



# BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE

**VOTE 35: Tourism**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



# **Estimates of National Expenditure**

## **2013**

**National Treasury**

**Republic of South Africa**

27 February 2013



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The Estimates of National Expenditure 2013 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za).

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

# Foreword

The 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



**Lungisa Fuzile**  
**Director-General: National Treasury**



# Introduction

## The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za).



# **Tourism**

**National Treasury  
Republic of South Africa**



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# Vote 35

## Tourism

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	205.7	201.4	–	4.3	221.4	226.6
Policy and Knowledge Services	875.5	41.8	833.1	0.6	924.4	930.6
International Tourism	49.6	43.3	5.5	0.8	52.3	53.5
Domestic Tourism	369.8	72.8	295.2	1.8	496.0	700.5
<b>Total expenditure estimates</b>	<b>1 500.6</b>	<b>359.2</b>	<b>1 133.8</b>	<b>7.5</b>	<b>1 694.1</b>	<b>1 911.2</b>
Executive authority	Minister of Tourism					
Accounting officer	Director General of Tourism					
Website address	<a href="http://www.tourism.gov.za">www.tourism.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Promote and support the growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities.*

### Mandate

The mandate of the Department of Tourism, as outlined in the Tourism Act (1993), is to promote sustainable growth and development in the tourism sector. The 1996 White Paper on the Development and Promotion of Tourism in South Africa provides for the promotion of domestic and international tourism. Tourism is a national priority and has the potential to contribute significantly to economic development. The national tourism sector strategy provides a blueprint for the tourism sector to meet the growth targets contained in the new growth path.

### Strategic goals

The department's strategic goals over the medium term are to:

- maximise domestic and foreign tourists arrivals to South Africa
- expand domestic and foreign investment in the South African tourism industry
- expand tourist infrastructure
- improve the range and quality of tourist services
- increase the impact of tourism on the livelihood of all South Africans
- improve the tourist experience and value for money
- improve research and knowledge management
- contribute to growth and development and expand the tourism share of GDP
- improve competitiveness and sustainability in the tourism sector
- strengthen collaboration with tourist organisations.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic governance and risk management, legal, corporate affairs, information technology, and strategic communications support services to the department.

### Programme 2: Policy and Knowledge Services

**Purpose:** Ensure strategic tourism sector policy development, monitoring and evaluation, and research and knowledge management services.

### Programme 3: International Tourism

**Purpose:** Develop and support South Africa's tourism potential throughout the various regions of the world.

### Programme 4: Domestic Tourism

**Purpose:** Promote the development and growth of sustainable domestic tourism throughout South Africa.

## Selected performance indicators

Table 35.1 Tourism

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of initiatives facilitated to reduce barriers to tourism growth per year <sup>2</sup>	Policy and Knowledge Services	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	-1	-1	2	2	2	4	6
Number of information and knowledge systems and services developed and maintained per year <sup>2</sup>	Policy and Knowledge Services		1	4	1	2	3	5	7
Number of strategic interventions introduced for selected tourism markets (countries and/or regions per year <sup>3</sup>	International Tourism	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-1	-1	4	8	12
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	-1	-1	-1	4	8	12	16
Number of sustainable regional support packages identified and supported for implementation per year <sup>4</sup>	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-1	9	2	2	2
Number of full-time equivalent jobs supported through tourism enterprise partnership per year <sup>5</sup>	Domestic Tourism		-1	6 226	5 000	5 000	4 000	4 000	4 000
Number of rural enterprises supported per year <sup>6</sup>	Domestic Tourism		-1	-1	500	530	969	969	969
Number of individuals members of historically disadvantaged enterprises supported per year <sup>7</sup>	Domestic Tourism		-1	-1	3 150	3 351	2 494	2 494	2 494
Number of full time equivalent jobs created through the social responsibility implementation programme of the expanded public works programme per year	Domestic Tourism		-1	5 716	4 531	5 054	5 173	5 625	5 575

1. Indicators were only introduced between 2010/11 and 2012/13.

2. Funds were shifted towards the Domestic Tourism programme in 2012/13; hence the target is higher in the MTEF years.

3. Number of initiatives facilitated to reduce barriers to tourism growth per year: There were 4 additional initiatives in 2014/15 and 2015/16.

4. 9 provinces were profiled.

5. 9 000 full-time equivalent jobs funded by the department over the medium term.

6. 2 181 rural enterprises supported and funded by the department over the medium term.

7. 5 613 disadvantaged enterprises supported and funded by department over the medium term.

## The national development plan

The national development plan recognises tourism as one of the main drivers of the country's economy and employment. The plan envisages the promotion of South Africa as a major tourist destination, with unique features, in order to boost tourist numbers and enable tourism to contribute to sustainable economic growth and poverty reduction. The department supports these objectives and will implement ongoing strategies to set and maintain high standards and encourage growth in the sector. Partnerships with the public and private sectors will be a vital component in the realisation of tourism's potential. In line with the national development plan's target

to create an additional 11 million jobs by 2030, and increase the GDP by an annual 5.4 per cent over the period, the tourism sector's targets for 2020 are the creation of 225 000 jobs and a total direct and indirect contribution to the GDP of R499 billion by 2020. These targets will contribute to the overall objective of increasing the proportion of national income in the lowest earning 40 per cent of the population.

## Expenditure estimates

Table 35.2 Tourism

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	80.2	155.8	195.1	191.9	191.9	33.7%	12.7%	205.7	221.4	226.6	5.7%	13.1%
Policy and Knowledge Services	714.5	644.2	694.0	793.4	793.4	3.6%	57.9%	875.5	924.4	930.6	5.5%	54.4%
International Tourism	10.7	26.4	22.1	41.8	41.8	57.5%	2.1%	49.6	52.3	53.5	8.6%	3.0%
Domestic Tourism	340.2	317.1	339.1	347.0	347.0	0.7%	27.3%	369.8	496.0	700.5	26.4%	29.5%
<b>Total</b>	<b>1 145.6</b>	<b>1 143.5</b>	<b>1 250.2</b>	<b>1 374.1</b>	<b>1 374.1</b>	<b>6.3%</b>	<b>100.0%</b>	<b>1 500.6</b>	<b>1 694.1</b>	<b>1 911.2</b>	<b>11.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				6.8	6.8			5.2	114.0	258.4		
<b>Economic classification</b>												
<b>Current payments</b>	<b>137.7</b>	<b>213.9</b>	<b>263.0</b>	<b>330.3</b>	<b>330.3</b>	<b>33.8%</b>	<b>19.2%</b>	<b>359.2</b>	<b>382.3</b>	<b>391.1</b>	<b>5.8%</b>	<b>22.6%</b>
Compensation of employees	89.6	100.3	135.3	174.7	174.7	24.9%	10.2%	205.8	222.3	227.7	9.2%	12.8%
Goods and services	48.1	113.6	127.5	155.0	155.0	47.7%	9.0%	153.3	159.8	163.2	1.7%	9.7%
of which:												
Administration fees	0.6	0.3	0.4	1.2	1.2	29.6%	0.1%	26.5	28.1	28.8	184.8%	1.3%
Advertising	1.6	2.0	2.6	2.0	2.0	8.3%	0.2%	2.2	2.4	2.4	5.6%	0.1%
Assets less than the capitalisation threshold	1.2	3.0	6.6	3.2	3.2	40.5%	0.3%	4.4	4.6	4.7	12.8%	0.3%
Audit cost: External	1.0	1.6	4.0	5.1	5.1	71.4%	0.2%	6.0	6.4	6.4	7.7%	0.4%
Bursaries: Employees	0.5	0.4	0.9	1.2	1.2	36.1%	0.1%	1.3	1.3	1.4	4.6%	0.1%
Catering: Departmental activities	0.6	0.3	0.5	1.5	1.5	36.5%	0.1%	1.2	1.1	1.1	-9.8%	0.1%
Communication	2.4	3.5	3.7	4.1	4.1	19.3%	0.3%	4.2	4.5	4.6	4.1%	0.3%
Computer services	1.2	9.4	11.0	19.6	19.6	157.1%	0.8%	22.5	22.2	22.8	5.1%	1.3%
Consultants and professional services: Business and advisory services	3.7	8.3	18.8	14.0	14.0	55.2%	0.9%	8.6	8.8	9.2	-13.0%	0.6%
Consultants and professional services: Legal costs	0.6	0.1	0.3	0.1	0.1	-43.1%	0.0%	0.1	0.1	0.1	-14.2%	0.0%
Contractors	3.8	39.3	9.0	10.8	10.8	41.6%	1.3%	5.8	6.1	6.3	-16.3%	0.4%
Agency and support / outsourced services	0.0	0.1	1.3	0.8	0.8	846.2%	0.0%	1.0	1.1	1.1	8.4%	0.1%
Entertainment	0.5	0.1	0.1	0.1	0.1	-34.2%	0.0%	0.1	0.1	0.1	3.2%	0.0%
Fleet services (including government motor transport)	-	-	0.0	0.4	0.4	0.0%	0.0%	0.0	0.0	0.0	-82.9%	0.0%
Inventory: Food and food supplies	0.3	0.1	0.0	0.1	0.1	-23.5%	0.0%	0.2	0.2	0.2	4.3%	0.0%
Inventory: Fuel, oil and gas	0.2	0.6	0.8	1.0	1.0	78.2%	0.1%	1.1	1.1	1.1	3.6%	0.1%
Inventory: Materials and supplies	0.0	0.2	0.3	0.3	0.3	94.5%	0.0%	0.3	0.3	0.3	3.2%	0.0%
Inventory: Medical supplies	0.0	-	-	0.0	0.0	146.6%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Other consumables	0.2	0.5	1.8	1.4	1.4	108.0%	0.1%	1.4	1.5	1.6	3.2%	0.1%
Inventory: Stationery and printing	0.5	2.3	4.3	7.9	7.9	145.6%	0.3%	8.4	8.8	9.0	4.4%	0.5%
Operating leases	3.8	3.6	18.0	0.1	0.1	-76.1%	0.5%	1.0	1.1	1.1	178.8%	0.1%
Property payments	0.3	1.2	1.9	24.2	24.2	358.0%	0.6%	0.3	0.3	0.3	-76.2%	0.4%
Transport provided: Departmental activity	0.0	0.3	-	0.0	0.0	54.2%	0.0%	0.0	0.0	0.0	17.8%	0.0%
Travel and subsistence	20.3	30.0	30.5	38.9	38.9	24.1%	2.4%	40.1	42.2	42.9	3.3%	2.5%
Training and development	0.3	1.1	2.1	3.4	3.4	117.4%	0.1%	4.1	4.2	4.3	7.6%	0.2%
Operating payments	1.8	2.9	3.6	6.6	6.6	52.8%	0.3%	6.8	7.1	7.3	3.5%	0.4%
Venues and facilities	2.8	2.7	4.9	5.7	5.7	27.1%	0.3%	4.5	4.7	4.8	-5.2%	0.3%
Rental and hiring	-	-	-	1.1	1.1	0.0%	0.0%	1.3	1.4	1.4	8.7%	0.1%
Interest and rent on land	-	-	0.3	0.5	0.5	0.0%	0.0%	0.2	0.2	0.2	-23.7%	0.0%
<b>Transfers and subsidies</b>	<b>1 007.5</b>	<b>912.8</b>	<b>966.7</b>	<b>1 034.3</b>	<b>1 034.3</b>	<b>0.9%</b>	<b>79.8%</b>	<b>1 133.8</b>	<b>1 303.8</b>	<b>1 511.8</b>	<b>13.5%</b>	<b>76.9%</b>
Departmental agencies and accounts	699.5	631.7	668.6	759.0	759.0	2.8%	56.1%	836.0	882.1	887.4	5.3%	51.9%
Higher education institutions	-	-	1.9	2.5	2.5	0.1%	0.1%	3.1	3.7	3.8	15.2%	0.2%
Foreign governments and international organisations	4.0	3.3	1.4	3.5	3.5	-4.4%	0.2%	5.5	5.9	6.0	19.8%	0.3%
Non-profit institutions	59.1	27.7	22.2	26.6	26.6	-23.4%	2.8%	26.0	26.0	26.0	-0.7%	1.6%
Households	244.9	250.2	272.6	242.8	242.8	-0.3%	20.6%	263.2	386.0	588.6	34.3%	22.8%
<b>Payments for capital assets</b>	<b>0.4</b>	<b>16.8</b>	<b>20.5</b>	<b>9.6</b>	<b>9.6</b>	<b>185.2%</b>	<b>1.0%</b>	<b>7.5</b>	<b>8.1</b>	<b>8.2</b>	<b>-4.8%</b>	<b>0.5%</b>
Machinery and equipment	0.4	16.8	19.6	9.3	9.3	184.0%	0.9%	7.4	7.9	8.1	-4.6%	0.5%
Software and other intangible assets	0.0	-	0.9	0.2	0.2	278.0%	0.0%	0.1	0.1	0.1	-15.6%	0.0%
<b>Total</b>	<b>1 145.6</b>	<b>1 143.5</b>	<b>1 250.2</b>	<b>1 374.1</b>	<b>1 374.1</b>	<b>6.3%</b>	<b>100.0%</b>	<b>1 500.6</b>	<b>1 694.1</b>	<b>1 911.2</b>	<b>11.6%</b>	<b>100.0%</b>

## Personnel information

**Table 35.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Tourism																			
Salary level	529	-	404	131.8	0.3	466	171.4	0.4	529	202.1	0.4	529	218.4	0.4	529	223.8	0.4	4.3%	100.0%
1 - 6	116	-	106	18.1	0.2	104	19.4	0.2	116	22.3	0.2	116	23.8	0.2	116	24.2	0.2	3.7%	22.0%
7 - 10	225	-	182	49.5	0.3	203	55.9	0.3	225	65.2	0.3	225	70.8	0.3	225	70.6	0.3	3.5%	42.8%
11 - 12	120	-	79	35.9	0.5	103	50.0	0.5	120	59.2	0.5	120	64.4	0.5	120	66.0	0.6	5.2%	22.6%
13 - 16	68	-	37	28.3	0.8	56	46.2	0.8	68	55.4	0.8	68	59.5	0.9	68	63.0	0.9	6.7%	12.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be in the *Policy and Knowledge Services* and *Domestic Tourism* programmes. This is to meet the department's objectives of using research and knowledge management to market South Africa as a desirable tourist destination, and creating 16 373 full time equivalent jobs through the implementation of the expanded public works programme by 2015/16.

Expenditure in the *Administration* programme grew significantly between 2009/10 and 2012/13 and was the main contributor to the increase in departmental expenditure over this period. This was due to the establishment of the Department of Tourism as a stand-alone department in 2010/11, and the need for new premises, fittings and personnel. This also accounted for the increase in expenditure on compensation of employees, goods and services, and machinery and equipment over the period.

Expenditure is expected to increase over the medium term to R1.9 billion as a result of additional allocations of R319 million for the tourism incentive programme, which was transferred from the Department of Trade and Industry to the *Domestic Tourism* programme in 2012/13. A new tourism incentive programme business plan will be developed in 2013/14, along with a system application to provide support to small, medium and micro enterprises. This will be fully functional in 2014/15.

The 2013 Budget sets out additional allocations over the medium term of R13.6 million for the department and R16.4 million for South African Tourism for improved conditions of service. An additional R100 million is allocated for the economic competitive support package in respect of the incentive investment projects in 2015/16.

As part of Cabinet approved reductions of R12.5 million in 2013/14, R9.6 million in 2014/15 and R59.6 million in 2015/16, the department will reduce spending on goods and services, contractors, the transfer to South African Tourism and on the social responsibility implementations in the expanded public works programme. The department has reduced its targets accordingly.

The department has a funded establishment of 529 posts, 60 of which were vacant at the end of September 2012. These vacancies are mainly the result of restructuring and natural attrition. The department plans to fill all vacancies by 2013/14. The ratio of support staff to line staff is 1:1.88.

Consultants are used to provide support to the department's information technology unit and the national tourism information gateways.

## Departmental receipts

Table 35.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand												
<b>Departmental receipts</b>	<b>719</b>	<b>1 521</b>	<b>1 893</b>	<b>2 030</b>	<b>1 524</b>	<b>28.5%</b>	<b>100.0%</b>	<b>1 605</b>	<b>1 687</b>	<b>1 769</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>138</b>	<b>64</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>-10.2%</b>	<b>7.1%</b>	<b>90</b>	<b>95</b>	<b>104</b>	<b>1.3%</b>	<b>5.9%</b>
Sales by market establishments of which:												
Rent collected from the letting of open and covered parking	–	34	59	60	60	–	2.7%	51	54	59	-0.6%	3.4%
Other sales of which:												
Commission received on deduction of insurance and other premiums from employees' salaries	138	30	40	40	40	-33.8%	4.4%	39	41	45	4.0%	2.5%
Sales of scrap, waste, arms and other used current goods of which:												
Paper	3	–	1	–	–	-100.0%	0.1%	–	–	–	–	–
Fines, penalties and forfeits	24	–	–	–	–	-100.0%	0.4%	–	–	–	–	–
Interest, dividends and rent on land	31	29	23	26	26	-5.7%	1.9%	28	30	35	10.4%	1.8%
Interest	31	29	23	26	26	-5.7%	1.9%	28	30	35	10.4%	1.8%
Sales of capital assets	–	–	66	–	–	–	1.2%	–	–	–	–	–
Transactions in financial assets and liabilities	523	1 428	1 704	1 904	1 398	38.8%	89.3%	1 487	1 562	1 630	5.3%	92.3%
<b>Total</b>	<b>719</b>	<b>1 521</b>	<b>1 893</b>	<b>2 030</b>	<b>1 524</b>	<b>28.5%</b>	<b>100.0%</b>	<b>1 605</b>	<b>1 687</b>	<b>1 769</b>	<b>5.1%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 35.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
R thousand												
Ministry	27 544	24 330	28 306	33 066	6.3%	18.2%	37 506	39 380	40 318	6.8%	17.8%	
Management	2 792	8 704	9 357	16 662	81.4%	6.0%	17 412	18 372	18 809	4.1%	8.4%	
Corporate Affairs	49 125	86 342	130 506	118 208	34.0%	61.7%	125 841	137 257	140 424	5.9%	61.7%	
Office Accommodation	762	36 394	26 898	24 000	215.8%	14.1%	24 962	26 427	27 056	4.1%	12.1%	
<b>Total</b>	<b>80 223</b>	<b>155 770</b>	<b>195 067</b>	<b>191 936</b>	<b>33.7%</b>	<b>100.0%</b>	<b>205 721</b>	<b>221 436</b>	<b>226 607</b>	<b>5.7%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(3 107)			277	4 010	–			

#### Economic classification

	2009/10	2010/11	2011/12	2012/13	Average growth rate (%)	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	Average growth rate (%)	Expenditure/total: Average (%)
<b>Current payments</b>	<b>79 811</b>	<b>140 240</b>	<b>177 432</b>	<b>186 187</b>	<b>32.6%</b>	<b>93.7%</b>	<b>201 374</b>	<b>216 834</b>	<b>221 895</b>	<b>6.0%</b>	<b>97.7%</b>
Compensation of employees	53 914	58 860	78 463	94 285	20.5%	45.8%	100 868	111 251	113 899	6.5%	49.7%
Goods and services of which:	25 897	81 380	98 739	91 463	52.3%	47.7%	100 354	105 422	107 831	5.6%	47.9%
Administration fees	32	146	146	898	203.9%	0.2%	26 244	27 788	28 456	216.4%	9.9%
Advertising	660	973	1 597	992	14.5%	0.7%	1 245	1 299	1 328	10.2%	0.6%
Assets less than the capitalisation threshold	268	2 611	6 152	2 574	112.6%	1.9%	3 580	3 741	3 830	14.2%	1.6%
Audit cost: External	1 018	1 583	4 013	5 129	71.4%	1.9%	6 023	6 357	6 401	7.7%	2.8%
Bursaries: Employees	97	205	864	1 200	131.3%	0.4%	1 250	1 342	1 374	4.6%	0.6%
Catering: Departmental activities	228	242	226	313	11.1%	0.2%	159	140	143	-23.0%	0.1%
Communication	1 620	2 877	2 898	2 566	16.6%	1.6%	2 640	2 799	2 866	3.8%	1.3%
Computer services	282	8 778	10 172	17 996	299.6%	6.0%	19 534	20 697	21 190	5.6%	9.4%
Consultants and professional services: Business and advisory services	456	2 816	15 016	3 277	93.0%	3.5%	3 923	3 668	3 757	4.7%	1.7%
Consultants and professional services: Legal costs	–	7	–	–	–	–	–	–	–	–	–
Contractors	1 698	35 292	8 776	2 579	14.9%	7.8%	2 985	3 065	3 140	6.8%	1.4%
Agency and support / outsourced services	1	87	1 253	839	843.2%	0.3%	986	1 045	1 071	8.5%	0.5%
Entertainment	94	76	98	75	-7.3%	0.1%	73	77	79	1.7%	–

Table 35.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R thousand										
Fleet services (including government motor transport)	–	–	1	402	–	0.1%	2	2	2	-82.9%	–
Inventory: Food and food supplies	333	84	23	54	-45.5%	0.1%	51	55	56	1.2%	–
Inventory: Fuel, oil and gas	175	581	776	991	78.2%	0.4%	1 095	1 075	1 101	3.6%	0.5%
Inventory: Materials and supplies	36	14	251	201	77.4%	0.1%	223	236	242	6.4%	0.1%
Inventory: Medical supplies	2	–	–	30	146.6%	–	–	–	–	-100.0%	–
Inventory: Other consumables	157	91	1 364	1 088	90.7%	0.4%	1 179	1 251	1 279	5.5%	0.6%
Inventory: Stationery and printing	531	797	2 431	4 756	107.7%	1.4%	5 289	5 592	5 726	6.4%	2.5%
Operating leases	3 628	3 316	17 752	51	-75.9%	4.0%	588	618	633	131.5%	0.2%
Property payments	252	1 204	1 838	24 213	358.0%	4.4%	301	318	326	-76.2%	3.0%
Transport provided: Departmental activity	6	–	–	22	54.2%	–	30	35	36	17.8%	–
Travel and subsistence	12 966	15 128	18 579	13 298	0.8%	9.6%	14 214	15 045	15 403	5.0%	6.9%
Training and development	142	654	1 594	2 462	158.8%	0.8%	3 021	3 149	3 222	9.4%	1.4%
Operating payments	518	2 497	1 312	2 213	62.3%	1.0%	3 072	3 244	3 321	14.5%	1.4%
Venues and facilities	697	1 321	1 607	2 178	46.2%	0.9%	1 370	1 445	1 479	-12.1%	0.8%
Rental and hiring	–	–	–	1 066	–	0.2%	1 277	1 339	1 370	8.7%	0.6%
Interest and rent on land	–	–	230	439	–	0.1%	152	161	165	-27.8%	0.1%
<b>Transfers and subsidies</b>	<b>–</b>	<b>525</b>	<b>312</b>	<b>20</b>	<b>–</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
Households	–	525	312	20	–	0.1%	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>412</b>	<b>15 002</b>	<b>17 317</b>	<b>5 729</b>	<b>140.5%</b>	<b>6.2%</b>	<b>4 347</b>	<b>4 602</b>	<b>4 712</b>	<b>-6.3%</b>	<b>2.3%</b>
Machinery and equipment	408	15 002	16 408	5 593	139.3%	6.0%	4 284	4 535	4 644	-6.0%	2.3%
Software and other intangible assets	4	–	909	136	224.0%	0.2%	63	67	68	-20.6%	–
<b>Payments for financial assets</b>	<b>–</b>	<b>3</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>80 223</b>	<b>155 770</b>	<b>195 067</b>	<b>191 936</b>	<b>33.7%</b>	<b>100.0%</b>	<b>205 721</b>	<b>221 436</b>	<b>226 607</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.0%</b>	<b>13.6%</b>	<b>15.6%</b>	<b>14.0%</b>			<b>13.7%</b>	<b>13.1%</b>	<b>11.9%</b>		

## Details of transfers and subsidies

Households												
Other transfers to households												
Current												
Bursaries: non-employees												
Employee social benefits												
	–	525	312	20	–	0.1%	–	–	–	–	-100.0%	–
	–	525	225	–	–	0.1%	–	–	–	–	–	–
	–	–	87	20	–	–	–	–	–	–	-100.0%	–

## Personnel information

Table 35.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual						Revised estimate <sup>3</sup>						Medium-term expenditure estimate	Average growth rate (%)	Salary level/total: Average (%)			
		2011/12			2012/13			2013/14			2014/15						2015/16		
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
<b>Administration</b>																			
Salary level	291	–	209	61.8	0.3	284	96.2	0.3	291	101.1	0.3	291	111.5	0.4	291	110.5	0.4	0.8%	100.0%
1 – 6	90	–	79	12.9	0.2	88	16.2	0.2	90	17.0	0.2	90	18.2	0.2	90	18.3	0.2	0.8%	30.9%
7 – 10	124	–	90	24.2	0.3	121	32.8	0.3	124	35.6	0.3	124	39.4	0.3	124	37.3	0.3	0.8%	42.6%
11 – 12	47	–	22	10.2	0.5	46	22.3	0.5	47	23.8	0.5	47	26.8	0.6	47	26.3	0.6	0.7%	16.2%
13 – 16	30	–	18	14.5	0.8	29	24.9	0.9	30	24.7	0.8	30	27.1	0.9	30	28.6	1.0	1.1%	10.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be in the *Corporate Affairs* subprogramme to create and support an enabling policy and legislative environment for growth and development.

The bulk of spending in all programmes between 2009/10 and 2012/13 went to the establishment of the department in 2010/11, which necessitated the acquisition and refurbishment of office accommodation and the appointment of essential support staff. These developments also account for the increase in expenditure on compensation of employees, goods and services, and machinery and equipment between 2009/10 and 2012/13.

Over the medium term, expenditure is expected to increase as a result of additional funding for improved conditions of services, an increase in the number of national and international trips, as well as the purchasing of

furniture and IT consultants. Other major cost drivers include items such as administration fees and computer services.

As part of the Cabinet approved reductions, the department will reduce spending by R2.3 million over the medium term. The reductions will be effected in spending on items such as external audit costs under expenditure on goods and services in 2015/16.

The programme has a funded establishment of 291 posts, 7 of which were vacant at the end of September 2012. These vacancies are mostly the result of natural attrition and will all be filled in 2013/14.

State Information Technology Agency is used as a consultant to provide support to the department's IT unit.

## **Programme 2: Policy and Knowledge Services**

### **Objectives**

- Monitor and evaluate tourism sector performance, strategies, policies and initiatives to inform decision making by:
  - publishing 3 annual state of tourism reports, 3 annual national tourism sector strategy implementation reports and 5 impact evaluation reports for department initiatives over the MTEF period
  - developing 2 tourism forecasting models for tourist arrivals in 2013/14 and for job creation in 2014/15.
- Create an enabling policy environment and improve intergovernmental coordination by:
  - supporting provincial and local government on policy direction and programmes, focusing on the review and development of 6 tourism related policies, strategies and frameworks by 2015/16
  - developing frameworks for regulations on tourist guiding in 2013/14
  - implementing a tourism capacity building programme targeting municipalities by 2014/15
  - developing and implementing a framework for the alignment and integration of the national tourism sector strategy at provincial and local government level by 2015/16
  - facilitating 6 initiatives aimed at addressing barriers to tourism growth by 2015/16
  - implementing a memorandum of understanding with the Department of Home Affairs by 2013/14
  - implementing the recommendations of the annual tourism state airlift plan report by 2013/14
  - implementing 3 initiatives and platforms aimed at improving stakeholder engagement within the tourism industry in 2013/14, and increasing to 5 in 2014/15.
- Provide research and knowledge management for the tourism sector to inform tourism growth and development by:
  - implementing the national visitors information framework, ensuring that 8 national tourism information gateways are operational by 2015/16, including OR Tambo International Airport and the Beitbridge border post
  - implementing a standardised knowledge management framework for the tourism sector by 2015/16
  - developing and maintaining a standardised research framework for the tourism sector over the medium term
  - conducting 8 tourism research studies to initiate service excellence, cross border guiding and events impact evaluation studies in 2013/14.
- Provide adequate tourism sector knowledge and information services by developing and maintaining 7 information and knowledge systems and services by 2015/16, including an online self-assessment tool for responsible tourism, a self-assessment tool for local government and a local government support online portal.
- Facilitate tourism sector transformation by:
  - aligning tourism's broad based black economic empowerment (BEE) measures with the Preferential Procurement Policy Framework Act (2000) and ensuring verifications of compliance by tourism accredited agencies by 2015/16

- implementing the BEE charter council plan of action covering enterprise development, preferential procurement, skills development and ownership on an ongoing basis.
- Promote responsible tourism best practice by:
  - providing a framework for implementing an effective tourism response to climate change by 2015/16
  - focusing on implementing the South African national standard for responsible tourism 1 162 incentives and the universal accessibility in tourism declaration
  - conducting 3 annual awareness programmes for tourist guiding in 2013/14
  - implementing a strategy in partnership with the Culture, Art, Tourism Hospitality and Sport Education and Training Authority to professionalise tourist guiding
  - developing standardised protocols for provincial registrars of tourist guides.

## Subprogrammes

- *Policy and Knowledge Services Management* provides strategic direction and comprehensive administrative and operational support services and research, information and knowledge management; manages policy development and evaluation; and promotes sector transformation and responsible tourism. This subprogramme had a staff complement of 6 in 2012/13.
- *Policy Development and Evaluation* manages the development of integrated policies, sector planning, intergovernmental coordination, and stakeholders; monitors and evaluates tourism policies, strategies, and tourism projects implemented by the department; and promotes responsible tourism practice in the tourism industry as well as its transformation. Activities in 2012/13 included building local government capacity, developing forecasting models, conducting impact evaluation surveys, facilitating intergovernmental cooperation, implementing the national tourism sector strategy, promoting sector transformation through the promotion and awareness creation of BEE sector codes, and promoting responsible tourism within the sector. By the end of 2012/13, the local government tourism conference will have been hosted. This subprogramme had a staff complement of 26 in 2012/13.
- *Research and Knowledge Management* facilitates research, information and knowledge management in the tourism sector. Activities in 2012/13 included undertaking collaborative research projects with universities, piloting information gateways, and branding visitor information gateways. There are currently 6 research projects for which universities have been commissioned. This subprogramme had a staff complement of 23 in 2012/13.
- *South African Tourism* is responsible for marketing South Africa as a desirable tourist destination. Through the tourism growth strategy, it aims to make tourism the leading economic sector in South Africa, and promote sustainable economic and social empowerment of all South Africans. This subprogramme had a total budget of R754.9 million in 2012/13.

## Expenditure estimates

**Table 35.7 Policy and Knowledge Services**

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16		
R thousand												
Policy and Knowledge Services Management	–	1 835	4 210	3 401	–	0.3%	3 608	3 804	3 894	4.6%	0.4%	
Policy Development and Evaluation	10 360	5 078	9 605	17 235	18.5%	1.5%	20 162	21 307	21 814	8.2%	2.3%	
Research and Knowledge Management	4 621	5 643	11 585	17 830	56.8%	1.4%	21 740	23 456	24 112	10.6%	2.5%	
South African Tourism	699 489	631 685	668 613	754 929	2.6%	96.8%	829 973	875 844	880 772	5.3%	94.8%	
<b>Total</b>	<b>714 470</b>	<b>644 241</b>	<b>694 013</b>	<b>793 395</b>	<b>3.6%</b>	<b>100.0%</b>	<b>875 483</b>	<b>924 411</b>	<b>930 592</b>	<b>5.5%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				5 401			6 399	5 414	–			

Table 35.7 Policy and Knowledge Services (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
R thousand												
<b>Economic classification</b>												
<b>Current payments</b>	<b>14 981</b>	<b>12 405</b>	<b>22 693</b>	<b>35 258</b>	<b>33.0%</b>	<b>3.0%</b>	<b>41 788</b>	<b>44 083</b>	<b>45 229</b>	<b>8.7%</b>	<b>4.7%</b>	
Compensation of employees	9 233	6 768	14 548	24 688	38.8%	1.9%	29 070	30 785	31 518	8.5%	3.3%	
Goods and services	5 748	5 637	8 134	10 561	22.5%	1.1%	12 709	13 288	13 701	9.1%	1.4%	
of which:												
Administration fees	22	36	115	247	123.9%	-	215	226	232	-2.1%	-	
Advertising	148	346	160	431	42.8%	-	198	205	209	-21.4%	-	
Assets less than the capitalisation threshold	14	69	62	207	145.4%	-	214	220	224	2.7%	-	
Bursaries: Employees	5	38	-	-	-100.0%	-	-	-	-	-	-	
Catering: Departmental activities	72	4	40	125	20.2%	-	67	71	73	-16.4%	-	
Communication	35	141	163	344	114.2%	-	320	335	341	-0.3%	-	
Computer services	12	550	865	1 600	410.9%	0.1%	1 007	1 033	1 058	-12.9%	0.1%	
Consultants and professional services: Business and advisory services	939	1 776	1 057	216	-38.7%	0.1%	3 359	3 478	3 657	156.8%	0.3%	
Consultants and professional services: Legal costs	-	-	-	50	-	-	-	-	-	-100.0%	-	
Contractors	1 221	18	176	-	-100.0%	-	-	-	-	-	-	
Agency and support / outsourced services	-	-	65	-	-	-	-	-	-	-	-	
Entertainment	4	5	1	12	44.2%	-	11	11	11	-2.9%	-	
Inventory: Food and food supplies	-	20	-	16	-	-	13	13	14	-4.4%	-	
Inventory: Fuel, oil and gas	-	-	7	-	-	-	-	-	-	-	-	
Inventory: Learner and teacher support material	-	-	-	20	-	-	-	-	-	-100.0%	-	
Inventory: Materials and supplies	-	-	3	13	-	-	3	3	3	-38.7%	-	
Inventory: Other consumables	-	5	14	48	-	-	22	23	24	-20.6%	-	
Inventory: Stationery and printing	-	160	604	580	-	-	617	629	643	3.5%	0.1%	
Operating leases	30	69	72	-	-100.0%	-	124	129	133	-	-	
Transport provided: Departmental activity	-	13	-	-	-	-	-	-	-	-	-	
Travel and subsistence	1 773	1 768	2 760	4 021	31.4%	0.4%	4 515	4 740	4 853	6.5%	0.5%	
Training and development	1	147	261	361	612.0%	-	304	343	352	-0.8%	-	
Operating payments	771	20	873	793	0.9%	0.1%	598	642	658	-6.0%	0.1%	
Venues and facilities	701	452	836	1 477	28.2%	0.1%	1 122	1 187	1 216	-6.3%	0.1%	
Interest and rent on land	-	-	11	9	-	-	9	10	10	3.6%	-	
<b>Transfers and subsidies</b>	<b>699 489</b>	<b>631 685</b>	<b>670 488</b>	<b>757 419</b>	<b>2.7%</b>	<b>96.9%</b>	<b>833 078</b>	<b>879 564</b>	<b>884 581</b>	<b>5.3%</b>	<b>95.2%</b>	
Departmental agencies and accounts	699 489	631 685	668 613	754 929	2.6%	96.8%	829 973	875 844	880 772	5.3%	94.8%	
Higher education institutions	-	-	1 875	2 490	-	0.2%	3 105	3 720	3 809	15.2%	0.4%	
<b>Payments for capital assets</b>	<b>-</b>	<b>151</b>	<b>832</b>	<b>718</b>	<b>-</b>	<b>0.1%</b>	<b>617</b>	<b>764</b>	<b>782</b>	<b>2.9%</b>	<b>0.1%</b>	
Machinery and equipment	-	151	811	718	-	0.1%	617	764	782	2.9%	0.1%	
Software and other intangible assets	-	-	21	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>714 470</b>	<b>644 241</b>	<b>694 013</b>	<b>793 395</b>	<b>3.6%</b>	<b>100.0%</b>	<b>875 483</b>	<b>924 411</b>	<b>930 592</b>	<b>5.5%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>62.4%</b>	<b>56.3%</b>	<b>55.5%</b>	<b>57.7%</b>			<b>58.3%</b>	<b>54.6%</b>	<b>48.7%</b>			
<b>Details of transfers and subsidies</b>												
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	<b>699 489</b>	<b>631 685</b>	<b>668 613</b>	<b>754 929</b>	<b>2.6%</b>	<b>96.8%</b>	<b>829 973</b>	<b>875 844</b>	<b>880 772</b>	<b>5.3%</b>	<b>94.8%</b>	
South African Tourism	699 489	631 685	668 613	754 929	2.6%	96.8%	829 973	875 844	880 772	5.3%	94.8%	
<b>Higher education institutions</b>												
<b>Current</b>	<b>-</b>	<b>-</b>	<b>1 875</b>	<b>2 490</b>	<b>-</b>	<b>0.2%</b>	<b>3 105</b>	<b>3 720</b>	<b>3 809</b>	<b>15.2%</b>	<b>0.4%</b>	
National tourism research framework	-	-	1 875	2 490	-	0.2%	3 105	3 720	3 809	15.2%	0.4%	

## Personnel information

Table 35.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Policy and Knowledge Services	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment									Number							
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
Salary level	68	-	60	21.8	0.4	49	20.9	0.4	68	29.8	0.4	68	31.6	0.5	68	33.4	0.5	11.5%	100.0%
1 - 6	8	-	10	1.9	0.2	4	0.8	0.2	8	1.7	0.2	8	1.8	0.2	8	1.9	0.2	26.0%	11.1%
7 - 10	30	-	27	7.5	0.3	22	6.2	0.3	30	9.2	0.3	30	9.7	0.3	30	10.3	0.3	10.9%	44.3%

**Table 35.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup> (continued)**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Policy and Knowledge Services																			
11 – 12	17	–	16	7.2	0.5	12	5.5	0.5	17	8.4	0.5	17	8.9	0.5	17	9.4	0.6	12.3%	24.9%
13 – 16	13	–	7	5.3	0.8	11	8.4	0.8	13	10.5	0.8	13	11.2	0.9	13	11.8	0.9	5.7%	19.8%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on transfers to South African Tourism to increase the number of tourists from African countries to make tourism a leading economic sector in South Africa, and to promote sustainable economic development. Expenditure in this programme over the medium term is expected to increase as a result of increased transfers to South African Tourism.

Expenditure in the *Policy Development and Evaluation* and *Research and Knowledge Management* subprogrammes increased significantly between 2009/10 and 2012/13. This was due to spending on compensation of employees and goods and services for capacity building and related costs.

The increases in expenditure on compensation of employees and goods and services over the medium term are due to additional funding for improved conditions of service and an increase in travel related costs. Spending will also increase on items such as consultants and computer services. Consultants will be hired to provide IT support to the development of the visitor information centre and planning for the national tourism information gateway.

The allocation over the medium term is projected to help South African Tourism increase the number of international tourist arrivals per year from 11.9 million in 2012/13 to 13.6 million in 2015/16. However, as part of the Cabinet approved budget reductions, the transfer to South African Tourism in 2015/16 has been reduced by R40.7 million.

The programme has a funded establishment of 68 posts, 19 of which were vacant at the end of September 2012. These posts were vacant as a result of natural attrition and will all be filled in 2013/14.

## Programme 3: International Tourism

### Objectives

- Provide international tourism market analysis to inform strategic interventions by:
  - developing and updating 221 national tourism profiles and 13 regional tourism profiles, ensuring a proper understanding of tourism related indicators by 2015/16
  - developing and putting into operation a market intervention toolkit to serve as a practical guideline for understanding tourism, implementing tourism related programmes, introducing 20 strategic interventions for selected tourism markets and establishing 36 tourist desks in South African missions abroad
  - drafting analysis reports based on the outcome of the toolkit for the tourism stakeholders and identifying relevant interventions by 2015/16
  - introducing the reports to South African embassies and missions and drafting plans to include tourism as one of their functions on an ongoing basis.
- Use bilateral and multilateral engagements to advance tourism's national, regional, African and global agenda by 2015/16 by:
  - negotiating, facilitating and implementing effective international tourism agreements and addressing issues of concern for mutually beneficial relationships

- participating in 8 multilateral forums, ensuring that South Africa's interests are represented.

## Subprogrammes

- *International Tourism Management* provides a comprehensive administrative and operational support service to the programme for carrying out its activities, which include the collation and consolidation of inputs to the branch business plans, and annual and performance reports; and develops and supports the growth of South Africa's tourist attractions. This subprogramme had a staff complement of 5 in 2012/13.
- *Americas and Caribbean* manages the development of South Africa's tourism potential at the political and policy level in North America, the United Nations World Tourism Organisation, the World Travel Tourism Council, and multilateral and regional organisations in Latin America and the Caribbean. A portion of this subprogramme's budget is transferred annually to the United Nations World Tourism Organisation. This subprogramme had a staff complement of 14 in 2012/13.
- *Europe* manages the development of South Africa's tourism potential at the political and policy level throughout Western Europe, the G20 group of tourism ministers; the World Travel Tourism Council, European multilateral and regional organisations, Eastern Europe and the Mediterranean. This subprogramme had a staff complement of 13 in 2012/13.
- *Africa and Middle East* manages the development of South Africa's tourism potential at the political and policy level throughout Africa, the Middle East, Indian Ocean island states, and African multilateral and regional organisations. A portion of this subprogramme's total budget is transferred annually to the Regional Tourism Organisation of Southern Africa. This subprogramme had a staff complement of 14 in 2012/13.
- *Asia and Australasia* manages the development of South Africa's tourism potential at the political and policy level throughout central, eastern, south western and southern Asia; and Asian multilateral and regional organisations in Australasia and the Pacific islands. This subprogramme had a staff complement of 14 in 2012/13.

## Expenditure estimates

Table 35.9 International Tourism

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
International Tourism Management	6 712	8 991	2 245	4 551	-12.1%	22.3%	3 691	3 902	3 994	-4.3%	8.2%
Americas and Caribbean	1 500	5 083	9 289	8 945	81.3%	24.6%	12 790	13 482	13 802	15.6%	24.9%
Europe	-	3 748	-	9 096	-	12.7%	9 568	10 069	10 308	4.3%	19.8%
Africa and Middle East	2 500	5 248	10 555	11 815	67.8%	29.8%	13 824	14 576	14 922	8.1%	28.0%
Asia and Australasia	-	3 318	-	7 423	-	10.6%	9 729	10 245	10 490	12.2%	19.2%
<b>Total</b>	<b>10 712</b>	<b>26 388</b>	<b>22 089</b>	<b>41 830</b>	<b>57.5%</b>	<b>100.0%</b>	<b>49 602</b>	<b>52 274</b>	<b>53 516</b>	<b>8.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(5 004)			2 000	2 122	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>6 712</b>	<b>22 813</b>	<b>20 168</b>	<b>37 213</b>	<b>77.0%</b>	<b>86.0%</b>	<b>43 308</b>	<b>45 593</b>	<b>46 674</b>	<b>7.8%</b>	<b>87.6%</b>
Compensation of employees	3 184	8 051	14 672	20 719	86.7%	46.2%	28 369	30 041	30 758	14.1%	55.7%
Goods and services	3 528	14 762	5 491	16 481	67.2%	39.9%	14 926	15 535	15 899	-1.2%	31.9%
of which:											
Administration fees	97	52	144	44	-23.2%	0.3%	30	34	34	-8.2%	0.1%
Advertising	110	237	80	348	46.8%	0.8%	401	439	448	8.8%	0.8%
Assets less than the capitalisation threshold	155	42	79	178	4.7%	0.4%	173	190	195	3.1%	0.4%
Bursaries: Employees	71	116	-	-	-100.0%	0.2%	-	-	-	-	-
Catering: Departmental activities	48	-	172	81	19.1%	0.3%	90	95	99	6.9%	0.2%
Communication	122	6	167	557	65.9%	0.8%	625	686	703	8.1%	1.3%
Computer services	111	50	1	-	-100.0%	0.2%	-	-	-	-	-
Consultants and professional services: Business and advisory services	1 813	2 248	95	3 589	25.6%	7.7%	716	574	581	-45.5%	2.8%
Consultants and professional services: Legal costs	58	80	-	36	-14.7%	0.2%	38	44	45	7.7%	0.1%
Contractors	36	2 996	7	515	142.8%	3.5%	583	631	645	7.8%	1.2%
Agency and support / outsourced services	-	-	-	8	-	-	9	9	9	4.0%	-
Entertainment	68	-	-	42	-14.8%	0.1%	47	52	52	7.4%	0.1%
Inventory: Food and food supplies	-	14	-	79	-	0.1%	89	94	99	7.8%	0.2%
Inventory: Materials and supplies	-	78	8	-	-	0.1%	-	-	-	-	-
Inventory: Other consumables	-	52	32	46	-	0.1%	51	56	57	7.4%	0.1%
Inventory: Stationery and printing	-	462	516	828	-	1.8%	907	995	1 021	7.2%	1.9%
Operating leases	-	22	41	-	-	0.1%	82	87	91	-	0.1%
Property payments	-	-	-	1	-	-	1	1	1	-	-
Transport provided: Departmental activity	-	240	-	-	-	0.2%	-	-	-	-	-
Travel and subsistence	695	7 579	2 778	8 001	125.8%	18.9%	8 816	9 086	9 304	5.2%	17.9%
Training and development	2	160	62	583	563.0%	0.8%	690	651	667	4.6%	1.3%
Operating payments	36	-	898	682	166.6%	1.6%	650	812	828	6.7%	1.5%
Venues and facilities	106	328	411	812	97.1%	1.6%	873	936	957	5.6%	1.8%
Rental and hiring	-	-	-	51	-	0.1%	55	63	63	7.3%	0.1%
Interest and rent on land	-	-	5	13	-	-	13	17	17	9.4%	-

Table 35.9 International Tourism (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
<b>Transfers and subsidies</b>	<b>4 000</b>	<b>3 265</b>	<b>1 533</b>	<b>3 491</b>	<b>-4.4%</b>	<b>12.2%</b>	<b>5 539</b>	<b>5 864</b>	<b>6 004</b>	<b>19.8%</b>	<b>10.6%</b>
Foreign governments and international organisations	4 000	3 265	1 447	3 491	-4.4%	12.1%	5 539	5 864	6 004	19.8%	10.6%
Households	-	-	86	-	-	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>310</b>	<b>387</b>	<b>1 126</b>	<b>-</b>	<b>1.8%</b>	<b>755</b>	<b>817</b>	<b>838</b>	<b>-9.4%</b>	<b>1.8%</b>
Machinery and equipment	-	310	378	1 114	-	1.8%	755	817	838	-9.1%	1.8%
Software and other intangible assets	-	-	9	12	-	-	-	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>10 712</b>	<b>26 388</b>	<b>22 089</b>	<b>41 830</b>	<b>57.5%</b>	<b>100.0%</b>	<b>49 602</b>	<b>52 274</b>	<b>53 516</b>	<b>8.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.9%</b>	<b>2.3%</b>	<b>1.8%</b>	<b>3.0%</b>			<b>3.3%</b>	<b>3.1%</b>	<b>2.8%</b>		

## Details of transfers and subsidies

Households											
Other transfers to households											
Current											
Employee social benefits											
Foreign governments and international organisations											
Current											
Regional Tourism Organisation of South Africa											
United Nations World Tourism Organisation											
	-	-	86	-	-	0.1%	-	-	-	-	-
	-	-	86	-	-	0.1%	-	-	-	-	-
	4 000	3 265	1 447	3 491	-4.4%	12.1%	5 539	5 864	6 004	19.8%	10.6%
	2 500	1 930	-	1 972	-7.6%	6.3%	3 323	3 518	3 602	22.2%	6.3%
	1 500	1 335	1 447	1 519	0.4%	5.7%	2 216	2 346	2 402	16.5%	4.3%

## Personnel information

Table 35.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual									Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>International Tourism</b>																			
Salary level	60	-	53	19.7	0.4	32	14.4	0.4	60	28.2	0.5	60	29.8	0.5	60	31.6	0.5	23.3%	100.0%
1 - 6	8	-	9	1.7	0.2	3	0.6	0.2	8	1.7	0.2	8	1.8	0.2	8	1.9	0.2	38.7%	12.7%
7 - 10	19	-	18	4.8	0.3	12	3.5	0.3	19	5.7	0.3	19	6.1	0.3	19	6.4	0.3	16.6%	32.5%
11 - 12	20	-	20	9.0	0.5	12	6.0	0.5	20	9.9	0.5	20	10.5	0.5	20	11.1	0.6	18.6%	34.0%
13 - 16	13	-	6	4.2	0.7	5	4.2	0.8	13	10.9	0.8	13	11.5	0.9	13	12.2	0.9	37.5%	20.8%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the *Africa and Middle East* and *Americas and Caribbean* subprogrammes for the development and updating of 221 national and 13 regional tourism profiles, as well as for participation in 8 multilateral forums. This will be to ensure that South Africa's interests are represented and that there is a proper understanding of tourism related indicators by 2015/16.

Between 2009/10 and 2012/13, the significant increases in expenditure in the *Americas and Caribbean*, *Europe* and *Africa and Middle East* subprogrammes were mainly due to the drive to expand South Africa's tourism potential. Spending also increased on the implementation of bilateral and multilateral engagements to advance the tourism national, regional, Africa and global agenda, including related travel and subsistence costs to implement this. In addition, a new programme structure was implemented in 2012/13.

Expenditure in the programme is expected to increase over the medium term, mainly on compensation of employees and goods and services, due to additional funding for improved conditions of service. Spending on local and international travel and subsistence under goods and services also increases for the programme to fulfil its marketing function. Spending on transfers to international organisations is also set to rise over the period.

The programme has a funded establishment of 60 posts, 25 of which were vacant at the end of September 2012. The vacancies were due to natural attrition and are all expected to be filled in 2013/14.

## Programme 4: Domestic Tourism

### Objectives

- Facilitate the implementation of targeted regional support packages aimed at strengthening the tourism supply side and people development by:
  - implementing 2 support packages targeting gaps in the tourism environment, particularly access to roads, air, rail and ports infrastructure; attractions, events, social responsibility implementation projects, service excellence, provincial stakeholder engagement structures, social tourism and provincial structures by 2015/16
  - coordinating with the appropriate authorities in each region to implement the packages.
- Facilitate the execution of national tourism imperatives aimed at driving inclusive and meaningful participation in the tourism economy by:
  - implementing the Service Excellence campaign to deal with inconsistencies and poor service levels in the sector on an ongoing basis
  - conducting the National Tourism Careers Expo annually
  - implementing the rural tourism strategy recommendations on an ongoing basis
  - supporting 12 national programmes focusing on skills development and quality assurance.
  - Provide support, training, monitoring and funding to small, medium and micro enterprises and established businesses to increase economic development by:
    - providing funds for the Tourism Enterprise Partnership and monitoring its performance as and when required
    - establishing a tourism incentive programme in 2013/14
    - implementing the tourism incentive programme in 2014/15.
- Create employment opportunities by implementing tourism projects through the expanded public works programme by:
  - implementing labour intensive tourism projects targeting unemployed youth, women, and people with disabilities, producing 5 173 full time equivalent jobs in 2013/14 and 5 625 in 2014/15
  - creating 1 673 full time equivalent jobs through implementing the expanded public works programme social responsibility component by 2015/16, contributing to job creation, poverty alleviation, tourism sector transformation and economic empowerment.

### Subprogrammes

- *Domestic Tourism Management* provides a comprehensive administrative and operational support service to the programme's activities; develops potential in promoting and supporting the growth of domestic tourism in South Africa's southern and northern regions; transfers funds to facilitate development support for SMMEs through strategic partners in tourism; and focuses on supporting rural and historically disadvantaged enterprises, growing tourism enterprises, creating revenue streams and jobs, and developing skills and capacity. This subprogramme had a staff complement of 6 in 2012/13.
- *Domestic Tourism Management: Southern Region* develops potential in promoting and supporting the growth of domestic tourism in the country's southern region. This entails managing the development of domestic tourism in Western Cape and Northern Cape, with an emphasis on heritage development; managing the development of domestic tourism in Eastern Cape and Free State, with an emphasis on rural development; conducting research to develop and update provincial and regional tourism profiles;

developing and implementing tourism support packages informed by relevant strategies with a specific focus on product support, implementing the rural tourism strategy; and supporting national tourism programmes in the region. This subprogramme had a staff complement of 18 in 2012/13.

- *Domestic Tourism Management: Northern Region* develops potential in the sector by promoting and supporting the growth of South African domestic tourism in Gauteng, North West and Limpopo, with an emphasis on niche tourism development; and does the same in KwaZulu-Natal and Mpumalanga, but with an emphasis on social tourism development. This entails conducting research to develop and update provincial and regional tourism profiles, developing and facilitating the implementation of tourism support packages informed by relevant strategies with a specific focus on product support, implementing the rural tourism strategy, and supporting national tourism programmes in the region. This subprogramme had a staff complement of 20 in 2012/13.
- *Social Responsibility Implementation* is discussed in more detail below.
- *Domestic Tourism Management: Tourism Support Programme* is currently being established and by 2013/14 a fully functional tourism incentive unit will be established. The subprogramme stimulates new investment in the domestic tourism sector across all subsectors; facilitates licensing and professional association member registration fees to remove major barriers to entry in the business tourism market; provides tourism infrastructure support to SMMEs to stimulate innovation, authenticity and conversion to green systems; and provides international trade exhibition support to improve access to international buyers and markets. Outcomes in 2013/14 will be measured based on the triple bottom line approach to sustainable development. Being new, this subprogramme had no staff complement in 2012/13.
- *Strategic Partners in Tourism* makes transfers and subsidies for small businesses. Portions of this subprogramme's total budget are transferred to the Ezemvelo wildlife programme and the Tourism Enterprise Partnership. Strategic partners function as specialist agencies for the department. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 35.11 Domestic Tourism**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16		
R thousand												
Domestic Tourism Management	7 000	9 863	4 894	15 331	29.9%	2.8%	9 737	10 473	11 020	-10.4%	2.4%	
Domestic Tourism Management: Southern Region	15 116	5 853	6 640	14 516	-1.3%	3.1%	12 365	13 028	13 339	-2.8%	2.8%	
Domestic Tourism Management: Northern Region	–	11 185	6 173	12 954	–	2.3%	17 046	17 508	17 407	10.4%	3.4%	
Social Responsibility Implementation	266 001	270 176	301 370	279 181	1.6%	83.1%	305 620	429 980	633 705	31.4%	86.2%	
Strategic Partners in Tourism	52 097	20 000	20 000	25 000	-21.7%	8.7%	25 000	25 000	25 000	–	5.2%	
<b>Total</b>	<b>340 214</b>	<b>317 077</b>	<b>339 077</b>	<b>346 982</b>	<b>0.7%</b>	<b>100.0%</b>	<b>369 768</b>	<b>495 989</b>	<b>700 471</b>	<b>26.4%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				9 532			(3 462)	102 473	–			
<b>Economic classification</b>												
Current payments	36 241	38 409	42 703	71 595	25.5%	14.1%	72 760	75 777	77 338	2.6%	15.5%	
Compensation of employees	23 301	26 573	27 571	35 046	14.6%	8.4%	47 470	50 237	51 536	13.7%	9.6%	
Goods and services	12 940	11 836	15 117	36 520	41.3%	5.7%	25 264	25 513	25 776	-11.0%	5.9%	
of which:												
Administration fees	421	43	25	56	-49.0%	–	46	50	51	-3.1%	–	
Advertising	691	418	767	271	-26.8%	0.2%	402	418	423	16.0%	0.1%	
Assets less than the capitalisation threshold	733	267	294	285	-27.0%	0.1%	390	402	407	12.6%	0.1%	

Table 35.11 Domestic Tourism (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10	2012/13	2013/14	2014/15	2015/16	2012/13	2015/16
R thousand												
Bursaries: Employees	303	1	–	–	-100.0%	–	–	–	–	–	–	–
Catering: Departmental activities	260	53	69	1 027	58.1%	0.1%	862	802	821	-7.2%	0.2%	
Communication	624	509	503	605	-1.0%	0.2%	627	719	690	4.5%	0.1%	
Computer services	749	3	1	5	-81.2%	0.1%	2 004	504	503	365.1%	0.2%	
Consultants and professional services: Business and advisory services	526	1 500	2 679	6 886	135.7%	0.9%	595	1 126	1 213	-43.9%	0.5%	
Consultants and professional services: Infrastructure and planning	–	–	27	–	–	–	–	–	–	–	–	
Consultants and professional services: Legal costs	516	–	275	20	-66.2%	0.1%	20	21	22	3.2%	–	
Contractors	853	950	17	7 714	108.3%	0.7%	2 201	2 428	2 556	-30.8%	0.8%	
Agency and support / outsourced services	–	4	6	–	–	–	–	–	–	–	–	
Entertainment	290	2	1	1	-84.9%	–	1	1	1	–	–	
Inventory: Food and food supplies	–	–	1	–	–	–	–	–	–	–	–	
Inventory: Materials and supplies	–	62	4	51	–	–	42	42	46	-3.4%	–	
Inventory: Other consumables	–	337	350	231	–	0.1%	151	190	194	-5.7%	–	
Inventory: Stationery and printing	–	897	761	1 704	–	0.3%	1 545	1 633	1 571	-2.7%	0.3%	
Operating leases	100	143	139	–	-100.0%	–	233	244	248	–	–	
Property payments	–	19	19	–	–	–	–	–	–	–	–	
Transport provided: Departmental activity	–	36	–	–	–	–	–	–	–	–	–	
Travel and subsistence	4 904	5 518	6 342	13 536	40.3%	2.3%	12 519	13 299	13 310	-0.6%	2.8%	
Training and development	190	144	195	36	-42.6%	–	50	50	52	13.0%	–	
Operating payments	517	344	552	2 881	77.3%	0.3%	2 483	2 426	2 484	-4.8%	0.5%	
Venues and facilities	1 263	586	2 090	1 211	-1.4%	0.4%	1 093	1 158	1 184	-0.7%	0.2%	
Interest and rent on land	–	–	15	29	–	–	26	27	26	-3.6%	–	
<b>Transfers and subsidies</b>	<b>303 973</b>	<b>277 368</b>	<b>294 398</b>	<b>273 402</b>	<b>-3.5%</b>	<b>85.5%</b>	<b>295 221</b>	<b>418 334</b>	<b>621 218</b>	<b>31.5%</b>	<b>84.1%</b>	
Departmental agencies and accounts	–	–	–	4 050	–	0.3%	6 000	6 300	6 630	17.9%	1.2%	
Non-profit institutions	59 097	27 664	22 200	26 585	-23.4%	10.1%	26 000	26 000	26 000	-0.7%	5.5%	
Households	244 876	249 704	272 198	242 767	-0.3%	75.2%	263 221	386 034	588 588	34.3%	77.4%	
<b>Payments for capital assets</b>	<b>–</b>	<b>1 300</b>	<b>1 974</b>	<b>1 985</b>	<b>–</b>	<b>0.4%</b>	<b>1 787</b>	<b>1 878</b>	<b>1 915</b>	<b>-1.2%</b>	<b>0.4%</b>	
Machinery and equipment	–	1 300	1 974	1 917	–	0.4%	1 729	1 816	1 853	-1.1%	0.4%	
Software and other intangible assets	–	–	–	68	–	–	58	62	62	-3.0%	–	
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total</b>	<b>340 214</b>	<b>317 077</b>	<b>339 077</b>	<b>346 982</b>	<b>0.7%</b>	<b>100.0%</b>	<b>369 768</b>	<b>495 989</b>	<b>700 471</b>	<b>26.4%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>29.7%</b>	<b>27.7%</b>	<b>27.1%</b>	<b>25.3%</b>			<b>24.6%</b>	<b>29.3%</b>	<b>36.7%</b>			

## Details of transfers and subsidies

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>244 876</b>	<b>249 704</b>	<b>272 198</b>	<b>242 767</b>	<b>-0.3%</b>	<b>75.2%</b>	<b>263 221</b>	<b>386 034</b>	<b>588 588</b>	<b>34.3%</b>	<b>77.4%</b>
Expanded public works programme	244 876	238 281	252 962	202 710	-6.1%	69.9%	214 114	225 584	236 354	5.3%	45.9%
Expanded public works programme incentive	–	11 423	19 234	40 057	–	5.3%	49 107	66 200	58 246	13.3%	11.2%
Tourism incentive programme	–	–	–	–	–	–	–	94 250	293 988	–	20.3%
Employee social benefits	–	–	2	–	–	–	–	–	–	–	–
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4 050</b>	<b>–</b>	<b>0.3%</b>	<b>6 000</b>	<b>6 300</b>	<b>6 630</b>	<b>17.9%</b>	<b>1.2%</b>
Eastern Cape Parks and Tourism Agency	–	–	–	3 000	–	0.2%	3 000	3 300	3 630	6.6%	0.7%
Tourism accelerated apprenticeship programme	–	–	–	1 050	–	0.1%	3 000	3 000	3 000	41.9%	0.5%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>59 097</b>	<b>27 664</b>	<b>22 200</b>	<b>26 585</b>	<b>-23.4%</b>	<b>10.1%</b>	<b>26 000</b>	<b>26 000</b>	<b>26 000</b>	<b>-0.7%</b>	<b>5.5%</b>
Strategic partners in tourism	52 097	20 000	20 000	25 000	-21.7%	8.7%	25 000	25 000	25 000	–	5.2%
National Tourism Business Initiative	2 000	2 200	1 200	–	-100.0%	0.4%	–	–	–	–	–
Tourism hospitality and sports education and training authority	4 000	–	–	–	-100.0%	0.3%	–	–	–	–	–
Ezemvelo KwaZulu-Natal Wildlife	–	–	500	500	–	0.1%	500	500	500	–	0.1%
Tourism Business Council	500	500	–	500	–	0.1%	–	–	–	-100.0%	–
Federated Hospitality Association of South Africa	500	4 964	500	525	1.6%	0.5%	500	500	500	-1.6%	0.1%
Tourism accelerated apprenticeship programme	–	–	–	60	–	–	–	–	–	-100.0%	–

## Personnel information

**Table 35.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Domestic Tourism																			
Salary level	110	-	82	28.4	0.3	101	39.9	0.4	110	43.0	0.4	110	45.5	0.4	110	48.2	0.4	2.9%	100.0%
1 - 6	10	-	8	1.5	0.2	9	1.8	0.2	10	1.9	0.2	10	2.0	0.2	10	2.1	0.2	3.6%	9.0%
7 - 10	52	-	47	13.0	0.3	48	13.4	0.3	52	14.7	0.3	52	15.6	0.3	52	16.5	0.3	2.7%	47.3%
11 - 12	36	-	21	9.5	0.5	33	16.2	0.5	36	17.2	0.5	36	18.2	0.5	36	19.2	0.5	2.9%	32.7%
13 - 16	12	-	6	4.4	0.7	11	8.6	0.8	12	9.2	0.8	12	9.7	0.8	12	10.3	0.9	2.9%	10.9%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on tourism infrastructure projects under the expanded public works programme, which is discussed in further detail in the *Social Responsibility Implementation* subprogramme section that follows. The balance of the spending will be in the tourism incentive programme, which was previously managed by the Department of Trade and Industry, to support SMMEs and established businesses to improve access to international buyers and markets and to promote economic development.

Between 2009/10 and 2012/13, the increase in expenditure in this programme was mainly due to the implementation of the infrastructure and training projects for the expanded public works programme under the *Social Responsibility Implementation*, and the implementation of the newly approved programme structure for domestic tourism.

Expenditure over the medium term is expected to increase, mainly in transfer payments, due to additional funding provided for the tourism incentive programme. An additional R100 million is received from the economic competitive support package for the tourism incentive programme in respect of the incentive investment projects in 2015/16. This falls under the *Social Responsibility Implementation* subprogramme until the *Tourism Support Programme* is fully functional. Other major cost drivers include items in goods and services such as computer services, operating payments and travel and subsistence.

As part of the Cabinet approved reductions, the department will reduce spending by R5.4 million on contractors in 2013/14 in the *Social Responsibility Implementation* subprogramme. This reduction does not relate to service delivery items and is not expected to have a negative impact on service delivery.

The programme has a funded establishment of 110 posts, 9 of which were vacant at the end of September 2012. These vacancies are mainly as a result of natural attrition and will be filled in 2013/14.

Consultants in this programme are mainly used to provide business and advisory services.

## Subprogramme: Social Responsibility Implementation

This subprogramme facilitates the development of tourism infrastructure projects under the expanded public works programme through the use of labour intensive methods targeting the unemployed, youth, women, the disabled and SMME's. The subprogramme also provides skills development initiatives like the young chefs training programme. In 2010/11, 1 864 full time equivalent jobs were produced, which increased to 5 036 in 2011/12. Since the launch of the young chefs training programme in 2010/11, 500 trainees completed chef certificate courses, 300 of which are now completing diploma level courses. About 120 of these learners are currently placed in hospitality establishments. Owing to the success of this programme, another 500 young people have been enrolled for a second intake. In 2012/13, active infrastructure projects were implemented and can be classified as heritage tourism projects; trails and adventure tourism; recreational tourism; accommodation in terms of lodges, camp sites, resorts; cultural and niche tourism projects; and tourism information centres. In

2012/13, the following youth training projects were implemented: the young chefs training programme, the hospitality youth programme and the sommeliers programme.

## Expenditure estimates

**Table 35.13 Social Responsibility Implementation**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16
	R thousand						2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16
<b>Current payments</b>	<b>21 125</b>	<b>19 596</b>	<b>27 358</b>	<b>35 316</b>	<b>18.7%</b>	<b>9.3%</b>	<b>41 332</b>	<b>42 832</b>	<b>43 983</b>	<b>7.6%</b>	<b>9.9%</b>		
Compensation of employees	13 438	13 949	17 382	18 726	11.7%	5.7%	27 686	29 286	30 086	17.1%	6.4%		
Goods and services	7 687	5 647	9 968	16 572	29.2%	3.6%	13 633	13 532	13 884	-5.7%	3.5%		
of which:													
Administration fees	410	19	–	33	-56.8%	–	24	25	26	-7.6%	–		
Advertising	465	264	257	187	-26.2%	0.1%	316	325	328	20.6%	0.1%		
Assets less than the capitalisation threshold	653	227	267	198	-32.8%	0.1%	299	304	307	15.7%	0.1%		
Bursaries: Employees	298	–	–	–	-100.0%	–	–	–	–	–	–		
Catering: Departmental activities	200	18	14	553	40.4%	0.1%	457	407	416	-9.1%	0.1%		
Communication	517	310	383	307	-15.9%	0.1%	318	391	400	9.2%	0.1%		
Computer services	474	3	–	3	-81.5%	–	2 002	502	502	451.1%	0.2%		
Consultants and professional services: Business and advisory services	449	–	2 014	3 853	104.7%	0.6%	562	1 091	1 176	-32.7%	0.4%		
Consultants and professional services: Infrastructure and planning	–	–	27	–	–	–	–	–	–	–	–		
Consultants and professional services: Legal costs	247	–	135	20	-56.7%	–	20	21	22	3.2%	–		
Contractors	151	1	15	–	-100.0%	–	–	–	–	–	–		
Agency and support / outsourced services	–	1	6	–	–	–	–	–	–	–	–		
Entertainment	287	–	–	1	-84.8%	–	1	1	1	–	–		
Inventory: Food and food supplies	–	–	1	–	–	–	–	–	–	–	–		
Inventory: Materials and supplies	–	2	4	31	–	–	22	23	24	-8.2%	–		
Inventory: Other consumables	–	165	329	161	–	0.1%	79	114	116	-10.4%	–		
Inventory: Stationery and printing	–	268	478	983	–	0.2%	857	907	925	-2.0%	0.2%		
Operating leases	–	143	61	–	–	–	144	150	152	–	–		
Property payments	–	19	19	–	–	–	–	–	–	–	–		
Travel and subsistence	2 931	3 903	4 268	8 091	40.3%	1.7%	6 488	7 110	7 275	-3.5%	1.8%		
Training and development	8	31	162	20	35.7%	–	50	50	52	37.5%	–		
Operating payments	151	144	318	1 681	123.3%	0.2%	1 484	1 571	1 609	-1.4%	0.4%		
Venues and facilities	446	129	1 210	450	0.3%	0.2%	510	540	553	7.1%	0.1%		
Interest and rent on land	–	–	8	18	–	–	13	14	13	-10.3%	–		
<b>Transfers and subsidies</b>	<b>244 876</b>	<b>249 704</b>	<b>272 196</b>	<b>242 767</b>	<b>-0.3%</b>	<b>90.4%</b>	<b>263 221</b>	<b>386 034</b>	<b>588 588</b>	<b>34.3%</b>	<b>89.8%</b>		
Households	244 876	249 704	272 196	242 767	-0.3%	90.4%	263 221	386 034	588 588	34.3%	89.8%		
<b>Payments for capital assets</b>	<b>–</b>	<b>876</b>	<b>1 815</b>	<b>1 098</b>	<b>–</b>	<b>0.3%</b>	<b>1 067</b>	<b>1 114</b>	<b>1 134</b>	<b>1.1%</b>	<b>0.3%</b>		
Machinery and equipment	–	876	1 815	1 056	–	0.3%	1 037	1 082	1 102	1.4%	0.3%		
Software and other intangible assets	–	–	–	42	–	–	30	32	32	-8.7%	–		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		
<b>Total</b>	<b>266 001</b>	<b>270 176</b>	<b>301 370</b>	<b>279 181</b>	<b>1.6%</b>	<b>100.0%</b>	<b>305 620</b>	<b>429 980</b>	<b>633 705</b>	<b>31.4%</b>	<b>100.0%</b>		
Proportion of total subprogramme expenditure to programme expenditure	78.2%	85.2%	88.9%	80.5%			82.7%	86.7%	90.5%				

## Personnel information

**Table 35.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Social Responsibility Implementation	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	64	–	42	14.8	0.4	55	21.7	0.4	64	23.5	0.4	64	24.9	0.4	64	26.4	0.4	5.2%	100.0%
1 – 6	4	–	2	0.4	0.2	3	0.6	0.2	4	0.6	0.2	4	0.7	0.2	4	0.7	0.2	10.1%	6.1%
7 – 10	31	–	27	7.5	0.3	27	7.5	0.3	31	8.4	0.3	31	8.9	0.3	31	9.5	0.3	4.7%	48.6%
11 – 12	24	–	9	4.1	0.5	21	10.7	0.5	24	11.3	0.5	24	11.9	0.5	24	12.6	0.5	4.6%	37.7%
13 – 16	5	–	4	2.9	0.7	4	3.0	0.7	5	3.2	0.6	5	3.4	0.7	5	3.6	0.7	7.7%	7.7%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on facilitating the development of tourism infrastructure projects under the expanded public works programme, through the use of labour intensive methods targeting the unemployed, youth, women and the disabled, and SMMEs, thus creating 5 575 full time equivalent jobs by 2015/16.

Between 2009/10 and 2012/13, expenditure on compensation of employees increased due to additional funding for improved conditions of service, and transfers to households increased due to the implementation of social responsibility implementation infrastructure and training projects. In this period, 86.1 per cent of the subprogramme's allocation was spent on project implementation and 13.9 per cent on administration. The *Social Responsibility Implementation* subprogramme spent 92 per cent of its project allocation in 2010/11 and 100 per cent in 2011/12.

Expenditure over the medium term is expected to increase mainly on transfers to households as a result of additional funding provided for the tourism incentive programme. Expenditure on compensation of employees and travel and subsistence are also major cost drivers in the MTEF period.

As part of the Cabinet approved reductions, the department will reduce spending by R33.4 million over the medium term on transfers to households.

The subprogramme has a funded establishment of 64, of which 9 posts were vacant at the end of September 2012. These vacancies are mainly as a result of natural attrition and will all be filled in 2013/14.

## Public entities and other agencies

### South African Tourism

#### Mandate and goals

In terms of the Tourism Act (1993), South African Tourism is mandated to market South Africa internationally and domestically as a preferred tourism destination, and to ensure that tourist facilities and services aim to be of the highest standard. The organisation is also required to monitor and evaluate the performance of the tourism sector.

The organisation's main goal over the medium term is to ensure an increased contribution by the tourism sector to economic growth. Other goals include increasing the annual volume of international tourists visiting the country, growing the trended revenue contribution from tourists to the economy through their spending while visiting, growing international brand awareness of South Africa as a travel and business destination, and increasing the number of graded accommodation establishments.

#### Selected performance indicators

**Table 35.15 South African Tourism**

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of international tourist arrivals by land	Increase annual foreign visitor arrivals to South Africa	7 490 425	8 498 735	9 333 505	8 959 083	9 648 864	10 048 643	10 257 533
Number of international tourist arrivals by air	Increase annual foreign visitor arrivals to South Africa	2 443 541	2 896 965	2 921 650	2 963 117	3 373 115	3 251 892	3 322 466
Average spend per international tourist in the country per year	Increase tourism trended revenue contribution to the economy	R8 400	R8 900	R8 600	R12 536	R13 162	R13 820	R14 483
Percentage of global brand awareness campaigns	Increase South African brand awareness	79% (15 061 350)	79% (15 061 350)	78% (22 534 050)	79% (22 534 050)	79% (22 534 050)	80% (22 534 050)	80% (87 618 900)
Number of domestic travellers per year <sup>1</sup>	Increase domestic tourism in South Africa	-	13.5 million	13.9 million	14.44 million	15 million	15.6 million	16.2 million

1. South African Tourism began measuring this indicator in 2010/11.

## Programmes/activities/objectives

Table 35.16 South African Tourism

	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Expenditure/total: Average (%)			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	Medium-term estimate				
R thousand	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
Increase annual foreign visitor arrivals to South Africa	432 135	224 655	257 502	255 645	- 16.1%	33.6%	336 952	353 940	352 321	11.3%	32.3%
Increase domestic tourism in South Africa	293 728	-	-	40 000	- 48.6%	9.7%	42 400	43 672	44 000	3.2%	4.2%
Increase tourism trended revenue contribution to the economy	61 175	296 953	290 367	271 711	64.4%	26.3%	336 952	353 940	352 321	9.0%	32.7%
Increase South Africa brand awareness	31 070	296 953	290 367	271 712	106.0%	25.4%	206 828	219 238	232 392	- 5.1%	23.4%
Provide quality assurance for tourism products	35 403	37 527	25 059	39 689	3.9%	3.9%	37 115	37 377	39 300	- 0.3%	3.8%
Increase business events	-	-	-	39 473	-	1.1%	32 065	33 607	34 000	- 4.9%	3.5%
<b>Total expense</b>	<b>853 511</b>	<b>856 088</b>	<b>863 295</b>	<b>918 230</b>	<b>2.5%</b>	<b>100.0%</b>	<b>992 312</b>	<b>1 041 774</b>	<b>1 054 334</b>	<b>4.7%</b>	<b>100.0%</b>

## Expenditure estimates

Table 35.17 South African Tourism

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Expenditure/total: Average (%)			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	Medium-term estimate				
R thousand	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Revenue</b>											
Non-tax revenue	91 887	97 747	62 196	79 151	- 4.9%	9.6%	82 339	83 930	84 156	2.1%	8.3%
Other non-tax revenue	91 887	97 747	62 196	79 151	- 4.9%	9.6%	82 339	83 930	84 156	2.1%	8.3%
Transfers received	774 979	736 658	766 782	832 929	2.4%	90.4%	909 973	957 844	970 177	5.2%	91.7%
<b>Total revenue</b>	<b>866 866</b>	<b>834 405</b>	<b>828 978</b>	<b>912 080</b>	<b>1.7%</b>	<b>100.0%</b>	<b>992 312</b>	<b>1 041 774</b>	<b>1 054 333</b>	<b>4.9%</b>	<b>100.0%</b>
<b>Expenses</b>											
Current expenses	853 511	856 089	863 295	918 230	2.5%	100.0%	992 312	1 041 774	1 054 334	4.7%	100.0%
Compensation of employees	111 459	103 628	121 990	134 863	6.6%	13.5%	142 011	149 253	156 567	5.1%	14.5%
Goods and services	723 014	737 321	727 117	765 969	1.9%	84.6%	831 929	873 156	877 354	4.6%	83.6%
Depreciation	14 799	14 342	13 241	17 398	5.5%	1.7%	18 373	19 365	20 414	5.5%	1.9%
Interest, dividends and rent on land	4 239	798	947	-	- 100.0%	0.2%	-	-	-	-	-
<b>Total expenses</b>	<b>853 511</b>	<b>856 089</b>	<b>863 295</b>	<b>918 230</b>	<b>2.5%</b>	<b>100.0%</b>	<b>992 312</b>	<b>1 041 774</b>	<b>1 054 334</b>	<b>4.7%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>13 355</b>	<b>(21 684)</b>	<b>(34 317)</b>	<b>(6 150)</b>	<b>- 177.2%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>- 100.0%</b>	
<b>Statement of financial position</b>											
Carrying value of assets of which:	74 268	68 229	78 050	55 432	- 9.3%	21.3%	73 626	77 307	81 173	13.6%	28.9%
Acquisition of assets	10 938	9 130	23 246	6 490	- 16.0%	4.1%	8 495	8 962	-	- 100.0%	2.2%
Loans	-	328	106	-	-	0.0%	-	-	-	-	-
Receivables and prepayments	75 770	29 845	8 423	32 519	- 24.6%	10.3%	8 000	8 000	8 000	- 37.3%	5.0%
Cash and cash equivalents	224 657	269 999	170 298	250 270	3.7%	68.4%	180 000	150 000	122 219	- 21.3%	66.1%
<b>Total assets</b>	<b>374 695</b>	<b>368 401</b>	<b>256 877</b>	<b>338 221</b>	<b>- 3.4%</b>	<b>100.0%</b>	<b>261 626</b>	<b>235 307</b>	<b>211 392</b>	<b>- 14.5%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	68 166	46 729	12 413	12 413	- 43.3%	9.8%	12 413	12 413	12 413	-	4.9%
Capital and reserves	17 513	17 290	17 349	19 593	3.8%	5.5%	18 216	19 127	20 084	0.8%	7.6%
Finance lease	2 904	-	-	2 952	0.6%	0.4%	2 697	2 832	2 974	0.2%	1.1%
Deferred income	56 572	50 241	39 966	50 241	- 3.9%	14.8%	79 507	61 722	46 266	- 2.7%	23.3%
Trade and other payables	209 772	230 355	154 121	231 449	3.3%	61.7%	130 000	120 000	110 000	- 22.0%	55.3%
Provisions	19 767	21 143	30 459	10 358	- 19.4%	6.5%	10 358	10 358	10 358	- 0.0%	4.1%
Derivatives financial instruments	-	2 642	2 568	11 215	-	1.3%	8 434	8 855	9 298	- 6.1%	3.7%
<b>Total equity and liabilities</b>	<b>374 694</b>	<b>368 400</b>	<b>256 876</b>	<b>338 221</b>	<b>- 3.4%</b>	<b>100.0%</b>	<b>261 626</b>	<b>235 307</b>	<b>211 392</b>	<b>- 14.5%</b>	<b>100.0%</b>

## Personnel information

Table 35.18 South African Tourism

Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number		
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost
Salary level 1-6	158	-	-	158	122.0	0.8	158	134.9	0.9	166	142.0	0.9	166	149.3	0.9	166	156.6	0.9	1.7%	100.0%
1-6	11	-	-	11	-	-	11	1.5	0.1	11	1.6	0.1	11	1.7	0.2	11	1.7	0.2	-	6.7%

Table 35.18 South African Tourism (continued)

Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/ total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
7 - 10	31	-	-	-	-	31	8.4	0.3	31	8.9	0.3	31	9.3	0.3	31	9.8	0.3	5.1%	18.9%
11 - 12	55	-	15	1.0	0.1	55	38.1	0.7	53	40.2	0.8	53	42.2	0.8	53	44.3	0.8	5.1%	32.6%
13 - 16	59	-	142	118.0	0.8	59	81.5	1.4	69	85.8	1.2	69	90.2	1.3	69	94.6	1.4	5.4%	40.5%
17 - 22	2	-	1	3.0	3.0	2	5.3	2.7	2	5.6	2.8	2	5.9	3.0	2	6.2	3.1	-	1.2%

1. Rand million.

## Expenditure trends

South African Tourism receives 91.7 per cent of its revenue over the medium term from the Department of Tourism to fund its operations. In 2011/12, the entity received a transfer of R90 million from the Tourism Business Council of South Africa. This is a voluntary industry tourism levy collected by Tourism Marketing South Africa. Other revenue sources include the annual Tourism Indaba, Meetings Africa exhibitions, and the grading of establishments. Meetings Africa is owned by South African Tourism.

The spending focus in the 2013/14 allocation will be on marketing activities outside Southern Africa to increase the number of foreign visitor arrivals annually. Other expenditure includes R57.8 million on research, R43.6 million by the National Convention Bureau and R42.4 million on marketing for the domestic and SADC markets. South African Tourism plans to open 3 African offices by 31 December 2015, in Nigeria, Kenya and Angola.

The main cost drivers are goods and services and compensation of employees. Between 2009/10 and 2012/13, the increase in expenditure on goods and services was mainly due to increased international marketing to promote tourism to South Africa. Expenditure on compensation of employees over the medium term is expected to increase as a result of additional funding for improved conditions of service.

A spending reduction of R40.7 million is to be effected on transfers received from the Department of Tourism in 2015/16 as part of the Cabinet approved budget reductions. The entity will manage this reduction by decreasing expenditure on consultants and travelling and subsistence, so as not to impact negatively on service delivery.

The entity had a funded establishment of 158 posts and no vacancies as at the end of September 2012. Personnel numbers are expected to increase to 166 in 2013/14. The ratio of support to line function staff is 1:5.23.

Consultants are hired for providing advertising services.

## Additional tables

**Table 35.A Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2011/12		2011/12	2012/13		2012/13	
Administration	160 835	185 944	195 067	195 043	(3 107)	191 936	191 936
Policy and Knowledge Services	695 512	695 512	694 013	787 994	5 401	793 395	793 395
International Tourism	37 200	33 700	22 089	46 834	(5 004)	41 830	41 830
Domestic Tourism	349 329	349 829	339 077	337 450	9 532	346 982	346 982
<b>Total</b>	<b>1 242 876</b>	<b>1 264 985</b>	<b>1 250 246</b>	<b>1 367 321</b>	<b>6 822</b>	<b>1 374 143</b>	<b>1 374 143</b>

### Economic classification

<b>Current payments</b>	<b>268 165</b>	<b>272 511</b>	<b>262 996</b>	<b>331 093</b>	<b>(840)</b>	<b>330 253</b>	<b>330 253</b>
Compensation of employees	141 895	144 582	135 254	180 583	(5 845)	174 738	174 738
Goods and services	126 270	127 675	127 481	150 320	4 705	155 025	155 025
Interest and rent on land	–	254	261	190	300	490	490
<b>Transfers and subsidies</b>	<b>968 009</b>	<b>965 509</b>	<b>966 731</b>	<b>1 029 045</b>	<b>5 287</b>	<b>1 034 332</b>	<b>1 034 332</b>
Departmental agencies and accounts	668 613	668 613	668 613	753 303	5 676	758 979	758 979
Higher education institutions	–	–	1 875	–	2 490	2 490	2 490
Foreign governments and international organisations	5 000	2 000	1 447	5 250	(1 759)	3 491	3 491
Non-profit institutions	22 200	22 700	22 200	27 725	(1 140)	26 585	26 585
Households	272 196	272 196	272 596	242 767	20	242 787	242 787
<b>Payments for capital assets</b>	<b>6 702</b>	<b>26 965</b>	<b>20 510</b>	<b>7 183</b>	<b>2 375</b>	<b>9 558</b>	<b>9 558</b>
Machinery and equipment	6 702	26 920	19 571	7 049	2 293	9 342	9 342
Software and other intangible assets	–	45	939	134	82	216	216
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>1 242 876</b>	<b>1 264 985</b>	<b>1 250 246</b>	<b>1 367 321</b>	<b>6 822</b>	<b>1 374 143</b>	<b>1 374 143</b>

**Table 35.B Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Compensation of employees (R thousand)	89 632	100 252	135 254	174 738	205 777	222 314	227 711
Training expenditure (R thousand)	980	1 105	2 112	3 006	3 129	3 279	3 357
Training spend as percentage of compensation	1.1%	1.1%	1.6%	1.7%	1.5%	1.5%	1.5%
Total number trained (headcount)	–	143	363	328			
<i>of which:</i>							
Employees receiving bursaries (headcount)	9	21	26	33			
Internships (headcount)	1	12	20	25			
Households receiving bursaries (R thousand)	650	700	450	550	800	900	900
Households receiving bursaries (headcount)	5	15	15	10			





**BUDGET 2013**  
ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA