

Tourism

Adjusted budget summary

2013/14				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 500 574	1 520 574	–	20 000
of which:				
Current payments	359 230	360 658	–	1 428
Transfers and subsidies	1 133 838	1 156 789	–	22 951
Payments for capital assets	7 506	3 127	(4 379)	–
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	Outcome	Annual performance		
			Projected for 2013/14 as published in the 2013 ENE	Achieved in the first six months of 2013/14 (April to September)	Changed target for 2013/14
Number of initiatives facilitated to reduce barriers to tourism growth per year	Policy and Knowledge Services	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	2	2	–
Number of information and knowledge systems and services developed and maintained per year	Policy and Knowledge Services		3	2	–
Number of strategic interventions introduced for selected tourism markets (countries and/or regions) per year	International Tourism	Outcome 4: Decent employment through inclusive economic growth	4	0	–
Number of South African missions abroad supported for tourism mainstreaming	International Tourism	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	8	39	–
Number of sustainable regional support packages identified and supported for implementation per year	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	2	2	–
Number of full-time equivalent jobs supported through tourism enterprise partnership per year	Domestic Tourism		4 000	2 126	–
Number of rural enterprises supported per year	Domestic Tourism		969	218	–
Number of individual members of historically disadvantaged enterprises supported per year	Domestic Tourism		2 494	969	–
Number of full time equivalent jobs created through the social responsibility implementation programme of the expanded public works programme per year	Domestic Tourism		5 173	1 374	–

Mid-year progress

No strategic interventions were introduced for selected tourism markets as the department has changed its focus for supporting missions abroad by developing a business planning model to institutionalise tourism. The international tourism management programme has supported 39 South African missions abroad for tourism mainstreaming, exceeding the annual target of 8. The target was exceeded as the department has entered into an agreement with the Department of International Relations and Cooperation in terms of which it presents the business planning model to foreign missions visiting South Africa.

The provision of support to rural enterprises and individual members of historically disadvantaged enterprises, and the creation of full time equivalent jobs through the social responsibility implementation programme of the expanded public works programme are linked to the expanded public works programme. Progress with all 3 initiatives was slow in the first six months of the year as contracts are prepared in the first half of the year, while implementation takes place in the second half. The department is on track to meet the set targets by the end of 2013/14.

Adjusted Estimates of National Expenditure 2013

Programme	2013/14							Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	205 721	–	–	2 389	–	–	2 389	208 110
Policy and Knowledge Services	875 483	–	20 000	6 360	–	–	26 360	901 843
International Tourism	49 602	–	–	(8 589)	–	–	(8 589)	41 013
Domestic Tourism	369 768	–	–	(160)	–	–	(160)	369 608
Total	1 500 574	–	20 000	–	–	–	20 000	1 520 574
Economic classification								
Current payments	359 230	–	–	1 428	–	–	1 428	360 658
Compensation of employees	205 777	–	–	–	–	–	–	205 777
Goods and services	153 253	–	–	1 628	–	–	1 628	154 881
Interest and rent on land	200	–	–	(200)	–	–	(200)	–
Transfers and subsidies	1 133 838	–	20 000	2 951	–	–	22 951	1 156 789
Departmental agencies and accounts	835 973	–	20 000	6 660	–	–	26 660	862 633
Higher education institutions	3 105	–	–	–	–	–	–	3 105
Foreign governments and international organisations	5 539	–	–	(3 709)	–	–	(3 709)	1 830
Non-profit institutions	26 000	–	–	–	–	–	–	26 000
Households	263 221	–	–	–	–	–	–	263 221
Payments for capital assets	7 506	–	–	(4 379)	–	–	(4 379)	3 127
Machinery and equipment	7 385	–	–	(4 274)	–	–	(4 274)	3 111
Software and other intangible assets	121	–	–	(105)	–	–	(105)	16
Total	1 500 574	–	20 000	–	–	–	20 000	1 520 574

Programme 1: Administration

2013/14								
Subprogramme		Adjustments appropriation						
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand								
Ministry	37 506	–	–	–	–	–	–	37 506
Management	17 412	–	–	–	–	–	–	17 412
Corporate Affairs	125 841	–	–	(1 700)	–	–	(1 700)	124 141
Office Accommodation	24 962	–	–	4 089	–	–	4 089	29 051
Total	205 721	–	–	2 389	–	–	2 389	208 110

Programme 1: Administration (continued)

2013/14								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Economic classification								
Current payments	201 374	–	–	4 267	–	–	4 267	205 641
Compensation of employees	100 868	–	–	–	–	–	–	100 868
Goods and services	100 354	–	–	4 419	–	–	4 419	104 773
Interest and rent on land	152	–	–	(152)	–	–	(152)	–
Payments for capital assets	4 347	–	–	(1 878)	–	–	(1 878)	2 469
Machinery and equipment	4 284	–	–	(1 831)	–	–	(1 831)	2 453
Software and other intangible assets	63	–	–	(47)	–	–	(47)	16
Total	205 721	–	–	2 389	–	–	2 389	208 110

Programme 2: Policy and Knowledge Services

Subprogramme		2013/14						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Policy and Knowledge Services Management	3 608	–	–	1 850	–	–	1 850	5 458
Policy Development and Evaluation	20 162	–	–	650	–	–	650	20 812
Research and Knowledge Management	21 740	–	–	(2 500)	–	–	(2 500)	19 240
South African Tourism	829 973	–	20 000	6 360	–	–	26 360	856 333
Total	875 483	–	20 000	6 360	–	–	26 360	901 843
Economic classification								
Current payments	41 788	–	–	457	–	–	457	42 245
Compensation of employees	29 070	–	–	–	–	–	–	29 070
Goods and services	12 709	–	–	466	–	–	466	13 175
Interest and rent on land	9	–	–	(9)	–	–	(9)	–
Transfers and subsidies	833 078	–	20 000	6 360	–	–	26 360	859 438
Departmental agencies and accounts	829 973	–	20 000	6 360	–	–	26 360	856 333
Higher education institutions	3 105	–	–	–	–	–	–	3 105
Payments for capital assets	617	–	–	(457)	–	–	(457)	160
Machinery and equipment	617	–	–	(457)	–	–	(457)	160
Total	875 483	–	20 000	6 360	–	–	26 360	901 843

Programme 3: International Tourism

Subprogramme	2013/14							
	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	3 691	—	—	100	—	—	100	3 791
Americas and Caribbean	12 790	—	—	(2 086)	—	—	(2 086)	10 704
Europe	9 568	—	—	(1 089)	—	—	(1 089)	8 479
Africa and Middle East	13 824	—	—	(4 323)	—	—	(4 323)	9 501
Asia and Australasia	9 729	—	—	(1 191)	—	—	(1 191)	8 538
Total	49 602	—	—	(8 589)	—	—	(8 589)	41 013

Programme 3: International Tourism (continued)

2013/14								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Economic classification								
Current payments	43 308	–	–	(4 388)	–	–	(4 388)	38 920
Compensation of employees	28 369	–	–	–	–	–	–	28 369
Goods and services	14 926	–	–	(4 375)	–	–	(4 375)	10 551
Interest and rent on land	13	–	–	(13)	–	–	(13)	–
Transfers and subsidies	5 539	–	–	(3 709)	–	–	(3 709)	1 830
Foreign governments and international organisations	5 539	–	–	(3 709)	–	–	(3 709)	1 830
Payments for capital assets	755	–	–	(492)	–	–	(492)	263
Machinery and equipment	755	–	–	(492)	–	–	(492)	263
Total	49 602	–	–	(8 589)	–	–	(8 589)	41 013

Programme 4: Domestic Tourism

Subprogramme	2013/14							Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Domestic Tourism Management	9 737	–	–	(500)	–	–	(500)	9 237
Domestic Tourism Management: Southern Region	12 365	–	–	(160)	–	–	(160)	12 205
Domestic Tourism Management: Northern Region	17 046	–	–	500	–	–	500	17 546
Social Responsibility Implementation	305 620	–	–	–	–	–	–	305 620
Strategic Partners in Tourism	25 000	–	–	–	–	–	–	25 000
Total	369 768	–	–	(160)	–	–	(160)	369 608
Economic classification								
Current payments	72 760	–	–	1 092	–	–	1 092	73 852
Compensation of employees	47 470	–	–	–	–	–	–	47 470
Goods and services	25 264	–	–	1 118	–	–	1 118	26 382
Interest and rent on land	26	–	–	(26)	–	–	(26)	–
Transfers and subsidies	295 221	–	–	300	–	–	300	295 521
Departmental agencies and accounts	6 000	–	–	300	–	–	300	6 300
Non-profit institutions	26 000	–	–	–	–	–	–	26 000
Households	263 221	–	–	–	–	–	–	263 221
Payments for capital assets	1 787	–	–	(1 552)	–	–	(1 552)	235
Machinery and equipment	1 729	–	–	(1 494)	–	–	(1 494)	235
Software and other intangible assets	58	–	–	(58)	–	–	(58)	–
Total	369 768	–	–	(160)	–	–	(160)	369 608

Details of adjustments to the Estimates of National Expenditure 2013**Unforeseeable and unavoidable expenditure – R20 million****Programme 2: Policy and Knowledge Services**

An additional R20 million is allocated for the transfer payment to South African Tourism to make provision for the depreciation of the Rand on foreign currency denominated expenditure.

Virements and shifts

Programmes

1. Administration
2. Policy and Knowledge Services
3. International Tourism
4. Domestic Tourism

FROM:			TO:		
Programme by			Programme by		
economic classification	Motivation	R thousand	economic classification	Motivation	R thousand
Programme 1		(2 230)	Programme 4		200
Goods and services	Reallocation of funds from venues and facilities	(200)	Goods and services	National tourism careers expos	200
			Programme 1		2 030
Software and other intangible assets	Reclassification due to funds incorrectly classified in the 2013 ENE	(47)	Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE	47
Machinery and equipment	Reclassification due to funds incorrectly classified in the 2013 ENE	(1 831)	Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE	1 831
Interest and rent on land	Changes in the calculation method and allocation of finance leases	(152)	Goods and services	Purchase of assets such as office equipment	152
Shifts within the programme as a percentage of the programme budget		1.0%			
Virements to other programmes as a percentage of the programme budget		0.1%			
Programme 2		(466)	Programme 2		466
Machinery and equipment	Reclassification due to funds incorrectly classified in the 2013 ENE Changes in the calculation method and allocation of finance leases	(457)	Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE Purchase of assets such as office equipment	457
Interest and rent on land	Changes in the calculation method and allocation of finance leases	(9)	Goods and services	Purchase of assets such as office equipment	9
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(9 094)	Programme 1		2 589
Goods and services	Reallocation of funds from travel and subsistence	(2 589)	Goods and services	Office accommodation	2 589
			Programme 2		2 291
	Reallocation of funds from travel and subsistence ¹	(2 291)	Departmental agencies and accounts	Expenditure relating to the Lilizela Awards	2 291
			Programme 3		505
Machinery and equipment	Reclassification due to funds incorrectly classified in the 2013 ENE	(492)	Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE	492
Interest and rent on land	Changes in the calculation method and allocation of finance leases	(13)	Goods and services	Purchase of assets such as office equipment	13

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Foreign governments and international organisations	Reallocation of funds from transfer payments: Regional Tourism Organisation of Southern Africa ¹	(3 709)	Programme 2		3 709
			Departmental agencies and accounts	Expenditure relating to the Lilizela Awards	3 709
Shifts within the programme as a percentage of the programme budget		1.0%			
Virements to other programmes as a percentage of the programme budget ²		17.3%			
Programme 4		(2 238)	Programme 2		360
Goods and services	Reallocation of funds from travel and subsistence ¹	(360)	Departmental agencies and accounts	Funds transferred to South African Tourism for the Tourism Indaba	360
			Programme 4		1 878
	Reallocation of funds from travel and subsistence ¹	(300)	Departmental agencies and accounts	Inflationary increase in transfer payment to Eastern Cape Parks and Tourism Agency	300
Software and other intangible assets	Reclassification due to funds incorrectly classified in the 2013 ENE	(58)	Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE	58
Machinery and equipment	Reclassification due to funds incorrectly classified in the 2013 ENE	(1 494)	Goods and services	Reclassification due to funds incorrectly classified in the 2013 ENE	1 494
Interest and rent on land	Changes in the calculation method and allocation of finance leases	(26)	Goods and services	Purchase of assets such as office equipment	26
Shifts within the programme as a percentage of the programme budget		0.5%			
Virements to other programmes as a percentage of the programme budget		0.1%			
Total		(14 028)	14 028		

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).

Expenditure for 2012/13 and preliminary expenditure for 2013/14

Programme	2012/13					2013/14			
	Expenditure outcome					Preliminary expenditure			
		Apr 12 - Sep 12 % of adjusted appropriation	Apr 12 - Mar 13 % of adjusted appropriation				Adjusted appropriation/ total (%)	Apr 13 - Sep 13 % of adjusted appropriation	
R thousand	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted appropriation
Administration	191 936	74 467	38.8	179 224	93.4	208 110	13.7	93 417	44.9
Policy and Knowledge Services	793 395	460 854	58.1	794 024	100.1	901 843	59.3	432 952	48.0
International Tourism	41 830	13 464	32.2	27 133	64.9	41 013	2.7	18 133	44.2
Domestic Tourism	346 982	178 935	51.6	371 578	107.1	369 608	24.3	144 735	39.2
Total	1 374 143	727 720	53.0	1 371 959	99.8	1 520 574	100.0	689 237	45.3

R thousand	2012/13					2013/14			
	Expenditure outcome					Preliminary expenditure			
	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted appropriation
Economic classification									
Current payments	330 253	125 047	37.9	287 202	87.0	360 658	23.7	155 189	43.0
Compensation of employees	174 738	84 686	48.5	171 202	98.0	205 777	13.5	101 904	49.5
Goods and services	155 025	40 241	26.0	116 000	74.8	154 881	10.2	53 285	34.4
Interest and rent on land	490	120	24.5	–	0.0	–	0.0	–	0.0
Transfers and subsidies	1 034 332	600 535	58.1	1 074 794	103.9	1 156 789	76.1	528 504	45.7
Departmental agencies and accounts	758 979	443 509	58.4	758 979	100.0	862 633	56.7	417 609	48.4
Higher education institutions	2 490	–	0.0	2 490	100.0	3 105	0.2	–	0.0
Foreign governments and international organisations	3 491	3 490	100.0	3 491	100.0	1 830	0.1	1 830	100.0
Non-profit institutions	26 585	12 800	48.1	26 060	98.0	26 000	1.7	13 000	50.0
Households	242 787	140 736	58.0	283 774	116.9	263 221	17.3	96 065	36.5
Payments for capital assets	9 558	2 129	22.3	9 867	103.2	3 127	0.2	5 519	176.5
Buildings and other fixed structures	–	–	0.0	3 134	0.0	–	0.0	–	0.0
Machinery and equipment	9 342	2 129	22.8	6 556	70.2	3 111	0.2	5 425	174.4
Software and other intangible assets	216	–	0.0	177	81.9	16	0.0	94	587.5
Payments for financial assets	–	9	–	96	–	–	0.0	25	0.0
Total	1 374 143	727 720	53.0	1 371 959	99.8	1 520 574	100.0	689 237	45.3

Expenditure trends for the first half of 2013/14

Total expenditure in 2012/13 was 99.8 per cent of the 2012/13 adjusted appropriation. Expenditure in the first six months of 2013/14 was R689.237 million, or 45.3 per cent of the adjusted appropriation of R1.521 billion for the year. In comparison, mid-year expenditure in 2012/13 was R727.720 million, or 53 per cent of the 2012/13 adjusted appropriation. Compared to the first six months of 2012/13, expenditure over the same period in 2013/14 decreased by R38.483 million, or 5.3 per cent. This was mainly due to undisbursed funds for projects related to the expanded public works programme.

Departmental receipts

R thousand	2012/13					2013/14				
	Audited outcome					Actual receipts				
	Adjusted estimate	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted estimate	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted estimate
Departmental receipts	2 030	729	35.9	1 479	72.9	1 605	4 068	100.0	3 579	88.0
Sales of goods and services produced by department	100	58	58.0	123	123.0	90	140	3.4	68	48.6
Interest, dividends and rent on land	26	5	19.2	8	30.8	28	28	0.7	6	21.4
Sales of capital assets	–	–	–	11	–	–	600	14.7	495	82.5
Transactions in financial assets and liabilities	1 904	666	35.0	1 337	70.2	1 487	3 300	81.1	3 010	91.2
Total	2 030	729	35.9	1 479	72.9	1 605	4 068	100.0	3 579	88.0

Revenue trends for the first half of 2013/14

Revenue in the first six months of 2013/14 was R3.579 million, or 88 per cent of the adjusted revenue estimate of R4.068 million for the year. In comparison, mid-year revenue in 2012/13 was R729 000, or 35.9 per cent of the 2012/13 adjusted estimate. Compared to the first six months of 2012/13, revenue over the same period in 2013/14 increased by R2.850 million, or 390.9 per cent. The department has recorded R3.579 million as revenue, which was an unspent allocation for the expanded public works programme from a previous financial year. The department has since returned the funds to the National Revenue Fund.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

2013/14								
	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								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	829 973	–	20 000	6 360	–	–	6 360	856 333
South African Tourism	829 973	–	20 000	6 360	–	–	6 360	856 333
International Tourism								
Foreign governments and international organisations								
Current	5 539	–	–	(3 709)	–	–	(3 709)	1 830
Regional Tourism Organisation of South Africa	3 323	–	–	(3 323)	–	–	(3 323)	–
United Nations World Tourism Organisation	2 216	–	–	(386)	–	–	(386)	1 830
Domestic Tourism								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	3 000	–	–	300	–	–	300	3 300
Eastern Cape Parks and Tourism Agency	3 000	–	–	300	–	–	300	3 300