

Vote 33

Tourism

Adjusted budget summary

R thousand	2015/16			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 800 233	1 794 178	(6 055)	-
<i>of which:</i>				
Current payments	402 999	559 044	-	156 045
Transfers and subsidies	1 391 141	1 229 041	(162 100)	-
Payments for capital assets	6 093	6 093	-	-
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 2015/16 as published in the 2015 ENE	Achieved in the first six months of 2015/16 (April to September)	Changed target for 2015/16
Number of information systems, services developed, and maintained per year	Policy and Knowledge Services	Outcome 4: Decent employment through inclusive economic growth	7	7	-
Number of initiatives implemented for destination development per year	Policy and Knowledge Services	Outcome 4: Decent employment through inclusive economic growth	2	2	-
Number of tourism source market development plans activated per year	International Tourism	Outcome 11: Create a better South Africa, a better Africa and a better world	20	6	-
Number of initiatives facilitated to support South African missions in developing tourism per year	International Tourism	Outcome 11: Create a better South Africa, a better Africa and a better world	1	0	-
Number of full time equivalent jobs created through the social responsibility implementation programme of the expanded public works programme per year	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	3 008	1 833	-
Number of rural enterprises supported for development ¹	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	250	59	100

1. This is a revised indicator.

Changes to indicators and targets published in the 2015 ENE

The indicator previously called 'Number of enterprises selected and assessed for development per year' has been revised to 'Number of rural enterprises supported for development'. The reason for the change is that the department entered into a new partnership agreement with the Tourism Enterprise Partnership, which focuses on supporting rural enterprises. The annual target for this indicator has been changed from 250 to 100 rural enterprises supported per year.

Mid-year progress

While the performance for some indicators for the first six months of 2015/16 has been slow and below target, the department expects to achieve all its targets by year-end.

The progress on the number of tourism source markets development plans implemented has been slow, due to slower performance in some of the necessary activities underpinning the development plans. These include: tourism trade seminars, of which only 1 of the 2 targeted was held (for Asia, Australia and Western Europe in the first quarter); outbound tourism trade engagements, of which only 1 out of a target of 4 was conducted; and roadshows, of which only 1 out of 2 was held (for South East Asia in the second quarter).

The provision of support to rural enterprises and the creation of full time equivalent jobs created through the social responsibility implementation programme are linked to the expanded public works programme. The targets of creating 3 008 full time equivalent job opportunities are expected to be achieved by the end of 2015/16.

Adjusted Estimates of National Expenditure 2015

Programme	2015/16							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Administration	231 773	-	-	-	-	1 883	1 883	233 656
Policy and Knowledge Services	1 215 571	-	-	-	(10 000)	643	(9 357)	1 206 214
International Tourism	46 726	-	-	-	-	582	582	47 308
Domestic Tourism	306 163	-	-	-	-	837	837	307 000
Total	1 800 233	-	-	-	(10 000)	3 945	(6 055)	1 794 178
Economic classification								
Current payments	402 999	-	-	152 100	-	3 945	156 045	559 044
Compensation of employees	246 106	-	-	-	-	3 945	3 945	250 051
Goods and services	156 893	-	-	152 100	-	-	152 100	308 993
Transfers and subsidies	1 391 141	-	-	(152 100)	(10 000)	-	(162 100)	1 229 041
Departmental agencies and accounts	983 881	-	-	103 597	(10 000)	-	93 597	1 077 478
Higher education institutions	3 809	-	-	-	-	-	-	3 809
Foreign governments and international organisations	6 004	-	-	-	-	-	-	6 004
Non-profit institutions	14 750	-	-	-	-	-	-	14 750
Households	382 697	-	-	(255 697)	-	-	(255 697)	127 000
Payments for capital assets	6 093	-	-	-	-	-	-	6 093
Machinery and equipment	5 750	-	-	-	-	-	-	5 750
Software and other intangible assets	343	-	-	-	-	-	-	343
Total	1 800 233	-	-	-	(10 000)	3 945	(6 055)	1 794 178

Programme 1: Administration

Subprogramme	2015/16							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Ministry	35 917	-	-	-	-	212	212	36 129
Management	18 699	-	-	-	-	160	160	18 859
Corporate Affairs	148 663	-	-	-	-	1 511	1 511	150 174
Office Accommodation	28 494	-	-	-	-	-	-	28 494
Total	231 773	-	-	-	-	1 883	1 883	233 656
Economic classification								
Current payments	228 383	-	-	-	-	1 883	1 883	230 266
Compensation of employees	120 938	-	-	-	-	1 883	1 883	122 821
Goods and services	107 445	-	-	-	-	-	-	107 445

Programme 1: Administration (continued)

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Transfers and subsidies	176	-	-	-	-	-	-	176
Departmental agencies and accounts	176	-	-	-	-	-	-	176
Payments for capital assets	3 214	-	-	-	-	-	-	3 214
Machinery and equipment	2 900	-	-	-	-	-	-	2 900
Software and other intangible assets	314	-	-	-	-	-	-	314
Total	231 773	-	-	-	-	1 883	1 883	233 656

Programme 2: Policy and Knowledge Services

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Policy and Knowledge Services Management	6 801	-	-	-	-	48	48	6 849
Policy Development and Evaluation	26 026	-	-	-	-	(4 729)	(4 729)	21 297
Research and Knowledge Management	24 635	-	-	-	-	5 247	5 247	29 882
South African Tourism	977 712	-	-	-	-	-	-	977 712
Tourism Incentive Programme	180 397	-	-	-	(10 000)	77	(9 923)	170 474
Total	1 215 571	-	-	-	(10 000)	643	(9 357)	1 206 214
Economic classification								
Current payments	59 294	-	-	70 000	-	643	70 643	129 937
Compensation of employees	39 525	-	-	-	-	643	643	40 168
Goods and services	19 769	-	-	70 000	-	-	70 000	89 769
Transfers and subsidies	1 155 118	-	-	(70 000)	(10 000)	-	(80 000)	1 075 118
Departmental agencies and accounts	977 712	-	-	103 597	(10 000)	-	93 597	1 071 309
Higher education institutions	3 809	-	-	-	-	-	-	3 809
Households	173 597	-	-	(173 597)	-	-	(173 597)	-
Payments for capital assets	1 159	-	-	-	-	-	-	1 159
Machinery and equipment	1 130	-	-	-	-	-	-	1 130
Software and other intangible assets	29	-	-	-	-	-	-	29
Total	1 215 571	-	-	-	(10 000)	643	(9 357)	1 206 214

Programme 3: International Tourism

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
International Tourism Management	3 436	-	-	-	-	44	44	3 480
Americas and Western Europe	17 135	-	-	-	-	197	197	17 332
Africa and Middle East	14 220	-	-	-	-	151	151	14 371
Asia, Australasia and Eastern Europe	11 935	-	-	-	-	190	190	12 125
Total	46 726	-	-	-	-	582	582	47 308

Programme 3: International Tourism (continued)

Economic classification	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Current payments	39 778	–	–	–	–	582	582	40 360
Compensation of employees	35 766	–	–	–	–	582	582	36 348
Goods and services	4 012	–	–	–	–	–	–	4 012
Transfers and subsidies	6 004	–	–	–	–	–	–	6 004
Foreign governments and international organisations	6 004	–	–	–	–	–	–	6 004
Payments for capital assets	944	–	–	–	–	–	–	944
Machinery and equipment	944	–	–	–	–	–	–	944
Total	46 726	–	–	–	–	582	582	47 308

Programme 4: Domestic Tourism

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Domestic Tourism Management	10 501	–	–	–	–	47	47	10 548
Domestic Tourism Management: Southern Region	11 932	–	–	–	–	153	153	12 085
Domestic Tourism Management: Northern Region	17 094	–	–	–	–	175	175	17 269
Social Responsibility Implementation	253 136	–	–	–	–	462	462	253 598
Strategic Partners in Tourism	13 500	–	–	–	–	–	–	13 500
Total	306 163	–	–	–	–	837	837	307 000
Economic classification								
Current payments	75 544	–	–	82 100	–	837	82 937	158 481
Compensation of employees	49 877	–	–	–	–	837	837	50 714
Goods and services	25 667	–	–	82 100	–	–	82 100	107 767
Transfers and subsidies	229 843	–	–	(82 100)	–	–	(82 100)	147 743
Departmental agencies and accounts	5 993	–	–	–	–	–	–	5 993
Non-profit institutions	14 750	–	–	–	–	–	–	14 750
Households	209 100	–	–	(82 100)	–	–	(82 100)	127 000
Payments for capital assets	776	–	–	–	–	–	–	776
Machinery and equipment	776	–	–	–	–	–	–	776
Total	306 163	–	–	–	–	837	837	307 000

Details of adjustments to the Estimates of National Expenditure 2015

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 2		(173 597)	Programme 2		173 597
Households	Reclassification of funds due to an incorrect classification in the 2015 ENE ¹	(70 000)	Goods and services	Transfer payment reclassified as goods and services according to a directive from the Office of the Auditor-General ¹	70 000
	Reclassification of funds due to an incorrect classification in the 2015 ENE ¹	(103 597)	Departmental agencies and accounts	Reclassification of funds due to an incorrect classification in the 2015 ENE ¹	103 597
Shifts within the programme as a percentage of the programme budget		14.3%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(82 100)	Programme 4		82 100
Households	Reclassification of funds due to an incorrect classification in the 2015 ENE ¹	(82 100)	Goods and services	Transfer payment reclassified as goods and services according to a directive from the Office of the Auditor-General ¹	82 100
Shifts within the programme as a percentage of the programme budget		26.8%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(255 697)			255 697

1. National Treasury approval has been obtained.

Declared unspent funds – R10 million

Programme 2: Policy and Knowledge Services

R10 million in unspent funds has been declared on the tourism incentive programme due to slow spending in the programme.

Other adjustments – R3.945 million

Adjustments due to significant and unforeseeable economic and financial events – R3.945 million

An additional R3.945 million has been allocated to the department to cover the costs of increases in personnel remuneration that were higher than provided for in the main Budget, as follows:

Programme 1: Administration

R1.883 million

Programme 2: Policy and Knowledge Services

R643 000

Programme 3: International Tourism

R582 000

Programme 4: Domestic Tourism

R837 000

Expenditure outcome for 2014/15 and actual expenditure for 2015/16

Programme	2014/15					2015/16				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted appropriation	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	
Administration	224 619	91 266	40.6	219 783	97.8	233 656	13.0	103 109	44.1	
Policy and Knowledge Services	928 862	683 990	73.6	929 647	100.1	1 206 214	67.2	654 355	54.2	
International Tourism	45 416	17 852	39.3	45 094	99.3	47 308	2.6	27 504	58.1	
Domestic Tourism	384 363	201 226	52.4	363 070	94.5	307 000	17.1	147 358	48.0	
Total	1 583 260	994 334	62.8	1 557 594	98.4	1 794 178	100.0	932 326	52.0	
Economic classification										
Current payments	373 661	152 442	40.8	460 786	123.3	559 044	31.2	182 871	32.7	
Compensation of employees	229 277	106 915	46.6	231 504	101.0	250 051	13.9	124 213	49.7	
Goods and services	144 384	45 527	31.5	229 282	158.8	308 993	17.2	58 658	19.0	
Transfers and subsidies	1 199 225	836 583	69.8	1 083 730	90.4	1 229 041	68.5	746 627	60.7	
Departmental agencies and accounts	886 257	667 930	75.4	886 257	100.0	1 077 478	60.1	628 347	58.3	
Higher education institutions	3 720	–	–	3 720	100.0	3 809	0.2	–	–	
Foreign governments and international organisations	5 864	2 286	39.0	8 552	145.8	6 004	0.3	5 810	96.8	
Non-profit institutions	25 200	11 700	46.4	26 450	105.0	14 750	0.8	11 193	75.9	
Households	278 184	154 667	55.6	158 751	57.1	127 000	7.1	101 277	79.7	
Payments for capital assets	10 374	5 287	51.0	12 816	123.5	6 093	0.3	2 749	45.1	
Machinery and equipment	10 245	5 259	51.3	10 718	104.6	5 750	0.3	2 749	47.8	
Software and other intangible assets	129	28	21.7	2 098	1626.4	343	–	–	–	
Payments for financial assets	–	22	–	262	–	–	–	79	–	
Total	1 583 260	994 334	62.8	1 557 594	98.4	1 794 178	100.0	932 326	52.0	

Expenditure trends for the first half of 2015/16

Total expenditure in 2014/15 was 98.4 per cent of the 2014/15 adjusted appropriation. Expenditure in the first six months of 2015/16 was R932.3 million, or 52 per cent of the adjusted appropriation of R1.8 billion for the year. In comparison, mid-year expenditure in 2014/15 was R994.3 million or 62.8 per cent of the 2014/15 adjusted appropriation. Compared to the first six months of 2014/15, expenditure over the same period in 2015/16 decreased by R62 million, or 6.2 per cent. This was mainly due to the delay in the appointment of the technical advisors for the renewable energy retro-fitment project related to the tourism incentive programme. The technical advisors have since been appointed and contract negotiations finalised.

Departmental receipts

	2014/15					2015/16				
	Audited outcome					Actual receipts				
R thousand	Adjusted estimate	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted estimate	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate
Departmental receipts	3 486	1 936	55.5	3 504	100.5	1 769	1 864	100.0	938	50.3
Sales of goods and services produced by department	134	81	60.4	163	121.6	104	168	9.0	84	50.0
Interest, dividends and rent on land	30	4	13.3	10	33.3	35	11	0.6	5	45.5
Sales of capital assets	22	12	54.5	24	109.1	–	135	7.2	68	50.4
Transactions in financial assets and liabilities	3 300	1 839	55.7	3 307	100.2	1 630	1 550	83.2	781	50.4
Total	3 486	1 936	55.5	3 504	100.5	1 769	1 864	100.0	938	50.3

Revenue trends for the first half of 2015/16

Revenue in the first six months of 2015/16 was R938 000, or 50.3 per cent of the adjusted revenue estimate of R1.9 million for the year. In comparison, mid-year revenue in 2014/15 was R1.9 million, or 55.5 per cent of the 2014/15 adjusted estimate. Compared to the first six months of 2014/15, revenue over the same period in 2015/16 decreased by R998 000, or 51.5 per cent. This was mainly because debt from previous years' expenditure was recovered in 2014/15.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Policy and Knowledge Services								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	-	-	-	103 597	(10 000)	-	93 597	93 597
Tourism incentive programme	-	-	-	103 597	(10 000)	-	93 597	93 597
Households								
Other transfers to households								
Current	173 597	-	-	(173 597)	-	-	(173 597)	-
Tourism incentive programme	173 597	-	-	(173 597)	-	-	(173 597)	-
Domestic Tourism								
Households								
Other transfers to households								
Current	150 854	-	-	(82 100)	-	-	(82 100)	68 754
Expanded public works programme	150 854	-	-	(82 100)	-	-	(82 100)	68 754

