

VOTE 10

**Department of
TOURISM**

Department of Tourism	Vote 10
To be appropriated by Vote in 2017/18	R 245 761 000
Direct Charge	Not Applicable
Responsible MEC	MEC for Tourism
Administering Department	Department of Tourism
Accounting Officer	Deputy Director General for Tourism

1. Overview

Vision

Leading a dynamic, sustainable, diversified and vibrant tourism sector for the North West Province.

Mission

To lead and grow a dynamic, sustainable, diversified and vibrant tourism sector for the North-West Province through:

- Promoting partnerships and collaboration with all key stakeholders, in particular the private sector;
- Promoting cultural and heritage tourism in the North West;
- Strengthening institutional capacity;
- Promoting good cooperative governance;
- Branding and marketing of North West province as a tourism destination; and
- Creativity and innovation.

Main services to be rendered by the Department

The main services rendered by the Department include the following:

- Development, implementation and update of tourism policies, strategies, programmes and plans;
- Provide research and knowledge management services to inform policy and decision-making by tourism stakeholders;
- Facilitation of integrated tourism planning among tourism stakeholders through capacity building programmes;
- Facilitation of the provision of tourism supporting infrastructure;
- Create employment opportunities by implementing tourism projects targeted at the unemployed through the Expanded Public Works Programme (EPWP);
- Implementation of tourism sector transformation programmes;
- Facilitate the development and implementation of integrated support packages to enhance destination competitiveness;

- Address challenges faced by our rural communities in line with the policy pronouncement of the provincial government as far as economic growth and development of Villages, Townships and Small Dorpies (VTSD), Saamtrek Saamwerk and the Setsokotsane initiatives.

Legislative and other mandates

The mandate of the Department is to accelerate the tourism development, skills development, marketing and promotion in the Province. The legislative mandate of the department largely stems from the following Acts and Regulations:

- Constitution of the Republic of South Africa (Act No. 108 of 1996);
- The National Tourism Act No 3 of 2014;
- The North West Tourism Board Bill of 2014;
- Public Service Act 1994 (Act No. 103 of 1994);
- Public Finance Management Act, 1999 (Act No. 29 as amended), as amended, and Treasury Regulations.

Policy directions

The following are the policy directions for department of Tourism in the North West Province:

- The White Paper on Transformation of the Public Service Delivery (Batho Pele) 1997;
- National Development Plan (2030);
- The North West Provincial Development Plan and Priorities;
- The National Spatial Development Perspective (NSDP), 2006;
- The White Paper on the development and promotion of Tourism (1996);
- The National Tourism Sector Strategy;
- National Heritage and Cultural Tourism Strategy;
- The National Tourism BEE Charter;
- National Integrated Small Business Development Strategy;
- The North West Tourism Master Plan Review Report.

The demands for and expected changes in the services rendered by the Department

The mandate of the Department of Tourism is derived from the existing national and provincial policy frameworks towards the tourism growth and development in the North West Province. To fulfill this mandate the Department will:

- Provide leadership and administrative support towards tourism development and growth in accordance with legislative imperatives and other relevant policies; and

- Contribute to economic growth through a transformed and sustainable tourism sector that will assist to create decent jobs and sustainable livelihoods

Tourism industry has in recent years, taken the center stage of the developmental agenda of Government. It is strongly believed that the tourism sector can play a major role in the growth and development of the economy, hence the deliberate decision to identify it as one of the priority sectors that can contribute positively to the growth and development of the economy. Over and above its identification, the North West Provincial Government has pronounced it as one of the key pillars to drive the growth of the economy besides Agriculture and Culture.

The Department of Tourism is committed to ensuring that through tourism, the economic landscape of the Province is changed through efforts of diversification and repositioning of the Province to be competitive.

1.1 Aligning the departmental budgets to achieve government's prescribed outcomes

Budget as allocated is intended to focus and achieve on the objectives of the following outcomes:

- Outcome 3: All people in South Africa are and feel safe; (under Programme 3 by conducting safety workshops for product owners and tour guides inspections)
- Outcome 4: Decent employment through inclusive economic growth; (under Programme 3 by facilitating tourism trade and investment promotion initiatives)
- Outcome 5: A skilled and capable workforce to support an inclusive growth path; (under Programme 3 by facilitating tourism skills development for product owners)
- Outcome 11: Create a better South Africa; contribute to a better and safer Africa in a better world

Structural changes as adopted are intended to properly align departmental budget to achieve government's prescribed outcomes as indicated in the preceding paragraph. Details of the alignment may be followed in the Annual Performance Plan of the Department.

2. Review of the current financial year (2016/17)

This section provides a review of the 2016/17 annual performance, outlining the main achievements and progress made by the Department for year to date as well as giving a brief discussion on challenges and new developments. The following are the major achievements in 2016/17:

- Trade and Tourism Investment Strategy developed;
- Tourism makgotla for Bojanala and Dr Kenneth Kaunda successfully hosted;
- Drafted the North West Tourism Development policy;
- Tourism infrastructure plan implemented;
- Tourism spatial development plan developed;

- Monitoring and evaluation of tourism sector performance successfully done;
- Inspections at various tourist attractions conducted at three districts;
- Successfully hosted the tourism capacity workshop at Groot Marico;
- Facilitated the grading of 40 establishments;
- Successfully conducted service excellence workshop;
- Packaged the tourism trade and investment opportunities.

The North West fifth administration has, in 2014/15 identified ten (10) key priorities that would drive and contribute to the Radical Socio-Economic Transformation Agenda and the following progress has been registered on the priorities set by the Department towards the agenda:

Tourism product development in townships and villages

Department is intending to facilitate and initiate the Tourism development in and around Marikana in realisation of the five concrete on Reconciliation, Healing and Renewal. The benefit of this initiative is to change the negative perception about Marikana and at the same time promote “A re yeng Bokone Bophirima” brand. An audit of products and services to determine supply and demand for tourism growth was planned to be conducted in 2016/17 but there is no sufficient funding to implement the audit. The project will then be implemented in 2017/18 coupled with the provincial bed capacity audit.

Provide intervention in the Village, Township and Small Dorpies economies

Department will contribute towards the improvement of signage in the North West Province with the involvement of District Municipalities and Public Works and Roads. This will involve conducting status quo and audit of signage particularly in Villages and Townships and Small Dorpies that are not properly signed off. Registered tourist guides from VTSD communities have been targeted for up-skilling. Intervention on tourism enterprises will focus mainly of establishments and individuals in VTSD areas.

Expand the network of hotel schools in the province

The intention of the Department was to establish a hotel school in every district of the province; particularly in Dr Ruth Segomotsi Mompati and Dr Kenneth Kaunda districts by end of 2016/17. At the Taung Hotel School and Convention Centre, renovations to staff village flats and houses project reached practical completion on all sections intended to be renovated in the contract. The palisade fence project has not progressed after completion of the concrete palisade fence component due to non-delivery of construction material. Constructors on three other projects; student residences, lecture and dining halls and kitchens, and the new gate house have established site and are done with site clearance.

Unprecedented termite colonies have presented a challenge and a variation order was submitted to Department in order to eliminate them. Another challenge which has since been resolved was political unrest in local community which has resulted in the PSC failing to appoint CLOs and local labour this resulting in delays to the projects. Confirmation for proceeding with student library project is still awaited from the Department.

The Department of Public Works has assisted with the development of specifications for infrastructure project at the Orkney Hotel School as they are implementing the project.

Grow domestic tourism in the province

Department has embarked on a process of assisting various tourism facilities in VTSD areas with grading. Grading is done by the Tourism Grading Council of South Africa and the Department concluded Service level agreement between the Tourism Grading Council of South Africa and the Department was only signed late in the first quarter and rolling out implementation is ongoing since the second quarter of 2016/17 throughout the MTEF.

Moreover, an annual tourism awards event that takes place during September; the tourism month; will be hosted alternately in VTSD areas in different district municipalities. The last awards were hosted at Sun City hotel in September 2016.

Increase the Economic Profile of tourism

The development and production of the state of tourism report is meant to assist the Department, industry and other key stakeholders to understand and know development trends in the industry. This serves as a knowledge management tool for interventions and decision making with regard to challenges that may be realized in the industry.

Moving forward, the Departments intends to register with reputable research houses and purchase software that will be used to access lead time information on tourism statistics. The Department will also be partnering with the North West Tourism Board to include the tourism market intelligence report to produce a comprehensive document detailing all aspects impacting on tourism development and growth.

A tourism infrastructure database has been developed as part of the implementation of the Infrastructure Development Plan. The contained information gives a base for infrastructure needs to support tourism development within the Province.

Develop tourism branding package

The Department set itself to develop a package to brand provincial events under a brand name “A-re-yeng Bokone Bophirima”. A number of tourism promotions for the province in the form of events marketing for Ikgate Motlhalala and Bray July were done under the brand name of “A-re-yeng Bokone Bophirima” in May and July 2016 respectively.

The North West Tourism Board has hosted market activations with Botswana Tourism on a yearly basis to create this brand awareness. The marketing team from NWTB will be in Botswana during August to plan for the activation in October 2016. The brand will be strengthened by the development of a North West Province Destination Marketing Strategy during 2016/17 and implemented during 2017/18.

Enterprise development support

The Department has a responsibility to provide entrepreneurs support in Villages, Townships and Small Dorpias. To date two workshops; the quality assurance capacity building and service excellence compliance workshops; were hosted in quarter one of 2016/17. The trend will continue into the future.

Destination marketing

Bokone Bophirima is a province that prides itself with great wealth in hunting opportunities. The Department will therefore facilitate that hunting becomes a draw card of tourism value chain. The historically disadvantaged communities need to be encouraged to pursue and explore opportunities in the gaming industry .e.g. Taxi Demi, Game breeding, Game tracking and Tourist guiding.

A concerted effort by the Department to market the Bokone Bophirima Province in Africa has resulted in a firm strategic partnership being established with the Botswana government. Further engagements with Swaziland, Lesotho and Botswana in the form of inter-tourism games took place in the first quarter of 2016/17 and the relationship will be continued into the future. It is believed that participants in the games are becoming tourist ambassadors of North West Province in their own countries after their visit.

Provincial bed capacity audit and the Tourism Product Audit

In partnership with the Department of Finance, Enterprise and Economic Development, the Department of Tourism was to perform an audit of bed capacity in the province and provide projections for the next five years. The Department has decided to perform the two audits together in one exercise and the service provider was appointed with effect from 01 August 2016 to 30 November 2016, to undertake the Tourism Product Audit inclusive of the entire tourism value chain. The main purpose is to have a comprehensive database of services to determine and intervene

where there are tourism market failures in terms of trying to balance demand and supply in the industry. An analysis of the outcome of the Product and Value chain audit will further assist in the implementation of spatial development initiatives with particular regard to the VTSD initiatives. The final report on the audit will be presented to the Department on 28 February 2017.

Organisational Structure

Although the interim organizational structure of the department was approved there are still issues that impact negatively on the Department's service delivery; and these are outline hereunder.

- Functioning of the Department on an interim organizational structure hampers on effective operations
- Delayed filling of vacant posts restricts capacity of Department on achievement of targets
- Unavailability of dedicated office space for the Department renders the Department operationally inadequately effective
- Reliability of performance reports is not assured and this may not reflect the true status of performance levels of the Department
- System for registration of tourist guides is not adequate and may disqualify registrants for membership
- Delayed conclusion of negotiations between the Department and the Tourism Grading Council of South Africa for purposes of grading tourism facilities in the Province delays grading of institutions
- Bokone Bophirima Tourism Growth and Development Agency

The Department was expected to produce a concept document for the Bokone Bophirima Tourism Growth and Development Agency. The project could not be implemented. The Agency was consequently changed to become the North West Tourism Board.

Finalisation of the listing of the North West Tourism Board (NWTB) as a Schedule 3B entity is still pending although all requirements have been met. Board members, Chief Executive Officer and staff have been appointed and the NWTB is functional. Funding for core operations of the Board is still a major challenge.

3. Outlook for the coming financial year (2017/18)

The section looks at the key focus areas of 2017/18, outlining what the department plans to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The following are key activities that will be undertaken to achieve the objectives of the Department with the funding provided for 2017/18 financial year, among others:

- Completion of renovations and improvements to infrastructure of the Taung Hotel School and Convention Centre;
- Coordination for report on international & national benchmarking and impact assessment studies;
- Conduct research studies to support tourism growth;
- Host a Provincial Tourism Lekgotla;
- Establishment of strategic partnerships and linkages with key stakeholders;
- Hosting of Local Economic Development (LED) consultations on tourism planning.

The Department will explore other critical areas of Tourism and Heritage products such as Agricultural Tourism and Education Tourism through the Inter-Governmental Relations (IGR) forum including LED structures in municipalities. The priority requirement is that annually the Department should produce the provincial state of tourism report.

Fair attempts were made to focus on the departmental functions by embracing the five provincial concretes as pronounced by the Premier and outlined below:

Agriculture, Culture and Tourism (ACT)

The North West Provincial Government has identified what it calls a three economic sector triangle that consist of Agriculture, Culture and Tourism, (ACT) to be the focus of economic development and growth for the North West Province. Tourism Empowerment projects in Bakubung village had been planned to foster a working relationship both at a Strategic and Project management involving Agriculture, Culture and Tourism (ACT) but has been abandoned due to shortage of funds.

Villages, Townships and Small Dorpies (VTSD)

The dichotomy remains that post 1994 there has been less investment in Tourism economy in historically black Villages, Townships and Small Dorpies (VTSD). This initiative seeks to change the economic landscape of the economies in these areas. Tourists in the main are chasing experiences on products that are based on Natural, Cultural and Historical endowments. The following constitutes the Socio-Economic characterization of the Villages, Townships and Small Dorpies

- Limited investments in Tourism infrastructure which includes Roads, Water, Energy and ICT;
- Limited product development which includes Accommodation establishment Natural, Cultural and Historical Sites;
- Limited or lack of Sporting or Conferencing to promote high impact Events;
- Limited or lack of Enterprise Development to promote Tourism business;
- Limited or lack of Tourism Infrastructure to promote Education and Training.

As a result of this situation the APP 2017/18 attempts to design its objectives in order to address the social realities of the VTSD economy as well as through the implementation of the key priorities of the

Department. There is therefore a need to invest in Tourism Infrastructure, Product and Enterprise Development that is affordable and accessible in order to increase Domestic Tourism in Bokone Bophirima. This must be seen as a transformation of the sector within the VTSD.

Reconciliation, Healing and Renewal

Department is intending to facilitate and initiate the Tourism development in and around Marikana in realisation of the five concrete on Reconciliation, Healing and Renewal. The benefit of this initiative is to change the negative perception about Marikana and at the same time promote “A re yeng Bokone Bophirima” brand.

In 2016/17 the Department was tasked with the development of a concept paper and actualisation of an Eco Tourism city. This project requires participation of other role players when the Department through the North West tourism Board will be co-ordinating the project.

Furthermore the Department is working in a partnership with the department of CATA to pursue Reconciliation, Healing and Renewal in the affected areas. The partnership is intended to broaden beyond the public service to include the private sectors and key stakeholders.

Saamtrek Saamwerk Philosophy

The Saamtrek Saamwerk advocates for a collaborative approach in the service delivery chain whereby Government plays the role of coordinating and providing the enabling Legislative Environment to other sectors. To give practical expression to these principles the department made a commitment upfront to develop a structured working relation through the Public Private Partnership (PPP) and Inter Governmental Relations (IGR) forum. Our overall approach will be informed by the twin principle of Saamtrek Saamwerk and Setsokotsane

Setsokotsane Approach

The Department has consistently participated in the Setsokotsane outreach programme led by the Office of the Premier. Common emerging issues during Setsokotsane are that younger people could not participate fully in the programme partly due to the fact that the programme coincides with school hours. During the series of Setsokotsane outreach we observed that communities were more interested and attracted to Departments that provide tangible services like Department of Health, Department of Public works, Department of Local Government and Human Settlement, Department of Social Development and Department of Community safety.

4. Reprioritisation

A change in classification is observed from Departmental Agencies and Accounts to Payments for capital assets: buildings and other fixed structures for purposes of proper reporting on infrastructure projects linked to hotel schools, resulting in a decline of 11.9 per cent in transfers and subsidies in 2017/18, then an increase of 5.0 per cent and 5.6 per cent in the two outer years. An increase is registered in payments for capital assets to R49 million in 2017/18, R51.84 million in 2018/19 and R54.74 million in 2019/20 which is 53.1 per cent, 5.8 per cent and 5.6 per cent respectively. The huge increase in 2017/2018 is due to the commencement with the Dr Kenneth Kaunda hotel school as well as phase two of the Dr Ruth Segomotsi Mompati project.

5. Procurement

Details of major procurement planned for 2017/18 is contained in the Departmental procurement plan and demand plan; and is mainly for purchase of capital assets in the form of desktops, laptops and other working tools for new appointees; and for office furniture should office be secured by the beginning of the 2017/18 financial year. Training of staff linked to the procurement process is continuous in an effort to improve on the effectiveness and efficiency of procurement process in the Department. Provincial Treasury is also continuously providing support for effective and efficient supply chain management and good governance practices.

Cost Centre Clerks have been trained and given access to the Provincial Invoice Tracking System as well as BAS/WALKER Systems that allow them to use transaction enquiry: B09 to check for budget availability before procuring. This assist in shortening the procurement process because, in cases of cash flow deficiencies, requests for shifting accompanies the requisition.

6. Receipts and financing

6.1 Summary of receipts

Table 10.1 shows the sources of funding for the department over the seven-year period from 2013/14 to 2019/20.

Table 10.1 : Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Equitable share	87 436	175 280	133 936	229 147	230 973	230 973	245 173	259 921	275 677
Conditional grants	–	–	–	–	–	–	–	–	–
Departmental receipts	–	–	114	114	550	550	588	629	672
Total receipts	87 436	175 280	134 050	229 261	231 523	231 523	245 761	260 550	276 349

The main sources of funding for the Department of Tourism is equitable share and own receipts with equitable share being the main contributor to the total budget at 99.7 per cent, while own receipt contribute only 0.3 per cent in 2017/18.

The Department does not receive any conditional grant allocation or donor funding.

Total funding for the Department increased from R231.5 million in 2016/17 to R245.7 million in 2017/18 at an annual average growth of 5.7 per cent. Over the medium term the total receipts are projected to increase to R276.3 million at an annual average growth of 5.7 per cent in 2019/20. This will be maintained for as long as the allocation for the North West Tourism Board is included within the baseline of the Department. The incremental percentages are in line with the consumer price index as proposed.

6.2 Departmental receipts collection

The table below gives a summary of the receipts collected by the department.

Table 10.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	-	-	114	114	550	550	588	629	672
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	-	-	-	-	-	-	-	-	-
Total departmental receipts	-	-	114	114	550	550	588	629	672

The department collects own revenue from the registration fees of tourist guides, commission received for deductions implemented on behalf of third parties against employees' salaries, interest earned on debt accounts as well as on funds held by Independent Development Trust (IDT). Revenue collection is projected to increase from R550 thousand to R588 thousand in 2017/18, to R629 thousand in 2018/19 and to R672 thousands in 2019/20. Registration of a tourist guide is valid over a cycle of three years.

The following strategy to increase own revenue has been adopted and is maintained by the Department:

The Department has determined that the province can accommodate 1500 Tourist Guides. This number, however, depends on the willingness of private game reserve owners to give access to these guides, which has not been the case to date.

There is currently 441 tourist guides in the books of the department although only 243 have renewed their registration for the current cycle of three years ending in 2018/19. Of the 150 tourist guides that are operating illegally in the province the Department is targeting to register 100 of them in 2017/18. The registration rate per annum is R240 per annum and is determined by the national department of Tourism. The review date can at this stage not be ascertained.

6.3 Donor funding

None.

7. Payment Summary

7.1 Key assumptions

The budget allocation for 2017/18 MTEF is informed by the Department's strategic plan and annual performance plan which outline the service delivery mandate of the Department. The proposed allocation took consideration of the Provincial Treasury's guidelines by ensuring that the:

- Consumer price index (CPI) inflation projections inform budget provisions of the department to make for price increases over the 2017/18 MTEF period for non-personnel expenditure items; 6.1 per cent in 2017/18, 5.9 per cent in 2018/19 and 5.8 per cent in 2019/20 financial years
- Personnel budget growth is limited to 7.1 per cent in 2017/18; 6.9 per cent in 2018/19 and 6.8 per cent in 2019/20. Adequate provision has also been made for personnel related costs such as pay progression, performance award and other related allowances

Establishment of hotel schools is planned to take place in all four district municipalities in the province, with the Dr. Ruth Segomotsi Mompati construction in progress, Dr. Kenneth Kaunda one at tender adjudication stage and the Bojanala one at conception.

7.2 Programme Summary

The services rendered by the Department are categorised under three programmes namely: Administration; Tourism Planning; and Tourism Growth, Development and Transformation. Table 10.3 and 10.4 below show allocation of funds by programme and economic classification for the department over seven years from 2013/14 to 2019/20.

Table 10.3 : Summary of payments and estimates by programme: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	–	44 613	75 298	84 031	75 933	75 933	76 218	80 111	84 369
2. Tourism Planning	7 170	23 445	10 756	11 034	10 704	10 704	17 880	18 733	19 849
3. Tourism Growth, Development And Transformation	80 266	70 247	32 019	134 196	144 886	144 886	151 663	161 706	172 131
Total payments and estimates	87 436	138 305	118 073	229 261	231 523	231 523	245 761	260 550	276 349

Footnote: Provision has been made for the MEC Remuneration package: 2017/18: R2 040 million 2018/19: R2 180 million and 2019/20: R2 324 million.

7.3 Summary of economic classification

Table 10.4 : Summary of provincial payments and estimates by economic classification: Tourism

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Current payments	7 170	56 530	93 289	118 603	102 651	102 651	112 056	119 929	127 854
Compensation of employees	5 264	38 090	53 766	72 038	69 238	69 238	72 676	77 752	84 229
Goods and services	1 906	18 440	39 516	46 565	33 413	33 413	39 380	42 177	43 625
Interest and rent on land	–	–	7	–	–	–	–	–	–
Transfers and subsidies to:	80 266	81 360	1 161	108 792	94 777	94 777	82 481	86 637	91 489
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	10 710	–	35 000	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	80 266	70 247	–	73 582	93 427	93 427	82 261	86 404	91 243
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	403	1 161	210	1 350	1 350	220	233	246
Payments for capital assets	–	415	23 623	1 866	34 095	34 095	51 224	53 984	57 006
Buildings and other fixed structures	–	62	22 912	–	32 000	32 000	49 000	51 842	54 745
Machinery and equipment	–	353	711	1 866	2 095	2 095	2 224	2 142	2 261
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	87 436	138 305	118 073	229 261	231 523	231 523	245 761	260 550	276 349

Compensation of employees: The item accounts for 29.5 per cent of the total appropriation for 2017/18. Growth at an annual rate of 4.9 per cent is registered on the revised estimate of R69.2 million in 2016/17 to R72.6 million in 2017/18. The increase is in line with the increase in number of posts filled in the core programme in 2017/18 thereafter a gradual increase is anticipated in line with annual inflationary adjustments estimated at 8.3 per cent per annum.

Goods and Services: This item accounts for 16.0 per cent of the revised budget for 2017/18. Budget allocated increase from R33.4 million in 2016/17 to R39.38 million in 2017/18, R42.17 million in 2018/19 and R43.62 million in 2019/20. This translates to a percentage increase of 17.8 in 2017/18, 7.1 in 2018/19 and 3.4 in 2019/20. The increase over the MTEF is as a result of inflationary growth. The substantial amount of the budget will be used to hosts tourism makgotla, rental office space, lease of government vehicles, and audit fees.

Transfers and Subsidies: The item accounts for 33.5 per cent of the total appropriation for 2017/18 financial year. A total of 99.7 per cent of the allocation is to be transferred to the North West Tourism Board for marketing of the Province as a tourist destination of choice. The allocation decreases to R82.26 million from 2016/17 allocation of R93.4 million at an annual percentage of 11.9 per cent in 2017/18; then increase to R86.40 million in 2018/19 and R91.24 million in 2019/20 at an annual percent of 5 per cent and 5.6 per cent in 2018/19 and 2019/20 respectively. The remaining 0.3 per cent of the allocation under transfers and subsidies is provided for payment of social benefits.

Payments of capital assets: The item constitutes 21 per cent of total allocation for 2017/18. The allocation is a reprioritization from transfers and subsidies to buildings and other fixed structures for purposes of meaningful reporting on the infrastructure projects in respect of hotel schools. A projected increase from R35 million to R49 million in 2017/18 is anticipated. Further growth to R51.8 million and

R54.7 million, in 2018/19 and 2019/20 respectively only takes into consideration the consumer price index. This translates to annual percentage increase of 50.2, 5.3 and 5.6 over the MTEF.

Programme 1 Administration: The programme registers a minimal increase of 0.3 per cent in 2017/18, 5.1 per cent and 5.3 per cent in 2018/19 and 2019/20 respectively as a result of inflationary adjustment. A number of staff terminated employment in 2016/17 and the trend is not expected to continue thus the drop on transfers and subsidies by 5.1 per cent in 2017/18.

Programme 2: Tourism Planning: Growth of 67.0 per cent is shown in 2017/18 resulting from increase in head count during 2017/18. A steady increase is anticipated for 2018/19 and 2019/20 at an annual average of 5.3 per cent. An increase in goods and services is intended to engage services of industry expert to conduct feasibility studies targeted at planning and developing the tourism industry in the province and for the development of tourism management structures.

Programme 3: Tourism Growth, Development and Transformation: A general inflationary increase is registered under the programme over the MTEF. Growth of 4.6 per cent, 6.6 per cent and 6.4 per cent is registered in 2017/8, 2018/19 and 2019/20 respectively. The allocation for the Tourism Board decreases in 2017/18 when compare to 2016/17 because in 2016/17 the entity received a once-off allocation as intervention for above inflation salary adjustments.

7.4 Infrastructure payments

7.4.1 Departmental infrastructure payments

Table 10.5 : Summary of provincial infrastructure payments and estimates by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Existing infrastructure assets	-	-	8 371	9 069	9 069	9 069	8 650	-	-
Maintenance and repair	-	-	-	-	-	-	-	-	-
Upgrades and additions	-	-	8 371	6 069	6 069	6 069	-	-	-
Refurbishment and rehabilitation	-	-	-	3 000	3 000	3 000	8 650	-	-
New infrastructure assets	-	-	14 541	21 892	25 931	25 931	40 350	51 842	54 745
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-
Infrastructure payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	-	-	-	-	-	-	-
Total department infrastructure	-	-	22 912	30 961	35 000	35 000	49 000	51 842	54 745

Infrastructure payments for the Taung Hotel and Convention Centre and the Orkney Hotel School were made as an interim measure pending finalization of establishment of the North West Tourism Board. Two new projects will continue into the 2017/18 financial year; construction of new student residences and the construction of lecture halls, kitchen and main entrance. The three projects are expected to be completed by the end of the second quarter of 2017/18 financial year. Two new projects; namely the second phase of student residence and lecture halls will commence in the third quarter of the financial year.

7.4.2 Maintenance

None

7.5 Departmental Public-Private Partnership (PPP) projects

None

7.6 Transfers

7.6.1 Transfers to Public Entities

Table 10.6 below provides information on the transfers to public entity falling within the Department of Tourism.

Table 10.6 : Summary of departmental transfers to public entities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
North West Parks and Tourism Board	80 266	70 247	69 878	73 582	93 427	93 427	82 261	86 404	91 243
Total departmental transfers	80 266	70 247	69 878	73 582	93 427	93 427	82 261	86 404	91 243

The Department made an allocation of R82.2 million in 2017/18, R86.4 million in 2018/19; and R91.2 million in 2019/20 for transfer to the North West Tourism Board for the administration and operations of the entity. This is translated to a reduction of 11.9 per cent in 2017/18, 5 per cent in 2018/19; and 5.6 per cent in 2019/20.

7.6.2 Transfers to other Entities

None

7.6.3 Transfers to local government

None

8. Receipts and retentions

Not relevant to this department

9. Programme Description

The Department is in its fourth year of existence and is charged with the responsibility to transform the tourism sector in the province to become viable, contributing directly or indirectly towards economic growth and job creation. The budget structure for the Department is comprised of three programmes, namely: Administration; Tourism Planning and Tourism Growth, Development and Transformation.

Programme description

Description and objectives

Programme 1: Administration

The main purpose of the programme is to provide corporate support to the entire department as well as strategic administrative and political direction through the office of the Head of Department and Executing Authority respectively. This programme consists of four sub-programmes, namely Office of the MEC, Office of the HOD, Financial Management Services and Corporate Management Services.

- Office of the MEC: To provide a political leadership as relating to the mandate of the department.
- Office of the HOD: To provide administrative coordination in the Department.
- Financial Management Services: To provide effective and efficient Financial Management services within the Department.
- Corporate Management Services: To provide corporate support services to the Department.

Table 10.7 and 10.8 below illustrate the payments and estimates of this programme over the seven year for 2013/14 to 2019/20.

Table 10.7 : Summary of payments and estimates by sub-programme: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Office Of The Mec	–	4 486	10 928	9 896	8 598	8 598	10 214	10 745	11 500
2. Office Of The Hod	–	3 839	9 228	5 910	6 633	6 633	6 150	6 507	6 897
3. Financial Management	–	8 566	20 886	34 811	26 681	26 681	23 818	24 456	25 129
4. Corporate Services	–	27 722	34 256	33 414	34 021	34 021	36 036	38 403	40 843
Total payments and estimates	–	44 613	75 298	84 031	75 933	75 933	76 218	80 111	84 369

Table 10.8 : Summary of payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	–	43 994	73 584	82 066	72 975	72 975	74 224	78 000	82 140
Compensation of employees	–	30 698	44 876	46 871	46 871	46 871	49 107	52 014	55 535
Goods and services	–	13 296	28 701	35 195	26 104	26 104	25 117	25 986	26 605
Interest and rent on land	–	–	7	–	–	–	–	–	–
Transfers and subsidies to:	–	403	1 161	210	1 350	1 350	220	233	246
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	403	1 161	210	1 350	1 350	220	233	246
Payments for capital assets	–	216	553	1 755	1 608	1 608	1 774	1 878	1 983
Buildings and other fixed structures	–	62	–	–	–	–	–	–	–
Machinery and equipment	–	154	553	1 755	1 608	1 608	1 774	1 878	1 983
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	–	44 613	75 298	84 031	75 933	75 933	76 218	80 111	84 369

The allocation for Programme 1: Administration accounts for 31 per cent of the total budget allocation over the MTEF. The allocation is projected to increase from R75.93 million in 2016/17 to R76.21 million in 2017/18, then increase to R80.11 million and R84.36 million in 2018/19 and 2019/20 respectively, at an annual average rate of 0.3, 5.1 and 5.3 per cent over the medium term. The increase is as a result of inflationary increase.

Allocation for compensation of employees is projected to grow from R46.87 million in 2016/17 to R49.01 million in 2017/18, R52.01 million in 2018/19 and R55.53 million in 2019/20. Movement translates into an increase of 4.7 per cent in the first year of the medium term, 5.9 and 6.7 per cent in the outer two years respectively.

Goods and services register a reduction from R26.10 million in 2016/17 to R25.11 million in 2017/18, then a consistent increase to R25.98 million in 2018/19 and R26.60 million in 2019/20. Movement translates into a decrease of 3.78 per cent in the first year of the medium term, then an increase of 3.46 per cent and 2.38 per cent in the outer two years respectively.

Transfers and subsidies register a reduction from R1.35 million in 2016/17 to R0.22 million in 2017/18, then a consistent increase to R0.23 million in 2018/19 and R0.24 million in 2019/20. This translates to a percentage decrease of 83.7 per cent in 2017/18 then an increase of 5.9 per cent and 5.5 per cent in 2018/19 and 2019/20 respectively. The decrease is informed by possibility of having minimal employee's resignations.

Payment for capital assets for machinery and equipment increases to R1.77 million in 2017/18. A slight growth to R1.87 million and R1.98 million is projected in 2018/19 and 2019/20 for replacement of assets for existing staff and for purchase of new working tools for new appointees. This movement translates into growth of 10.3 per cent in the first year of the medium term, 5.8 and 5.5 per cent in 2018/19 and 2019/20 respectively as a result of the impact of the consumer price index. Purchase of machinery and equipment is informed by the increase in new appointments and replacement of assets for existing staff as full capacity is expected in the programme by end of 2017/18.

Service delivery measures for Administration

Performance Measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Number of IGR for tourism development promoted	4	4	4
Coordination with stakeholder through outreach programme	4	4	4
Implementation of minimum information security standards and records management policies	4	4	4
Coordination of governance and risk management	4	4	4
Implementation of the Risk Management Plan and fraud prevention	4	4	4
Financial management report submitted	11	11	11
Interim and annual Financial Statements submitted	3	3	3
Approved procurement plan	1	1	1
Percentage of invoice paid within 30 days	90%	90%	90%
Percentage of budget spend towards VTSD	70%	70%	70%
Implementation of PMDS policy	4	4	4
Management of departmental labour relations per Labour Relations Act	4	4	4
Implementation of human resource policies	4	4	4
Reports on implementation of Employee health and wellness programme	4	4	4
Review of the communication strategy	1	1	1
Implementation of the communication strategy	4	4	4
Implementation of the departmental ICT strategy	4	4	4
Legal service support provided	4	4	4
Review of annual performance plan	2	2	2
Departmental performance reports reviewed	4	4	4
Annual performance plan produced	1	1	1
Quarterly performance monitoring and evaluation reports produced in line with the APP	4	4	4
Annual report produced	1	1	1
MPAT implementation report delivered for the department	1	1	1

Programme 2: Tourism Planning**Description and objectives**

Programme 2: Tourism Planning is one of the two core programmes of the Department and accounts for a consistent 7 per cent of the total budget allocation in 2017/18. Its main purpose is to facilitate the development and growth of the tourism sector in the North West Province. This programme is comprised of two sub-programmes namely: Research and Policy Development; and Planning and Sector Performance.

Research and Policy Development is responsible for creating an enabling environment for tourism growth through planning, research, legislation, policy and strategy development. The sub-programme allocation is projected to grow from an allocation of R5.2 million in 2016/17 to R8.9 million in 2017/18, R9.3 million in 2018/19 and R9.9 million in 2019/20. This translates to a 71.3 per cent increase in 2017/18, 4.7 per cent and 5.9 per cent in the two outer years. Growth in allocations only caters for inflationary increases over the MTEF. Through the allocated budget, the sub-programme is expected to achieve the following strategic objective each year over the MTEF:

- Implement the North West Tourism Act;
- Facilitate the establishment of tourism management structures;
- Review Municipal Integrated Tourism Development Plans;
- Conduct research studies to support tourism development;
- Conduct feasibility studies for tourism development.

Planning and Sector Performance is responsible for planning, monitoring and evaluating tourism sector performance. Budget allocation for the sub-programme registers growth from R5.4 million in 2016/17 to R8.9 million in 2017/18, and a consistent increase to R9.3 million in 2018/19 and R9.9 million in 2019/20. Growth is at a rate of 62.9 per cent in 2017/18, 4.7 per cent and 5.9 per cent in the two outer years.

The budget is intended to achieve the following strategic objectives:

- Host five tourism makgotla;
- Create strategic partnerships and linkages with key stakeholders in the industry;
- Develop VTSD tourism plans in district municipalities;
- Monitor and evaluate implementation of tourism strategies;
- Facilitate tourism interventions;
- Report on monitoring and evaluation of tourism sector performance.

Tables 10.9 and 10.10 below illustrate the payments and estimates of this programme over the Medium Term for Tourism Planning.

Table 10.9 : Summary of payments and estimates by sub-programme: Tourism Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Research And Policy Development	–	–	2 311	5 517	5 217	5 217	8 940	9 367	9 928
2. Planning And Sector Performance	7 170	23 445	8 445	5 517	5 487	5 487	8 940	9 366	9 921
Total payments and estimates	7 170	23 445	10 756	11 034	10 704	10 704	17 880	18 733	19 849

Table 10.10 : Summary of payments and estimates by economic classification: Tourism Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	7 170	12 536	10 598	11 034	10 562	10 562	17 680	18 733	19 849
Compensation of employees	5 264	7 392	2 650	6 366	6 366	6 366	8 140	8 439	8 996
Goods and services	1 906	5 144	7 948	4 668	4 196	4 196	9 540	10 294	10 853
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	10 710	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	10 710	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	199	158	-	142	142	200	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	199	158	-	142	142	200	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	7 170	23 445	10 756	11 034	10 704	10 704	17 880	18 733	19 849

Compensation of employees for the programme is projected to grow from R6.3 million in 2016/17 to R8.1 million in 2017/18, R8.4 million in 2018/19 and R8.9 million in 2019/20. Movement translates into an increase of 27.8 per cent in the first year of the medium term, 3.6 and 6.6 per cent in 2018/19 and 2019/20 respectively. The increase of 27.8 per cent is the result of restoration of the base line after part of the allocation in 2016/17 was used to fund interventions in the Tourism Board.

Goods and services register an increase from R4.1 million in 2016/17 to R9.5 million in 2017/18, R10.2 million in 2018/19 and R10.8 million in 2019/20. Movement translates into an average annual percent growth of 127.3 per cent in 2017/18, 7.9 per cent and 5.4 per cent in the outer two years respectively. The above average increase in the 2017/18 financial year is the restoration to normality after a once-off amount on the budget in 2016/17 which was used to bail out the Tourism Board.

Payments for capital assets for machinery and equipment has no allocation since a lot of posts in the programme are filled and machinery and equipment in the form of computers and other tools of trade were already purchased.

The budget allocation over the medium term is intended to achieve the following basic outcomes of the programme:

- Establish tourism as a provincial priority sector;
- Entrench a culture of tourism amongst citizens of the province;
- Promote responsible tourism practices that seek to maximize economic and social benefits and minimize cost to destination South Africa and the North West;
- Improve on the interface between Government and the private sector in the management and development of tourism in South Africa.

Service delivery measures for Tourism Planning

Performance Measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Implement the North West Tourism Act	1	0	0
Facilitate the establishment of tourism management structure	4	4	4
Conduct research studies to support tourism growth	2	2	2
Conduct feasibility studies for tourism development	2	2	2
Review municipal integrated development plans	4	4	4
Create strategic partnerships and linkages with key stakeholders	2	2	2
Facilitate strategic tourism interventions	4	4	4
Develop VTSD tourism plans in district municipalities	4	4	4
Report on monitoring and evaluation of the tourism sector performance	3	3	3
Host tourism makgotla	5	5	5
Monitor and evaluate the implementation of tourism strategies	4	4	4

Programme 3: Tourism Growth, Development and Transformation

Description and objectives

The main purpose for the programme is to support sector through promotion of transformation and sustainable tourism. This programme has three sub-programmes namely, Tourist Guiding and Regulatory Services; Tourism Sector Transformation and Education; and Tourism Growth and Development.

Tourist Guiding and Regulatory Services: To build capacity for inclusive tourism growth development with a special focus on tourist guides and tour operators.

The following are the expected strategic objectives to be achieved over the MTEF with the allocated budget:

- Register Tourist Guides from VTSD for compliance;
- Up-skill registered tourist guides;
- Conduct inspections on individual/tourism related businesses.

Tourism Sector Transformation and Education: To accelerate the transformation of the tourism sector by implementing programs aimed at VTSD enterprises and communities to promote inclusive growth of the sector.

With the allocated budget over the MTEF the sub-program aims to achieve the following strategic objectives:

- Report on the public sector spend on empowered tourism goods and services by established enterprises;

- Facilitate tourism skills development programs in the tourism industry, in partnership with industry stakeholders;
- Facilitate the grading of tourism establishments in the province;
- Facilitate tourism quality assurance workshops.

Tourism Growth and Development: To co-deliver targeted actions designed to improve destination accessibility and attractiveness/competitiveness.

The following are the expected strategic objectives to be achieved over the MTEF with the allocated budget:

- Facilitate tourism trade and investment promotion initiatives;
- Monitor the development of tourism infrastructure in the province;
- Support tourism attractions to enhance destination competitiveness.

Table 10.11 and 10.12 below illustrate the payments and estimates of this programme over the seven year for 2013/14 to 2019/20 for Tourism Growth Development and Transformation.

Table 10.11 : Summary of payments and estimates by sub-programme: Tourism Growth, Development And Transformation

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Tourist Guiding And Regulatory Services	–	–	1 495	7 004	6 854	6 854	5 658	6 394	7 106
2. Tourism Sector And Transformation	–	–	5 012	8 352	8 349	8 349	6 711	8 160	9 063
3. Tourism Growth And Development	80 266	70 247	25 512	118 840	129 683	129 683	139 294	147 152	155 962
Total payments and estimates	80 266	70 247	32 019	134 196	144 886	144 886	151 663	161 706	172 131

Table 10.12 : Summary of payments and estimates by economic classification: Tourism Growth, Development And Transformation

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	–	–	9 107	25 503	19 114	19 114	20 152	23 196	25 865
Compensation of employees	–	–	6 240	18 801	16 001	16 001	15 429	17 299	19 698
Goods and services	–	–	2 867	6 702	3 113	3 113	4 723	5 897	6 167
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies to:	80 266	70 247	–	108 582	93 427	93 427	82 261	86 404	91 243
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	35 000	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	80 266	70 247	–	73 582	93 427	93 427	82 261	86 404	91 243
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–
Payments for capital assets	–	–	22 912	111	32 345	32 345	49 250	52 106	55 023
Buildings and other fixed structures	–	–	22 912	–	32 000	32 000	49 000	51 842	54 745
Machinery and equipment	–	–	–	111	345	345	250	264	278
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	80 266	70 247	32 019	134 196	144 886	144 886	151 663	161 706	172 131

Tourism Growth, Development and Transformation programme accounts for 62 per cent of the budget over the MTEF.

Budget allocation is projected to increase from R144.8 million in 2016/17 to R151.6 million in 2017/18, R161.7 million in 2018/19 and to R172.1 million in 2019/20. The allocation includes funding for the operations and support for infrastructure projects in hotel schools in respect of the mandate of the North West Tourism Board.

Compensation of employee allocation drops by 3.57 per cent in 2017/18, increases by 12.12 per cent in 2018/19 and by 13.87 per cent in 2019/20. A number of posts were filled in 2017/18 particularly at middle and senior management and the increase covers salary adjustments and inflationary increase.

Goods and services register an increase from R3.1 million in 2016/17 to R4.7 million in 2017/18, R5.8 million in 2018/19 and R6.1 million in 2019/20. Movement translates into an increase of 51.72 per cent in 2017/18, 24.86 per cent and 4.58 per cent in the 2018/19 and 2019/20 respectively. Spending is expected to mainly cater for travelling to carry out stakeholder and tourism businesses inspections; and hosting stakeholder engagements in the form of workshops and training.

Transfers and subsidies declines from R93.4 million in 2016/17 to R82.2 million in 2017/18, R86.4 million in 2018/19 and R91.2 million in 2019/20 for the mandate of the North West Tourism Board. This arrangement will continue until the board is officially established in line with the provisions of the Public Finance Management Act. Reprioritization has been made within transfers and subsidies for this allocation; that is, from Public corporations and private enterprises to Departmental agencies and accounts. Further change in classification was made from Departmental Agencies and Accounts to Payments for capital assets (buildings and other fixed structures) for purposes of proper reporting on infrastructure projects related to hotel schools.

The Department does not anticipate employment terminations under this programme hence no provision has been made for leave gratuities.

Payments for capital assets include R49 million in 2017/18 for infrastructure projects at the hotel schools. This allocation is a reprioritization from transfers and subsidies translating into a 100 per cent increase in 2017/18. Infrastructure development will continue to cover Dr. Kenneth Kaunda and Bojanala hotel schools in 2018/19 and 2019/20 and only the inflationary increase is factored in for 2018/19 and 2019/20 at R51.8 million in 2018/19 and R54.7 million in 2019/20. Purchase of machinery and equipment will be limited to new appointments in the programme by end of 2017/18.

Service delivery measures for Tourism Growth Development and Transformation

Performance Measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Register Tourist Guides from VTSD for compliance	100	100	100
Conduct inspections on individual/tourism related businesses	200	200	200
Up-skill registered tour guide	240	240	240
Report on the public sector spend on empowered tourism goods and services by established enterprises	4	4	4
Facilitate tourism skills development programs in the tourism industry, in partnership with industry stakeholders	12	12	12
Facilitate the granting of tourism establishments in the province	40	40	40
Facilitate tourism quality assurance workshops	12	12	12
Facilitate tourism trade and investment promotion initiatives	2	2	2
Monitor the development of tourism infrastructure in the province	4	4	4
Support tourism attractions to enhance destination competitiveness	4	4	4

10. Other Programme Information

10.1 Personnel numbers and costs

The interim personnel structure as approved is comprised of 192 posts, to date 170 are filled and s22 are vacant as at 30 December 2016. The process of filling vacancies is ongoing and is expected to be finalized in 2017/18.

Table 10.13 : Summary of departmental personnel numbers and costs by component

R thousands	Actual				Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 - 6	3	-	20	-	51	5 149	51	-	51	6 240	51	6 537	51	7 131	1.3%	7.3%	9.1%
7 - 10	9	-	59	-	94	21 348	72	22	94	27 146	94	27 993	94	30 914	1.7%	7.7%	39.8%
11 - 12	2	-	18	-	33	22 503	33	-	33	21 635	33	22 867	33	24 735	1.0%	7.1%	31.5%
13 - 16	1	-	8	-	14	14 570	14	-	14	14 208	14	15 280	14	14 971	-	4.2%	19.6%
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15	-	105	-	192	63 570	170	22	192	69 238	192	72 676	192	77 752	1.4%	6.8%	100.0%
Programme																	
1. Administration	-	-	92	30 698	133	47 018	111	22	133	46 871	133	49 107	133	52 014	1.5%	5.8%	66.8%
2. Tourism Planning	15	5 264	13	7 392	18	4 938	16	-	16	6 366	16	8 140	16	8 436	-	12.2%	10.3%
3. Tourism Growth, Development And	-	-	-	-	41	11 338	43	-	43	16 001	43	15 429	43	17 299	1.5%	7.2%	22.9%
Direct charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15	5 264	105	38 090	192	63 294	170	22.0	192	69 238.0	192	72 676.1	192	77 751.9	1.4%	6.8%	100.0%
Employee dispensation classification																	
Public Service Act appointees not covered by OSDs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Service Act appointees still to be covered by OSDs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Nurses, Staff Nurses and Nursing Assistants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social Services Professions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering Professions and related occupations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical and related professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Therapeutic, Diagnostic and other related	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allied Health Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educators and related professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others such as interns, EPWP, learnerships, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The Department has also factored in the increase anticipated for filling all vacant positions by end of March 2018, taking into consideration that the interim structure takes care of only the basic human resources required for minimal service delivery attainment.

All general salary adjustments for pay progression, overtime, medical aid, homeowners allowance and all other allowances that may apply have also been considered. A once off headcount growth was considered in the 2015/16 financial year based on the approved interim structure of the Department.

10.2 Training

Table 10.14 : Information on training: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Number of staff	15	105	192	192	192	192	192	192	200
Number of personnel trained	–	56	66	70	70	70	74	78	84
of which									
Male	–	25	30	30	30	30	30	32	34
Female	–	31	36	40	40	40	44	47	50
Number of training opportunities	–	56	66	70	70	70	74	78	84
of which									
Tertiary	–	10	20	22	22	22	22	23	25
Workshops	–	20	14	16	16	16	22	23	25
Seminars	–	20	22	22	22	22	20	21	23
Other	–	6	10	10	10	10	10	11	11
Number of bursaries offered	–	18	20	22	22	22	22	23	25
Number of interns appointed	–	6	10	10	10	10	10	11	11
Number of learnerships appointed	–	–	–	–	–	–	–	–	–
Number of days spent on training	–	5	–	–	–	–	–	–	–
Payments on training by programme									
1. Administration	–	417	130	130	103	103	132	141	151
2. Tourism Planning	–	97	130	130	103	103	132	141	151
3. Tourism Growth, Development And Transformation	–	86	412	460	362	362	463	496	528
Total payments on training	–	600	672	720	568	568	727	778	830

An allocation equivalent to 1 per cent of personnel budget has been reserved for staff training in line with the Exco Resolution of 2011. Training will predominantly be facilitated by the Public Services Education and Training Authority (PSETA) and generic or transversal training will be managed by Public Administration Leadership and Management Academy (PALAMA). The allocation will be utilized to train permanent staff as well as staff on internship through bursaries, workshops, seminars and other practical consultative sessions.

10.3 Reconciliation of structural changes

No structural changes are anticipated over the current medium term.

The table below shows the adopted budget structure of the Department since 2016/17 year.

Table 10.15 : Reconciliation of structural changes: Tourism

2016/17		2017/18	
Programmes	R'000	Programmes	R'000
	–	1. Administration	76 218
		1. Office Of The Mec	10 214
		2. Office Of The Hod	6 150
		3. Financial Management	23 818
		4. Corporate Services	36 036
		2. Tourism Planning	17 880
		1. Research And Policy Development	8 940
		2. Planning And Sector Performance	8 940
		3. Tourism Growth, Development And Transformation	151 663
		1. Tourist Guiding And Regulatory Services	5 658
		2. Tourism Sector And Transformation	6 711
		3. Tourism Growth And Development	139 294
Total	–		245 761

Annexure to the Estimates of Provincial Revenue and Expenditure

Table B.1: Specification of receipts: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	-	-	114	114	550	550	588	629	672
Sale of goods and services produced by department (excluding capital assets)	-	-	114	114	550	550	588	629	672
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	-	-	114	114	550	550	588	629	672
Of which	-	-	-	-	-	-	-	-	-
Health patient fees	-	-	114	114	550	550	588	629	672
Other (Specify)	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	-	-	-	-	-	-	-	-	-
Total departmental receipts	-	-	114	114	550	550	588	629	672

2017/18 Estimates of Provincial Revenue and Expenditure

Table B.2: Payments and estimates by economic classification: Tourism

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	7 170	56 530	93 289	118 603	102 651	102 651	112 056	119 929	127 854
Compensation of employees	5 264	38 090	53 766	72 038	69 238	69 238	72 676	77 752	84 229
Salaries and wages	4 573	33 208	47 142	64 752	61 952	61 952	65 108	69 521	75 295
Social contributions	691	4 882	6 624	7 286	7 286	7 286	7 568	8 231	8 934
Goods and services	1 906	18 440	39 516	46 565	33 413	33 413	39 380	42 177	43 625
Administrative fees	2	201	356	364	582	582	967	415	439
Advertising	—	2 632	4 382	1 494	1 055	1 055	2 105	2 230	2 338
Minor assets	—	—	48	563	4 263	4 263	740	625	660
Audit cost: External	—	2 881	2 718	3 126	4 027	4 027	1 738	2 703	2 854
Bursaries: Employees	—	65	84	952	46	46	529	560	591
Catering: Departmental activities	130	846	1 273	1 517	1 106	1 106	1 475	2 152	2 276
Communication (G&S)	2	919	1 722	1 478	1 327	1 327	2 234	1 572	1 661
Computer services	—	78	146	238	200	200	252	267	282
Consultants and professional services: Business and advisory services	—	6	5 800	2 017	2 750	2 750	3 295	3 820	4 018
Infrastructure and planning	—	—	—	—	—	—	—	—	—
Laboratory services	—	—	—	—	—	—	—	—	—
Scientific and technological services	—	—	—	—	—	—	—	—	—
Legal services	—	469	733	889	138	138	1 112	2 716	2 862
Contractors	15	2 305	4 175	4 836	1 185	1 185	6 004	5 293	5 563
Agency support / outsourced services	—	334	36	109	40	40	—	120	127
Entertainment	—	—	—	—	—	—	—	—	—
Fleet services (including government motor transport)	—	775	1 432	3 430	2 505	2 505	2 239	1 869	1 979
Housing	—	—	—	—	—	—	—	—	—
Inventory: Clothing material and accessories	—	—	—	—	—	—	—	—	—
Inventory: Farming supplies	—	—	—	—	—	—	—	—	—
Inventory: Food and food supplies	3	—	—	—	—	—	—	—	—
Inventory: Fuel, oil and gas	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	—	—	—	—	—	—	—	—	—
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	—	—	—	—	—	—	—	—	—
Medias inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	—	—	—	—	—	—	—	—	—
Consumable supplies	—	255	339	1 069	870	870	1 347	1 369	1 444
Consumable: Stationery, printing and office supplies	47	831	1 552	1 721	1 645	1 645	1 856	1 966	2 076
Operating leases	20	39	222	2 851	2 171	2 171	2 247	1 378	1 455
Property payments	—	959	1 109	10 380	512	512	1 647	1 767	1 043
Transport provided: Departmental activity	209	7	267	—	—	—	—	—	—
Travel and subsistence	1 433	4 120	10 032	8 073	6 838	6 838	7 720	9 481	9 973
Training and development	—	327	786	720	568	568	727	778	830
Operating payments	—	45	642	39	768	768	279	293	308
Venues and facilities	38	120	813	549	817	817	717	750	790
Rental and hiring	7	226	849	150	—	—	150	53	56
Interest and rent on land	—	—	7	—	—	—	—	—	—
Interest	—	—	7	—	—	—	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	80 266	81 360	1 161	108 792	94 777	94 777	82 481	86 637	91 489
Provinces and municipalities	—	—	—	—	—	—	—	—	—
Provinces	—	—	—	—	—	—	—	—	—
Provincial Revenue Funds	—	—	—	—	—	—	—	—	—
Provincial agencies and funds	—	—	—	—	—	—	—	—	—
Municipalities	—	—	—	—	—	—	—	—	—
Municipalities	—	—	—	—	—	—	—	—	—
Municipal agencies and funds	—	—	—	—	—	—	—	—	—
Departmental agencies and accounts	—	10 710	—	35 000	—	—	—	—	—
Social security funds	—	—	—	—	—	—	—	—	—
Provide list of entities receiving transfers	—	10 710	—	35 000	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	80 266	70 247	—	73 582	93 427	93 427	82 261	86 404	91 243
Public corporations	80 266	70 247	—	73 582	93 427	93 427	82 261	86 404	91 243
Subsidies on production	—	—	—	—	—	—	—	—	—
Other transfers	80 266	70 247	—	73 582	93 427	93 427	82 261	86 404	91 243
Private enterprises	—	—	—	—	—	—	—	—	—
Subsidies on production	—	—	—	—	—	—	—	—	—
Other transfers	—	—	—	—	—	—	—	—	—
Non-profit institutions	—	—	—	—	—	—	—	—	—
Households	—	403	1 161	210	1 350	1 350	220	233	246
Social benefits	—	368	126	210	210	210	220	233	246
Other transfers to households	—	35	1 035	—	1 140	1 140	—	—	—
Payments for capital assets	—	415	23 623	1 866	34 095	34 095	51 224	53 984	57 006
Buildings and other fixed structures	—	62	22 912	—	32 000	32 000	49 000	51 842	54 745
Buildings	—	—	22 912	—	32 000	32 000	49 000	51 842	54 745
Other fixed structures	—	62	—	—	—	—	—	—	—
Machinery and equipment	—	353	711	1 866	2 095	2 095	2 224	2 142	2 261
Transport equipment	—	—	—	—	—	—	—	—	—
Other machinery and equipment	—	353	711	1 866	2 095	2 095	2 224	2 142	2 261
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	—	—	—	—	—	—	—	—
Total economic classification	87 436	138 305	118 073	229 261	231 523	231 523	245 761	260 550	276 349

Table B.2: Payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	–	43 994	73 584	82 066	72 975	72 975	74 224	78 000	82 140
Compensation of employees	–	30 698	44 876	46 871	46 871	46 871	49 107	52 014	55 535
Salaries and wages	–	26 911	39 267	41 174	41 174	41 174	43 094	45 623	48 715
Social contributions	–	3 787	5 615	5 697	5 697	5 697	6 013	6 391	6 820
Goods and services	–	13 296	28 701	35 195	26 104	26 104	25 117	25 986	26 605
Administrative fees	–	184	356	364	375	375	607	415	439
Advertising	–	1 222	4 351	1 094	708	708	1 157	1 225	1 284
Minor assets	–	–	43	463	4 128	4 128	490	519	548
Audit cost: External	–	2 881	2 718	3 126	4 027	4 027	1 738	2 703	2 854
Bursaries: Employees	–	65	84	952	46	46	529	560	591
Catering: Departmental activities	–	732	545	435	392	392	414	438	471
Communication (G&S)	–	762	1 474	1 403	885	885	1 484	1 570	1 659
Computer services	–	78	146	238	200	200	252	267	282
Consultants and professional services: Business and advisory services	–	6	2 009	1 117	195	195	971	1 131	1 184
Infrastructure and planning	–	–	–	–	–	–	–	–	–
Laboratory services	–	–	–	–	–	–	–	–	–
Scientific and technological services	–	–	–	–	–	–	–	–	–
Legal services	–	469	733	889	138	138	1 112	1 138	1 195
Contractors	–	587	841	3 652	2 488	2 488	4 029	4 188	4 415
Agency support / outsourced services	–	334	36	109	40	40	–	120	127
Entertainment	–	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	775	1 432	3 430	2 505	2 505	2 239	1 869	1 979
Housing	–	–	–	–	–	–	–	–	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	–	–	–
Inventory: Farming supplies	–	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	–	–	–	–	–	–	–
Inventory: Learner and teacher support material	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	–	–	–	–	–	–	–
Inventory: Medical supplies	–	–	–	–	–	–	–	–	–
Inventory: Medicine	–	–	–	–	–	–	–	–	–
Medicines inventory interface	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	–	–	–	–	–	–	–	–
Consumable supplies	–	240	259	655	609	609	695	735	776
Consumable: Stationery, printing and office supplies	–	671	1 527	977	1 254	1 254	867	918	970
Operating leases	–	28	222	2 851	2 171	2 171	2 247	1 377	1 454
Property payments	–	959	1 109	10 380	512	512	1 647	1 767	1 043
Transport provided: Departmental activity	–	–	229	–	–	–	–	–	–
Travel and subsistence	–	2 705	8 992	2 047	4 060	4 060	3 533	3 877	4 094
Training and development	–	327	786	720	568	568	727	778	830
Operating payments	–	33	525	39	368	368	99	103	107
Venues and facilities	–	106	284	254	435	435	280	288	303
Rental and hiring	–	132	–	–	–	–	–	–	–
Interest and rent on land	–	–	7	–	–	–	–	–	–
Interest	–	–	7	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	403	1 161	210	1 350	1 350	220	233	246
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Provinces	–	–	–	–	–	–	–	–	–
Provincial Revenue Funds	–	–	–	–	–	–	–	–	–
Provincial agencies and funds	–	–	–	–	–	–	–	–	–
Municipalities	–	–	–	–	–	–	–	–	–
Municipalities	–	–	–	–	–	–	–	–	–
Municipal agencies and funds	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Social security funds	–	–	–	–	–	–	–	–	–
Provide list of entities receiving transfers	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Public corporations	–	–	–	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–	–	–	–
Private enterprises	–	–	–	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	403	1 161	210	1 350	1 350	220	233	246
Social benefits	–	368	126	210	210	210	220	233	246
Other transfers to households	–	35	1 035	–	1 140	1 140	–	–	–
Payments for capital assets	–	216	553	1 755	1 608	1 608	1 774	1 878	1 983
Buildings and other fixed structures	–	62	–	–	–	–	–	–	–
Buildings	–	62	–	–	–	–	–	–	–
Other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	154	553	1 755	1 608	1 608	1 774	1 878	1 983
Transport equipment	–	–	–	–	–	–	–	–	–
Other machinery and equipment	–	154	553	1 755	1 608	1 608	1 774	1 878	1 983
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	–	44 613	75 298	84 031	75 933	75 933	76 218	80 111	84 369

2017/18 Estimates of Provincial Revenue and Expenditure

Table B.2: Payments and estimates by economic classification: Tourism Planning

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	7 170	12 536	10 598	11 034	10 562	10 562	17 680	18 733	19 849
Compensation of employees	5 264	7 392	2 650	6 366	6 366	6 366	8 140	8 439	8 996
Salaries and wages	4 573	6 297	2 418	6 006	6 006	6 006	7 599	7 803	8 318
Social contributions	691	1 095	232	360	360	360	541	636	678
Goods and services	1 906	5 144	7 948	4 668	4 196	4 196	9 540	10 294	10 853
Administrative fees	2	17	—	—	97	97	200	—	—
Advertising	—	1 410	—	100	—	—	648	687	718
Minor assets	—	—	5	100	52	52	100	106	112
Audit cost: External	—	—	—	—	—	—	—	—	—
Bursaries: Employees	—	—	—	—	—	—	—	—	—
Catering: Departmental activities	130	114	513	620	293	293	858	1 327	1 396
Communication (G&S)	2	157	29	—	252	252	400	—	—
Computer services	—	—	—	—	—	—	—	—	—
Consultants and professional services: Business and advisory services	—	—	2 236	400	2 097	2 097	1 775	1 878	1 978
Infrastructure and planning	—	—	—	—	—	—	—	—	—
Laboratory services	—	—	—	—	—	—	—	—	—
Scientific and technological services	—	—	—	—	—	—	—	—	—
Legal services	—	—	—	—	—	—	—	1 578	1 667
Contractors	15	1 718	3 313	856	49	49	1 799	688	726
Agency and support / outsourced services	—	—	—	—	—	—	—	—	—
Entertainment	—	—	—	—	—	—	—	—	—
Fleet services (including government motor transport)	—	—	—	—	—	—	—	—	—
Housing	—	—	—	—	—	—	—	—	—
Inventory: Clothing material and accessories	—	—	—	—	—	—	—	—	—
Inventory: Farming supplies	—	—	—	—	—	—	—	—	—
Inventory: Food and food supplies	3	—	—	—	—	—	—	—	—
Inventory: Fuel, oil and gas	—	—	—	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	—	—	—	—	—	—
Inventory: Materials and supplies	—	—	—	—	—	—	—	—	—
Inventory: Medical supplies	—	—	—	—	—	—	—	—	—
Inventory: Medicine	—	—	—	—	—	—	—	—	—
Medias inventory interface	—	—	—	—	—	—	—	—	—
Inventory: Other supplies	—	—	—	—	—	—	—	—	—
Consumable supplies	—	15	8	44	32	32	397	365	385
Consumable: Stationery, printing and office supplies	47	160	16	442	140	140	770	815	861
Operating leases	20	11	—	—	—	—	—	1	1
Property payments	—	—	—	—	—	—	—	—	—
Transport provided: Departmental activity	209	7	21	—	—	—	—	—	—
Travel and subsistence	1 433	1 415	475	2 016	557	557	2 185	2 523	2 665
Training and development	—	—	—	—	—	—	—	—	—
Operating payments	—	12	45	—	400	400	—	—	—
Venues and facilities	38	14	438	90	227	227	308	326	344
Rental and hiring	7	94	849	—	—	—	100	—	—
Interest and rent on land	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	—	10 710	—	—	—	—	—	—	—
Provinces and municipalities	—	—	—	—	—	—	—	—	—
Provinces	—	—	—	—	—	—	—	—	—
Provincial Revenue Funds	—	—	—	—	—	—	—	—	—
Provincial agencies and funds	—	—	—	—	—	—	—	—	—
Municipalities	—	—	—	—	—	—	—	—	—
Municipalities	—	—	—	—	—	—	—	—	—
Municipal agencies and funds	—	—	—	—	—	—	—	—	—
Departmental agencies and accounts	—	10 710	—	—	—	—	—	—	—
Social security funds	—	—	—	—	—	—	—	—	—
Provide list of entities receiving transfers	—	10 710	—	—	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	—	—	—	—	—	—	—	—	—
Public corporations	—	—	—	—	—	—	—	—	—
Subsidies on production	—	—	—	—	—	—	—	—	—
Other transfers	—	—	—	—	—	—	—	—	—
Private enterprises	—	—	—	—	—	—	—	—	—
Subsidies on production	—	—	—	—	—	—	—	—	—
Other transfers	—	—	—	—	—	—	—	—	—
Non-profit institutions	—	—	—	—	—	—	—	—	—
Households	—	—	—	—	—	—	—	—	—
Social benefits	—	—	—	—	—	—	—	—	—
Other transfers to households	—	—	—	—	—	—	—	—	—
Payments for capital assets	—	199	158	—	142	142	200	—	—
Buildings and other fixed structures	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—
Other fixed structures	—	—	—	—	—	—	—	—	—
Machinery and equipment	—	199	158	—	142	142	200	—	—
Transport equipment	—	—	—	—	—	—	—	—	—
Other machinery and equipment	—	199	158	—	142	142	200	—	—
Heritage Assets	—	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Land and sub-soil assets	—	—	—	—	—	—	—	—	—
Software and other intangible assets	—	—	—	—	—	—	—	—	—
Payments for financial assets	—	—	—	—	—	—	—	—	—
Total economic classification	7 170	23 445	10 756	11 034	10 704	10 704	17 880	18 733	19 849

Table B.2: Payments and estimates by economic classification: Tourism Growth, Development And Transformation

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Current payments	–	–	9 107	25 503	19 114	19 114	20 152	23 196	25 865
Compensation of employees	–	–	6 240	18 801	16 001	16 001	15 429	17 299	19 698
Salaries and wages	–	–	5 463	17 572	14 772	14 772	14 415	16 095	18 262
Social contributions	–	–	777	1 229	1 229	1 229	1 014	1 204	1 436
Goods and services	–	–	2 867	6 702	3 113	3 113	4 723	5 897	6 167
Administrative fees	–	–	–	–	110	110	160	–	–
Advertising	–	–	31	300	347	347	300	318	336
Minor assets	–	–	–	–	83	83	150	–	–
Audit cost: External	–	–	–	–	–	–	–	–	–
Bursaries: Employees	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	–	–	215	462	421	421	203	387	409
Communication (G&S)	–	–	219	75	190	190	350	2	2
Computer services	–	–	–	–	–	–	–	–	–
Consultants and professional services: Business and advisory services	–	–	1 555	500	458	458	549	811	856
Infrastructure and planning	–	–	–	–	–	–	–	–	–
Laboratory services	–	–	–	–	–	–	–	–	–
Scientific and technological services	–	–	–	–	–	–	–	–	–
Legal services	–	–	–	–	–	–	–	–	–
Contractors	–	–	21	328	-1 352	-1 352	176	417	422
Agency and support / outsourced services	–	–	–	–	–	–	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–
Fleet services (including government motor transport)	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Inventory: Clothing material and accessories	–	–	–	–	–	–	–	–	–
Inventory: Farming supplies	–	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	–	–	–	–	–	–	–
Inventory: Fuel, oil and gas	–	–	–	–	–	–	–	–	–
Inventory: Learner and teacher support material	–	–	–	–	–	–	–	–	–
Inventory: Materials and supplies	–	–	–	–	–	–	–	–	–
Inventory: Medical supplies	–	–	–	–	–	–	–	–	–
Inventory: Medicine	–	–	–	–	–	–	–	–	–
Medicines inventory interface	–	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	–	–	–	–	–	–	–	–
Consumable supplies	–	–	72	370	229	229	255	269	283
Consumable: Stationery, printing and office supplies	–	–	9	302	251	251	219	233	245
Operating leases	–	–	–	–	–	–	–	–	–
Property payments	–	–	–	–	–	–	–	–	–
Transport provided: Departmental activity	–	–	17	–	–	–	–	–	–
Travel and subsistence	–	–	565	4 010	2 221	2 221	2 002	3 081	3 214
Training and development	–	–	–	–	–	–	–	–	–
Operating payments	–	–	72	–	–	–	180	190	201
Venues and facilities	–	–	91	205	155	155	129	136	143
Rental and hiring	–	–	–	150	–	–	50	53	56
Interest and rent on land	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	80 266	70 247	–	108 582	93 427	93 427	82 261	86 404	91 243
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Provinces	–	–	–	–	–	–	–	–	–
Provincial Revenue Funds	–	–	–	–	–	–	–	–	–
Provincial agencies and funds	–	–	–	–	–	–	–	–	–
Municipalities	–	–	–	–	–	–	–	–	–
Municipalities	–	–	–	–	–	–	–	–	–
Municipal agencies and funds	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	35 000	–	–	–	–	–
Social security funds	–	–	–	–	–	–	–	–	–
Provide list of entities receiving transfers	–	–	–	35 000	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	80 266	70 247	–	73 582	93 427	93 427	82 261	86 404	91 243
Public corporations	80 266	70 247	–	73 582	93 427	93 427	82 261	86 404	91 243
Subsidies on production	–	–	–	–	–	–	–	–	–
Other transfers	80 266	70 247	–	73 582	93 427	93 427	82 261	86 404	91 243
Private enterprises	–	–	–	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–	–	–
Social benefits	–	–	–	–	–	–	–	–	–
Other transfers to households	–	–	–	–	–	–	–	–	–
Payments for capital assets	–	–	22 912	111	32 345	32 345	49 250	52 106	55 023
Buildings and other fixed structures	–	–	22 912	–	32 000	32 000	49 000	51 842	54 745
Buildings	–	–	22 912	–	32 000	32 000	49 000	51 842	54 745
Other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	–	–	–	111	345	345	250	264	278
Transport equipment	–	–	–	–	–	–	–	–	–
Other machinery and equipment	–	–	–	111	345	345	250	264	278
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–	–	–
Total economic classification	80 266	70 247	32 019	134 196	144 886	144 886	151 663	161 706	172 131

Table B.5: TOURISM - Payments of infrastructure by category

Project No.	Project name	Project Status	Ward Number	VTSD Type	Municipality / Region	Economic Classification (Building and Other Fixed Structures, Goods & Services, Plant, Machinery & Equipment, COE)	Type of Infrastructure	Project duration Date: Start Date: Finish	Source of funding	Budget programme name	Implementing Agent	Total project cost	Expenditure to date from previous years	Total available 2017/18	MTEF 2018/19	MTEF 2019/20
1. New infrastructure assets																
1	Taung Hobi School	Construction 51%-75%	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Proposed New Gabs	01/01/2016 01/01/2017	Equitable Share	Programme 3	IDT	4 607	603	-	-	-
2	Taung Hobi School	Construction 1%-25%	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Proposed New Student Residents	01/01/2016 01/01/2017	Equitable Share	Programme 3	IDT	35 726	3 903	14 546	8 000	-
3	Taung Hobi School	Planning	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Proposed New Library	01/01/2016 31/03/2019	Equitable Share	Programme 3	IDT	23 510	1 642	10 000	3 647	8 221
4	Taung Hobi School	Construction 1%-25%	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Proposed New Lecture Halls and Kitchen	01/01/2016 01/01/2017	Equitable Share	Programme 3	IDT	49 553	5 490	13 060	18 353	-
5	Taung Hobi School	Planning	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Proposed New Student Residents 2nd phase	01/03/2018 01/01/2020	Equitable Share	Programme 3	IDT	40 000	-	-	-	6 524
6	Taung Hobi School	Planning	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Proposed New Lecture Halls and Kitchen phase 2	01/03/2018 01/01/2020	Equitable Share	Programme 3	IDT	60 000	-	-	4 842	20 000
7	Moses Kdane Hobi School	Planning	24	Village	Moses Kdane Local Municipality	Building and Other Fixed Structure	Construction of New Hobi School	01/04/2017 31/03/2019	Equitable Share	Programme 3	DP&R	60 000	-	2 744	17 000	20 000
Total New Infrastructure assets												273 396	11 638	40 350	51 842	54 745
2. Upgrade and additions																
8	Taung Hobi School	Completion	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Renovation of Staff Accommodation	01/01/2016 01/01/2017	Equitable Share	Programme 3	IDT	12 697	9 232	-	-	-
9	Taung Hobi School	Completion	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Erection of Pileade Fence	01/01/2016 01/01/2017	Equitable Share	Programme 3	IDT	4 566	1 961	-	-	-
10	Taung Hobi School	Planning	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Sewer Retention	01/01/2016 01/01/2017	Equitable Share	Programme 3	IDT	3 856	-	-	-	-
11	Taung Hobi School	Planning	24	Village	Greater Taung Municipality	Building and Other Fixed Structure	Upgrade of Existing Hotel Rooms	01/01/2016 01/01/2017	Equitable Share	Programme 3	IDT	6 169	-	-	-	-
Total Upgrade and additions												27 287	11 193	-	-	-
3. Refurbishment and rehabilitation																
12	Dr. Kenneth Kaunda Hobi School	Tender Stage	12	Small/Dorpie	Tloane Municipality (Orkney)	Building and Other Fixed Structure	Renovation of Hobi School Building	01/12/2015 30/09/2016	Equitable Share	Programme 3	DP&R	11 650	-	8 660	-	-
Total Refurbishment and rehabilitation												11 650	-	8 660	-	-
4. Maintenance and repairs																
Total Maintenance and repairs												-	-	-	-	-
5. Infrastructure transfers - current																
Total Infrastructure transfers - current												-	-	-	-	-
6. Infrastructure transfers - capital																
Total Infrastructure transfers - capital												-	-	-	-	-
7. Infrastructure payments for financial assets																
Total Infrastructure payments for financial assets												-	-	-	-	-
8. Infrastructure leases																
Total Infrastructure leases												-	-	-	-	-
9. Non infrastructure																
Total Non infrastructure												-	-	-	-	-
Total Tourism Infrastructure												312 333	22 831	49 000	51 842	54 745

Table B.7: Financial Summary for North West Tourism Board

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Audited outcome		Actual outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term receipts estimate		
R thousand									
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	293 069	269 724	254 779	95 302	115 147	121 195	103 981	109 261	114 837
Sale of goods and services other than capital assets	-	-	-	20 220	20 220	20 220	20 220	21 453	22 719
Entity revenue other than sales	1 679	2 389	1 500	1 500	1 500	1 500	1 500	1 404	875
Transfers received	196 404	178 172	191 929	73 582	93 427	99 475	82 261	86 404	91 243
Sale of capital assets	1 248	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	93 738	89 163	61 350	-	-	-	-	-	-
Total revenue	293 069	269 724	254 779	95 302	115 147	121 195	103 981	109 261	114 837
Expenses									
Current expense	-	-	99 631	94 342	104 187	107 552	102 966	108 183	113 700
Compensation of employees	-	-	62 746	59 568	63 616	68 315	66 510	71 789	77 365
Goods and services	-	-	36 885	34 774	40 571	39 205	36 456	36 394	36 335
Interest on rent and land	-	-	-	-	-	32	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	728	960	10 960	960	1 015	1 078	1 137
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	-	-	100 359	95 302	115 147	108 512	103 981	109 261	114 837
Surplus / (Deficit)	293 069	269 724	154 420	-	-	12 683	-	-	-
Adjustments for Surplus/(Deficit)									
Delayed in refurbishment and rehabilitation of Mafikeng Hotel School and the creation of E-portal	(293 069)	(269 724)	(154 420)	-	-	(12 683)	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after adjustments¹	-	-	-	-	-	-	-	-	-