

Tourism

Adjusted budget summary

R thousand	2019/20			Adjusted appropriation
	Appropriation	Adjustments appropriation		
		Decrease	Increase	
Amount to be appropriated	2 392 670	(243 296)	243 296	2 392 670
<i>of which:</i>				
Current payments	693 555	–	243 296	936 851
Transfers and subsidies	1 554 475	(119 963)	–	1 434 512
Payments for capital assets	144 640	(123 333)	–	21 307
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

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first quarter of 2019/20 (April to June) ¹	Changed target for 2019/20
Number of subsystems developed for the national tourism information and monitoring system per year	Tourism Research, Policy and International Relations	Outcome 4: Decent employment through inclusive growth	2	1	–
Number of full-time equivalent jobs created through the Working for Tourism programme per year	Destination Development		4 331	899	–
Number of master plans progressively implemented to support coastal and marine tourism per year	Destination Development		4	0	–
Total number of enterprise development incubators implemented	Tourism Sector Support Services		6	3	–
Number of incentivised programmes implemented per year	Tourism Sector Support Services		5	4	–
Number of capacity-building programmes implemented per year	Tourism Sector Support Services		9	6	–

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

Mid-year progress

In the first quarter of 2019/20, the department reviewed 4 tourism master plans to support coastal and marine tourism (Port Nolloth to Hondeklipbaai; Sutherland to Carnarvon; Orange River Mouth to Vioolsdrift; and Port St Johns to Coffee Bay). The implementation of these plans is expected to take place only in the second half of the financial year.

The department selected 3 businesses in the first quarter out of a targeted 6 for the year to receive support through the enterprise development programme. The remaining 3 beneficiaries are still being recruited and a needs analysis is under way. Planned support phases are scheduled for the second half of the financial year.

In the first quarter, the department implemented 4 of the annual target of 5 incentivised programmes and 6 capacity-building programmes of the 9 targeted for the year. It will continue to oversee these programmes for the remainder of the financial year.

Adjusted Estimates

Programme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Administration	291 494	–	4 380	–	–	–	4 380	295 874
Tourism Research, Policy and International Relations	1 331 053	–	–	–	–	–	–	1 331 053
Destination Development	463 297	–	–	–	–	–	–	463 297
Tourism Sector Support Services	306 826	–	(4 380)	–	–	–	(4 380)	302 446
Total	2 392 670	–	–	–	–	–	–	2 392 670
Economic classification								
Current payments	693 555	–	243 296	–	–	–	243 296	936 851
Compensation of employees	334 372	–	–	–	–	–	–	334 372
Goods and services	359 183	–	243 296	–	–	–	243 296	602 479
Transfers and subsidies	1 554 475	–	(119 963)	–	–	–	(119 963)	1 434 512
Departmental agencies and accounts	1 258 033	–	–	–	–	–	–	1 258 033
Foreign governments and international organisations	2 194	–	580	–	–	–	580	2 774
Public corporations and private enterprises	169 932	–	(4 500)	–	–	–	(4 500)	165 432
Non-profit institutions	413	–	–	–	–	–	–	413
Households	123 903	–	(116 043)	–	–	–	(116 043)	7 860
Payments for capital assets	144 640	–	(123 333)	–	–	–	(123 333)	21 307
Buildings and other fixed structures	133 333	–	(123 333)	–	–	–	(123 333)	10 000
Machinery and equipment	10 633	–	–	–	–	–	–	10 633
Software and other intangible assets	674	–	–	–	–	–	–	674
Total	2 392 670	–	–	–	–	–	–	2 392 670

Programme 1: Administration

Subprogramme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Ministry	26 406	–	4 380	–	–	–	4 380	30 786
Management	3 342	–	–	–	–	–	–	3 342
Corporate Management	180 675	–	–	–	–	–	–	180 675
Financial Management	40 089	–	–	–	–	–	–	40 089
Office Accommodation	40 982	–	–	–	–	–	–	40 982
Total	291 494	–	4 380	–	–	–	4 380	295 874
Economic classification								
Current payments	280 948	–	–	–	–	–	–	280 948
Compensation of employees	151 010	–	–	–	–	–	–	151 010
Goods and services	129 938	–	–	–	–	–	–	129 938
Transfers and subsidies	157	–	4 380	–	–	–	4 380	4 537
Departmental agencies and accounts	157	–	–	–	–	–	–	157
Households	–	–	4 380	–	–	–	4 380	4 380

Programme 1: Administration (continued)

Economic classification		2019/20						
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Payments for capital assets	10 389	-	-	-	-	-	-	10 389
Machinery and equipment	9 715	-	-	-	-	-	-	9 715
Software and other intangible assets	674	-	-	-	-	-	-	674
Total	291 494	-	4 380	-	-	-	4 380	295 874

Programme 2: Tourism Research, Policy and International Relations

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Tourism Research, Policy and International Relations Management	10 639	-	-	-	-	-	-	10 639
Research and Knowledge Management	28 101	-	-	-	-	-	-	28 101
Policy Planning and Strategy	12 868	-	-	-	-	-	-	12 868
South African Tourism	1 254 161	-	-	-	-	-	-	1 254 161
International Relations and Cooperation	25 284	-	-	-	-	-	-	25 284
Total	1 331 053	-	-	-	-	-	-	1 331 053
Economic classification	70 737	-	(580)	-	-	-	(580)	70 157
Current payments	46 925	-	-	-	-	-	-	46 925
Compensation of employees	23 812	-	(580)	-	-	-	(580)	23 232
Transfers and subsidies	1 259 835	-	580	-	-	-	580	1 260 415
Departmental agencies and accounts	1 254 161	-	-	-	-	-	-	1 254 161
Foreign governments and international organisations	2 194	-	580	-	-	-	580	2 774
Households	3 480	-	-	-	-	-	-	3 480
Payments for capital assets	481	-	-	-	-	-	-	481
Machinery and equipment	481	-	-	-	-	-	-	481
Total	1 331 053	-	-	-	-	-	-	1 331 053

Programme 3: Destination Development

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Destination Development Management	38 965	-	-	-	-	-	-	38 965
Tourism Enhancement	23 333	-	-	-	-	-	-	23 333
Destination Planning and Investment Coordination	29 655	-	-	-	-	-	-	29 655
Working for Tourism	371 344	-	-	-	-	-	-	371 344
Total	463 297	-	-	-	-	-	-	463 297
Economic classification	209 300	-	243 756	-	-	-	243 756	453 056
Current payments	55 831	-	-	-	-	-	-	55 831
Compensation of employees	153 469	-	243 756	-	-	-	243 756	397 225
Transfers and subsidies	120 423	-	(120 423)	-	-	-	(120 423)	-
Households	120 423	-	(120 423)	-	-	-	(120 423)	-

Programme 3: Destination Development (continued)

Economic classification		2019/20						Adjusted appropriation
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Payments for capital assets	133 574	–	(123 333)	–	–	–	(123 333)	10 241
Buildings and other fixed structures	133 333	–	(123 333)	–	–	–	(123 333)	10 000
Machinery and equipment	241	–	–	–	–	–	–	241
Total	463 297	–	–	–	–	–	–	463 297

Programme 4: Tourism Sector Support Services

Subprogramme		2019/20						Adjusted appropriation
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Tourism Sector Support Services Management	11 893	–	–	–	–	–	–	11 893
Tourism Human Resource Development	27 890	–	–	–	–	–	–	27 890
Enterprise Development and Transformation	52 655	–	–	–	–	–	–	52 655
Tourism Visitor Services	24 875	–	–	–	–	–	–	24 875
Tourism Incentive Programme	189 513	–	(4 380)	–	–	–	(4 380)	185 133
Total	306 826	–	(4 380)	–	–	–	(4 380)	302 446
Economic classification								
Current payments	132 570	–	120	–	–	–	120	132 690
Compensation of employees	80 606	–	–	–	–	–	–	80 606
Goods and services	51 964	–	120	–	–	–	120	52 084
Transfers and subsidies	174 060	–	(4 500)	–	–	–	(4 500)	169 560
Departmental agencies and accounts	3 715	–	–	–	–	–	–	3 715
Public corporations and private enterprises	169 932	–	(4 500)	–	–	–	(4 500)	165 432
Non-profit institutions	413	–	–	–	–	–	–	413
Payments for capital assets	196	–	–	–	–	–	–	196
Machinery and equipment	196	–	–	–	–	–	–	196
Total	306 826	–	(4 380)	–	–	–	(4 380)	302 446

Details of adjustments to the 2019 Estimates of National Expenditure**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 2		(580)	Programme 2		580
Goods and services	Travel and subsistence	(580)	Foreign governments and international organisations	United Nations World Tourism Organisation ¹	580
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(243 756)	Programme 3		243 756
Buildings and other fixed structures	Expanded public works programme infrastructure projects ¹	(123 333)	Goods and services	Expanded public works programme skills development projects ¹	123 333
Households	Reclassification of funds due to standard chart of accounts requirements ¹	(120 423)	Goods and services	Reclassification of funds due to standard chart of accounts requirements ¹	120 423
Shifts within the programme as a percentage of the programme budget		52.6%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(8 880)	Programme 1		4 380
Goods and services	Business and advisory services ¹	(4 380)	Households	Long service gratuities	4 380
Public corporations and private enterprises	Reclassification of funds incorrectly classified in the 2019 ENE	(4 500)	Programme 4		4 500
Goods and services	Reclassification of funds incorrectly classified in the 2019 ENE		Goods and services	Reclassification of funds incorrectly classified in the 2019 ENE	4 500
Shifts within the programme as a percentage of the programme budget		1.5%			
Virements to other programmes as a percentage of the programme budget		1.4%			
Total		(253 216)			253 216

1. National Treasury approval has been obtained.

Expenditure outcome for 2018/19 and actual expenditure for 2019/20

Programme	2018/19					2019/20			
	Adjusted appropriation	Outcome			Adjusted appropriation/Total (%)	Actual expenditure			
Apr 18 - Sep 18		% of adjusted appropriation	Apr 18 - Mar 19	% of adjusted appropriation		Adjusted appropriation	Adjusted appropriation/Total (%)	Apr 19 - Sep 19	% of adjusted appropriation
R thousand									
Administration	271 415	126 623	46.7	260 730	96.1	295 874	12.4	137 370	46.4
Tourism Research, Policy and International Relations	1 281 995	1 065 142	83.1	1 283 908	100.1	1 331 053	55.6	1 114 662	83.7
Destination Development	401 754	116 133	28.9	398 447	99.2	463 297	19.4	174 975	37.8
Tourism Sector Support Services	306 653	148 131	48.3	291 717	95.1	302 446	12.6	57 521	19.0
Total	2 261 817	1 456 029	64.4	2 234 802	98.8	2 392 670	100.0	1 484 528	62.0
Economic classifications									
Current payments	556 480	279 582	50.2	707 138	127.1	936 851	39.2	382 294	40.8
Compensation of employees	310 353	154 878	49.9	313 452	101.0	334 372	14.0	160 602	48.0
Goods and services	246 127	124 704	50.7	393 686	160.0	602 479	25.2	221 692	36.8
Transfers and subsidies	1 481 241	1 128 573	76.2	1 421 713	96.0	1 434 512	60.0	1 097 214	76.5
Departmental agencies and accounts	1 232 475	1 099 597	89.2	1 274 023	103.4	1 258 033	52.6	1 085 600	86.3
Foreign governments and international organisations	2 508	2 349	93.7	2 348	93.6	2 774	0.1	2 772	99.9
Public corporations and private enterprises	160 934	9 550	5.9	75 939	47.2	165 432	6.9	3 485	2.1
Non-profit institutions	472	472	100.0	472	100.0	413	0.0	413	100.0
Households	84 852	16 605	19.6	68 931	81.2	7 860	0.3	4 944	62.9

Economic classification	2018/19					2019/20			
	Adjusted appropriation	Outcome				Adjusted appropriation	Adjusted appropriation/ Total (%)	Actual expenditure	
		Apr 18 - Sep 18	adjusted % of appropriation	Apr 18 - Mar 19	adjusted % of appropriation			Apr 19 - Sep 19	adjusted % of appropriation
R thousand									
Payments for capital assets	224 096	47 815	21.3	105 554	47.1	21 307	0.9	4 929	23.1
Buildings and other fixed structures	218 594	42 478	19.4	94 187	43.1	10 000	0.4	733	7.3
Machinery and equipment	5 297	4 183	79.0	8 549	161.4	10 633	0.4	4 196	39.5
Software and other intangible assets	205	1 154	562.9	2 818	1 374.6	674	0.0	–	–
Payments for financial assets	–	59	–	397	–	–	–	91	–
Total	2 261 817	1 456 029	64.4	2 234 802	98.8	2 392 670	100.0	1 484 528	62.0

Expenditure trends for the first half of 2019/20

Total expenditure in 2018/19 was R2.2 billion, 98.8 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2018/19 was R1.5 billion, 64.4 per cent of the 2018/19 adjusted appropriation, whereas expenditure in the first half of 2019/20 was R1.5 billion, 62 per cent of the adjusted appropriation of R2.4 billion for the year. Compared to the first half of 2018/19, expenditure over the same period in 2019/20 increased by R28.5 million, 2 per cent, mainly due to inflationary adjustments for compensation of employees and increased expenditure on goods and services.

Departmental receipts

Economic classification	2018/19					2019/20				
	Adjusted estimate	Outcome				Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts	
		Apr 18 - Sep 18	adjusted estimate % of	Apr 18 - Mar 19	adjusted estimate % of				Apr 19 - Sep 19	adjusted estimate % of
R thousand										
Departmental receipts	3 863	1 939	50.2	2 482	64.3	3 928	1 510	100.0	744	49.3
Sales of goods and services produced by department	163	81	49.7	164	100.6	165	170	11.3	83	48.8
Interest, dividends and rent on land	100	55	55.0	127	127.0	101	200	13.2	92	46.0
Sales of capital assets	40	21	52.5	44	110.0	62	500	33.1	242	48.4
Transactions in financial assets and liabilities	3 560	1 782	50.1	2 147	60.3	3 600	640	42.4	327	51.1
Total	3 863	1 939	50.2	2 482	64.3	3 928	1 510	100.0	744	49.3

Revenue trends for the first half of 2019/20

Mid-year revenue in 2018/19 was R1.9 million, 50.2 per cent of the 2018/19 adjusted estimate, whereas revenue in the first half of 2019/20 was R744 000, 49.3 per cent of the adjusted estimate of R1.5 million for the year. Compared to the first half of 2018/19, revenue over the same period in 2019/20 decreased by R1.2 million, 61.6 per cent. This was mainly due to refunds of unspent funds for the Working for Tourism project being lower than the estimated amounts.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	-	-	4 380	-	-	-	4 380	4 380
Employee social benefits	-	-	4 380	-	-	-	4 380	4 380
Tourism Research, Policy and International Relations								
Foreign governments and international organisations								
Current	2 194	-	580	-	-	-	580	2 774
United Nations World Tourism Organisation	2 194	-	580	-	-	-	580	2 774
Destination Development								
Households								
Other transfers to households								
Current	120 423	-	(120 423)	-	-	-	(120 423)	-
Expanded public works programme	66 667	-	(66 667)	-	-	-	(66 667)	-
Expanded public works programme incentive	53 756	-	(53 756)	-	-	-	(53 756)	-
Tourism Sector Support Services								
Public corporations and private enterprises								
Private enterprises								
Other transfers								
Current	169 932	-	(4 500)	-	-	-	(4 500)	165 432
Tourism incentive programme	169 932	-	(4 500)	-	-	-	(4 500)	165 432

