

Vote 34

Tourism

Adjusted budget summary

2010/11				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 151 836	1 183 816	–	31 980
<i>of which:</i>				
Current payments	196 073	220 694	–	24 621
Transfers and subsidies	953 328	932 993	(20 335)	–
Payments for capital assets	2 435	30 129	–	27 694
Executive authority	Minister of Tourism			
Accounting officer	Director-General of Tourism			
Website address	www.tourism.gov.za			

Aim

The aim of the Department of Tourism is to promote and support the growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			As published in the 2010 ENE	Programme linked to the indicator	Outcome the indicator is linked to (if relevant)
Number of new temporary work opportunities created through expanded public works programme projects	Tourism Development	Decent employment through inclusive economic growth	9 861	2 091 ¹	–
Number of new full time equivalent jobs created through expanded public works programme projects	Tourism Development	Decent employment through inclusive economic growth	4 287	856 ¹	–
Number of accredited training days created through expanded public works programme projects	Tourism Development	Decent employment through inclusive economic growth A skilled and capable workforce to support an inclusive growth path	17 629	2 797	–
Number of new niche tourism products developed (such as social, cruise, medical)	Tourism Development	Decent employment through inclusive economic growth An efficient, competitive and responsive economic infrastructure network	2	0	–
Number of new rural based tourism products developed	Tourism Development	Vibrant, equitable and sustainable rural communities with food security for all Decent employment through inclusive economic growth An efficient, competitive and responsive economic infrastructure network	2	0	–

Indicator	Programme	Outcome	Annual performance		
			Projected for 2010/11 as published in the 2010 ENE	Achieved in the first six months of 2010/11 (April to September)	Changed estimate for 2010/11
As published in the 2010 ENE	Programme linked to the indicator	Outcome the indicator is linked to (if relevant)			
Number of strategic international conferences resulting in net economic gain hosted in South Africa per year	Tourism Development	Decent employment through inclusive economic growth	5	-	-
Number of school leavers who register for tourism qualification at a higher education institution per year	Tourism Growth	A skilled and capable workforce to support an inclusive growth path	250	7 557	-
Number of new tourism establishments implementing universal accessibility measures per year	Tourism Growth	Decent employment through inclusive economic growth	5	0	-
Number of tourism graduates placed for experiential learning per year	Tourism Growth	A skilled and capable workforce to support an inclusive growth path	70	26	-

1. April to August. September data not yet available

After the split of the Department of Environmental Affairs and Tourism in April 2010, the Department of Tourism had very few projects that could deliver adequate temporary work opportunities or full time equivalent jobs, and it sourced projects via provincial structures. The proposals received were not compliant with expanded public works programme objectives and would require a long planning period. New proposals will be evaluated and projects will start in the new financial year.

The number of accredited training days created through expanded public works programme projects in the first half of 2010/11 is lower than estimated, because training is dependent on the availability of projects and there are currently very few projects which can generate sufficient training days.

The department is developing strategies for social, cruise, and medical niche tourism. The development of products will be informed by the final strategies.

The department is consulting on the draft of the Universal Accessibility Sector Charter, which rural based establishments will then be encouraged to comply with. Once the charter is in place, the number of establishments that comply with its requirements will be measured.

South Africa has hosted a number of international events in the first half of 2010/11, but this work is not coordinated by the department yet. The intention is to create a national events and conventions bureau that will market and sell destinations South Africa, and secure future events. A concept paper for the bureau has been developed.

The number of school leavers who registered for a tourism qualification at a higher education institution in the first half of 2010/11 was significantly higher than the estimate for the year as a whole, due to the increasing demand for education and training in tourism. The estimate will be revised in the 2011 ENE.

Mid-year progress

The temporary jobs and full time equivalent jobs created through the expanded public works programme contribute to the achievement of decent employment through inclusive economic growth (outcome 4).

The Department of Tourism anticipates that 50 per cent of the targets set for 2010/11 will be reached, and that all targets for 2011/12 will be reached through the new projects currently being evaluated.

Adjusted Estimates of National Expenditure 2010

Programme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
1. Administration	124 289	-	40 000	23 667	(9 116)	54 551	178 840
2. Tourism Development	360 936	-	-	(29 810)	557	(29 253)	331 683
3. Tourism Growth	655 613	-	-	2 800	315	3 115	658 728
4. Policy, Research, Monitoring and Evaluation	10 998	-	-	3 343	224	3 567	14 565
Total	1 151 836	-	40 000	-	(8 020)	31 980	1 183 816
Economic classification							
Current payments	196 073	-	16 500	16 141	(8 020)	24 621	220 694
Compensation of employees	98 480	-	-	-	2 600	2 600	101 080
Goods and services	97 593	-	16 500	16 141	(10 620)	22 021	119 614
Transfers and subsidies	953 328	-	-	(20 335)	-	(20 335)	932 993
Departmental agencies and accounts	631 685	-	-	-	-	-	631 685
Foreign governments and international organisations	4 600	-	-	(1 335)	-	(1 335)	3 265
Non-profit institutions	46 700	-	-	(19 000)	-	(19 000)	27 700
Households	270 343	-	-	-	-	-	270 343
Payments for capital assets	2 435	-	23 500	4 194	-	27 694	30 129
Machinery and equipment	2 135	-	23 500	4 194	-	27 694	29 829
Software and other intangible assets	300	-	-	-	-	-	300
Total	1 151 836	-	40 000	-	(8 020)	31 980	1 183 816

Programme 1: Administration

Subprogramme	2010/11						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
Minister	1 816	-	-	-	-	-	1 816
Deputy Minister	1 496	-	-	-	-	-	1 496
Management	7 234	-	-	1 845	154	1 999	9 233
Corporate Affairs	101 717	-	11 200	8 170	1 350	20 720	122 437
Office Accommodation	12 026	-	28 800	13 652	(10 620)	31 832	43 858
Total	124 289	-	40 000	23 667	(9 116)	54 551	178 840
Economic classification							
Current payments	118 144	-	16 500	22 134	(9 116)	29 518	147 662
Compensation of employees	50 307	-	-	6 610	1 504	8 114	58 421
Goods and services	67 837	-	16 500	15 524	(10 620)	21 404	89 241
Transfers and subsidies	4 600	-	-	(1 335)	-	(1 335)	3 265
Foreign governments and international organisations	4 600	-	-	(1 335)	-	(1 335)	3 265
Payments for capital assets	1 545	-	23 500	2 868	-	26 368	27 913
Machinery and equipment	1 445	-	23 500	2 868	-	26 368	27 813
Software and other intangible assets	100	-	-	-	-	-	100
Total	124 289	-	40 000	23 667	(9 116)	54 551	178 840

Programme 2: Tourism Development

Subprogramme	2010/11							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand								
Tourism Development Management	3 535	–	–	(237)	53	(184)	3 351	
Product and Enterprise Development	13 193	–	–	(3 114)	84	(3 030)	10 163	
Social Responsibility Implementation	297 157	–	–	(6 300)	369	(5 931)	291 226	
Sector Transformation	7 051	–	–	(159)	51	(108)	6 943	
Business Trust	40 000	–	–	(20 000)	–	(20 000)	20 000	
Total	360 936	–	–	(29 810)	557	(29 253)	331 683	
Economic classification								
Current payments	48 103	–	–	(10 960)	557	(10 403)	37 700	
Compensation of employees	30 232	–	–	(9 310)	557	(8 753)	21 479	
Goods and services	17 871	–	–	(1 650)	–	(1 650)	16 221	
Transfers and subsidies	312 543	–	–	(20 000)	–	(20 000)	292 543	
Non-profit institutions	42 200	–	–	(20 000)	–	(20 000)	22 200	
Households	270 343	–	–	–	–	–	270 343	
Payments for capital assets	290	–	–	1 150	–	1 150	1 440	
Machinery and equipment	290	–	–	1 150	–	1 150	1 440	
Total	360 936	–	–	(29 810)	557	(29 253)	331 683	

Programme 3: Tourism Growth

Subprogramme	2010/11							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand								
Tourism Growth Management	3 535	–	–	(1 255)	20	(1 235)	2 300	
Marketing, Responsible Tourism and Quality Assurance	7 020	–	–	(204)	96	(108)	6 912	
Capacity Building	13 373	–	–	4 259	199	4 458	17 831	
South African Tourism	631 685	–	–	–	–	–	631 685	
Total	655 613	–	–	2 800	315	3 115	658 728	
Economic classification								
Current payments	19 138	–	–	1 665	315	1 980	21 118	
Compensation of employees	12 508	–	–	(200)	315	115	12 623	
Goods and services	6 630	–	–	1 865	–	1 865	8 495	
Transfers and subsidies	636 185	–	–	1 000	–	1 000	637 185	
Departmental agencies and accounts	631 685	–	–	–	–	–	631 685	
Non-profit institutions	4 500	–	–	1 000	–	1 000	5 500	
Payments for capital assets	290	–	–	135	–	135	425	
Machinery and equipment	290	–	–	135	–	135	425	
Total	655 613	–	–	2 800	315	3 115	658 728	

Programme 4: Policy, Research, Monitoring and Evaluation

Subprogramme		2010/11					
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Policy, Research, Monitoring and Evaluation Management	3 535	-	-	(1 732)	32	(1 700)	1 835
Policy Development and Evaluation	2 146	-	-	4 624	111	4 735	6 881
Research and Knowledge Management	5 317	-	-	451	81	532	5 849
Total	10 998	-	-	3 343	224	3 567	14 565
Economic classification							
Current payments	10 688	-	-	3 302	224	3 526	14 214
Compensation of employees	5 433	-	-	2 900	224	3 124	8 557
Goods and services	5 255	-	-	402	-	402	5 657
Payments for capital assets	310	-	-	41	-	41	351
Machinery and equipment	110	-	-	41	-	41	151
Software and other intangible assets	200	-	-	-	-	-	200
Total	10 998	-	-	3 343	224	3 567	14 565

Details of adjustments to Estimates of National Expenditure 2010**Unforeseeable and unavoidable expenditure – R40 million**

Programme 1: Administration

An additional R40 million is allocated for a head office building, as follows:

R1 million for municipal services

R1.2 million for the maintenance of IT and security systems

R14.3 million for refurbishment

R10 million for installing IT equipment

R8.6 million for office furniture

R4.9 million for installing a security system.

Virements and shifts

Programmes

1. Administration
2. Tourism Development
3. Tourism Growth
4. Policy, Research, Monitoring and Evaluation

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(1 335)	Programme 1		1 335
Foreign governments and international organisations	Identified savings reprioritised ¹	(1 335)	Goods and services	For contractual work required at the department's new head office building	1 335
Percentage of programme budget		1.1%			
Programme 2		(30 966)	Programme 1		6 610
Compensation of employees	Reduction in salaries and wages due to vacancies in the programme	(6 610)	Compensation of employees	Additional salaries and wages required for filling vacancies in the programme	6 610
			Programme 4		2 700
	Reduction in salaries and wages due to vacancies in the programme	(2 700)	Compensation of employees	Additional salaries and wages required for filling vacancies in the programme	2 700
Goods and services	Reduction mainly on consultants and contractors	(1 153)	Programme 2		1 153
			Machinery and equipment	For computer hardware and software	1 153
	Reduction mainly on consultants and contractors	(500)	Programme 3		500
			Non-profit institutions	For hosting the Hospitality Investment Conference Africa 2010	500
Machinery and equipment	Reduction due to reprioritisation	(3)	Programme 2		3
			Goods and services	Mainly for office equipment	3
Non-profit institutions	Identified savings reprioritised ¹	(14 189)	Programme 1		17 057
			Goods and services	For an existing contractual agreement with the State Information Technology Agency	14 189
		(2 868)	Machinery and equipment	For additional motor vehicles for the department	2 868
			Programme 3		2 500
		(2 365)	Goods and services	For contractual work relating to IT, required at the department's new head office building	2 365
		(135)	Machinery and equipment	For computer hardware and software	135
		(402)	Programme 4		443
			Goods and services	For operational needs, mainly travel and subsistence	402
		(41)	Machinery and equipment	For computer hardware and software	41
Percentage of programme budget		8.6%²			
Programme 3		(700)	Programme 4		200
Compensation of employees	Reduction in salaries and wages due to vacancies in the programme	(200)	Compensation of employees	Additional salaries and wages required for filling vacancies in the programme	200
Goods and services	Identified savings reprioritised ¹	(500)	Programme 3		500
			Non-profit institutions	For the transfer to the Federated Hospitality Association of South Africa	500
Percentage of programme budget		0.1%			
Total		(33 001)			33 001

1. National treasury approval has been obtained.

2. In terms of the PFMA, only the legislature may approve this virement.

Other adjustments – R8.02 million**Adjustments due to significant unforeseeable economic and financial events**

An additional R2.6 million is allocated for higher personnel remuneration increases than the main budget provided for, including the increased housing allowance, as follows:

Programme 1: Administration

R1.504 million

Programme 2: Tourism Development

R557 000

Programme 3: Tourism Growth

R315 000

Programme 4: Policy, Research Monitoring and Evaluation

R224 000

Function shifts

Programme 1: Administration

R10.62 million will be transferred to the Department of Environmental Affairs for rental for shared office space.

Expenditure for 2009/10 and preliminary expenditure for 2010/11

Programme	2009/10 Expenditure outcome					2010/11 Preliminary expenditure		
	Adjusted appropriation	Apr 09 - Sep 09	% of adjusted appropriation	Apr 09 - Mar 10	% of adjusted appropriation	Adjusted appropriation	Apr 10 - Sep 10	% of adjusted appropriation
R thousand								
1. Administration	95 968	28 732	29.9	95 968	100.0	178 840	53 136	29.7
2. Tourism Development	325 104	132 375	40.7	325 104	100.0	331 683	76 001	22.9
3. Tourism Growth	719 605	687 774	95.6	719 605	100.0	658 728	561 085	85.2
4. Policy, Research, Monitoring and Evaluation	14 981	3 607	24.1	14 981	100.0	14 565	5 858	40.2
Total	1 155 658	852 489	73.8	1 155 658	100.0	1 183 816	696 080	58.8
Economic classification								
Current payments	147 784	106 242	71.9	147 784	100.0	220 694	75 333	34.1
Compensation of employees	89 631	65 075	72.6	89 631	100.0	101 080	45 608	45.1
Goods and services	58 153	41 167	70.8	58 153	100.0	119 614	29 725	24.9
Transfers and subsidies	1 007 462	745 955	74.0	1 007 462	100.0	932 993	618 947	66.3
Departmental agencies and accounts	699 489	561 066	80.2	703 489	100.6	631 685	548 618	86.8
Foreign governments and international organisations	4 000	–	0.0	–	0.0	3 265	3 265	100.0
Non-profit institutions	59 097	59 097	100.0	59 097	100.0	27 700	26 864	97.0
Households	244 876	125 792	51.4	244 876	100.0	270 343	40 200	14.9
Payments for capital assets	412	292	70.8	412	100.0	30 129	1 800	6.0
Machinery and equipment	408	289	70.8	408	100.0	29 829	1 800	6.0
Software and other intangible assets	4	3	70.8	4	100.0	300	–	0.0
Total	1 155 658	852 489	73.8	1 155 658	100.0	1 183 816	696 080	58.8

Main expenditure trends for the first half of 2010/11

Total expenditure for 2009/10 was 100 per cent of the 2009/10 adjusted appropriation. Expenditure in the first six months of 2010/11 was R696.1 million, or 58.8 per cent of the adjusted appropriation of R1.2 billion for the year as a whole. In comparison, mid-year expenditure in 2009/10 was R852.5 million, or 73.8 per cent of the 2009/10 adjusted appropriation. Expenditure in the first six months of 2010/11 decreased by R156.4 million or 18.3 per cent, compared to expenditure in the first six months of 2009/10.

The main expenditure decrease compared to 2009/10 is due to the conclusion of many of the expanded public works programme infrastructure projects, and a decrease in the transfer payment to South African Tourism for the international marketing grant and financial assistance for operational expenditure.

Departmental receipts

R thousand	2009/10					2010/11			
	Adjusted estimate	Audited outcome		Actual receipts		Budget estimate	Adjusted estimate	Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate
		Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate	Apr 09 - Mar 10	Apr 09 - Mar 10 % of adjusted estimate				
Departmental receipts	690	516	74.8	720	104.4	163	1 462	1 485	101.5
Sales of goods and services produced by department	139	75	54.1	138	99.6	163	29	29	100.0
Sales of scrap, waste, arms and other used current goods	-	-	-	3	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	24	-	-	-	-	-
Interest, dividends and rent on land	31	15	46.7	31	100.8	-	12	12	100.0
Sales of capital assets	-	-	-	-	-	-	-	23	-
Transactions in financial assets and liabilities	520	426	82.0	523	100.6	-	1 421	1 421	100.0
Total	690	516	74.8	720	104.4	163	1 462	1 485	101.5

Main departmental revenue trends for the first half of 2010/11

Departmental revenue collection in the first six months of 2010/11 was R1.5 million, or 101.5 per cent of the adjusted revenue estimate of R1.5 million for the year as a whole. In comparison, mid-year revenue collection in 2009/10 was R516 000, or 74.8 per cent of the 2009/10 adjusted estimate. Departmental revenue collection in the first six months of 2010/11 increased by R969 000 or 187.8 per cent, compared to revenue in the first six months of 2009/10.

The main revenue increase compared to 2009/10 is due to a refund of the previous year's project expenditure (unutilised project funds repaid). The department does not generate revenue.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

		2010/11						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation	
1. Administration								
Foreign governments and international organisations								
Current								
	4 600	-	-	(1 335)	-	(1 335)	3 265	
Regional Tourism Organisation of South Africa	2 800	-	-	(870)	-	(870)	1 930	
United Nations World Tourism Organisation	1 800	-	-	(465)	-	(465)	1 335	
2. Tourism Development								
Non-profit institutions								
Current								
	40 000	-	-	(20 000)	-	(20 000)	20 000	
Business Trust	40 000	-	-	(20 000)	-	(20 000)	20 000	
Households								
Other transfers to households								
Current								
	270 343	-	-	-	-	-	270 343	
Expanded Public Works Programme	243 281	-	-	(5 000)	-	(5 000)	238 281	
Expanded Public Works Programme Incentive	27 062	-	-	5 000	-	5 000	32 062	
3. Tourism Growth								
Non-profit institutions								
Current								
	4 500	-	-	1 000	-	1 000	5 500	
Tourism Business Council	4 000	-	-	(3 500)	-	(3 500)	500	
Federated Hospitality Association of South Africa	500	-	-	4 500	-	4 500	5 000	

