–	–	–	–	–	254	254	36 643
Management	2 825	–	–	–	–	–	154	154	2 979
Corporate Management	168 933	–	–	–	–	–	3 570	3 570	172 503
Financial Management	51 590	–	–	–	–	–	519	519	52 109
Office Accommodation	45 542	–	–	–	–	–	–	–	45 542
Total	305 279	–	–	–	–	–	4 497	4 497	309 776
Economic classification									
Current payments	301 848	–	–	–	–	–	4 497	4 497	306 345
Compensation of employees	151 606	–	–	–	–	–	4 497	4 497	156 103
Goods and services	150 242	–	–	–	–	–	–	–	150 242
Transfers and subsidies	181	–	–	–	–	–	–	–	181
Departmental agencies and accounts	181	–	–	–	–	–	–	–	181
Payments for capital assets	3 250	–	–	–	–	–	–	–	3 250
Machinery and equipment	2 308	–	–	–	–	–	–	–	2 308
Software and other intangible assets	942	–	–	–	–	–	–	–	942
Total	305 279	–	–	–	–	–	4 497	4 497	309 776

Programme 2: Tourism Research, Policy and International Relations

Subprogramme		2021/22							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Amounts announced in the budget	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Tourism Research, Policy and International Relations Management	8 834	-	-	-	-	-	145	145	8 979
Research and Knowledge Management	33 434	-	-	-	-	-	54	54	33 488
Policy Planning and Strategy	14 140	-	-	-	-	-	-	-	14 140
South African Tourism	1 297 038	-	-	-	-	-	-	-	1 297 038
International Relations and Cooperation	28 763	-	-	-	-	-	243	243	29 006
Total	1 382 209	-	-	-	-	-	442	442	1 382 651
Economic classification									
Current payments	78 581	-	-	(300)	-	-	442	142	78 723
Compensation of employees	53 622	-	-	-	-	-	442	442	54 064
Goods and services	24 959	-	-	(300)	-	-	-	(300)	24 659
Transfers and subsidies	1 303 093	-	-	300	-	-	-	300	1 303 393
Departmental agencies and accounts	1 297 038	-	-	-	-	-	-	-	1 297 038
Foreign governments and international organisations	2 341	-	-	300	-	-	-	300	2 641
Households	3 714	-	-	-	-	-	-	-	3 714
Payments for capital assets	535	-	-	-	-	-	-	-	535
Machinery and equipment	535	-	-	-	-	-	-	-	535
Total	1 382 209	-	-	-	-	-	442	442	1 382 651

Programme 3: Destination Development

Subprogramme		2021/22							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Roll-overs	Amounts announced in the budget	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Destination Development Management	33 284	-	-	-	-	-	-	-	33 284
Tourism Enhancement	24 547	-	-	-	-	-	-	-	24 547
Destination Planning and Investment Coordination	31 121	-	-	-	-	-	374	374	31 495
Working for Tourism	216 615	-	108 000	52 000	-	-	385	160 385	377 000
Total	305 567	-	108 000	52 000	-	-	759	160 759	466 326
Economic classification									
Current payments	305 432	-	108 000	52 000	-	-	759	160 759	466 191
Compensation of employees	55 868	-	-	-	-	-	759	759	56 627
Goods and services	249 564	-	108 000	52 000	-	-	-	160 000	409 564
Payments for capital assets	135	-	-	-	-	-	-	-	135
Machinery and equipment	135	-	-	-	-	-	-	-	135
Total	305 567	-	108 000	52 000	-	-	759	160 759	466 326

Programme 4: Tourism Sector Support Services

Subprogramme		2021/22							Adjusted appropriation
		Adjustments appropriation						Total adjustments appropriation	
R thousand	Appropriation	Roll-overs	Amounts announced in the budget	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Tourism Sector Support Services Management	11 073	–	–	–	–	–	–	–	11 073
Tourism Human Resource Development	27 917	–	–	–	–	–	699	699	28 616
Enterprise Development and Transformation	48 273	–	–	–	–	–	733	733	49 006
Tourism Visitor Services	22 301	–	–	–	–	–	407	407	22 708
Tourism Incentive Programme	327 008	–	–	(52 000)	–	–	174	(51 826)	275 182
Total	436 572	–	–	(52 000)	–	–	2 013	(49 987)	386 585
Economic classification									
Current payments	118 946	–	–	–	–	–	2 013	2 013	120 959
Compensation of employees	71 986	–	–	–	–	–	2 013	2 013	73 999
Goods and services	46 960	–	–	–	–	–	–	–	46 960
Transfers and subsidies	317 560	–	–	(52 000)	–	–	–	(52 000)	265 560
Departmental agencies and accounts	7 129	–	–	–	–	–	–	–	7 129
Public corporations and private enterprises	310 000	–	–	(52 000)	–	–	–	(52 000)	258 000
Non-profit institutions	431	–	–	–	–	–	–	–	431
Payments for capital assets	66	–	–	–	–	–	–	–	66
Machinery and equipment	66	–	–	–	–	–	–	–	66
Total	436 572	–	–	(52 000)	–	–	2 013	(49 987)	386 585

Details of adjustments to the 2021 Estimates of National Expenditure**Appropriation of expenditure earmarked in the 2021 Budget speech for future allocation****Programme 3: Destination Development**

An additional R108 million is allocated to the vote as part of the presidential youth employment intervention. Of this amount, R90 million is for the maintenance of infrastructure and the beautification of 40 provincial state-owned attractions, and R18 million is to enhance tourism safety.

Virements and shifts within the vote

Programmes					
1. Administration					
2. Tourism Research, Policy and International Relations					
3. Destination Development					
4. Tourism Sector Support Services					
From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(300)	Programme 2		300
Goods and services	Travel and subsistence ¹	(300)	Foreign governments and international organisations	United Nations World Tourism Organisation ¹	300
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			

Virements and shifts within the vote (continued)

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(52 000)	Programme 3		52 000
Public corporations and private enterprises	Tourism incentive programme ²	(52 000)	Goods and services	Expanded public works programme (Development Bank of Southern Africa) ²	52 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget ²		11.9%			
Total		(52 300)	52 300		

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement in terms of the Public Finance Management Act, (Act 1 of 1999).

Other adjustments – R7.711 million**Significant and unforeseeable economic and financial events**

An additional R7.711 million is allocated for higher salary increases than the main budget provided for:

Programme 1: Administration

R4.497 million

Programme 2: Tourism Research, Policy and International

R442 000

Programme 3: Destination Development

R759 000

Programme 4: Tourism Sector Support Services

R2.013 million

Expenditure outcome for 2020/21 and actual expenditure for 2021/22

Programme	R thousand	2020/21				2021/22			
		Outcome		Outcome		Adjusted appropriation/Total (%)		Actual expenditure	
	Adjusted appropriation	Apr 20 - Sep 20	Apr 20 - Sep 20 % of adjusted appropriation	Apr 20 - Mar 21	Apr 20 - Mar 21 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/Total (%)	Apr 21 - Sep 21	Apr 21 - Sep 21 % of adjusted appropriation
Administration	299 644	127 968	42.7	289 819	96.7	309 776	12.2	125 443	40.5
Tourism Research, Policy and International Relations	499 118	270 201	54.1	479 529	96.1	1 382 651	54.3	636 174	46.0
Destination Development	465 894	77 819	16.7	427 495	91.8	466 326	18.3	60 134	12.9
Tourism Sector Support Services	162 204	74 050	45.7	195 406	120.5	386 585	15.2	43 192	11.2
Total	1 426 860	550 038	38.5	1 392 249	97.6	2 545 338	100.0	864 943	34.0
Economic classification									
Current payments	949 529	269 022	28.3	636 989	67.1	972 218	38.2	244 119	25.1
Compensation of employees	336 443	163 651	48.6	330 703	98.3	340 793	13.4	163 985	48.1
Goods and services	613 086	105 371	17.2	306 286	50.0	631 425	24.8	80 134	12.7

Expenditure outcome for 2020/21 and actual expenditure for 2021/22 (continued)

Economic classification	2020/21					2021/22			
	Adjusted appropriation	Outcome				Adjusted appropriation	Adjusted appropriation/Total (%)	Actual expenditure	
		Apr 20 - Sep 20	Apr 20 - Sep 20 % of adjusted appropriation	Apr 20 - Mar 21	Apr 20 - Mar 21 % of adjusted appropriation			Apr 21 - Sep 21	Apr 21 - Sep 21 % of adjusted appropriation
R thousand									
Transfers and subsidies	473 551	275 729	58.2	498 627	105.3	1 569 134	61.6	610 339	38.9
Departmental agencies and accounts	423 199	241 776	57.1	426 199	100.7	1 304 348	51.2	605 285	46.4
Foreign governments and international organisations	3 055	2 998	98.1	2 998	98.1	2 641	0.1	2 437	92.3
Public corporations and private enterprises	43 628	523	1.2	50 523	115.8	258 000	10.1	–	–
Non-profit institutions	–	–	–	–	–	431	0.0	431	100.0
Households	3 669	30 432	829.4	18 907	515.3	3 714	0.1	2 186	58.9
Payments for capital assets	3 780	5 287	139.9	256 610	6 788.6	3 986	0.2	10 308	258.6
Buildings and other fixed structures	–	–	–	240 143	–	–	–	7 000	–
Machinery and equipment	2 816	3 892	138.2	9 742	346.0	3 044	0.1	3 154	103.6
Software and other intangible assets	964	1 395	144.7	6 725	697.6	942	0.0	154	16.3
Payments for financial assets	–	–	–	23	–	–	–	177	–
Total	1 426 860	550 038	38.5	1 392 249	97.6	2 545 338	100.0	864 943	34.0

Expenditure trends

Total expenditure in 2020/21 was R1.4 million, 97.6 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2020/21 was R550 million, 38.5 per cent of the adjusted appropriation, whereas expenditure in the first half of 2021/22 was R864.9 million, 34 per cent of the adjusted appropriation of R2.5 billion. Compared to the first half of 2020/21, expenditure over the same period in 2021/22 increased by R314.9 million, 4.5 per cent. This was mainly due to the department surrendering R1 billion of its budget to the fiscus in 2020/21 because of subdued activity brought on by COVID-19 lockdown restrictions.

Departmental receipts

Economic classification	2020/21					2021/22				
	Adjusted estimate	Outcome				Budget estimate	Adjusted estimate	Adjusted receipts estimate/Total (%)	Actual receipts	
		Apr 20 - Sep 20	Apr 20 - Sep 20 % of adjusted estimate	Apr 20 - Mar 21	Apr 20 - Mar 21 % of adjusted estimate				Apr 21 - Sep 21	Apr 21 - Sep 21 % of adjusted estimate
R thousand										
Departmental receipts	15 369	9 665	62.9	11 857	77.1	2 586	80 432	100.0	69 594	86.5
Sales of goods and services produced by department	184	85	46.2	169	91.8	85	185	0.2	84	45.4
Sales of scrap, waste, arms and other used current goods	83	2	2.4	–	–	84	–	–	–	–
Interest, dividends and rent on land	102	26	25.5	1 221	1 197.1	103	103	0.1	43	41.7
Sales of capital assets	–	–	–	–	–	64	64	0.1	11	17.2
Transactions in financial assets and liabilities	15 000	9 552	63.7	10 467	69.8	2 250	80 080	99.6	69 456	86.7
Total	15 369	9 665	62.9	11 857	77.1	2 586	80 432	100.0	69 594	86.5

Revenue trends

Mid-year revenue in 2020/21 was R9.7 million, 62.9 per cent of the adjusted estimate, whereas revenue in the first half of 2021/22 was R69.5 million, 86.5 per cent of the adjusted estimate. Compared to the first half of 2020/21, revenue over the same period in 2021/22 increased by R59.9 million, 86.1 per cent. This was due to the receipt of refunds from the tourism incentive programme.

Changes to transfer and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

		2021/22							
		Adjustments appropriation							
R thousand	Appropriation	Amounts announced		Shifts	Declared	Other	Total	Adjusted	
		Roll-overs	in the budget	Virements and shifts	between votes	unspent funds	adjustments	adjustments appropriation	appropriation
	Tourism Research, Policy and International Relations								
	Foreign governments and international organisations								
	Current			300				300	2 641
	United Nations World Tourism Organisation			300				300	2 641
	Tourism Sector Support Services								
	Public corporations and private enterprises								
	Private enterprises								
	Other transfers								
	Current			(52 000)				(52 000)	258 000
	Tourism Incentive Programme			(52 000)				(52 000)	258 000

