

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 35 TOURISM



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

26 February 2014



ISBN: 978-0-621-42406-5

RP: 01/2014

The Estimates of National Expenditure 2014 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.

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also 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.



“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves.”

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Tourism

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Aim	1
Mandate	1
Strategic goals	1
Programme purposes	1
Selected performance indicators	2
The national development plan	2
Expenditure estimates	3
Personnel information	4
Expenditure trends	4
Departmental receipts	5
Programme 1: Administration	6
Programme 2: Policy and Knowledge Services	8
Programme 3: International Tourism	11
Programme 4: Domestic Tourism	14
Public entities and other agencies	18
Additional tables	21

Vote 35

Tourism

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	221.8	216.4	–	5.4	234.3	248.0
Policy and Knowledge Services	925.2	44.3	880.0	0.9	1 026.1	1 079.7
International Tourism	51.9	45.1	5.9	0.9	54.4	57.5
Domestic Tourism	463.2	74.5	386.7	2.1	548.4	691.2
Total expenditure estimates	1 662.1	380.3	1 272.6	9.3	1 863.2	2 076.4
Executive authority	Minister of Tourism					
Accounting officer	Director General of Tourism					
Website address	www.tourism.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on 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 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 tourism and foreign tourist arrivals in South Africa
- expand domestic and foreign investment in the South African tourism industry
- expand tourist infrastructure
- improve the range and quality of tourist services
- 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 support and management services to the department.

Programme 2: Policy and Knowledge Services

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

Programme 3: International Tourism

Purpose: Develop and support South Africa's tourism potential worldwide.

Programme 4: Domestic Tourism

Purpose: Promote the development and growth of sustainable domestic tourism.

Selected performance indicators

Table 35.1 Tourism

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of initiatives aimed at implementing local government support programmes per year	Policy and Knowledge Services	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	- ¹	1	1	1	1	1	1
Number of information and knowledge systems, services and frameworks developed, implemented and maintained per year	Policy and Knowledge Services		4	1	2	3	5	7	9
Number of initiatives facilitated to institutionalise tourism in South African missions abroad per year	International Tourism		- ¹	- ¹	1 ²	2 ²	2 ²	3 ²	4 ²
Number of projects implemented, from the approved tourism development strategies action plan, for the development of integrated support packages for domestic tourism (such as access, amenities, attractions and accommodation) per year	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	- ¹	- ¹	9	2	2	2	2
Number of rural enterprises supported per year	Domestic Tourism		- ¹	500	1 664	969 ⁴	489	- ⁵	- ⁵
Number of historically disadvantaged enterprises supported per year	Domestic Tourism		- ¹	3 150	4 145	2 494	1 263	- ⁵	- ⁵
Number of full time equivalent jobs supported through tourism enterprise partnerships per year	Domestic Tourism		6 226	5 000	5 003	4 000	2 475	- ⁵	- ⁵
Number of full time equivalent jobs created through the social responsibility implementation programme of the expanded public works programme per year	Domestic Tourism		5 716	4 531	5 645	5 173	5 625	5 575	5 575

1. The department did not identify targets, so there is no historical data.

2. Number of national tourism information gateways.

3. The department has supported 126 foreign missions during the mid-term review conducted by the Department of International Relations and Cooperation which was conducted in various regions of the world.

4. The decrease is due to departmental budget reductions.

5. The department has no planned targets for these indicators.

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, 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.

In line with the national development plan's vision of creating an additional 11 million jobs and increasing GDP by an annual 5.4 per cent by 2030, the department's national tourism sector strategy commits the tourism sector to creating a total of 225 000 additional jobs by 2020, and also to increasing tourism's total direct and indirect contribution to the economy to R499 billion by 2020. In relation to the national development plan's focus on

small, medium and micro enterprises (SMME) development, over the medium term the department will support the growth of 3 211 enterprises. These will include rural enterprises, historically disadvantaged enterprises; enterprises that require market access and enterprises that need mentorship and training to grow. The department will further create 19 250 full time equivalent jobs over the MTEF period. 2 475 of these employed individuals will be supported through tourism enterprise partnerships and 16 775 jobs will be created through the labour intensive social responsibility implementation programme, which is implemented through the expanded public works programme.

Funds from the tourism incentive programme, transferred from the Department of Trade and Industry to the Department of Tourism, will be used to ensure that the national development plan targets are achieved.

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 (%)
	2010/11	2011/12	2012/13					2013/14	2013/14	2014/15		
R million												
Administration	155.8	195.1	179.2	208.1	208.1	10.1%	14.0%	221.8	234.3	248.0	6.0%	12.8%
Policy and Knowledge Services	644.2	694.0	794.0	901.8	901.8	11.9%	57.4%	925.2	1 026.1	1 079.7	6.2%	55.2%
International Tourism	26.4	22.1	27.1	41.0	41.0	15.8%	2.2%	51.9	54.4	57.5	11.9%	2.9%
Domestic Tourism	317.1	339.1	371.6	369.6	369.6	5.2%	26.4%	463.2	548.4	691.2	23.2%	29.1%
Total	1 143.5	1 250.2	1 372.0	1 520.6	1 520.6	10.0%	100.0%	1 662.1	1 863.2	2 076.4	10.9%	100.0%
Change to 2013 Budget estimate				20.0	20.0			(32.0)	(48.0)	61.0		

Economic classification

	2010/11	2011/12	2012/13	2013/14	2013/14	19.0%	21.3%	380.3	404.7	426.2	5.7%	22.1%
Current payments	213.9	263.0	287.2	360.7	360.7	19.0%	21.3%	380.3	404.7	426.2	5.7%	22.1%
Compensation of employees	100.3	135.3	171.2	205.8	205.8	27.1%	11.6%	233.3	246.1	259.4	8.0%	13.3%
Goods and services	113.6	127.5	116.0	154.9	154.9	10.9%	9.7%	147.0	158.6	166.8	2.5%	8.8%
of which:												
Administration fees	0.3	0.4	0.7	25.8	25.8	353.3%	0.5%	1.7	1.7	1.8	-59.2%	0.4%
Advertising	2.0	2.6	2.7	2.8	2.8	12.3%	0.2%	2.4	2.4	2.8	-0.4%	0.1%
Assets less than the capitalisation threshold	3.0	6.6	1.5	16.0	16.0	74.9%	0.5%	4.0	4.7	5.0	-32.3%	0.4%
Audit costs: External	1.6	4.0	3.8	4.9	4.9	45.8%	0.3%	6.1	11.3	11.7	33.8%	0.5%
Bursaries: Employees	0.4	0.9	0.8	0.9	0.9	37.5%	0.1%	1.3	1.4	1.4	15.7%	0.1%
Catering: Departmental activities	0.3	0.5	1.0	1.5	1.5	72.2%	0.1%	0.9	1.0	1.0	-13.2%	0.1%
Communication	3.5	3.7	5.1	4.3	4.3	7.1%	0.3%	4.6	4.6	4.9	3.9%	0.3%
Computer services	9.4	11.0	7.9	20.2	20.2	29.2%	0.9%	20.9	22.7	23.9	5.8%	1.2%
Consultants and professional services: Business and advisory services	8.3	18.8	13.9	3.2	3.2	-27.3%	0.8%	6.6	7.4	7.8	34.5%	0.4%
Consultants and professional services: Legal costs	0.1	0.3	0.2	0.1	0.1	7.5%	0.0%	0.1	0.1	0.1	-13.9%	0.0%
Contractors	39.3	9.0	4.5	4.3	4.3	-52.2%	1.1%	5.3	5.9	6.0	11.9%	0.3%
Agency and support / outsourced services	0.1	1.3	2.2	0.9	0.9	112.1%	0.1%	1.0	1.0	1.1	7.4%	0.1%
Entertainment	0.1	0.1	0.2	0.3	0.3	58.3%	0.0%	0.1	0.1	0.1	-23.6%	0.0%
Fleet services (including government motor transport)	-	0.0	0.7	0.3	0.3	-	0.0%	0.5	0.6	0.6	22.3%	0.0%
Inventory: Food and food supplies	0.1	0.0	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Inventory: Fuel, oil and gas	0.6	0.8	0.6	-	-	-100.0%	0.0%	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	0.1	-	-	-	0.0%	-	-	-	-	-

Table 35.2 Tourism

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2010/11	2011/12	2012/13					2013/14	2013/14	2014/15			2015/16	2016/17	2013/14 - 2016/17
	R million														
<i>Inventory: Materials and supplies</i>	0.2	0.3	0.2	0.1	0.1	-23.1%	0.0%	-	-	-	-100.0%	0.0%			
<i>Inventory: Other supplies</i>	0.5	1.8	1.1	-	-	-100.0%	0.1%	-	-	-	-	-			
<i>Consumable supplies</i>	-	-	-	3.0	3.0	-	0.1%	6.1	6.0	6.4	29.1%	0.3%			
<i>Consumable: Stationery, printing and office supplies</i>	2.3	4.3	4.1	6.4	6.4	40.1%	0.3%	5.4	5.8	6.1	-1.4%	0.3%			
<i>Operating leases</i>	3.6	18.0	19.8	-	-	-100.0%	0.8%	26.5	27.1	28.6	-	1.2%			
<i>Property payments</i>	1.2	1.9	1.8	0.2	0.2	-42.6%	0.1%	0.8	0.8	0.9	55.9%	0.0%			
<i>Transport provided: Departmental activity</i>	0.3	-	-	-	-	-100.0%	0.0%	-	-	-	-	-			
<i>Travel and subsistence</i>	30.0	30.5	32.6	40.5	40.5	10.5%	2.5%	37.8	38.4	40.4	0.0%	2.2%			
<i>Training and development</i>	1.1	2.1	2.7	4.2	4.2	56.4%	0.2%	4.0	4.1	4.3	0.7%	0.2%			
<i>Operating payments</i>	2.9	3.6	2.0	6.1	6.1	28.5%	0.3%	5.6	5.7	6.0	-0.4%	0.3%			
<i>Venues and facilities</i>	2.7	4.9	5.5	8.0	8.0	44.1%	0.4%	4.0	4.3	4.5	-17.6%	0.3%			
<i>Rental and hiring</i>	-	-	0.4	0.8	0.8	-	0.0%	1.3	1.4	1.5	22.6%	0.1%			
<i>Interest and rent on land</i>	-	0.3	-	-	-	-	0.0%	-	-	-	-	-			
Transfers and subsidies	912.8	966.7	1 074.8	1 156.8	1 156.8	8.2%	77.8%	1 272.6	1 452.4	1 642.6	12.4%	77.6%			
Departmental agencies and accounts	631.7	668.6	759.0	862.6	862.6	10.9%	55.3%	881.9	980.0	1 031.4	6.1%	52.7%			
Higher education institutions	-	1.9	2.5	3.1	3.1	-	0.1%	3.7	3.8	4.0	8.9%	0.2%			
Foreign governments and international organisations	3.3	1.4	3.5	1.8	1.8	-17.6%	0.2%	5.9	6.0	6.3	51.2%	0.3%			
Non-profit institutions	27.7	22.2	26.1	26.0	26.0	-2.0%	1.9%	24.0	14.0	16.1	-14.8%	1.1%			
Households	250.2	272.6	283.8	263.2	263.2	1.7%	20.2%	357.0	448.6	584.8	30.5%	23.2%			
Payments for capital assets	16.8	20.5	9.9	3.1	3.1	-42.9%	1.0%	9.3	6.1	7.7	34.8%	0.4%			
Buildings and other fixed structures	-	-	3.1	-	-	-	0.1%	-	-	-	-	-			
Machinery and equipment	16.8	19.6	6.6	3.1	3.1	-43.0%	0.9%	9.1	6.0	7.6	34.4%	0.4%			
Software and other intangible assets	-	0.9	0.2	0.0	0.0	-	0.0%	0.1	0.1	0.1	88.4%	0.0%			
Payments for financial assets	0.0	0.0	0.1	-	-	-100.0%	0.0%	-	-	-	-	-			
Total	1 143.5	1 250.2	1 372.0	1 520.6	1 520.6	10.0%	100.0%	1 662.1	1 863.2	2 076.4	10.9%	100.0%			

Personnel information

Table 35.3 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Tourism																			
Salary level	544	-	467	171.2	0.4	503	205.8	0.4	544	233.3	0.4	544	246.1	0.5	544	259.4	0.5	2.6%	100.0%
1 - 6	116	-	118	18.6	0.2	111	22.3	0.2	117	26.7	0.2	119	28.2	0.2	119	29.7	0.2	2.3%	21.8%
7 - 10	237	-	185	55.3	0.3	210	67.4	0.3	229	75.4	0.3	227	79.5	0.4	227	83.8	0.4	2.6%	41.8%
11 - 12	123	-	102	47.7	0.5	114	60.7	0.5	129	68.6	0.5	129	72.4	0.6	129	76.3	0.6	4.2%	23.5%
13 - 16	68	-	62	49.5	0.8	68	55.4	0.8	67	58.9	0.9	67	62.1	0.9	67	65.5	1.0	-0.5%	12.6%
Other	-	-	-	-	-	-	-	-	2	3.7	1.8	2	3.9	1.9	2	4.1	2.0	-	0.3%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on increasing incoming tourism through transfers to South African Tourism in the *Policy and Knowledge Services* programme, and on funding the research and policy formulation strategy of the *Domestic Tourism* programme, which aims to encourage South Africans to travel within the borders of the country.

An increase in both domestic and international tourism numbers is expected to contribute to government's broader objective of growing GDP and creating jobs. To further this objective, at the beginning of April 2014

the department will introduce a new tourism incentive programme that aims to help SMMEs and established businesses to grow by improving their access to international buyers and markets. The incentive programme is allocated R99.6 million in 2014/15, R199.6 million in 2015/16 and R210.4 million in 2016/17. The need for increased capacity for this programme requires that the department expand its establishment from 467 in 2012/13 to 544 in 2016/17. 36 posts were vacant at the end of November 2013, mainly as a result of departmental restructuring. The department expects to fill these posts in 2014/15. Consultants are used mainly to support the department's IT unit.

The increase in allocation over the medium term will provide for the expected increase in the number of international tourist arrivals by air from 3.8 million to 4.1 million and create 16 775 full time equivalent jobs through the expanded public works programme. South African Tourism will receive additional Cabinet approved allocations of R100 million in 2015/16 and R105 million in 2016/17 for domestic marketing programmes through the economic competitiveness support package. This funding will end in 2016/17.

However, Cabinet approved reductions of R32 million in 2014/15, R48 million in 2015/16 and R9 million in 2016/17 have been made, of which R29 million in 2014/15 and R40 million in 2015/16 will be rescheduled to 2016/17 for use in the expanded public works programme. The rest of the total reduction amount is to be effected on the transfers to South African Tourism, the expanded public works programme, transfers and subsidies for SMMEs, and spending on non-essential goods and services items, such as catering, travel and subsistence, and consultants.

Departmental receipts

Table 35.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average	Receipt/	Medium-term receipts			Average	Receipt/
	2010/11	2011/12	2012/13			growth rate (%)	total: Average (%)	estimate	2014/15	2015/16	2016/17	growth rate (%)
R thousand				2013/14		2010/11 - 2013/14					2013/14 - 2016/17	
Departmental receipts	1 521	1 893	1 479	4 068	3 790	35.6%	100.0%	1 687	1 769	1 862	-21.1%	100.0%
Sales of goods and services produced by department	64	99	123	140	120	23.3%	4.7%	95	104	109	-3.2%	4.7%
Sales by market establishments	34	59	69	70	60	20.8%	2.6%	54	59	62	1.1%	2.6%
of which:												
Rent collected from the letting of open and covered parking	34	59	69	70	60	20.8%	2.6%	54	59	62	1.1%	2.6%
Other sales	30	40	54	70	60	26.0%	2.1%	41	45	47	-7.8%	2.1%
of which:												
Commission received on deduction of insurance and other premiums from employee' salaries	30	40	54	70	60	26.0%	2.1%	41	45	47	-7.8%	2.1%
Sales of scrap, waste, arms and other used current goods	-	1	-	-	-	-	-	-	-	-	-	-
of which:												
Sale of waste paper	-	1	-	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	29	23	8	28	10	-29.9%	0.8%	30	35	37	54.7%	1.2%
Interest	29	23	8	28	10	-29.9%	0.8%	30	35	37	54.7%	1.2%
Sales of capital assets	-	66	11	600	560	-	7.3%	-	-	-	-100.0%	6.1%
Transactions in financial assets and liabilities	1 428	1 704	1 337	3 300	3 100	29.5%	87.2%	1 562	1 630	1 716	-17.9%	87.9%
Total	1 521	1 893	1 479	4 068	3 790	35.6%	100.0%	1 687	1 769	1 862	-21.1%	100.0%

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 (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Ministry	24 330	28 306	28 698	37 506	15.5%	16.1%	36 204	39 733	42 196	4.0%	17.1%
Management	8 704	9 357	16 151	17 412	26.0%	7.0%	17 807	18 622	19 620	4.1%	8.1%
Corporate Affairs	86 342	130 506	109 674	124 141	12.9%	61.1%	141 381	148 936	157 708	8.3%	62.7%
Office Accommodation	36 394	26 898	24 701	29 051	-7.2%	15.9%	26 427	27 056	28 492	-0.6%	12.2%
Total	155 770	195 067	179 224	208 110	10.1%	100.0%	221 819	234 347	248 016	6.0%	100.0%
Change to 2013 Budget estimate				2 389			383	7 740	-		
Economic classification											
Current payments	140 240	177 432	171 522	205 641	13.6%	94.1%	216 437	231 132	243 346	5.8%	98.3%
Compensation of employees	58 860	78 463	89 898	100 868	19.7%	44.4%	114 633	120 938	127 469	8.1%	50.9%
Goods and services	81 380	98 739	81 624	104 773	8.8%	49.7%	101 804	110 194	115 877	3.4%	47.4%
<i>of which:</i>											
Administration fees	146	146	236	25 508	459.0%	3.5%	1 363	1 344	1 413	-61.9%	3.2%
Advertising	973	1 597	1 081	970	-0.1%	0.6%	1 299	1 320	1 391	12.8%	0.5%
Assets less than the capitalisation threshold	2 611	6 152	1 105	11 949	66.0%	3.0%	3 292	3 925	4 135	-29.8%	2.6%
Audit costs: External	1 583	4 013	3 754	4 903	45.8%	1.9%	6 109	11 303	11 739	33.8%	3.7%
Bursaries: Employees	205	864	817	935	65.8%	0.4%	1 342	1 374	1 447	15.7%	0.6%
Catering: Departmental activities	242	226	645	328	10.7%	0.2%	140	143	151	-22.8%	0.1%
Communication	2 877	2 898	4 171	2 767	-1.3%	1.7%	2 820	2 867	3 019	2.9%	1.3%
Computer services	8 778	10 172	6 816	17 226	25.2%	5.8%	19 397	21 160	22 282	9.0%	8.8%
Consultants and professional services: Business and advisory services	2 816	15 016	9 966	1 500	-18.9%	4.0%	3 167	2 438	2 567	19.6%	1.1%
Consultants and professional services: Legal costs	7	-	75	50	92.6%	-	-	-	-	-100.0%	-
Contractors	35 292	8 776	1 633	2 472	-58.8%	6.5%	3 065	3 125	3 290	10.0%	1.3%
Agency and support / outsourced services	87	1 253	2 131	859	114.5%	0.6%	995	1 010	1 063	7.4%	0.4%
Entertainment	76	98	155	269	52.4%	0.1%	75	78	81	-33.0%	0.1%
Fleet services (including government motor transport)	-	1	672	327	-	0.1%	538	565	595	22.1%	0.2%
Inventory: Food and food supplies	84	23	23	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	581	776	575	-	-100.0%	0.3%	-	-	-	-	-
Inventory: Materials and supplies	14	251	179	70	71.0%	0.1%	-	-	-	-100.0%	-
Inventory: Medical supplies	-	-	22	-	-	-	-	-	-	-	-
Inventory: Other supplies	91	1 364	700	-	-100.0%	0.3%	-	-	-	-	-
Consumable supplies	-	-	-	2 661	-	0.4%	4 129	4 085	4 302	17.4%	1.7%
Consumable: Stationery, printing and office supplies	797	2 431	2 539	3 276	60.2%	1.2%	3 720	4 097	4 314	9.6%	1.7%
Operating leases	3 316	17 752	19 750	-	-100.0%	5.5%	26 427	27 056	28 492	-	9.0%
Property payments	1 204	1 838	1 812	230	-42.4%	0.7%	776	831	875	56.1%	0.3%
Travel and subsistence	15 128	18 579	17 488	21 041	11.6%	9.8%	15 080	15 048	15 847	-9.0%	7.3%
Training and development	654	1 594	2 144	2 678	60.0%	1.0%	3 149	3 222	3 394	8.2%	1.4%
Operating payments	2 497	1 312	1 068	2 152	-4.8%	1.0%	2 387	2 384	2 511	5.3%	1.0%
Venues and facilities	1 321	1 607	1 717	1 837	11.6%	0.9%	1 345	1 449	1 526	-6.0%	0.7%
Rental and hiring	-	-	350	765	-	0.2%	1 189	1 370	1 443	23.6%	0.5%
Interest and rent on land	-	230	-	-	-	-	-	-	-	-	-
Transfers and subsidies	525	312	562	-	-100.0%	0.2%	-	-	-	-	-
Households	525	312	562	-	-100.0%	0.2%	-	-	-	-	-
Payments for capital assets	15 002	17 317	7 057	2 469	-45.2%	5.7%	5 382	3 215	4 670	23.7%	1.7%
Buildings and other fixed structures	-	-	3 134	-	-	0.4%	-	-	-	-	-
Machinery and equipment	15 002	16 408	3 774	2 453	-45.3%	5.1%	5 315	3 177	4 630	23.6%	1.7%
Software and other intangible assets	-	909	149	16	-	0.1%	67	38	40	35.7%	-
Payments for financial assets	3	6	83	-	-100.0%	-	-	-	-	-	-
Total	155 770	195 067	179 224	208 110	10.1%	100.0%	221 819	234 347	248 016	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	13.6%	15.6%	13.1%	13.7%			13.3%	12.6%	11.9%		

Table 35.5 Administration

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Households											
Other transfers to households											
Current	525	312	562	-	-100.0%	0.2%	-	-	-	-	-
Bursaries: non-employees	525	225	275	-	-100.0%	0.1%	-	-	-	-	-
Employee social benefits	-	87	287	-	-	0.1%	-	-	-	-	-

Personnel information

Table 35.6 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014	Number and cost ² of personnel posts filled / planned for on funded establishment												Number							
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
2012/13			2013/14			2014/15		2015/16		2016/17		2013/14 - 2016/17								
Administration	Salary level	291	-	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	-	100.0%
1 – 6	90	-	97	15.2	0.2	90	17.0	0.2	93	21.1	0.2	93	22.3	0.2	93	23.5	0.3	1.1%	31.7%	
7 – 10	124	-	102	31.6	0.3	124	35.3	0.3	114	37.6	0.3	114	39.7	0.3	114	41.8	0.4	-2.8%	40.0%	
11 – 12	47	-	39	18.9	0.5	47	23.8	0.5	53	26.3	0.5	53	27.7	0.5	53	29.2	0.6	4.1%	17.7%	
13 – 16	30	-	28	24.2	0.9	30	24.7	0.8	29	26.0	0.9	29	27.4	0.9	29	28.9	1.0	-1.1%	10.1%	
Other	-	-	-	-	-	-	-	-	2	3.7	1.8	2	3.9	1.9	2	4.1	2.0	-	0.5%	

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

2. Rand million.

Expenditure trends

Expenditure in the *Administration* programme grew significantly between 2010/11 and 2013/14 and was the main contributor to the increase in total departmental expenditure over this period. This was due to the establishment of the Department of Tourism as a standalone department in 2010/11, and the subsequent need for new personnel, premises and fittings. This also accounted for the increase in expenditure on compensation of employees and goods and services over the period.

The spending focus over the medium term will be on enhancing management oversight to create and support an enabling policy and legislative environment. This is the main responsibility of the *Corporate Affairs* subprogramme, which accounts for 62.7 per cent of the total programme budget and is expected to grow at an average annual rate of 8.3 per cent over the medium term. Over the MTEF period, the key items of expenditure are advertising, audits, communications, computer services for data lines and servers, consultants for internal auditing, contractors for maintenance, office accommodation and domestic travel for support and reporting to Parliament and the tourism portfolio committee. Spending on these items is expected to increase to support service delivery.

Over the medium term, expenditure is expected to grow because of inflation related increases in the cost of office accommodation, computer services, domestic travel by tourism officials and external auditing. The inflation related upward trend in the cost of office accommodation is expected to be offset by the savings from the completion of refurbishments. The programme had achieved 90 per cent of its targets for 2013/14 as at the end of September 2013. For example, all tourist complaints were referred to appropriate authorities and the performance management and development system was implemented across the board. The increase in spending over the medium term will enable the programme to improve on achieving its outputs. The programme had a funded and filled establishment of 291 at the end of November 2013.

Programme 2: Policy and Knowledge Services

Objectives

- Develop, implement and update tourism policies, strategies, programmes and plans by:
 - conducting 3 tourist guiding awareness programmes annually
 - producing quarterly reports on the implementation of the agreements signed with tourism stakeholders annually.
 - Assist in bringing together stakeholders to promote collaboration, alignment and integration in tourism initiatives and to give effect to the national tourism sector strategy by hosting 2 national tourism sector delivery forums in 2014/15.
- Promote responsible tourism best practice by:
 - implementing the national responsible tourism strategy in 2014/15
 - reporting on the implementation of the national minimum standard for responsible tourism and on the plan for universal access to provincial parks in 2014/15.
 - Monitor and evaluate tourism sector performance, strategies, policies and initiatives by publishing 3 annual state of tourism reports, 3 annual tourism airlift reports and 3 annual national tourism sector strategy implementation reports over the MTEF period.
 - Provide research and knowledge management services to inform policy and decision making by:
 - developing and maintaining 9 information and knowledge systems and services, including visitor information knowledge centre database tools and tourist guide central databases, in 2014/15 and 2016/17
 - developing and maintaining 2 national tourism information gateway sites in 2014/15.

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 at the end of November 2013.
- *Policy Development and Evaluation* manages the development of integrated policies, sector planning, intergovernmental coordination, and stakeholder relations; and promotes responsible tourism practices in the industry as well as its transformation. Key activities in 2012/13 included building local government capacity, facilitating intergovernmental cooperation and implementing the national tourism sector strategy. Outputs in 2013/14 included 2 broad based black economic empowerment (B-BBEE) charter council plan of action reports for tourism. This subprogramme had a staff complement of 23 at the end of November 2013.
- *Research and Knowledge Management* monitors and evaluates tourism policies and strategies and the projects carried out by the department; and facilitates research, information and knowledge management in the tourism sector. Key activities in 2012/13 included collaborative research with universities, piloting and branding visitor information gateways, developing forecasting models and conducting impact evaluation surveys. Key outputs and activities in 2013/14 included 3 research studies carried out in collaboration with universities; the development of 3 knowledge systems; and the maintenance of the 2 national tourism information gateways. This subprogramme had a staff complement of 33 at the end of November 2013.
- *South African Tourism* is discussed in more detail below.

Expenditure estimates

Table 35.7 Policy and Knowledge Services

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Policy and Knowledge Services Management	1 835	4 210	4 275	5 458	43.8%	0.5%	4 012	4 199	4 425	-6.8%	0.5%
Policy Development and Evaluation	5 078	9 605	17 125	20 812	60.0%	1.7%	21 549	22 565	23 777	4.5%	2.3%
Research and Knowledge Management	5 643	11 585	17 695	19 240	50.5%	1.8%	23 292	25 334	26 692	11.5%	2.4%
South African Tourism	631 685	668 613	754 929	856 333	10.7%	96.0%	876 309	974 012	1 024 847	6.2%	94.9%
Total	644 241	694 013	794 024	901 843	11.9%	100.0%	925 162	1 026 110	1 079 741	6.2%	100.0%
Change to 2013 Budget estimate				26 360			751	95 518	-		

Economic classification

Current payments	12 405	22 693	35 679	42 245	50.5%	3.7%	44 259	47 395	49 941	5.7%	4.7%
Compensation of employees	6 768	14 548	24 721	29 070	62.6%	2.5%	32 032	33 794	35 619	7.0%	3.3%
Goods and services	5 637	8 134	10 958	13 175	32.7%	1.2%	12 227	13 601	14 322	2.8%	1.4%
of which:											
Administration fees	36	115	99	222	83.4%	-	223	233	243	3.1%	-
Advertising	346	160	1 098	423	6.9%	0.1%	206	210	222	-19.3%	-
Assets less than the capitalisation threshold	69	62	76	733	119.8%	-	214	218	230	-32.0%	-
Bursaries: Employees	38	-	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	4	40	134	92	184.4%	-	71	72	76	-6.2%	-
Communication	141	163	215	320	31.4%	-	335	342	361	4.1%	-
Computer services	550	865	1 083	985	21.4%	0.1%	1 032	1 057	1 113	4.2%	0.1%
Consultants and professional services: Business and advisory services	1 776	1 057	576	208	-51.1%	0.1%	2 516	3 657	3 851	164.5%	0.3%
Contractors	18	176	614	-	-100.0%	-	-	-	-	-	-
Agency and support / outsourced services	-	65	-	-	-	-	-	-	-	-	-
Entertainment	5	1	2	12	33.9%	-	11	12	12	-	-
Inventory: Food and food supplies	20	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	7	2	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	70	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	3	2	-	-	-	-	-	-	-	-
Inventory: Other supplies	5	14	55	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	-	21	-	-	256	261	275	135.7%	-
Consumable: Stationery, printing and office supplies	160	604	410	615	56.6%	0.1%	424	433	457	-9.4%	-
Operating leases	69	72	-	-	-100.0%	-	30	31	32	-	-
Transport provided: Departmental activity	13	-	-	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	1 768	2 760	3 741	4 746	39.0%	0.4%	4 741	4 853	5 111	2.5%	0.5%
Training and development	147	261	452	304	27.4%	-	343	352	370	6.8%	-
Operating payments	20	873	532	668	222.0%	0.1%	638	654	688	1.0%	0.1%
Venues and facilities	452	836	1 797	3 826	103.8%	0.2%	1 187	1 216	1 281	-30.6%	0.2%
Interest and rent on land	-	11	-	-	-	-	-	-	-	-	-
Transfers and subsidies	631 685	670 488	757 506	859 438	10.8%	96.2%	880 029	977 821	1 028 858	6.2%	95.3%
Departmental agencies and accounts	631 685	668 613	754 929	856 333	10.7%	96.0%	876 309	974 012	1 024 847	6.2%	94.9%
Higher education institutions	-	1 875	2 490	3 105	-	0.2%	3 720	3 809	4 011	8.9%	0.4%
Households	-	-	87	-	-	-	-	-	-	-	-
Payments for capital assets	151	832	836	160	1.9%	0.1%	874	894	942	80.6%	0.1%
Machinery and equipment	151	811	836	160	1.9%	0.1%	874	894	942	80.6%	0.1%
Software and other intangible assets	-	21	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	3	-	-	-	-	-	-	-	-
Total	644 241	694 013	794 024	901 843	11.9%	100.0%	925 162	1 026 110	1 079 741	6.2%	100.0%
Proportion of total programme expenditure to vote expenditure	56.3%	55.5%	57.9%	59.3%			55.7%	55.1%	52.0%		

Table 35.7 Policy and Knowledge Services

Details of transfers and subsidies		Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand												
Households												
Other transfers to households												
Current		-	-	87	-	-	-	-	-	-	-	-
Employee social benefits		-	-	87	-	-	-	-	-	-	-	-
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current		631 685	668 613	754 929	856 333	10.7%	96.0%	876 309	974 012	1 024 847	6.2%	94.9%
South African Tourism		631 685	668 613	754 929	856 333	10.7%	96.0%	876 309	974 012	1 024 847	6.2%	94.9%
Higher education institutions												
Current		-	1 875	2 490	3 105	-	0.2%	3 720	3 809	4 011	8.9%	0.4%
National Tourism Framework		-	1 875	2 490	3 105	-	0.2%	3 720	3 809	4 011	8.9%	0.4%

Personnel information

Table 35.8 Details of approved establishment and personnel numbers according to salary level¹

Policy and Knowledge Services	Number of posts estimated for 31 March 2014	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		Unit Cost
Salary level	72	-	57	24.7	0.4	62	29.1	0.5	72	32.0	0.4	72	33.8	0.5	72	35.6	0.5	5.1%	100.0%
1 - 6	8	-	7	1.4	0.2	7	1.7	0.2	8	1.8	0.2	8	1.9	0.2	8	2.0	0.2	4.6%	11.2%
7 - 10	34	-	24	7.5	0.3	26	9.2	0.4	34	10.5	0.3	34	11.1	0.3	34	11.6	0.3	9.4%	46.0%
11 - 12	17	-	15	7.2	0.5	16	7.7	0.5	17	9.0	0.5	17	9.5	0.6	17	10.0	0.6	2.0%	24.1%
13 - 16	13	-	11	8.7	0.8	13	10.5	0.8	13	10.8	0.8	13	11.4	0.9	13	12.0	0.9	-	18.7%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on funding the activities of South African Tourism to allow the entity to continue marketing South Africa as a tourist destination of choice, increasing the number of international and domestic tourists, and promoting job creation and sustainable economic development. South African Tourism is funded through a transfer payment in the *South African Tourism* subprogramme, which is discussed in more detail below.

Excluding this transfer, the bulk of the programme's allocation over the medium term goes towards spending on compensation of employees. These employees develop and update tourism policies and strategies, and monitor and report on the implementation of the national tourism sector strategy. At the end of November 2013, the programme had a funded establishment of 72 posts, of which 10 were vacant. The vacancies were the result of restructuring to increase capacity for research and knowledge management. At the end of November 2013, the staff complement had increased from 57 in 2012/13 to 62. However, the increase in expenditure on compensation of employees mostly relates to inflation related adjustments to salaries. Expenditure on consultants over the medium term is projected to grow significantly as external service providers are contracted to provide IT support for the development of the visitor information knowledge centres and the tourism information gateways. The information gateways have been created to maximise domestic tourism, increase the number foreign tourist arrivals in South Africa and improve the range and quality of tourist services.

As part of Cabinet-approved budget reductions, transfers to South African Tourism have been reduced by R2.5 million in 2014/15, R6.8 million in 2015/16 and R7.6 million in 2016/17. The anticipated effect of the reductions is that operational expenditure will be reduced and specific projects, such as the upgrade to the Oracle system, will have to be postponed. The turnaround time for the placement of orders and financial reporting will also be affected.

Among the smaller subprogrammes, the fastest growing expenditure is in the *Research and Knowledge Management* subprogramme, which is expected to increase at an average annual rate of 11.5 per cent between 2013/14 and 2016/17. This is due to an increase in the number of extended research and knowledge management activities and the corresponding increase in compensation of employees. Over the medium term, the growth in expenditure will provide for the development and maintenance of nine information and knowledge systems and services, including the visitor information knowledge centre database tools, tourist guide central databases and the two national tourism information gateways.

Subprogramme: South African Tourism

This subprogramme transfers funds to South African Tourism, which is responsible for stimulating sustainable international and domestic demand for South African tourist experiences and for putting in place measures that maintain and enhance the standards of tourist facilities and services. Through implementing the tourism growth strategy, the organisation aims to make tourism a leading economic sector in the country and to promote sustainable economic and social empowerment for all South Africans. The number of international tourist arrivals increased from 11.4 million in 2010/11 to 13.5 million in 2012/13, contributing R105 billion to the South African economy. The number of international arrivals increased to 14.2 million in 2014/15. 14.4 million domestic tourists were reported in 2012/13. In addition, the Tourism Grading Council of South Africa, a business unit within South African Tourism, graded 6 022 properties and the National Conventions Bureau, another business unit, secured the rights to host 87 international association meetings between 2013 and 2017.

Expenditure estimates

Table 35.9 South African Tourism

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Transfers and subsidies	631 685	668 613	754 929	856 333	10.7%	100.0%	876 309	974 012	1 024 847	6.2%	100.0%	
Departmental agencies and accounts	631 685	668 613	754 929	856 333	10.7%	100.0%	876 309	974 012	1 024 847	6.2%	100.0%	
Total	631 685	668 613	754 929	856 333	10.7%	100.0%	876 309	974 012	1 024 847	6.2%	100.0%	
Proportion of total subprogramme expenditure to programme expenditure	98.1%	96.3%	95.1%	95.0%			94.7%	94.9%	94.9%			

Expenditure trends

Transfers to South African Tourism account for 95.3 per cent of the subprogramme's budget between 2013/14 and 2016/17, which grew from R631.7 million in 2010/11 to R856.3 million in 2013/14 and is expected to rise to R1 billion in 2016/17. South African Tourism is responsible for marketing South Africa as a desirable tourist destination and through implementing the tourism growth strategy, it aims to make tourism a leading economic sector with a higher share of the country's GDP. It also aims to promote the development of South Africa's tourist infrastructure and services. In the 2013 adjustments budget, South African Tourism received R6.4 million from the department and R20 million from National Treasury to compensate for foreign currency losses. The total budget received for 2013/14 was thus R856.3 million.

To give effect to Cabinet approved budget reductions, the transfer to South African Tourism has been reduced by R2.5 million in 2014/15, R6.8 million in 2015/16 and R7.6 million in 2016/17. These reductions are not expected to have an impact on the entity's operations.

Programme 3: International Tourism

Objectives

- Provide international tourism market analysis to inform strategic interventions by:
 - producing plans in response to the needs of the market
 - conducting ministerial road shows
 - packaging and promoting niche products particularly geared towards the international market
 - providing overseas missions with key information to counter negative perceptions of South Africa on an ongoing basis.

- Reduce barriers to tourism growth by:
 - engaging with the Department of Home Affairs to produce a report on visa facilitation in 2014/15
 - building capacity for tourism promotion, translating and distributing marketing material in South African missions abroad and improving information relating to South Africa as a destination on mission websites, in 2014/15
 - undertaking an investigation into South Africa's potential as a southern corridor aviation hub for Latin America, Sub-Saharan Africa and the Asia-Pacific area in 2014/15.
- Advance national, regional, African and global tourism by participating in strategic engagements in bilateral and multilateral forums on an ongoing basis.

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 at the end of November 2013.
- *Americas and Caribbean* manages the development of South Africa's tourism potential on a political and policy level in this region, and manages the relationships with the United Nations World Tourism Organisation and the World Travel Tourism Council. Part of this subprogramme's budget is transferred annually to the United Nations World Tourism Organisation. Key activities in 2012/13 included developing, updating and analysing country profiles in the region. In 2013/14, key activities included producing briefing reports on major American and Caribbean tourism markets and supporting business planning models. This subprogramme had a staff complement of 13 at the end of November 2013.
- *Europe* manages the development of South Africa's tourism potential on a political and policy level throughout Western and Eastern Europe and the Mediterranean and with the G20 group of tourism ministers and the World Travel Tourism Council. In 2012/13, key activities included developing, updating and analysing the country profiles in this region. Key activities in 2013/14 included producing briefing reports on major European tourism markets and supporting business planning models. This subprogramme had a staff complement of 12 at the end of November 2013.
- *Africa and Middle East* manages the development of South Africa's tourism potential on a political and policy level in this region. A portion of this subprogramme's budget is transferred annually to the Regional Tourism Organisation of Southern Africa. Key activities in 2012/13 included developing, updating and analysing the country profiles in the region. Key activities in 2013/14 included producing briefing reports on markets and supporting business planning models. This subprogramme had a staff complement of 13 at the end of November 2013.
- *Asia and Australasia* manages the development of South Africa's tourism potential on a political and policy level throughout Asia, Australasia and the Pacific Islands. Key activities in 2012/13 included developing, updating and analysing the country profiles in this region. Key activities in 2013/14 include producing briefing reports on markets and supporting business planning models. This subprogramme had a staff complement of 12 at the end of November 2013.

Expenditure estimates

Table 35.10 International Tourism

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
International Tourism Management	8 991	2 245	3 700	3 791	-25.0%	16.1%	3 710	3 847	4 081	2.5%	7.5%
Americas and Caribbean	5 083	9 289	5 801	10 704	28.2%	26.5%	13 564	14 209	15 022	12.0%	26.1%
Europe	3 748	–	5 664	8 479	31.3%	15.3%	9 195	9 669	10 249	6.5%	18.4%
Africa and Middle East	5 248	10 555	8 058	9 501	21.9%	28.6%	15 438	16 139	17 066	21.6%	28.4%
Asia and Australasia	3 318	–	3 910	8 538	37.0%	13.5%	10 009	10 486	11 116	9.2%	19.6%
Total	26 388	22 089	27 133	41 013	15.8%	100.0%	51 916	54 350	57 534	11.9%	100.0%
Change to 2013 Budget estimate				(8 589)			(358)	834	–		

Table 35.10 International Tourism

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2010/11	2011/12	2012/13		2013/14	2010/11	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17
R thousand												
Current payments	22 813	20 168	22 794	38 920	19.5%	89.8%	45 131	47 403	50 220	8.9%	88.7%	
Compensation of employees	8 051	14 672	17 964	28 369	52.2%	59.2%	34 685	36 593	38 569	10.8%	67.5%	
Goods and services	14 762	5 491	4 830	10 551	-10.6%	30.6%	10 446	10 810	11 651	3.4%	21.2%	
of which:												
Administration fees	52	144	370	32	-14.9%	0.5%	33	39	41	8.6%	0.1%	
Advertising	237	80	109	364	15.4%	0.7%	436	445	706	24.7%	1.0%	
Assets less than the capitalisation threshold	42	79	140	1 345	217.6%	1.4%	161	165	175	-49.3%	0.9%	
Bursaries: Employees	116	-	-	-	-100.0%	0.1%	-	-	-	-	-	
Catering: Departmental activities	-	172	46	110	-	0.3%	95	99	104	-1.9%	0.2%	
Communication	6	167	168	625	370.5%	0.8%	686	703	763	6.9%	1.4%	
Computer services	50	1	12	-	-100.0%	0.1%	-	-	-	-	-	
Consultants and professional services: Business and advisory services	2 248	95	-	587	-36.1%	2.5%	236	479	507	-4.8%	0.9%	
Consultants and professional services: Legal costs	80	-	-	38	-22.0%	0.1%	44	45	46	6.6%	0.1%	
Contractors	2 996	7	-	342	-51.5%	2.9%	167	565	595	20.3%	0.8%	
Agency and support / outsourced services	-	-	1	9	-	-	9	9	13	13.0%	-	
Entertainment	-	-	2	47	-	-	52	52	53	4.1%	0.1%	
Inventory: Food and food supplies	14	-	-	-	-100.0%	-	-	-	-	-	-	
Inventory: Materials and supplies	78	8	2	-	-100.0%	0.1%	-	-	-	-	-	
Inventory: Other supplies	52	32	4	-	-100.0%	0.1%	-	-	-	-	-	
Consumable supplies	-	-	-	239	-	0.2%	624	628	662	40.4%	1.1%	
Consumable: Stationery, printing and office supplies	462	516	588	850	22.5%	2.1%	514	527	554	-13.3%	1.2%	
Operating leases	22	41	-	-	-100.0%	0.1%	-	-	-	-	-	
Property payments	-	-	-	1	-	-	1	1	1	-	-	
Transport provided: Departmental activity	240	-	-	-	-100.0%	0.2%	-	-	-	-	-	
Travel and subsistence	7 579	2 778	3 025	3 413	-23.4%	14.4%	5 726	5 739	6 043	21.0%	10.2%	
Training and development	160	62	21	748	67.2%	0.8%	436	476	501	-12.5%	1.1%	
Operating payments	-	898	71	911	-	1.6%	752	358	380	-25.3%	1.2%	
Venues and facilities	328	411	271	835	36.5%	1.6%	411	417	440	-19.2%	1.0%	
Rental and hiring	-	-	-	55	-	-	63	63	67	6.8%	0.1%	
Interest and rent on land	-	5	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	3 265	1 533	3 491	1 830	-17.6%	8.7%	5 864	6 004	6 322	51.2%	9.8%	
Foreign governments and international organisations	3 265	1 447	3 491	1 830	-17.6%	8.6%	5 864	6 004	6 322	51.2%	9.8%	
Households	-	86	-	-	-	0.1%	-	-	-	-	-	
Payments for capital assets	310	387	848	263	-5.3%	1.6%	921	943	992	55.7%	1.5%	
Machinery and equipment	310	378	848	263	-5.3%	1.5%	921	943	992	55.7%	1.5%	
Software and other intangible assets	-	9	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	1	-	-	-	-	-	-	-	-	-	
Total	26 388	22 089	27 133	41 013	15.8%	100.0%	51 916	54 350	57 534	11.9%	100.0%	
Proportion of total programme expenditure to vote expenditure	2.3%	1.8%	2.0%	2.7%			3.1%	2.9%	2.8%			

Details of transfers and subsidies

Households											
Other transfers to households											
Current	-	86	-	-	-	0.1%	-	-	-	-	-
Employee social benefits	-	86	-	-	-	0.1%	-	-	-	-	-
Foreign governments and international organisations											
Current	3 265	1 447	3 491	1 830	-17.6%	8.6%	5 864	6 004	6 322	51.2%	9.8%
Regional Tourism Organisation of South Africa	1 930	-	1 972	-	-100.0%	3.3%	3 518	3 602	3 793	-	5.3%
United Nations World Tourism Organisation	1 335	1 447	1 519	1 830	11.1%	5.3%	2 346	2 402	2 529	11.4%	4.4%

Personnel information

Table 35.11 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
International Tourism	71	–	47	18.0	0.4	55	28.4	0.5	69	34.7	0.5	71	36.6	0.5	71	38.6	0.5	8.9%	100.0%
Salary level 1 – 6	8	–	5	0.4	0.1	8	1.7	0.2	8	1.9	0.2	8	2.0	0.3	8	2.1	0.3	–	12.0%
7 – 10	27	–	16	3.3	0.2	19	5.7	0.3	27	9.0	0.3	27	9.5	0.4	27	10.1	0.4	12.4%	37.6%
11 – 12	23	–	14	5.8	0.4	15	10.1	0.7	21	12.2	0.6	23	12.8	0.6	23	13.5	0.6	15.3%	30.8%
13 – 16	13	–	12	8.5	0.7	13	10.9	0.8	13	11.6	0.9	13	12.2	0.9	13	12.9	1.0	–	19.5%

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

² Rand million.

Expenditure trends

The significant increases in expenditure in the *Americas and Caribbean*, *Europe* and *Africa and Middle East* subprogrammes between 2010/11 and 2013/14 were mainly aimed at expanding South Africa's tourism potential in these areas as part of the department's diversification policy. The spending focus for this programme over the medium term will be on training tourism officials, and translating and marketing material to distribute in 126 South African missions. The programme will also negotiate, facilitate and implement international tourism agreements and produce annual reports on the implementation plan for bilateral agreements. In doing so, the department expects to expand foreign investment in the South African tourism industry and strengthen relationships with tourism organisations.

Expenditure on compensation of employees and travel and subsistence are the programme's largest spending items and are projected to increase over the medium term as capacity is built and domestic and international trips are taken to analyse the international tourism market and attend multilateral forums. Expenditure in the programme is expected to increase over the MTEF period on items relating to the generation of market intelligence, the conducting of market analysis to inform strategic interventions, the lowering of barriers to tourism growth, and the optimal use of bilateral and multilateral connections. These activities are aimed at maximising domestic tourism and increasing the number of foreign tourist arrivals in South Africa.

The programme has a funded establishment of 71 posts, of which 11 were vacant at the end of November 2013, and the establishment is expected to remain constant over the medium term. The vacancies were due to the restructuring relating to an increased number of responsibilities within the programme, and are expected to be filled in 2014/15.

Programme 4: Domestic Tourism

Objectives

- Increase tourism's contribution to inclusive economic growth by:
 - developing the 2030 tourism master strategy to provide a uniform approach to promote the development of tourism infrastructure in 2014/15
 - funding the construction of interpretive signage at South Africa's 8 world heritage sites and developing proposals for infrastructure development at 4 of the sites in 2014/15 to attract investment and create employment opportunities
 - hosting the annual national tourism career expo and annual tourism month celebrations.
- Improve tourist destination competitiveness by coordinating and facilitating the development and implementation of 2 projects from the integrated regional support packages in rural areas and the Maloti Drakensberg route in 2014/15.

- Provide support to tourism businesses by:
 - implementing the incentive programme by carrying out road shows and receiving and adjudicating the applications for the programme in 2014/15
 - mentoring 34 SMMEs
 - assisting 450 businesses with market access
 - providing training interventions on skills development, customer service, toolkits and business skills to 489 rural enterprises, 1 263 historically disadvantaged enterprises, and 975 SMMEs
 - providing 2 475 full time equivalent jobs through the Tourism Enterprise Partnership in 2014/15.
- Create employment opportunities by implementing tourism projects through the expanded public works programme aimed at the unemployed, resulting in 16 775 full time equivalent jobs being created by 2016/17.

Subprogrammes

- *Domestic Tourism Management* provides a comprehensive administrative and operational support service to the programme's activities. It also houses the tourism support programme, which will become a separate subprogramme over the medium term. The tourism support subprogramme stimulates new investment in domestic tourism across all subsectors; enables the payment of licensing and professional association member registration fees to remove barriers to entry into the business tourism market; supports SMME tourism infrastructure to stimulate innovation, authenticity and conversion to green systems; and enables access to international trade exhibitions. In 2013/14, a fully functional tourism incentive unit was established. This subprogramme had a staff complement of 6 at the end of November 2013.
- *Domestic Tourism Management: Southern Region* promotes and supports the growth of domestic tourism in Free State and in Western, Eastern and Northern Cape; develops and updates tourism profiles through research; supports product development; implements the rural tourism strategy; and supports national tourism programmes in the region. In 2012/13, 2 regional support packages were developed. In 2013/14, 2 regional scoping reports on the integration of national interventions relating to the rural comprehensive strategy were compiled. The National Tourism Career Expo was hosted in 2012/13 and 2013/14. This subprogramme had a staff complement of 18 at the end of November 2013.
- *Domestic Tourism Management: Northern Region* promotes and supports the growth of domestic tourism in Gauteng, North West, Limpopo, KwaZulu-Natal and Mpumalanga. This entails conducting research to develop and update tourism profiles, providing support for product development, and implementing the rural tourism strategy. In 2012/13, 2 regional support packages were developed. In 2013/14, 2 regional scoping reports on the integration of national interventions relating to the rural-comprehensive strategy were compiled. This subprogramme had a staff complement of 21 at the end of November 2013.
- *Social Responsibility Implementation* facilitates the development of tourism infrastructure projects under the expanded public works programme through labour intensive methods targeting the unemployed, youth, women, the disabled, and SMMEs. The subprogramme also produces skills development initiatives, such as the young chefs' training programme. In 2012/13, 5 645 full time equivalent jobs were created. In 2013/14, 1 517 full time equivalent jobs had been created by the end of September 2013. This subprogramme had a staff complement of 50 at the end of November 2013.
- *Strategic Partners in Tourism* makes transfers and subsidies for small businesses. This subprogramme's total budget is currently transferred to the Tourism Enterprise Partnership, but this arrangement will end in 2014/15 and be replaced by a SMME development programme. In 2012/13, 104 enterprises were mentored, support was provided to 1 664 rural enterprises, 852 businesses were assisted with accessing markets, 4 145 historically disadvantaged enterprises were assisted, and training was provided to 3 267 enterprises. 5 005 full time equivalent jobs were created through the Tourism Enterprise Partnership in 2012/13.

Expenditure estimates

Table 35.12 Domestic Tourism

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Domestic Tourism Management	9 863	4 894	10 076	9 237	-2.2%	2.4%	10 373	10 499	11 061	6.2%	2.0%
Domestic Tourism Management: Southern Region	5 853	6 640	11 549	12 205	27.8%	2.6%	13 250	13 429	14 170	5.1%	2.6%
Domestic Tourism Management: Northern Region	11 185	6 173	10 603	17 546	16.2%	3.3%	16 650	16 668	17 525	-	3.3%
Social Responsibility Implementation	270 176	301 370	314 350	305 620	4.2%	85.3%	399 940	494 283	632 868	27.5%	88.4%
Strategic Partners in Tourism	20 000	20 000	25 000	25 000	7.7%	6.4%	23 000	13 500	15 527	-14.7%	3.7%
Total	317 077	339 077	371 578	369 608	5.2%	100.0%	463 213	548 379	691 151	23.2%	100.0%
Change to 2013 Budget estimate				(160)			(32 776)	(152 092)	-		

Economic classification

Current payments	38 409	42 703	57 209	73 852	24.3%	15.2%	74 452	78 757	82 707	3.8%	14.9%
Compensation of employees	26 573	27 571	38 624	47 470	21.3%	10.0%	51 927	54 783	57 741	6.7%	10.2%
Goods and services	11 836	15 117	18 585	26 382	30.6%	5.1%	22 525	23 974	24 966	-1.8%	4.7%
of which:											
Administration fees	43	25	22	46	2.3%	-	50	58	59	8.7%	-
Advertising	418	767	385	1 042	35.6%	0.2%	418	423	444	-24.8%	0.1%
Assets less than the capitalisation threshold	267	294	202	1 969	94.6%	0.2%	372	407	427	-39.9%	0.2%
Bursaries: Employees	1	-	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	53	69	211	997	166.0%	0.1%	581	719	669	-12.5%	0.1%
Communication	509	503	583	627	7.2%	0.2%	719	690	728	5.1%	0.1%
Computer services	3	1	6	2 004	774.2%	0.1%	504	504	531	-35.8%	0.2%
Consultants and professional services: Business and advisory services	1 500	2 679	3 333	905	-15.5%	0.6%	726	815	858	-1.8%	0.2%
Consultants and professional services: Infrastructure and planning	-	27	14	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	-	275	91	20	-	-	21	22	23	4.8%	-
Contractors	950	17	2 279	1 461	15.4%	0.3%	2 098	2 180	2 108	13.0%	0.4%
Agency and support / outsourced services	4	6	58	-	-100.0%	-	-	-	-	-	-
Entertainment	2	1	2	1	-20.6%	-	1	1	1	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	3	3	3	-	-
Inventory: Food and food supplies	-	1	2	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	1	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	62	4	5	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	337	350	320	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	-	-	-	37	-	-	1 137	1 067	1 122	211.8%	0.2%
Consumable: Stationery, printing and office supplies	897	761	600	1 634	22.1%	0.3%	742	740	779	-21.9%	0.2%
Operating leases	143	139	-	-	-100.0%	-	50	50	53	-	-
Property payments	19	19	17	-	-100.0%	-	-	-	-	-	-
Transport provided: Departmental activity	36	-	-	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	5 518	6 342	8 355	11 264	26.9%	2.3%	12 262	12 764	13 441	6.1%	2.4%
Training and development	144	195	37	499	51.3%	0.1%	50	50	53	-52.6%	-
Operating payments	344	552	330	2 333	89.3%	0.3%	1 783	2 297	2 419	1.2%	0.4%
Venues and facilities	586	2 090	1 732	1 543	38.1%	0.4%	1 008	1 184	1 248	-6.8%	0.2%
Interest and rent on land	-	15	-	-	-	-	-	-	-	-	-
Transfers and subsidies	277 368	294 398	313 235	295 521	2.1%	84.5%	386 664	468 581	607 389	27.1%	84.8%
Departmental agencies and accounts	-	-	4 050	6 300	-	0.7%	5 630	5 993	6 551	1.3%	1.2%
Non-profit institutions	27 664	22 200	26 060	26 000	-2.0%	7.3%	24 000	14 000	16 054	-14.8%	3.9%
Households	249 704	272 198	283 125	263 221	1.8%	76.4%	357 034	448 588	584 784	30.5%	79.8%
Payments for capital assets	1 300	1 974	1 122	235	-43.5%	0.3%	2 097	1 041	1 055	65.0%	0.2%
Machinery and equipment	1 300	1 974	1 094	235	-43.5%	0.3%	2 035	977	988	61.4%	0.2%
Software and other intangible assets	-	-	28	-	-	-	62	64	67	-	-
Payments for financial assets	-	2	12	-	-	-	-	-	-	-	-
Total	317 077	339 077	371 578	369 608	5.2%	100.0%	463 213	548 379	691 151	23.2%	100.0%
Proportion of total programme expenditure to vote expenditure	27.7%	27.1%	27.1%	24.3%			27.9%	29.4%	33.3%		

Table 35.12 Domestic Tourism

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
	R thousand										
Households											
Other transfers to households											
Current	249 704	272 198	283 125	263 221	1.8%	76.4%	357 034	448 588	584 784	30.5%	79.8%
Bursaries: non-employees	-	-	208	-	-	-	-	-	-	-	-
Employee social benefits	-	2	150	-	-	-	-	-	-	-	-
Expanded Public Works Programme: Domestic Tourism	238 281	252 962	242 710	214 114	-3.5%	67.8%	196 584	196 354	318 881	14.2%	44.7%
Expanded Public Works Programme Incentive: Domestic Tourism	11 423	19 234	40 057	49 107	62.6%	8.6%	66 200	58 246	61 334	7.7%	11.3%
Tourism Incentive Programme	-	-	-	-	-	-	94 250	193 988	204 569	-	23.8%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	4 050	6 300	-	0.7%	5 630	5 993	6 551	1.3%	1.2%
Eastern Cape Parks and Tourism Agency	-	-	3 000	3 300	-	0.5%	3 630	3 993	4 392	10.0%	0.7%
Tourism Accelerated Apprenticeship Programme	-	-	1 050	3 000	-	0.3%	2 000	2 000	2 159	-10.4%	0.4%
Non-profit institutions											
Current	27 664	22 200	26 060	26 000	-2.0%	7.3%	24 000	14 000	16 054	-14.8%	3.9%
Strategic Partners in Tourism	20 000	20 000	25 000	25 000	7.7%	6.4%	23 000	-	-	-100.0%	2.3%
National Tourism Business Initiative	2 200	1 200	-	-	-100.0%	0.2%	-	-	-	-	-
Ezemvelo KwaZulu-Natal Wildlife	-	500	500	500	-	0.1%	500	-	-	-100.0%	-
Tourism Business Council	500	-	-	-	-100.0%	-	-	-	-	-	-
Federated Hospitality Association of South Africa	4 964	500	500	500	-53.5%	0.5%	500	500	527	1.8%	0.1%
Tourism Accelerated Apprenticeship Programme	-	-	60	-	-	-	-	-	-	-	-
Small Medium and Micro Enterprises (SMME) Development	-	-	-	-	-	-	-	13 500	15 527	-	1.4%

Personnel information

Table 35.13 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost			2016/17		2013/14 - 2016/17	
		Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost				
Domestic Tourism																			
Salary level	110	-	97	38.6	0.4	95	47.5	0.5	112	51.9	0.5	110	54.8	0.5	110	57.7	0.5	5.0%	100.0%
1-6	10	-	9	1.6	0.2	6	1.9	0.3	8	1.9	0.2	10	2.0	0.2	10	2.1	0.2	18.6%	8.0%
7-10	52	-	43	13.0	0.3	41	17.2	0.4	54	18.3	0.3	52	19.3	0.4	52	20.3	0.4	8.2%	46.6%
11-12	36	-	34	15.9	0.5	36	19.2	0.5	38	21.2	0.6	36	22.4	0.6	36	23.6	0.7	-	34.2%
13-16	12	-	11	8.2	0.7	12	9.2	0.8	12	10.6	0.9	12	11.2	0.9	12	11.8	1.0	-	11.2%

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

2. Rand million.

Expenditure trends

As part of the tourism development policy, the spending focus over the medium term will be on tourism infrastructure projects under the expanded public works programme. Expenditure on this programme is expected to increase mainly due to Cabinet approved additional funding of R70 million provided for the social responsibility implementation programme, which is implemented through the expanded public works programme, in 2016/17. Expenditure in the programme will support the creation of 5 625 full time equivalent tourism jobs in 2014/15 and 5 575 in 2016/17. Due to the additional allocation in 2016/17, the rescheduling of expanded public works funds will have no impact on service delivery over the medium term.

Expenditure over the medium term is also expected to increase due to the increase in funding for the tourism incentive programme. The programme is currently a directorate in the *Social Responsibility Implementation* subprogramme and will be introduced at the beginning of April 2014. The tourism incentive programme is expected to support the growth of SMMEs and established businesses through improved access to international

buyers and markets, and promote economic development. The introduction of the incentive programme is expected to result in a projected number of domestic tourists that grows from 12.9 million in 2014/15 to 14.3 million in 2016/17.

The programme had a funded establishment of 110 posts, of which 15 were vacant at the end of November 2013. These vacancies were mainly as a result of restructuring and will be filled in 2014/15. The staff complement increased from 97 in 2012/13 to 112 in 2014/15 due to the establishment of the tourism incentive programme in 2013/14. The programme is expected to be fully functional in 2014/15.

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, to ensure that tourist facilities and services are of the highest standard, and to monitor and evaluate the performance of the tourism sector.

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

Selected performance indicators

Table 35.14 South African Tourism

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of international tourist arrivals by land per year	Increase foreign tourist arrivals to South Africa	Outcome 4: Decent employment through inclusive economic growth	8 498 735	9 333 505	9 951 029	9 648 864	10 394 307	10 715 051	11 040 623
Number of international tourist arrivals by air per year	Increase foreign tourist arrivals to South Africa		2 896 965	2 921 650	3 500 536	3 373 115	3 830 768	3 936 776	4 050 759
Number of domestic travellers per year	Increase domestic tourism in South Africa		13.5 million	13.9 million	14.4 million	15 million	12.9 million	13.5 million	14.3 million
Average spend per international tourist in the country per year	Increase tourism trended revenue contribution to the economy		R8 900	R8 600	R12 536	R13 162	R13 820	R14 483	R15 251
Percentage of global brand awareness campaigns	Increase in South African brand awareness		79% (15 061 350)	78% (22 534 050)	79% (22 534 050)	79% (22 534 050)	80% (22 534 050)	80% (87 618 900)	81% (92 262 702)

Programmes/activities/objectives

Table 35.15 South African Tourism

	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Administration	88 292	143 055	105 465	86 663	-0.6%	11.5%	111 160	117 163	123 372	12.5%	9.8%
Number of foreign visitor arrivals	227 535	223 734	251 927	301 699	9.9%	27.0%	290 462	291 509	310 334	0.9%	27.0%
Number of domestic travellers	39 694	23 452	45 113	35 038	-4.1%	3.9%	43 672	143 800	144 000	60.2%	7.9%
Amount of trended revenue	227 535	223 734	251 927	301 699	9.9%	27.0%	290 462	291 509	310 334	0.9%	27.0%
Brand awareness percentage	238 465	224 259	245 851	206 828	-4.6%	24.8%	220 292	232 187	244 493	5.7%	20.3%
Number of graded establishments	34 568	25 061	35 397	43 114	7.6%	3.7%	40 377	39 300	41 265	-1.5%	3.7%
Increase business events	-	-	43 216	43 631	-	2.2%	45 813	48 287	50 846	5.2%	4.2%
Total expense	856 089	863 295	978 896	1 018 672	6.0%	100.0%	1 042 238	1 163 755	1 224 644	6.3%	100.0%

Expenditure estimates

Table 35.16 South African Tourism

Statement of financial performance											
R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
Revenue											
Non-tax revenue	97 747	62 197	102 833	74 867	-8.5%	9.3%	83 929	103 314	108 789	13.3%	8.3%
Other non-tax revenue	97 747	62 197	102 833	74 867	-8.5%	9.3%	83 929	103 314	108 789	13.3%	8.3%
Transfers received	736 658	766 782	866 924	943 805	8.6%	90.7%	958 309	1 060 440	1 115 856	5.7%	91.7%
Total revenue	834 405	828 979	969 757	1 018 672	6.9%	100.0%	1 042 238	1 163 754	1 224 645	6.3%	100.0%
Expenses											
Current expenses	856 089	863 295	978 896	1 018 672	6.0%	100.0%	1 042 238	1 163 755	1 224 644	6.3%	100.0%
Compensation of employees	103 628	121 990	149 315	102 345	-0.4%	12.9%	108 998	114 885	121 088	5.8%	10.1%
Goods and services	737 321	727 117	813 025	916 327	7.5%	85.8%	933 240	1 048 870	1 103 556	6.4%	89.9%
Depreciation	14 342	13 241	15 805	-	-100.0%	1.2%	-	-	-	-	-
Interest, dividends and rent on land	798	947	751	-	-100.0%	0.1%	-	-	-	-	-
Total expenses	856 089	863 295	978 896	1 018 672	6.0%	100.0%	1 042 238	1 163 755	1 224 644	6.3%	100.0%
Surplus/(Deficit)	(21 684)	(34 316)	(9 139)	-	-100.0%	-	-	(1)	1	-	-
Statement of financial position											
Carrying value of assets	68 229	78 050	70 108	74 034	2.8%	23.7%	78 032	82 246	86 605	5.4%	23.0%
Loans	328	106	117	124	-27.8%	0.1%	130	137	145	5.4%	0.0%
Receivables and prepayments	29 845	8 423	22 140	23 380	-7.8%	6.5%	24 642	25 973	27 350	5.4%	7.3%
Cash and cash equivalents	269 999	170 298	212 845	224 764	-5.9%	69.8%	236 902	249 694	262 928	5.4%	69.7%
Total assets	368 401	256 877	305 210	322 302	-4.4%	100.0%	339 706	358 050	377 027	5.4%	100.0%
Accumulated surplus/(deficit)	46 729	12 413	3 274	3 274	-58.8%	4.9%	3 274	3 274	3 274	-	0.9%
Capital and reserves	17 290	17 349	25 382	25 382	13.7%	6.9%	25 382	25 382	25 382	-	7.3%
Deferred income	50 241	39 966	-	-	-100.0%	7.3%	-	-	-	-	-
Trade and other payables	230 355	154 121	235 631	250 431	2.8%	69.4%	256 431	273 320	287 805	4.7%	76.5%
Provisions	21 143	30 459	38 651	40 815	24.5%	10.7%	43 019	45 343	47 746	5.4%	12.7%
Derivatives and financial instruments	2 642	2 567	2 272	2 399	-3.2%	0.8%	2 529	2 665	2 807	5.4%	0.7%
Total equity and liabilities	368 400	256 875	305 210	322 302	-4.4%	100.0%	330 635	349 984	367 013	4.4%	98.1%

Personnel information

Table 35.17 South African Tourism

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
	171	171	161	149.3	0.9	171	102.3	0.6	171	109.0	0.6	171	114.9	0.7	171	121.1	0.7	5.8%	100.0%
1 – 6	20	20	15	1.9	0.1	20	2.2	0.1	20	2.3	0.1	20	2.4	0.1	20	2.6	0.1	5.3%	11.7%
7 – 10	55	55	32	7.8	0.2	55	12.8	0.2	55	13.6	0.2	55	14.3	0.3	55	14.3	0.3	3.7%	32.2%
11 – 12	44	44	64	92.8	1.4	44	43.9	1.0	44	43.7	1.0	44	45.2	1.0	44	51.2	1.2	5.3%	25.7%
13 – 16	52	52	50	46.9	0.9	52	43.5	0.8	52	49.5	1.0	52	52.9	1.0	52	53.0	1.0	6.9%	30.4%

1. Rand million.

Expenditure trends

Almost all of South African Tourism's income is from departmental transfers. The spending focus over the medium term will be to aggressively promote tourism growth from the continent through increased awareness of South Africa as a top tourism destination. This will result in more arrivals from Africa, and the corresponding spending will contribute to GDP and job creation.

The entity will set up five marketing offices in key African markets by 2020. Two offices will be opened by the end of March 2014: one in Kenya for East Africa, the other in Nigeria for West Africa. Three hub offices will be opened by the end of December 2015: the West Africa hub office in Nigeria; the East Africa hub office in Kenya; and the Central Africa office in Angola. In 2012/13, the entity had a staff complement of 161, but this is expected to increase to 171 in 2013/14 with the opening of the new offices. The number of South African

Tourism country offices is set to increase from 11 in 2014/15 to 14 in 2016/17, and an additional trade relations manager will be appointed in New Delhi to cater for the fast growing Indian market.

Over the medium term, expenditure is expected to increase from R1 billion in 2014/15 to R1.2 billion in 2016/17, with expenditure mainly occurring in international marketing. This is expected to lead to a related rise in foreign tourist arrivals from 14.2 million in 2014/15 to 15.1 million by 2016/17. Key expenditure areas will be electronic marketing, global marketing campaigns, and the hosting of the Tourism Indaba, which attracts more than 1 400 exhibitors annually. This will ensure that the sector increases its contribution to economic growth and achieves the national development plan objective for the sector to create 225 000 jobs by 2020.

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	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	195 043	191 936	179 224	205 721	2 389	208 110	208 110
Policy and Knowledge Services	787 994	793 395	794 024	875 483	26 360	901 843	901 843
International Tourism	46 834	41 830	27 133	49 602	(8 589)	41 013	41 013
Domestic Tourism	337 450	346 982	371 578	369 768	(160)	369 608	369 608
Total	1 367 321	1 374 143	1 371 959	1 500 574	20 000	1 520 574	1 520 574
Economic classification							
Current payments	331 093	330 253	287 204	359 230	1 428	360 658	360 658
Compensation of employees	180 583	174 738	171 207	205 777	–	205 777	205 777
Goods and services	150 320	155 025	115 997	153 253	1 628	154 881	154 881
Interest and rent on land	190	490	–	200	(200)	–	–
Transfers and subsidies	1 029 045	1 034 332	1 074 794	1 133 838	22 951	1 156 789	1 156 789
Departmental agencies and accounts	753 303	758 979	758 979	835 973	26 660	862 633	862 633
Higher education institutions	–	2 490	2 490	3 105	–	3 105	3 105
Foreign governments and international organisations	5 250	3 491	3 491	5 539	(3 709)	1 830	1 830
Non-profit institutions	27 725	26 585	26 060	26 000	–	26 000	26 000
Households	242 767	242 787	283 774	263 221	–	263 221	263 221
Payments for capital assets	7 183	9 558	9 863	7 506	(4 379)	3 127	3 127
Buildings and other fixed structures	–	–	3 134	–	–	–	–
Machinery and equipment	7 049	9 342	6 552	7 385	(4 274)	3 111	3 111
Software and other intangible assets	134	216	177	121	(105)	16	16
Payments for financial assets	–	–	98	–	–	–	–
Total	1 367 321	1 374 143	1 371 959	1 500 574	20 000	1 520 574	1 520 574

Table 35.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	100 252	135 254	171 207	205 777	233 277	246 108	259 398
Training expenditure (R thousand)	1 105	2 112	3 006	3 129	3 279	3 357	3 891
Training spend as percentage of compensation	1.1%	1.6%	1.8%	1.5%	1.4%	1.4%	1.5%
Total number trained (headcount)	143	363	328	256			
<i>of which:</i>							
Employees receiving bursaries (headcount)	21	26	33	70			
Internships (headcount)	12	20	25	35			
Households receiving bursaries (R thousand)	700	450	550	800	900	900	900
Households receiving bursaries (headcount)	15	15	10	20			

Table 35.C Summary of donor funding

Donor R thousand	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Foreign In cash													
European Union	Golden Gate Highlands National Parks interpretation centre	Domestic Tourism	3 years	120 000	Non-profit institutions	Construction of an interpretive centre featuring dinosaur relics found in the park; the centre will also be a tourist destination	-	-	-	-	76 300	31 100	12 600
Total				120 000			-	-	-	-	76 300	31 100	12 600



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA