

## Tourism

### Adjusted budget summary

R thousand	Appropriation	Adjustments appropriation	2020/21		Adjusted appropriation
			Second adjustments appropriation		
			Decrease	Increase	
<b>Amount to be appropriated</b>	<b>2 480 984</b>	<b>(1 000 000)</b>	<b>(54 124)</b>	–	<b>1 426 860</b>
<i>of which:</i>					
Current payments	998 670	(27 475)	(21 666)	–	949 529
Transfers and subsidies	1 478 534	(972 525)	(32 458)	–	473 551
Payments for capital assets	3 780	–	–	–	3 780
Executive authority	Minister of Tourism				
Accounting officer	Director-General of Tourism				
Website	www.tourism.gov.za				

### Vote purpose

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

### Performance

Indicator	Programme	MTSF priority	Annual performance		
			Projected for 2020/21	Achieved in the first half of 2020/21 (April to September)	Changed target for 2020/21 (If permissible) <sup>1</sup>
Number of monitoring and evaluation reports on tourism projects and initiatives produced per year <sup>2</sup>	Tourism Research, Policy and International Relations	Priority 2: Economic transformation and job creation	1	1	9
Number of work opportunities created through the Working for Tourism programme per year	Destination Development		5 193	0 <sup>3</sup>	2 500
Number of initiatives implemented to support tourism SMMEs per year <sup>2</sup>	Tourism Sector Support Services		5	0	2
Number of incentivised programmes implemented per year	Tourism Sector Support Services		5	0 <sup>3</sup>	–
Number of capacity building programmes implemented per year	Tourism Sector Support Services	Priority 3: Education, skills and health	11	43	5

1. Targets changed to align with the department's revised strategic plan and 2020/21 annual performance plan.

2. Indicator revised to align with government's 2019-2024 medium-term strategic framework.

3. Target not met due to the COVID-19 lockdown.

### Mid-year progress

As a result of the implementation of the Tourism Relief Fund and the expected recovery of the sector, the department will produce more monitoring and evaluation reports than initially planned. Initiatives to support SMMEs in the tourism sector were delayed due to amendments to the service-level agreement for incubators and the implementation of the new venture creation programme aimed at empowering youth trained in food services. The amendments are expected to be finalised soon and the initiatives are set to be implemented during the second half the year.

## Adjusted estimates

Programme	2020/21								
	R thousand	Appropriation	Adjustments appropriation	Second adjustments appropriation				Total second adjustments appropriation	Adjusted appropriation
Roll-overs				Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	308 593	(1 487)	-	-	-	-	(7 462)	(7 462)	299 644
Tourism Research, Policy and International Relations	1 391 382	(870 825)	-	-	-	-	(21 439)	(21 439)	499 118
Destination Development	485 897	(16 513)	-	-	-	-	(3 490)	(3 490)	465 894
Tourism Sector Support Services	295 112	(111 175)	-	-	-	-	(21 733)	(21 733)	162 204
<b>Total</b>	<b>2 480 984</b>	<b>(1 000 000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54 124)</b>	<b>(54 124)</b>	<b>1 426 860</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>998 670</b>	<b>(27 475)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21 666)</b>	<b>(21 666)</b>	<b>949 529</b>
Compensation of employees	358 109	-	-	-	-	-	(21 666)	(21 666)	336 443
Goods and services	640 561	(27 475)	-	-	-	-	-	-	613 086
<b>Transfers and subsidies</b>	<b>1 478 534</b>	<b>(972 525)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32 458)</b>	<b>(32 458)</b>	<b>473 551</b>
Departmental agencies and accounts	1 308 395	(869 917)	-	-	-	-	(15 279)	(15 279)	423 199
Foreign governments and international organisations	2 355	700	-	-	-	-	-	-	3 055
Public corporations and private enterprises	163 689	(102 882)	-	-	-	-	(17 179)	(17 179)	43 628
Non-profit institutions	426	(426)	-	-	-	-	-	-	-
Households	3 669	-	-	-	-	-	-	-	3 669
<b>Payments for capital assets</b>	<b>3 780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 780</b>
Machinery and equipment	2 816	-	-	-	-	-	-	-	2 816
Software and other intangible assets	964	-	-	-	-	-	-	-	964
<b>Total</b>	<b>2 480 984</b>	<b>(1 000 000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54 124)</b>	<b>(54 124)</b>	<b>1 426 860</b>

**Programme 1: Administration**

Subprogramme		2020/21							
R thousand	Appropriation	Adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Ministry Management Corporate	38 242	(1 487)	–	–	–	–	(649)	(649)	36 106
Management Office	3 053	–	–	–	–	–	(26)	(26)	3 027
Management Financial	172 684	–	–	–	–	–	(3 947)	(3 947)	168 737
Management Office	51 405	–	–	–	–	–	(2 840)	(2 840)	48 565
Accommodation	43 209	–	–	–	–	–	–	–	43 209
<b>Total</b>	<b>308 593</b>	<b>(1 487)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7 462)</b>	<b>(7 462)</b>	<b>299 644</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>305 338</b>	<b>(1 487)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7 462)</b>	<b>(7 462)</b>	<b>296 389</b>
Compensation of employees	163 057	–	–	–	–	–	(7 462)	(7 462)	155 595
Goods and services	142 281	(1 487)	–	–	–	–	–	–	140 794
<b>Transfers and subsidies</b>	<b>172</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>172</b>
Departmental agencies and accounts	172	–	–	–	–	–	–	–	172
<b>Payments for capital assets</b>	<b>3 083</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 083</b>
Machinery and equipment	2 119	–	–	–	–	–	–	–	2 119
Software and other intangible assets	964	–	–	–	–	–	–	–	964
<b>Total</b>	<b>308 593</b>	<b>(1 487)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7 462)</b>	<b>(7 462)</b>	<b>299 644</b>

**Programme 2: Tourism Research, Policy and International Relations**

Subprogramme		2020/21							
R thousand	Appropriation	Adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Tourism Research, Policy and International Relations Management	9 142	(625)	–	–	–	–	(265)	(265)	8 252
Research and Knowledge Management	34 479	(3 250)	–	–	–	–	(3 274)	(3 274)	27 955
Policy Planning and Strategy	14 643	(450)	–	–	–	–	(946)	(946)	13 247
South African Tourism	1 304 306	(866 000)	–	–	–	–	(15 279)	(15 279)	423 027
International Relations and Cooperation	28 812	(500)	–	–	–	–	(1 675)	(1 675)	26 637
<b>Total</b>	<b>1 391 382</b>	<b>(870 825)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(21 439)</b>	<b>(21 439)</b>	<b>499 118</b>

**Programme 2: Tourism Research, Policy and International Relations (continued)**

Economic classification	2020/21								
	Appropriation	Adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand									
<b>Current payments</b>	<b>80 546</b>	<b>(5 525)</b>	–	–	–	–	<b>(6 160)</b>	<b>(6 160)</b>	<b>68 861</b>
Compensation of employees	56 982	–	–	–	–	–	(6 160)	(6 160)	50 822
Goods and services	23 564	(5 525)	–	–	–	–	–	–	18 039
<b>Transfers and subsidies</b>	<b>1 310 330</b>	<b>(865 300)</b>	–	–	–	–	<b>(15 279)</b>	<b>(15 279)</b>	<b>429 751</b>
Departmental agencies and accounts	1 304 306	(866 000)	–	–	–	–	(15 279)	(15 279)	423 027
Foreign governments and international organisations	2 355	700	–	–	–	–	–	–	3 055
Households	3 669	–	–	–	–	–	–	–	3 669
<b>Payments for capital assets</b>	<b>506</b>	<b>–</b>	–	–	–	–	–	–	<b>506</b>
Machinery and equipment	506	–	–	–	–	–	–	–	506
<b>Total</b>	<b>1 391 382</b>	<b>(870 825)</b>	–	–	–	–	<b>(21 439)</b>	<b>(21 439)</b>	<b>499 118</b>

**Programme 3: Destination Development**

Subprogramme	2020/21								
	Appropriation	Adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand									
Destination Development	35 611	–	–	–	–	–	(773)	(773)	34 838
Management Tourism	25 171	(700)	–	–	–	–	(1 216)	(1 216)	23 255
Enhancement	31 901	(1 700)	–	–	–	–	(531)	(531)	29 670
Planning and Investment	393 214	(14 113)	–	–	–	–	(970)	(970)	378 131
Coordination Working for Tourism									
<b>Total</b>	<b>485 897</b>	<b>(16 513)</b>	–	–	–	–	<b>(3 490)</b>	<b>(3 490)</b>	<b>465 894</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>485 768</b>	<b>(16 513)</b>	–	–	–	–	<b>(3 490)</b>	<b>(3 490)</b>	<b>465 765</b>
Compensation of employees	60 577	–	–	–	–	–	(3 490)	(3 490)	57 087
Goods and services	425 191	(16 513)	–	–	–	–	–	–	408 678
<b>Payments for capital assets</b>	<b>129</b>	<b>–</b>	–	–	–	–	–	–	<b>129</b>
Machinery and equipment	129	–	–	–	–	–	–	–	129
<b>Total</b>	<b>485 897</b>	<b>(16 513)</b>	–	–	–	–	<b>(3 490)</b>	<b>(3 490)</b>	<b>465 894</b>

**Programme 4: Tourism Sector Support Services**

Subprogramme	2020/21									
	R thousand	Appropriation	Adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
				Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Tourism Sector Support Services Management	11 014	(726)	-	-	-	-	-	-	-	10 288
Tourism Human Resource Development Enterprise	28 533	(3 917)	-	-	-	-	(1 606)	(1 606)		23 010
Tourism Development and Transformation	50 563	(3 100)	-	-	-	-	(766)	(766)		46 697
Tourism Visitor Services	23 642	(550)	-	-	-	-	(670)	(670)		22 422
Tourism Incentive Programme	181 360	(102 882)	-	-	-	-	(18 691)	(18 691)		59 787
<b>Total</b>	<b>295 112</b>	<b>(111 175)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21 733)</b>	<b>(21 733)</b>		<b>162 204</b>
<b>Economic classification</b>										
<b>Current payments</b>	<b>127 018</b>	<b>(3 950)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 554)</b>	<b>(4 554)</b>		<b>118 514</b>
Compensation of employees	77 493	-	-	-	-	-	(4 554)	(4 554)		72 939
Goods and services	49 525	(3 950)	-	-	-	-	-	-		45 575
<b>Transfers and subsidies</b>	<b>168 032</b>	<b>(107 225)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17 179)</b>	<b>(17 179)</b>		<b>43 628</b>
Departmental agencies and accounts	3 917	(3 917)	-	-	-	-	-	-		-
Public corporations and private enterprises	163 689	(102 882)	-	-	-	-	(17 179)	(17 179)		43 628
Non-profit institutions	426	(426)	-	-	-	-	-	-		-
<b>Payments for capital assets</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>62</b>
Machinery and equipment	62	-	-	-	-	-	-	-		62
<b>Total</b>	<b>295 112</b>	<b>(111 175)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21 733)</b>	<b>(21 733)</b>		<b>162 204</b>

**Details of adjustments to the 2020 Estimates of National Expenditure****Other adjustments – R54.125 million****Adjustments to expenditure earmarked in the 2020 Budget and Supplementary Budget****Programme 1: Administration**

A reduction of R7.462 million is effected on compensation of employees.

**Programme 2: Tourism Research, Policy and International Relations**

A reduction of R6.160 million is effected on compensation of employees, and a reduction of R15.279 million is effected on the transfer to South African Tourism.

**Programme 3: Destination Development**

A reduction of R3.490 million is effected on compensation of employees.

**Programme 4: Tourism Sector Support Services**

A reduction of R4.554 million is effected on compensation of employees.

**Funds shifted between votes**

R17.179 million is transferred to the Department of Public Enterprises for the implementation of the South African Airways business rescue plan in terms of section 30(2)(e) of the Public Finance Management Act (1999).

**Expenditure outcome for 2019/20 and actual expenditure for 2020/21**

Programme	2019/20					2020/21			
	Adjusted appropriation	Outcome			Adjusted appropriation	Adjusted appropriation/ Total (%)	Actual expenditure		
		Apr 19 - Sep 19	% of adjusted appropriation	Apr 19 - Mar 20			% of adjusted appropriation	Apr 20 - Sep 20	% of adjusted appropriation
R thousand									
Administration	295 874	137 370	46.4	287 323	97.1	299 644	21.0	127 968	42.7
Tourism	1 331 053	1 114 662	83.7	1 419 060	106.6	499 118	35.0	270 201	54.1
Research, Policy and International Relations									
Destination Development	463 297	174 975	37.8	430 011	92.8	465 894	32.7	77 819	16.7
Tourism Sector Support Services	302 446	57 521	19.0	247 998	82.0	162 204	11.4	74 050	45.7
<b>Subtotal</b>	<b>2 392 670</b>	<b>1 484 528</b>	<b>62.0</b>	<b>2 384 392</b>	<b>99.7</b>	<b>1 426 860</b>	<b>100.0</b>	<b>550 038</b>	<b>38.5</b>
<b>Total</b>	<b>2 392 670</b>	<b>1 484 528</b>	<b>62.0</b>	<b>2 384 392</b>	<b>99.7</b>	<b>1 426 860</b>	<b>100.0</b>	<b>550 038</b>	<b>38.5</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>936 851</b>	<b>382 294</b>	<b>40.8</b>	<b>864 723</b>	<b>92.3</b>	<b>949 529</b>	<b>66.5</b>	<b>269 022</b>	<b>28.3</b>
Compensation of employees	334 372	160 602	48.0	329 395	98.5	336 443	23.6	163 651	48.6
Goods and services	602 479	221 692	36.8	535 328	88.9	613 086	43.0	105 371	17.2
<b>Transfers and subsidies</b>	<b>1 434 512</b>	<b>1 097 214</b>	<b>76.5</b>	<b>1 499 202</b>	<b>104.5</b>	<b>473 551</b>	<b>33.2</b>	<b>275 729</b>	<b>58.2</b>
Provinces and municipalities	–	–	–	1 358 033	–	–	–	–	–
Departmental agencies and accounts	1 258 033	1 085 600	86.3	–	–	423 199	29.7	241 776	57.1
Higher education institutions	–	–	–	2 772	–	–	–	–	–
Foreign governments and international organisations	2 774	2 772	99.9	131 736	4 749.0	3 055	0.2	2 998	98.1
Public corporations and private enterprises	165 432	3 485	2.1	413	0.2	43 628	3.1	523	1.2
Non-profit institutions	413	413	100.0	6 248	1 512.8	–	–	–	–
Households	7 860	4 944	62.9	–	–	3 669	0.3	30 432	829.4
<b>Payments for capital assets</b>	<b>21 307</b>	<b>4 929</b>	<b>23.1</b>	<b>20 035</b>	<b>94.0</b>	<b>3 780</b>	<b>0.3</b>	<b>5 287</b>	<b>139.9</b>
Buildings and other fixed structures	10 000	733	7.3	10 102	101.0	–	–	–	–
Machinery and equipment	10 633	4 196	39.5	8 663	81.5	2 816	0.2	3 892	138.2
Software and other intangible assets	674	–	–	1 270	188.4	964	0.1	1 395	144.7
<b>Payments for financial assets</b>	<b>–</b>	<b>91</b>	<b>–</b>	<b>432</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>2 392 670</b>	<b>1 484 528</b>	<b>62.0</b>	<b>2 384 392</b>	<b>99.7</b>	<b>1 426 860</b>	<b>100.0</b>	<b>550 038</b>	<b>38.5</b>

## Expenditure trends

Total expenditure in 2019 /20 was R2.4 billion, 99.7 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2019/20 was R1.5 billion, 62 per cent of the 2019 /20 adjusted appropriation, whereas expenditure in the first half of 2020/21 was R550 million, 38.5 per cent of the adjusted appropriation of R1.4 billion for the year. Compared to the first half of 2019/20, expenditure over the same period in 2020/21 decreased by R934.5 million, 62.9 per cent. This was mainly due to the impact of COVID-19 on the tourism sector.

## Departmental receipts

R thousand	2019/20					2020/21				
	Adjusted estimate	Outcome		Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts			
		Apr 19 - Sep 19	adjusted estimate				Apr 19 - Mar 20	adjusted estimate	Apr 20 - Sep 20	adjusted estimate
<b>Departmental receipts</b>	<b>1 510</b>	<b>744</b>	<b>49.3</b>	<b>4 250</b>	<b>281.5</b>	<b>2 532</b>	<b>15 369</b>	<b>100.0</b>	<b>9 665</b>	<b>62.9</b>
Sales of goods and services produced by department	170	83	48.8	166	97.6	84	184	1.2	85	46.2
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	83	83	0.5	2	2.4
Interest, dividends and rent on land	200	92	46.0	179	89.5	102	102	0.7	26	25.5
Sales of capital assets	500	242	48.4	254	50.8	63	–	–	–	–
Transactions in financial assets and liabilities	640	327	51.1	3 651	570.5	2 200	15 000	97.6	9 552	63.7
<b>Total</b>	<b>1 510</b>	<b>744</b>	<b>49.3</b>	<b>4 250</b>	<b>281.5</b>	<b>2 532</b>	<b>15 369</b>	<b>100.0</b>	<b>9 665</b>	<b>62.9</b>

## Revenue trends

Mid-year revenue in 2019/20 was R744 000, 49.3 per cent of the 2019/20 adjusted estimate, whereas revenue in the first half of 2020/21 was R9.7 million, 62.9 per cent of the adjusted estimate of R15.4 million for the year. Compared to the first half of 2019/20, revenue over the same period in 2020/21 increased by R8.9 million, 1 199 per cent. This was mainly due to higher than anticipated refunds of unspent funds for Working for Tourism projects.

## Summary of changes to transfers and subsidies per programme

R thousand	2020/21								Adjusted appropriation	
	Appropriation	Special appropriation	Adjustments appropriation	Second adjustments appropriation				Total second adjustments appropriation		
				Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds			Other adjustments
<b>Tourism Research, Policy and International Relations</b>										
<b>Departmental agencies and accounts</b>										
<b>Departmental agencies (non-business entities)</b>										
<b>Current</b>	<b>1 304 306</b>	–	<b>(866 000)</b>	–	–	–	–	<b>(15 279)</b>	<b>(15 279)</b>	<b>423 027</b>
South African Tourism	1 304 306	–	(866 000)	–	–	–	–	(15 279)	(15 279)	423 027

## Summary of changes to transfers and subsidies per programme (continued)

		2020/21								
R thousand	Appropriation	Special appropriation	Adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
				Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Foreign governments and international organisations</b>										
<b>Current</b>	<b>2 355</b>	–	<b>700</b>	–	–	–	–	–	–	<b>3 055</b>
United Nations World Tourism Organisation	2 355	–	700	–	–	–	–	–	–	3 055
<b>Tourism Sector Support Services</b>										
<b>Departmental agencies and accounts</b>										
<b>Departmental agencies (non-business entities)</b>										
<b>Current</b>	<b>3 917</b>	–	<b>(3 917)</b>	–	–	–	–	–	–	–
Various Institutions	3 917	–	(3 917)	–	–	–	–	–	–	–
<b>Public corporations and private enterprises</b>										
<b>Private enterprises</b>										
<b>Other transfers</b>										
<b>Current</b>	<b>163 689</b>	–	<b>(102 882)</b>	–	–	–	–	<b>(17 179)</b>	<b>(17 179)</b>	<b>43 628</b>
Various Institutions	163 689	–	(102 882)	–	–	–	–	(17 179)	(17 179)	43 628
<b>Non-profit institutions</b>										
<b>Current</b>	<b>426</b>	–	<b>(426)</b>	–	–	–	–	–	–	–
Federated Hospitality Association of South Africa	426	–	(426)	–	–	–	–	–	–	–