

Vote 33

Tourism

Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	2 261 817	2 261 817	(567)	567
<i>of which:</i>				
Current payments	555 913	556 480	–	567
Transfers and subsidies	1 481 808	1 481 241	(567)	–
Payments for capital assets	224 096	224 096	–	–
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	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Number of platforms facilitated to improve tourism sector stakeholder engagement and national tourism sector strategy implementation per year	Tourism Research, Policy and International Relations	Outcome 11: Create a better South Africa, a better Africa and a better world	1	1	–
Number of full-time equivalent jobs created through the Working for Tourism programme per year	Destination Development	Outcome 4: Decent employment through inclusive growth	4 813	729 ¹	–
Number of enterprise development programmes implemented per year	Tourism Sector Support Services	Outcome 7: Comprehensive rural development and land reform	400	298 ¹	–
Number of incentivised programmes implemented per year	Tourism Sector Support Services	Outcome 4: Decent employment through inclusive growth	4	3	–
Number of capacity building programmes implemented per year	Tourism Sector Support Services		9	5	–

1. Only data for the first quarter was available at the time of publication.

Mid-year progress

In the first quarter of 2018/19, the department created 729 full-time equivalent jobs through the Working for Tourism programme against an annual target of 4 813. Second quarter performance data will be available by the end of October.

In the first quarter of 2018/19, 298 businesses of 400 were selected to receive support through the enterprise development programme. The outstanding 102 beneficiaries are still being recruited, and a needs analysis of the selected beneficiaries is under way. The remaining support phases will take place during the second half of the financial year.

As the department did not experience any significant challenges in relation to the implementation of its quarterly milestones, it has already implemented 3 out of the annual target of 4 incentivised programmes.

Adjusted Estimates of National Expenditure 2018

Programme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	271 415	-	-	-	-	-	271 415	
Tourism Research, Policy and International Relations	1 281 995	-	-	-	-	-	1 281 995	
Destination Development	401 754	-	-	-	-	-	401 754	
Tourism Sector Support Services	306 653	-	-	-	-	-	306 653	
Total	2 261 817	-	-	-	-	-	2 261 817	
Economic classification								
Current payments	555 913	-	-	567	-	-	567	556 480
Compensation of employees	310 353	-	-	-	-	-	-	310 353
Goods and services	245 560	-	-	567	-	-	567	246 127
Transfers and subsidies	1 481 808	-	-	(567)	-	-	(567)	1 481 241
Departmental agencies and accounts	1 232 475	-	-	-	-	-	-	1 232 475
Foreign governments and international organisations	2 508	-	-	-	-	-	-	2 508
Public corporations and private enterprises	161 501	-	-	(567)	-	-	(567)	160 934
Non-profit institutions	472	-	-	-	-	-	-	472
Households	84 852	-	-	-	-	-	-	84 852
Payments for capital assets	224 096	-	-	-	-	-	-	224 096
Buildings and other fixed structures	218 594	-	-	-	-	-	-	218 594
Machinery and equipment	5 297	-	-	-	-	-	-	5 297
Software and other intangible assets	205	-	-	-	-	-	-	205
Total	2 261 817	-	-	-	-	-	-	2 261 817

Programme 3: Destination Development

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Destination Development Management	20 311	-	-	-	-	-	-	20 311
Tourism Enhancement	18 962	-	-	-	-	-	-	18 962
Destination Planning and Investment Coordination	27 695	-	-	-	-	-	-	27 695
Working for Tourism	334 786	-	-	-	-	-	-	334 786
Total	401 754	-	-	-	-	-	-	401 754
Economic classification								
Current payments	101 997	-	-	567	-	-	567	102 564
Compensation of employees	48 334	-	-	-	-	-	-	48 334
Goods and services	53 663	-	-	567	-	-	567	54 230
Transfers and subsidies	81 440	-	-	(567)	-	-	(567)	80 873
Public corporations and private enterprises	567	-	-	(567)	-	-	(567)	-
Households	80 873	-	-	-	-	-	-	80 873
Payments for capital assets	218 317	-	-	-	-	-	-	218 317
Buildings and other fixed structures	217 944	-	-	-	-	-	-	217 944
Machinery and equipment	373	-	-	-	-	-	-	373
Total	401 754	-	-	-	-	-	-	401 754

Details of adjustments to Estimates of National Expenditure 2018

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 3		(567)	Programme 3		567
Public corporations and private enterprises	Reclassification of funds due to Standard Chart of Accounts requirements ¹	(567)	Goods and services	Reclassification of funds due to Standard Chart of Accounts requirements	567
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%			
Total		(567)	567		

1. National Treasury approval has been obtained.

Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Programme	2017/18					2018/19				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 17 - Sep 17	adjusted appropriation	Apr 17 - Mar 18	adjusted appropriation	Adjusted appropriation/ Total (%)	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	adjusted appropriation	
Administration	234 081	107 123	45.8	241 878	103.3	271 415	12.0	126 623	46.7	
Tourism Research, Policy and International Relations	1 203 108	857 747	71.3	1 196 743	99.5	1 281 995	56.7	1 065 142	83.1	
Destination Development	431 853	106 412	24.6	433 529	100.4	401 754	17.8	116 133	28.9	
Tourism Sector Support Services	271 114	110 800	40.9	261 826	96.6	306 653	13.6	148 131	48.3	
Total	2 140 156	1 182 082	55.2	2 133 976	99.7	2 261 817	100.0	1 456 029	64.4	
Economic classification										
Current payments	648 930	214 079	33.0	591 098	91.1	556 480	24.6	279 582	50.2	
Compensation of employees	284 853	142 840	50.1	296 240	104.0	310 353	13.7	154 878	49.9	
Goods and services	364 077	71 239	19.6	294 858	81.0	246 127	10.9	124 704	50.7	
Transfers and subsidies	1 379 033	896 239	65.0	1 320 143	95.7	1 481 241	65.5	1 128 573	76.2	
Departmental agencies and accounts	1 139 097	866 160	76.0	1 174 097	103.1	1 232 475	54.5	1 099 597	89.2	
Foreign governments and international organisations	6 638	6 324	95.3	6 394	96.3	2 508	0.1	2 349	93.7	
Public corporations and private enterprises	88 279	3 293	3.7	47 966	54.3	160 934	7.1	9 550	5.9	
Non-profit institutions	500	500	100.0	560	112.0	472	0.0	472	100.0	
Households	144 519	19 962	13.8	91 126	63.1	84 852	3.8	16 605	19.6	

Economic classification	2017/18					2018/19			
	Audited outcome					Actual expenditure			
R thousand	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation
Payments for capital assets	112 193	71 715	63.9	222 616	198.4	224 096	9.9	47 815	21.3
Buildings and other fixed structures	107 493	68 302	63.5	214 526	199.6	218 594	9.7	42 478	19.4
Machinery and equipment	4 700	3 413	72.6	6 649	141.5	5 297	0.2	4 183	79.0
Software and other intangible assets	–	–	0.0	1 441	0.0	205	0.0	1 154	562.9
Payments for financial assets	–	49	–	119	–	–	0.0	59	0.0
Total	2 140 156	1 182 082	55.2	2 133 976	99.7	2 261 817	100.0	1 456 029	64.4

Expenditure trends for the first half of 2018/19

Total expenditure in 2017/18 was R2.1 billion, 99.7 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2017/18 was R1.2 billion, 55.2 per cent of the 2017/18 adjusted appropriation, whereas expenditure in the first half of 2018/19 was R1.5 billion, 64.4 per cent of the adjusted appropriation of R2.3 billion for the year. Compared to the first half of 2017/18, expenditure over the same period in 2018/19 increased by R273.9 million, 23.2 per cent. This was mainly due to transfer payments to South African Tourism and inflationary adjustments to expenditure on compensation of employees and goods and services.

Departmental receipts

Economic classification	2017/18					2018/19				
	Audited outcome					Actual receipts				
R thousand	Adjusted estimate	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate
Departmental receipts	1 756	843	48.0	1 138	64.8	1 934	3 863	100.0	1 939	50.2
Sales of goods and services produced by department	162	80	49.4	160	98.8	163	163	4.2	81	49.7
Interest, dividends and rent on land	120	24	20.0	104	86.7	100	100	2.6	55	55.0
Sales of capital assets	40	22	55.0	38	95.0	40	40	1.0	21	52.5
Transactions in financial assets and liabilities	1 434	717	50.0	836	58.3	1 631	3 560	92.2	1 782	50.1
Total	1 756	843	48.0	1 138	64.8	1 934	3 863	100.0	1 939	50.2

Revenue trends for the first half of 2018/19

Mid-year revenue in 2017/18 was R843 000, 48 per cent of the 2017/18 adjusted estimate, whereas mid-year revenue in 2018/19 was R1.9 million, 50.2 per cent of the adjusted revenue estimate of R3.9 million for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 increased by R1.1 million, 130 per cent, mainly due to an increase in the return of unspent funds for Working for Tourism projects.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

		2018/19						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Destination Development								
Public corporations and private enterprises								
Private enterprises								
Other transfers								
Current	567	-	-	(567)	-	-	(567)	-
N12 Treasure Route Association	567	-	-	(567)	-	-	(567)	-

