

Vote 35

Tourism

Adjusted budget summary

2011/12				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 242 876	1 264 985	–	22 109
of which:				
Current payments	268 165	272 511	–	4 346
Transfers and subsidies	968 009	965 509	(2 500)	–
Payments for capital assets	6 702	26 965	–	20 263
Executive authority	Minister of Tourism			
Accounting officer	Director-General of Tourism			
Website address	www.tourism.gov.za			

Aim

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

Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September)	Changed estimate for 2011/12
As published in the 2011 ENE	Programme linked to the indicator			
Number of new full time equivalent jobs created per year	Tourism Development	5 270	1908	4 531
Total number of public sector organisations reporting on how they are leveraging off state resources to incentivise compliance with the Tourism BEE Charter and Scorecard	Tourism Development	25	5 reports from provinces 8 road shows conducted with provincial supply chain management offices 3 BEE road shows held in Free State, Western Cape and KwaZulu-Natal	
Number of tourism products in rural and less visited provinces supported per year	Tourism Development	2	2	
Number of interventions implemented per year to facilitate, guide and support product development		1	Global competitiveness programme consultation report Provincial strategies were sourced and a master plan framework developed	
Number of unemployed graduates and out of school youth placed for experiential learning per year	Tourism Growth	70	150	
Number of young people trained as chefs per year	Tourism Growth	800	400	

Changes to indicators and targets published in the 2011 ENE

The Department of Public Works is the overall coordinator of the expanded public works programme and is responsible for determining the targets for full-time equivalent jobs created for all the respective sector departments that implement related programmes. As one of the participating sector departments, the Department of Tourism submits its annual expanded public works programme expansion plan and full-time equivalent job targets to the Department of Public Works for discussion and analysis before it is finalised. The full-time equivalent jobs targets for participating sector departments get adjusted (decreased or increased) in line with the analysis of the expanded public works programme expansion plans, and are based

on the ability and readiness of the departmental programmes to deliver on their targets. In line with this, the Department of Tourism's target for full-time equivalent jobs created for 2011/12 has been adjusted downwards from 5 270 to 4 531.

Mid-year progress

Among the department's priorities is promoting the transformation of the tourism industry as well as the participation and growth of small, medium and micro enterprises. To ensure the implementation of its transformation mandate, the department has a programme to encourage public sector organisations to leverage off state resources to encourage compliance with the Tourism BEE Charter and Scorecard. In line with this, the department has already conducted 8 road shows with provincial supply chain management units this year. 3 BEE road shows were also held in Free State, Western Cape and KwaZulu-Natal to promote transformation in the tourism sector.

To support rural development, the department aims to ensure the geographic spread of tourism that includes tourism in rural areas and involves rural communities. 2 tourism products in rural and less visited provinces were supported during the period under review. The department also has interventions to facilitate, guide and support tourism product development and is supporting the development of tourism products in rural and less visited provinces. As part of the department's work to improve the competitiveness of the tourism sector in South Africa, in the period under review a global competitiveness programme consultation report was completed and a master plan framework developed using provincial strategies sourced from provinces. As a labour intensive industry with a high level of competition globally, tourism needs a competitive skills base. To increase competitiveness in the sector, the department has a programme for skills and capacity development. As part of the programme, 150 unemployed graduates and out-of-school youth were placed for experiential learning, and 400 young people took part in a chefs training programme.

Adjusted Estimates of National Expenditure 2011

Programme	2011/12						Adjusted appropriation
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Administration	173 763	19 422	-	-	2 687	22 109	195 872
Tourism Development	348 140	-	-	-	-	-	348 140
Tourism Growth	694 074	-	-	-	-	-	694 074
Policy, Research, Monitoring and Evaluation	26 899	-	-	-	-	-	26 899
Total	1 242 876	19 422	-	-	2 687	22 109	1 264 985
Economic classification							
Current payments	268 165	500	-	1 159	2 687	4 346	272 511
Compensation of employees	141 895	-	-	-	2 687	2 687	144 582
Goods and services	126 270	500	-	905	-	1 405	127 675
Interest and rent on land	-	-	-	254	-	254	254
Transfers and subsidies	968 009	-	-	(2 500)	-	(2 500)	965 509
Departmental agencies and accounts	668 613	-	-	-	-	-	668 613
Foreign governments and international organisations	5 000	-	-	(3 000)	-	(3 000)	2 000
Households	272 196	-	-	-	-	-	272 196
Payments for capital assets	6 702	18 922	-	1 341	-	20 263	26 965
Machinery and equipment	6 702	18 922	-	1 296	-	20 218	26 920
Software and other intangible assets	-	-	-	45	-	45	45
Total	1 242 876	19 422	-	-	2 687	22 109	1 264 985

Programme 1: Administration

Subprogramme		2011/12					
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Ministry	32 506	-	-	-	-	-	32 506
Management	10 661	-	-	-	-	-	10 661
Corporate Affairs	104 596	19 422	-	4 000	2 687	26 109	130 705
Office Accommodation	26 000	-	-	(4 000)	-	(4 000)	22 000
Total	173 763	19 422	-	-	2 687	22 109	195 872
Economic classification							
Current payments	166 936	500	-	(1 582)	2 687	1 605	168 541
Compensation of employees	82 058	-	-	-	2 687	2 687	84 745
Goods and services	84 878	500	-	(1 812)	-	(1 312)	83 566
Interest and rent on land	-	-	-	230	-	230	230
Transfers and subsidies	5 000	-	-	(3 000)	-	(3 000)	2 000
Foreign governments and international organisations	5 000	-	-	(3 000)	-	(3 000)	2 000
Payments for capital assets	1 827	18 922	-	4 582	-	23 504	25 331
Machinery and equipment	1 827	18 922	-	4 562	-	23 484	25 311
Software and other intangible assets	-	-	-	20	-	20	20
Total	173 763	19 422	-	-	2 687	22 109	195 872

Programme 2: Tourism Development

Subprogramme		2011/12					
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Tourism Development Management	3 694	-	-	-	-	-	3 694
Product and Enterprise Development	13 236	-	-	-	-	-	13 236
Social Responsibility Implementation	302 669	-	-	-	-	-	302 669
Sector Transformation	8 541	-	-	-	-	-	8 541
Strategic Partners in Tourism	20 000	-	-	-	-	-	20 000
Total	348 140	-	-	-	-	-	348 140
Economic classification							
Current payments	50 249	-	-	3 130	-	3 130	53 379
Compensation of employees	27 710	-	-	-	-	-	27 710
Goods and services	22 539	-	-	3 130	-	3 130	25 669
Transfers and subsidies	293 396	-	-	500	-	500	293 896
Non-profit institutions	21 200	-	-	500	-	500	21 700
Households	272 196	-	-	-	-	-	272 196
Payments for capital assets	4 495	-	-	(3 630)	-	(3 630)	865
Machinery and equipment	4 495	-	-	(3 630)	-	(3 630)	865
Total	348 140	-	-	-	-	-	348 140

Programme 3: Tourism Growth

Subprogramme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Tourism Growth Management	3 589	-	-	-	-	-	3 589
Marketing, Responsible Tourism and Quality Assurance	9 724	-	-	-	-	-	9 724
Capacity Building	12 148	-	-	-	-	-	12 148
South African Tourism	668 613	-	-	-	-	-	668 613
Total	694 074	-	-	-	-	-	694 074
Economic classification							
Current payments	24 141	-	-	(90)	-	(90)	24 051
Compensation of employees	17 537	-	-	-	-	-	17 537
Goods and services	6 604	-	-	(90)	-	(90)	6 514
Transfers and subsidies	669 613	-	-	-	-	-	669 613
Departmental agencies and accounts	668 613	-	-	-	-	-	668 613
Non-profit institutions	1 000	-	-	-	-	-	1 000
Payments for capital assets	320	-	-	90	-	90	410
Machinery and equipment	320	-	-	90	-	90	410
Total	694 074	-	-	-	-	-	694 074

Programme 4: Policy, Research, Monitoring and Evaluation

Subprogramme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Policy, Research, Monitoring and Evaluation Management	3 839	-	-	-	-	-	3 839
Policy Development and Evaluation	10 707	-	-	-	-	-	10 707
Research and Knowledge Management	12 353	-	-	-	-	-	12 353
Total	26 899	-	-	-	-	-	26 899
Economic classification							
Current payments	26 839	-	-	(299)	-	(299)	26 540
Compensation of employees	14 590	-	-	-	-	-	14 590
Goods and services	12 249	-	-	(323)	-	(323)	11 926
Interest and rent on land	-	-	-	24	-	24	24
Payments for capital assets	60	-	-	299	-	299	359
Machinery and equipment	60	-	-	274	-	274	334
Software and other intangible assets	-	-	-	25	-	25	25
Total	26 899	-	-	-	-	-	26 899

Details of adjustments to Estimates of National Expenditure 2011**Roll-overs – R19.422 million**

Programme 1: Administration

R19.422 million has been rolled over for purchases of the following capital assets related to the department's new office building as follows:

- R5.422 million for furniture
- R500 000 for signage
- R11.800 million for boardrooms
- R1.700 million for art and security

Virements and shifts

Programmes

1. Administration
2. Tourism Development
3. Tourism Growth
4. Policy, Research, Monitoring and Evaluation

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(7 962)	Programme 1		7 962
Goods and services	Funds incorrectly classified in the 2011 ENE were reclassified	(4 712)	Machinery and equipment	Funds incorrectly classified in the 2011 ENE were reclassified	4 712
	Funds incorrectly classified in the 2011 ENE were reclassified	(80)	Interest and rent on land	Funds incorrectly classified in the 2011 ENE were reclassified	80
	Funds incorrectly classified in the 2011 ENE were reclassified	(20)	Software and other intangible assets	Funds incorrectly classified in the 2011 ENE were reclassified	20
Machinery and equipment	Funds incorrectly classified in the 2011 ENE were reclassified	(150)	Interest and rent on land	Funds incorrectly classified in the 2011 ENE were reclassified	150
Foreign governments and international organisations	Savings have been identified as agreed with the Regional Tourism Organisation of South Africa ¹	(3 000)	Goods and services	Additional amount required for Auditor-General fees and forensic audits	3 000
Percentage of programme budget		4.6%			
Programme 2		(4 130)	Programme 2		4 130
Goods and Services	Funds incorrectly classified in the 2011 ENE were reclassified	(500)	Non-profit institutions	Funds incorrectly classified in the 2011 ENE were reclassified	500
Machinery and equipment	Funds incorrectly classified in the 2011 ENE were reclassified	(3 630)	Goods and services	Funds incorrectly classified in the 2011 ENE were reclassified	3 630
Percentage of programme budget		1.2%			
Programme 3		(90)	Programme 3		90
Goods and services	Funds incorrectly classified in the 2011 ENE were reclassified	(90)	Machinery and equipment	Funds incorrectly classified in the 2011 ENE were reclassified	90
Percentage of programme budget		0.0%			
Programme 4		(323)	Programme 4		323
Goods and services	Funds incorrectly classified in the 2011 ENE were reclassified	(274)	Machinery and equipment	Funds incorrectly classified in the 2011 ENE were reclassified	274
	Funds incorrectly classified in the 2011 ENE were reclassified	(24)	Interest and rent on land	Funds incorrectly classified in the 2011 ENE were reclassified	24
	Funds incorrectly classified in the 2011 ENE were reclassified	(25)	Software and other intangible assets	Funds incorrectly classified in the 2011 ENE were reclassified	25
Percentage of programme budget		1.2%			
Total		(12 505)			12 505

1. National Treasury approval has been obtained.

Other adjustments – R2.687 million

Adjustments due to significant and unforeseeable economic and financial events

Programme 1: Administration

An additional R2.687 million has been allocated for higher personnel remuneration increases than the main budget provided for.

Expenditure for 2010/11 and preliminary expenditure for 2011/12

Programme	2010/11					2011/12		
	Adjusted appropriation	Expenditure outcome		Preliminary expenditure		Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation
Apr 10 - Sep 10		Apr 10 - Sep 10 % of adjusted appropriation	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted appropriation				
R thousand								
Administration	178 840	53 136	29.7	169 814	95.0	195 872	83 035	42.4
Tourism Development	331 683	76 001	22.9	306 867	92.5	348 140	154 602	44.4
Tourism Growth	658 728	561 085	85.2	653 279	99.2	694 074	309 328	44.6
Policy, Research, Monitoring and Evaluation	14 565	5 858	40.2	13 516	92.8	26 899	10 113	37.6
Total	1 183 816	696 080	58.8	1 143 476	96.6	1 264 985	557 078	44.0
Economic classification								
Current payments	220 694	75 333	34.1	213 867	96.9	272 511	108 682	39.9
Compensation of employees	101 080	45 608	45.1	100 252	99.2	144 582	64 908	44.9
Goods and services	119 614	29 725	24.9	113 615	95.0	127 675	43 641	34.2
Interest and rent on land	–	–	0.0	–	0.0	254	133	52.4
Transfers and subsidies	932 993	618 947	66.3	912 843	97.8	965 509	434 643	45.0
Departmental agencies and accounts	631 685	548 618	86.8	631 685	100.0	668 613	300 000	44.9
Foreign governments and international organisations	3 265	3 265	100.0	3 265	100.0	2 000	–	0.0
Non-profit institutions	27 700	26 864	97.0	27 664	99.9	22 700	10 500	46.3
Households	270 343	40 200	14.9	250 229	92.6	272 196	124 143	45.6
Payments for capital assets	30 129	1 800	6.0	16 763	55.6	26 965	13 750	51.0
Machinery and equipment	29 829	1 800	6.0	16 763	56.2	26 920	13 730	51.0
Software and other intangible assets	300	–	0.0	–	0.0	45	20	44.4
Payments for financial assets	–	–	–	3	–	–	3	–
Total	1 183 816	696 080	58.8	1 143 476	96.6	1 264 985	557 078	44.0

Main expenditure trends for the first half of 2011/12

Total expenditure for 2010/11 was 96.6 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 was R557.078 million or 44 per cent of the adjusted appropriation of R1.265 billion for the year as a whole. In comparison, mid-year expenditure in 2010/11 was R696.080 million, or 58.8 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 decreased by R139.002 million or 20 per cent, compared to expenditure in the first six months of 2010/11.

The expenditure decrease compared to 2010/11 is mainly due to the quarterly transfer of funds to South African Tourism for the international marketing grant and financial assistance for operational expenditure. Funds for the international marketing grant were transferred during the first six months in 2010/11.

Departmental receipts

R thousand	2010/11					2011/12			
	Adjusted estimate	Audited outcome			Budget estimate	Actual receipts			
		Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11		Apr 10 - Mar 11 % of adjusted estimate	Adjusted estimate	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
Departmental receipts	1 485	1 485	100.0	1 521	102.4	-	1 730	1 730	100.0
Sales of goods and services produced by department	29	29	100.0	64	220.7	-	37	37	100.0
Interest, dividends and rent on land	12	12	100.0	29	241.7	-	18	18	100.0
Sales of capital assets	23	23	100.0	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 421	1 421	100.0	1 428	100.5	-	1 675	1 675	100.0
Total	1 485	1 485	100.0	1 521	102.4	-	1 730	1 730	100.0

Main departmental revenue trends for the first half of 2011/12

Departmental revenue collection in the first six months of 2011/12 was R1.730 million, or 100 per cent of the adjusted revenue estimate of R1.730 million for the year as a whole. In comparison, mid-year revenue collection in 2010/11 was R1.485 million, or 100 per cent of the 2010/11 adjusted estimate. Departmental revenue collection in the first six months of 2011/12 increased by R245 000 or 16.5 per cent, compared to revenue in the first six months of 2010/11.

The main revenue increase compared to 2010/11 is due to refund of previous year project expenditure (unutilised project funds repaid). The department does not generate revenue.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Administration							
Foreign governments and international organisations							
Current	3 000	-	-	(3 000)	-	(3 000)	-
Regional Tourism Organisation of South Africa	3 000	-	-	(3 000)	-	(3 000)	-
Tourism Development							
Non-profit institutions							
Current	-	-	-	500	-	500	500
Ezemvelo KZN Wildlife	-	-	-	500	-	500	500

