

Vote 35

Tourism

Adjusted budget summary

R thousand	2012/13			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 367 321	1 374 143	-	6 822
of which:				
Current payments	331 093	330 253	(840)	-
Transfers and subsidies	1 029 045	1 034 332	-	5 287
Payments for capital assets	7 183	9 558	-	2 375
Executive authority	Minister of Tourism			
Accounting officer	Director-General of Tourism			
Website address	www.tourism.gov.za			

Aim

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	Annual performance		
		Projected for 2012/13 as published in the 2012 ENE	Achieved in the first six months of 2012/13 (April to September)	Changed estimate for 2012/13
Total number of tourism products supported through the social responsibility funding (expanded public works programme)	Domestic Tourism	50	571	-
Number of regional support packages delivered, informed by relevant strategies (e.g. rural strategy) per year	Domestic Tourism	2	- ¹	-
Number of full-time equivalent jobs supported through the Tourism Enterprise Partnership per year	Domestic Tourism	6 000	1 335 ²	5 000
Number of full time equivalent jobs created through the social responsibility implementation programme per year (expanded public works programme)	Domestic Tourism	5 054	762 ²	-
Number of rural enterprises supported per year	Domestic Tourism	530	494	-
Number of members of designated groups (historically disadvantaged enterprises) supported per year	Domestic Tourism	3 351	1 529	-
Number of country profiles developed and updated per year	International Tourism	4	97 (with SA missions) 105 (without SA missions)	180
Number of South African missions abroad activated for tourism mainstreaming	International Tourism	4	-	-

Indicator As published in the 2012 ENE	Programme Programme linked to the indicator	Projected for 2012/13 as published in the 2012 ENE	Annual performance	
			Achieved in the first six months of 2012/13 (April to September)	Changed estimate for 2012/13
Number of initiatives facilitated to reduce barriers to tourism growth per year	Policy and Knowledge Services	2	–	–
Number of information and knowledge systems and services developed and maintained per year	Policy and Knowledge Services	2	–	–
Number of national tourism information gateways operational per year	Policy and Knowledge Services	2	–	–

1. Target will be achieved in the third and fourth quarter.

2. First quarter results. Quarter two results still to be audited/verified.

Changes to indicators and targets published in 2012 ENE

With regard to the “number of full-time equivalent jobs supported through the Tourism Enterprise Partnership per year” and the “number of country profiles developed and updated per year”, the estimates projected for 2012/13 as published in the 2012 ENE were incorrect. The annual estimates were amended by the Department last year, but this was not done in time to be included in the 2012 ENE publication. The correct (changed) annual estimate for 2012/13 for the number of full-time equivalent jobs supported through the Tourism Enterprise Partnership per year is 5 000, and the annual estimate for number of country profiles developed and updated per year is 180.

Mid-year progress

While no numbers are available mid-year to report on the number of South African missions abroad activated for tourism mainstreaming per year, an internal needs analysis report has been developed and a needs questionnaire has been distributed to all South African missions abroad – through the Department of International Relations and Cooperation (DIRCO). With regard to the number of initiatives facilitated to reduce barriers to tourism growth, a memorandum of understanding (MoU) implementation plan has been developed. A report on the implementation of the Department of Home Affairs MoU has also been developed. Two information and knowledge systems and services were targeted to be developed and maintained for 2012/13. Progress on this, achieved within the first six months of the financial year, is the development of a Tourism Knowledge Portal and an Electronic Events Calendar and Phase 1 of the development of the database design. This was available on the Tourism Knowledge Portal in the second quarter of the year. For the number of national tourism information gateways operational per year, in the first quarter of the financial year a draft brand for National Tourism Information Gateways (NTIG) was developed and approved by Ministers and Members of Executive Council (MinMEC). The NTIG brand was approved in the second quarter of the financial year.

Through the expanded public works programme, the Department is intending to create 5 054 jobs by the end of 2012/13. A total of 762 full time equivalent jobs were created within the first quarter of the financial year. To promote transformation in the Tourism Sector, the Department conducted road shows at the City of Tshwane, Ermelo, National Department of Tourism, Middelburg, and SANPARKS (Kruger National Park). Data collection has commenced for the publishing of the Annual Report on public sector spending on empowered tourism goods and services.

In implementing the skills and capacity development programme the Department hosted the National Tourism Career Expo (NTCE) 2012. The NTCE is an annual event where young people from high schools, Further Education Training (FET) colleges and universities are exposed to existing professional and career opportunities within the tourism industry. It also exposes the tourism industry to the skills it could harness and benefit from. Three leadership dialogues were hosted with the purpose of exchanging information relating to current trends and challenges that the industry is facing, and identifying opportunities together with the tourism industry representatives. In supporting domestic tourism, nine draft provincial profiles were developed to inform support packages that will respond to tourism development and growth needs in South Africa. To popularise the provinces the domestic tourism implementation plan was developed. The Domestic Tourism Strategy has been presented to Educator Seminars and the Northern Cape Local Economic Development Forum.

Adjusted Estimates of National Expenditure 2012

Programme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Administration	195 043	–	–	(4 000)	–	893	(3 107)	191 936
Policy and Knowledge Services	787 994	–	–	–	–	5 401	5 401	793 395
International Tourism	46 834	–	–	(5 200)	–	196	(5 004)	41 830
Domestic Tourism	337 450	–	–	9 200	–	332	9 532	346 982
Total	1 367 321	–	–	–	–	6 822	6 822	1 374 143
Economic classification								
Current payments	331 093	–	–	(6 036)	–	5 196	(840)	330 253
Compensation of employees	180 583	–	–	(10 000)	–	4 155	(5 845)	174 738
Goods and services	150 320	–	–	3 664	–	1 041	4 705	155 025
Interest and rent on land	190	–	–	300	–	–	300	490
Transfers and subsidies	1 029 045	–	–	3 661	–	1 626	5 287	1 034 332
Departmental agencies and accounts	753 303	–	–	4 050	–	1 626	5 676	758 979
Higher education institutions	–	–	–	2 490	–	–	2 490	2 490
Foreign governments and international organisations	5 250	–	–	(1 759)	–	–	(1 759)	3 491
Non-profit institutions	27 725	–	–	(1 140)	–	–	(1 140)	26 585
Households	242 767	–	–	20	–	–	20	242 787
Payments for capital assets	7 183	–	–	2 375	–	–	2 375	9 558
Machinery and equipment	7 049	–	–	2 293	–	–	2 293	9 342
		–	–	82	–	–	82	216
Total		1 367 321	–	–	–	6 822	6 822	1 374 143

Programme 1: Administration

Subprogramme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Ministry	32 955	–	–	–	–	111	111	33 066
Management	16 550	–	–	–	–	112	112	16 662
Corporate Affairs	121 538	–	–	(4 000)	–	670	(3 330)	118 208
Office Accommodation	24 000	–	–	–	–	–	–	24 000
Total	195 043	–	–	(4 000)	–	893	(3 107)	191 936
Economic classification								
Current payments	190 936	–	–	(5 642)	–	893	(4 749)	186 187
Compensation of employees	97 392	–	–	(4 000)	–	893	(3 107)	94 285
Goods and services	93 405	–	–	(1 942)	–	–	(1 942)	91 463
Interest and rent on land	139	–	–	300	–	–	300	439
Transfers and subsidies	–	–	–	20	–	–	20	20
Households	–	–	–	20	–	–	20	20
Payments for capital assets	4 107	–	–	1 622	–	–	1 622	5 729
Machinery and equipment	4 041	–	–	1 552	–	–	1 552	5 593
Software and other intangible assets	66	–	–	70	–	–	70	136
Total	195 043	–	–	(4 000)	–	893	(3 107)	191 936

Programme 2: Policy and Knowledge Services

Subprogramme	Main appropriation	2012/13 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
R thousand								
Policy and Knowledge Services Management	3 377	–	–	–	–	24	24	3 401
Policy Development and Evaluation	18 122	–	–	(1 000)	–	113	(887)	17 235
Research and Knowledge Management	13 192	–	–	1 000	–	3 638	4 638	17 830
South African Tourism	753 303	–	–	–	–	1 626	1 626	754 929
Total	787 994	–	–	–	–	5 401	5 401	793 395
Economic classification								
Current payments	34 064	–	–	(2 581)	–	3 775	1 194	35 258
Compensation of employees	21 954	–	–	–	–	2 734	2 734	24 688
Goods and services	12 101	–	–	(2 581)	–	1 041	(1 540)	10 561
Interest and rent on land	9	–	–	–	–	–	–	9
Transfers and subsidies	753 303	–	–	2 490	–	1 626	4 116	757 419
Departmental agencies and accounts	753 303	–	–	–	–	1 626	1 626	754 929
Higher education institutions	–	–	–	2 490	–	–	2 490	2 490
Payments for capital assets	627	–	–	91	–	–	91	718
Machinery and equipment	627	–	–	91	–	–	91	718
Total	787 994	–	–	–	–	5 401	5 401	793 395

Programme 3: International Tourism

Subprogramme	Main appropriation	2012/13 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
R thousand								
International Tourism Management	3 945	–	–	581	–	25	606	4 551
Americas and Caribbean	11 490	–	–	(2 581)	–	36	(2 545)	8 945
Europe	9 244	–	–	(200)	–	52	(148)	9 096
Africa and Middle East	12 768	–	–	(1 000)	–	47	(953)	11 815
Asia and Australasia	9 387	–	–	(2 000)	–	36	(1 964)	7 423
Total	46 834	–	–	(5 200)	–	196	(5 004)	41 830
Economic classification								
Current payments	40 898	–	–	(3 881)	–	196	(3 685)	37 213
Compensation of employees	25 723	–	–	(5 200)	–	196	(5 004)	20 719
Goods and services	15 162	–	–	1 319	–	–	1 319	16 481
Interest and rent on land	13	–	–	–	–	–	–	13
Transfers and subsidies	5 250	–	–	(1 759)	–	–	(1 759)	3 491
Foreign governments and international organisations	5 250	–	–	(1 759)	–	–	(1 759)	3 491
Payments for capital assets	686	–	–	440	–	–	440	1 126
Machinery and equipment	686	–	–	428	–	–	428	1 114
Software and other intangible assets	–	–	–	12	–	–	12	12
Total	46 834	–	–	(5 200)	–	196	(5 004)	41 830

Programme 4: Domestic Tourism

Subprogramme	Main appropriation	2012/13 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
R thousand								
Domestic Tourism Management	11 007	–	–	4 300	–	24	4 324	15 331
Domestic Tourism Management: Southern Region	11 852	–	–	2 600	–	64	2 664	14 516
Domestic Tourism Management: Northern Region	12 177	–	–	710	–	67	777	12 954
Social Responsibility Implementation	277 414	–	–	1 590	–	177	1 767	279 181
Strategic Partners in Tourism	25 000	–	–	–	–	–	–	25 000
Total	337 450	–	–	9 200	–	332	9 532	346 982

Programme 4: Domestic Tourism (continued)

R thousand	Main appropriation	2012/13 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
Economic classification								
Current payments	65 195	–	–	6 068	–	332	6 400	71 595
Compensation of employees	35 514	–	–	(800)	–	332	(468)	35 046
Goods and services	29 652	–	–	6 868	–	–	6 868	36 520
Interest and rent on land	29	–	–	–	–	–	–	29
Transfers and subsidies	270 492	–	–	2 910	–	–	2 910	273 402
Departmental agencies and accounts	–	–	–	4 050	–	–	4 050	4 050
Non-profit institutions	27 725	–	–	(1 140)	–	–	(1 140)	26 585
Households	242 767	–	–	–	–	–	–	242 767
Payments for capital assets	1 763	–	–	222	–	–	222	1 985
Machinery and equipment	1 695	–	–	222	–	–	222	1 917
Software and other intangible assets	68	–	–	–	–	–	–	68
Total	337 450	–	–	9 200	–	332	9 532	346 982

Details of adjustments to Estimates of National Expenditure 2012**Virements and shifts****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 1		(5 942)	Programme 1		1 942
Goods and services	Funds incorrectly classified in the 2012 ENE were reclassified	(1 552)	Machinery and equipment	Funds incorrectly classified in the 2012 ENE were reclassified	1 552
	Funds incorrectly classified in the 2012 ENE were reclassified	(70)	Software and other intangible assets	Funds incorrectly classified in the 2012 ENE were reclassified	70
	Funds incorrectly classified in the 2012 ENE were reclassified	(300)	Interest and rent on land	Funds incorrectly classified in the 2012 ENE were reclassified	300
	Funds incorrectly classified in the 2012 ENE were reclassified	(20)	Households	Funds incorrectly classified in the 2012 ENE were reclassified	20
Compensation of employees	Vacant posts	(4 000)	Programme 4		4 000
			Goods and services	For tourism events and forensic audits to be completed on expanded public works programme projects	4 000
Shifts within the programme as percentage of programme budget		1.0%			
Virements to other programmes as percentage of programme budget		2.1%			
Programme 2		(2 581)	Programme 2		2 581
Goods and services	Funds incorrectly classified in the 2012 ENE were reclassified	(91)	Machinery and equipment	Funds incorrectly classified in the 2012 ENE were reclassified	91
	Funds incorrectly classified in the 2012 ENE were reclassified ¹	(2 490)	Higher education institutions	Funds incorrectly classified in the 2012 ENE were reclassified	2 490
Shifts within the programme as percentage of programme budget		0.3%			
Virements to other programmes as percentage of programme budget		0.0%			

2012 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(7 411)	Programme 3		440
Goods and services	Funds incorrectly classified in the 2012 ENE were reclassified	(435)	Machinery and equipment	Funds incorrectly classified in the 2012 ENE were reclassified	435
	Funds incorrectly classified in the 2012 ENE were reclassified ¹	(5)	Machinery and equipment	Funds incorrectly classified in the 2012 ENE were reclassified	5
Compensation of employees	Vacant posts	(5 200)	Programme 4		5 200
			Goods and services	For tourism events and forensic audits to be completed on expanded public works programme projects For production of DVD's to promote world heritage sites	5 200
Foreign governments and international organisations	Savings due to foreign exchange rate fluctuations ¹	(1 759)	Programme 3		1 771
			Goods and services	For consultants	1 759
Machinery and equipment	Funds incorrectly classified in the 2012 ENE were reclassified	(12)	Software and other intangible assets	Funds incorrectly classified in the 2012 ENE were reclassified	12
Shifts within the programme as percentage of programme budget		4.7%			
Virements to other programmes as percentage of programme budget ²		11.1%			
Programme 4		(5 132)	Programme 4		5 132
Goods and services	Funds incorrectly classified in the 2012 ENE were reclassified	(222)	Machinery and equipment	Funds incorrectly classified in the 2012 ENE were reclassified	222
	Reprioritisation of funds ¹	(2 850)	Departmental agencies and accounts	For the Tourism Accelerated Apprenticeship Programme and the National Tourism Careers Exposition	2 850
	Reprioritisation of funds ¹	(60)	Non-profit institutions	For the Tourism Accelerated Apprenticeship Programme	60
Compensation of employees	Vacant posts	(800)	Goods and services	For production of DVD's to promote world heritage sites	800
Non-profit institutions	Reduction due to change in implementing agency ¹	(1 200)	Departmental agencies and accounts	For the National Tourism Careers Exposition	1 200
Shifts within the programme as percentage of programme budget		1.5%			
Virements to other programmes as percentage of programme budget		0.0%			
Total		(21 066)			21 066

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 – R6.822 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R3.281 million is allocated for higher salary increases than the main budget provided for, as follows:

Programme 1: Administration

R893 000

Programme 2: Policy and Knowledge Services

R1.860 million

Programme 3: International Tourism

R196 000

Programme 4: Domestic Tourism

R332 000

Funds shifted between votes following a transfer of a function

Programme 2: Policy and Knowledge Services

R3.541 million will be received from the Department of Trade and Industry (DTI) for the tourism policy unit previously accommodated within the DTI.

Expenditure for 2011/12 and preliminary expenditure for 2012/13

Programme	2011/12					2012/13		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation	Apr 11 - Mar 12	Apr 11 - Mar 12 % of adjusted appropriation	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation
R thousand								
Administration	185 944	83 035	44.7	195 066	104.9	191 936	74 467	38.8
Policy and Knowledge Services	695 512	310 113	44.6	694 013	99.8	793 395	460 854	58.1
International Tourism	33 700	8 742	25.9	22 004	65.3	41 830	13 464	32.2
Domestic Tourism	349 829	155 188	44.4	339 163	97.0	346 982	178 935	51.6
Total	1 264 985	557 078	44.0	1 250 246	98.8	1 374 143	727 720	53.0
Economic classification								
Current payments	272 511	108 682	39.9	262 996	96.5	330 253	125 047	37.9
Compensation of employees	144 582	64 908	44.9	135 254	93.5	174 738	84 686	48.5
Goods and services	127 675	43 641	34.2	127 481	99.8	155 025	40 241	26.0
Interest and rent on land	254	133	52.4	261	102.8	490	120	24.5
Transfers and subsidies	965 509	434 643	45.0	966 732	100.1	1 034 332	600 535	58.1
Departmental agencies and accounts	668 613	300 000	44.9	668 613	100.0	758 979	443 509	58.4
Higher education institutions	–	–	0.0	1 875	0.0	2 490	–	0.0
Foreign governments and international organisations	2 000	–	0.0	1 447	72.4	3 491	3 490	100.0
Non-profit institutions	22 700	10 500	46.3	22 200	97.8	26 585	12 800	48.1
Households	272 196	124 143	45.6	272 597	100.1	242 787	140 736	58.0
Payments for capital assets	26 965	13 750	51.0	20 510	76.1	9 558	2 129	22.3
Machinery and equipment	26 920	13 730	51.0	19 571	72.7	9 342	2 129	22.8
Software and other intangible assets	45	20	44.4	939	2085.6	216	–	0.0
Payments for financial assets	–	3	–	9	–	–	9	–
Total	1 264 985	557 078	44.0	1 250 246	98.8	1 374 143	727 720	53.0

Main expenditure trends for the first half of 2012/13

Total expenditure for 2011/12 was 98.8 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 was R727.720 million, or 53 per cent of the adjusted appropriation of R1.374 billion for the year as a whole. In comparison, mid-year expenditure in 2011/12 was R557.078 million, or 44 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 increased by R170.642 million or 30.6 per cent, compared to expenditure in the first six months of 2011/12.

The main expenditure increase compared to 2011/12 is mainly due to funds disbursed to projects in respect of the expanded public works programme, funds transferred to South African Tourism for the international marketing grant and operational expenditure.

Departmental receipts

R thousand	2011/12					2012/13			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 11 - Sep 11	Apr 11 - Sep 11 adjusted estimate	Apr 11 - Mar 12	Apr 11 - Mar 12 adjusted estimate	Budget estimate	Adjusted Estimate	Apr 12 - Sep 12	Apr 12 - Sep 12 adjusted estimate
Departmental receipts	1 730	1 730	100.0	1 893	109.4	2 015	2 030	729	35.9
Sales of goods and services produced by department	37	37	100.0	99	267.6	85	100	58	58.0
Sales of scrap, waste, arms and other used current goods	–	–	–	1	–	–	–	–	–
Interest, dividends and rent on land	18	18	100.0	23	127.8	26	26	5	19.2
Sales of capital assets	–	–	–	66	–	–	–	–	–
Transactions in financial assets and liabilities	1 675	1 675	100.0	1 704	101.7	1 904	1 904	666	35.0
Total	1 730	1 730	100.0	1 893	109.4	2 015	2 030	729	35.9

Main departmental revenue trends for the first half of 2012/13

Departmental revenue collection in the first six months of 2012/13 was R729 000, or 35.9 per cent of the adjusted revenue estimate of R2.030 million for the year as a whole. In comparison, mid-year revenue collection in 2011/12 was R1.730 million, or 100 per cent of the 2011/12 adjusted estimate. Departmental revenue collection in the first six months of 2012/13 decreased by R1.001 million or 57.9 per cent, compared to revenue in the first six months of 2011/12.

The main revenue decrease compared to 2011/12 is due to a decrease in revenue from transactions in financial assets and liabilities.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2012/13						
	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation
Administration							
Households							
Social benefits							
Current	–	–	–	20	–	–	20
Employee social benefits	–	–	–	20	–	–	20
Policy and Knowledge							
Services							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	753 303	–	–	–	–	1 626	1 626
South African Tourism	753 303	–	–	–	–	1 626	1 626

Summary of changes to transfers and subsidies per programme (continued)

R thousand	2012/13							
	Main appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	
Higher education institutions								
Current	–	–	–	2 490	–	–	2 490	2 490
National Tourism Research Framework	–	–	–	2 490	–	–	2 490	2 490
International Tourism								
Foreign governments and international organisations								
Current	5 250	–	–	(1 759)	–	–	(1 759)	3 491
Regional Tourism Organisation of South Africa	3 150	–	–	(1 178)	–	–	(1 178)	1 972
United Nations World Tourism Organisation	2 100	–	–	(581)	–	–	(581)	1 519
Domestic Tourism								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	–	–	–	4 050	–	–	4 050	4 050
Eastern Cape Parks and Tourism Agency	–	–	–	3 000	–	–	3 000	3 000
Tourism Accelerated Apprenticeship Programme	–	–	–	1 050	–	–	1 050	1 050
Non-profit institutions								
Current	1 200	–	–	(1 140)	–	–	(1 140)	60
National Tourism Business Initiative	1 200	–	–	(1 200)	–	–	(1 200)	–
Tourism Accelerated Apprenticeship Programme	–	–	–	60	–	–	60	60

