

Briefing to the Portfolio Committee on Tourism on the Department of Tourism Annual Report for 2018/19

8 October 2019

broadening horizons



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



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I. Auditor-General South Africa's (AGSA) Report: 2018-19 Audit



Auditor-General's Report

- **Qualified audit**

- The department received a qualified audit for the 2018/19 financial year.

- **Basis for Qualification**

- Immovable tangible capital assets (challenge with accounting records and asset register).
- Fruitless and wasteful expenditure (challenge with quantification of the full extent of fruitless and wasteful expenditure).

Challenges experienced with capital projects. These related to, amongst others, poorly conceived projects, poor project management practices, and poor performance by implementing agents. These have caused the department significant amount fruitless and wasteful expenditure.



Auditor-General's Report

- **Pre-determined Objectives:**

- No material findings on the usefulness and reliability of the reported performance information for the selected Programmes, ie Programme 2 (Tourism Research, Policy and International Relations), Programme 3 (Destination Development) and Programme 4 (Tourism Sector Support Services).

- **Financial Statements:**

- Other than possible effects of matters described in the basis for qualified opinion, the auditor's report, states that the financial statements of the department present fairly, in all material respects, the financial position of the Department of Tourism as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury as required by section 40(1)(b) of the Public Finance Management Act (PFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 14 of 2018) (Dora).



Auditor-General's Report...Continued

- **Compliance with Laws and Regulations:**

Material findings on compliance with specific matters in key applicable legislation identified:

Submission of Annual Financial Statements:

- Financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA.
- Some material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and/or the supporting records were provided subsequently. However, uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Procurement and Contract Management:

- Preference point system was not applied in some of the procurement of goods and services above R30 000 as required by section 2(a) of the PPPFA and TR 16A6.3(b). This non-compliance was identified in the procurement processes by implementing agents on behalf of the department.
- Some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

Expenditure Management:

- Effective and appropriate steps not taken to prevent irregular expenditure amounting to R26.5 million as disclosed in note 22, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1. Majority of irregular expenditure disclosed in the financial statements was caused by the preference point system not being applied by implementing agents on behalf of the department.
- Effective steps not taken to prevent fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1. As reported in the basis for qualified opinion the full extent of the fruitless and wasteful expenditure could not be quantified. Majority of the fruitless and wasteful expenditure disclosed in the financial statements was caused by expenditure incurred on infrastructure projects.



Auditor-General's Report...Continued

- **Internal Controls**

Identified internal control deficiencies:

Evaluation performed by the department and the auditors on some of the stalled projects on the department's EPVVP revealed serious concerns regarding project management by the department on these projects, which included the following:

- the department did not have adequate capacity and appropriate competencies to ensure that appropriate oversight is exercised;
- the department did not obtain certified engineer and quantity surveyor certificates for infrastructure projects;
- there was inadequate project management to ensure that appropriate oversight is exercised over infrastructure projects and that adequate records are kept for immovable tangible capital assets;
- there was lack of detailed feasibility studies before approving projects;
- there was lack of regular site visits being conducted during the construction of projects as part of project management, and,
- implementing agents did not follow procurement prescripts when procuring goods and services on behalf of the department.



Auditor-General's Report ...Continued

- **Other reports:**

- During the financial year, criminal investigations into allegations relating to some of the EPWP were being undertaken by the law enforcement agencies.
- As previously reported, the Government Technical Advisory Centre (GTAC) has been requested to review the Social Responsibility Initiative projects, which include the EPWP projects to ensure finalisation of these projects in an effective and efficient manner. The review covered a sample of EPWP projects not yet finalised since inception of the department until 31 March 2018. At the date of the report, the review has been completed.



2. Financial Information

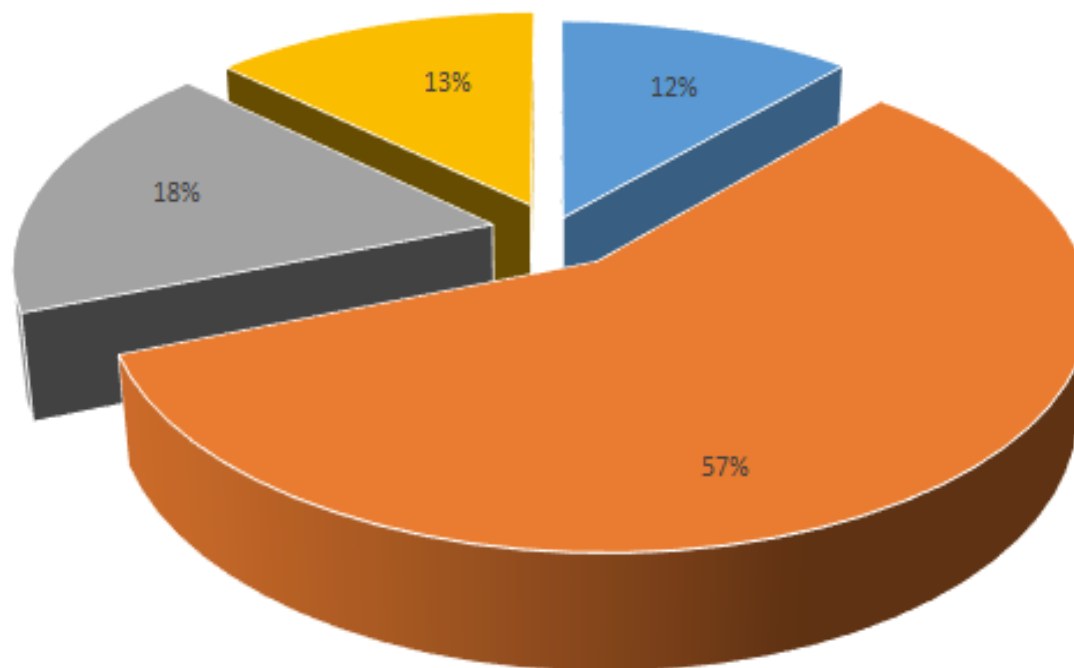


Budget and Expenditure Review for 2018/19

Programme	Final Appropriation (R'000)	Expenditure (R'000)	Expenditure As Per % Of Final Appropriation	Explanation Of Material Variances
Administration	266 458	260 730	97.9%	The bulk of this underspending lies within Compensation of Employees due to strict policies adhered to by the department to reduce expenditure on salaries and wages.
Tourism Research, Policy and International Relations	1 288 130	1 283 908	99.7%	The underspending is due to cost containment measures implemented by the department to reduce spending on Goods and Services during the financial year.
Destination Development	406 847	398 447	97.9%	The underspending is primarily related to project payments to consultants for research and advisory services which could not be processed as milestones where not reached as per contractual agreements.
Tourism Sector Support Services	300 382	291 717	97.1%	The underspending is primarily due to the delays experienced in the finalisation of contracts with project implementers of the Tourism Incentive Programme.
Total	2 261 817	2 234 802	98.8%	



Actual Expenditure Per Programme



■ Administration

■ Destination Development

■ Tourism Research, Policy and International Relations

■ Tourism Sector Support Services

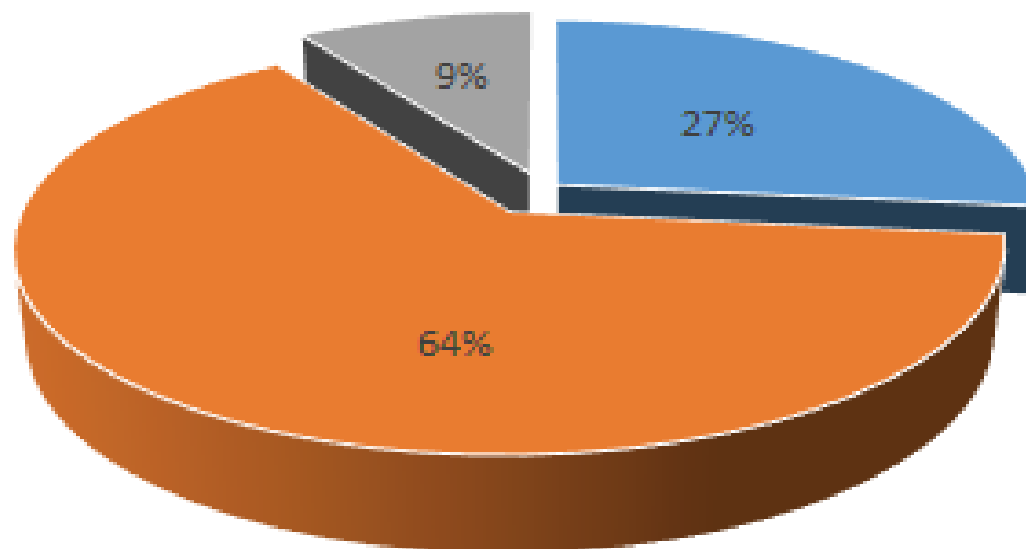


Expenditure Per Economic Classification (Summary)

Economic Classification	Final Appropriation R'000	Expenditure R'000	Variance R'000
Current Payments			
- Compensation of Employees	320 353	313 452	6 901
- Goods and Services	412 078	393 686	18 392
Transfers and Subsidies			
- Departmental Agencies and Accounts	1 274 023	1 274 023	-
- Higher Education Institutions	-	-	-
- Foreign Governments and International Organisations	2 508	2 348	160
- Public Corporations and Private Enterprises	76 954	75 939	1 015
- Non-Profit Institutions	472	472	-
- Households	68 929	68 931	(2)
Capital Assets			
- Buildings and other fixed structures	94 739	94 187	552
- Machinery and Equipment	8 547	8 549	(2)
- Software and other intangible Assets	2 818	2 818	-
- Payment for Financial Assets	396	397	(1)
Total	2 261 817	2 234 802	27 015



Actual Expenditure Per Economic Classification - High Level Item



- Current Payments
- Transfers and Subsidies
- Capital Assets
- Payment for Financial Assets



Details of Variance Per Economic Classification

Details	Amount	Action
	R'000	
Current Payments - Compensation - Goods and Services (Accruals)	25 293	Surrender funds to National Treasury.
Transfer and Subsidies - Foreign governments and international organisations - Public Corporations and private enterprises - Households	1 173	Surrender funds to National Treasury.
Payments for Capital Assets - Buildings and other fixed structures - Machinery and Equipment	550	Surrender funds to National Treasury.
Payment for Financial Assets	(1)	
Total	27 015	

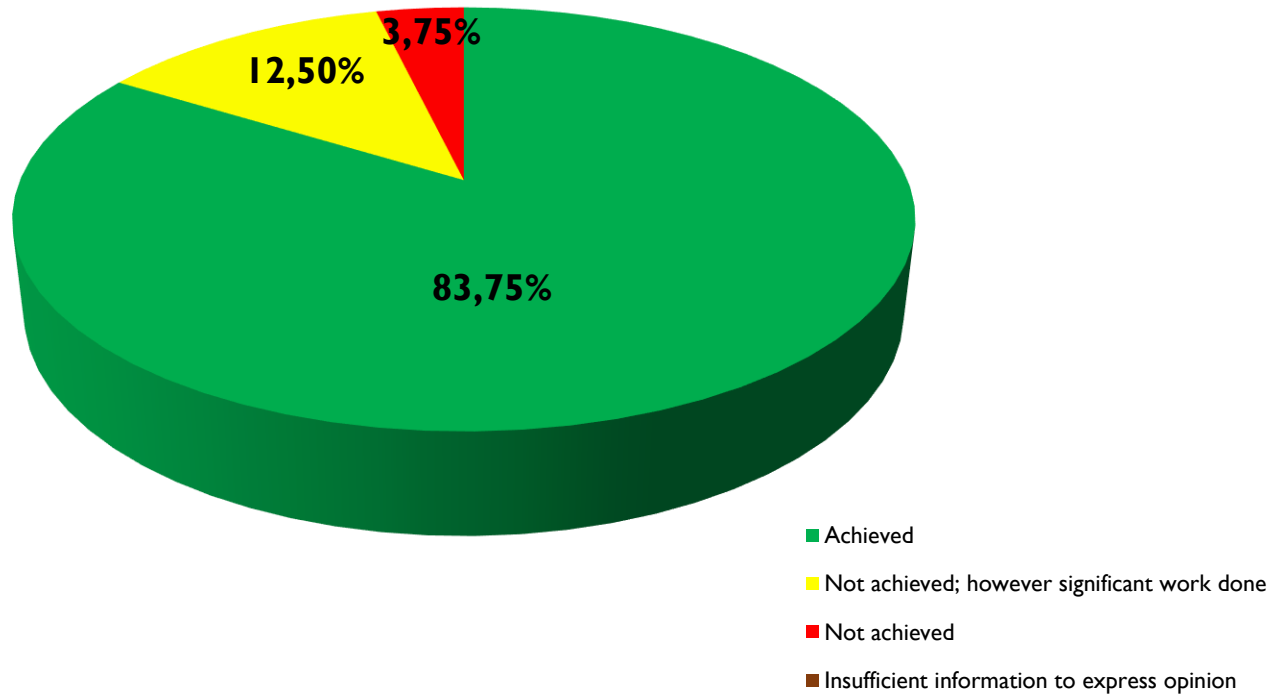


3. Programme Performance Information



2018-19 Annual Performance

2018/19 Departmental Annual Performance



The department had a total of 80 annual targets to achieve for 2018/19 financial year across all four programmes. Currently, a total of 67 of 80 targets have been achieved (83.75%) across all four departmental Programmes, while 10 of 80 targets (12.50%) have been partially achieved or recorded significant work done, and 3 of 80 targets (3.75%) were under achieved.

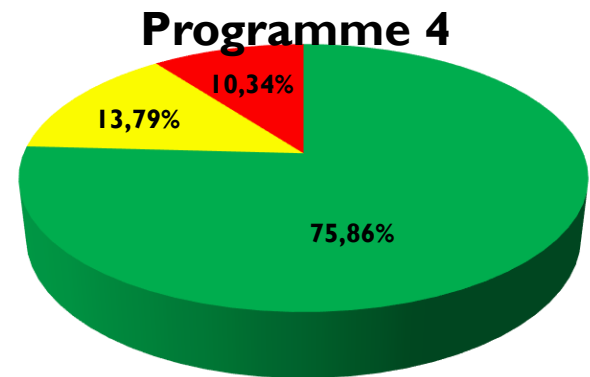
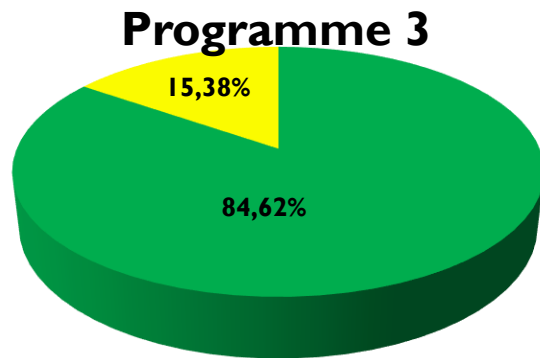
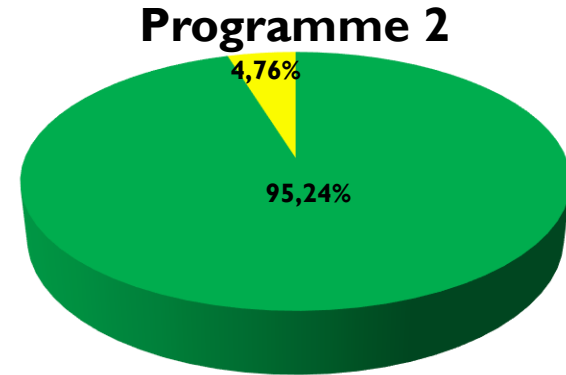
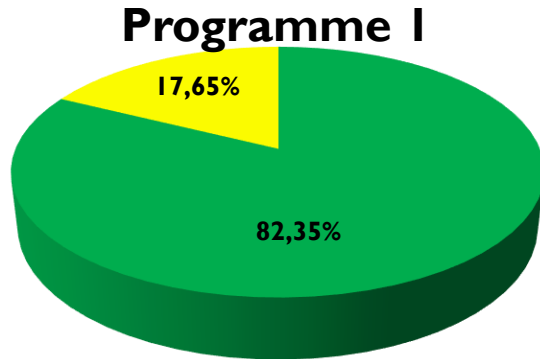


2018/19 Performance Overview By Programmes

Branch	Achieved	Not achieved; significant work done	Not achieved; intervention required	Insufficient information to express opinion
Corporate Management	82.35% (14 of 17)	17.65% (3 of 17)	0.00% (0 of 17)	0.00% (0 of 17)
Tourism Research, Policy and International Relations	95.24% (20 of 21)	4.76% (1 of 21)	0.00% (0 of 21)	0.00% (0 of 21)
Destination Development	84.62% (11 of 13)	15.38% (2 of 13)	0.00% (0 of 13)	0.00% (0 of 13)
Tourism Sector Support Services	75.86% (22 of 29)	13.79% (4 of 29)	10.34% (3 of 29)	0.00% (0 of 29)
Total	83.75% (67 of 80)	12.50% (10 of 80)	3.75% (3 of 80)	0.00% (0 of 80)



2018-19 Branches Annual Performance



3.1 Programme I

Corporate Management



Strategic Objective: To ensure economic, efficient and effective use of departmental resources.

Key Performance Indicator	Annual Target	Actual Performance
I. Number of strategic documents developed.	APP for 2019/20 developed.	APP for 2019/20 was developed.
	Annual Performance Report for 2017/18 developed.	Annual Performance Report for 2017/18 was developed.
	Four quarterly reports on the implementation of the SP and APP developed.	Four quarterly reports on the implementation of the SP and APP were developed.
	Four quarterly risk analysis reports presented to RMC.	Four quarterly risk analysis reports were presented to RMC.
	Four SAT oversight Reports developed.	Four SAT oversight reports were developed.



Strategic Objective: To ensure economic, efficient and effective use of departmental resources.

Key Performance Indicator	Annual Target	Actual Performance
2. Vacancy rate.	Vacancy rate not to exceed 8%.	<p>Vacancy rate as at 31 March 2019 was at 9.1%.</p> <p>Reason for variance:</p> <p>The non-achievement is as a result of the department not being able to fill vacancies since April 2018 due to the ceiling on the compensation budget imposed by National Treasury (NT). The once-off virement allowed by NT could not be used for long-term commitments.</p> <p>Corrective measure:</p> <p>It is anticipated that the constraints to the fiscal framework will continue to impact on vacancy management. The department will continue to explore possibilities for creating adequate capacity in order to implement its strategic programmes and to introduce efficiency and effectiveness improvements.</p>



Strategic Objective: To ensure economic, efficient and effective use of departmental resources.

Key Performance Indicator	Annual Target	Actual Performance
3. Percentage women representation in senior management service (SMS), representation for people with disabilities, and black representation.	Maintain minimum of 50% women representation at SMS level.	Women representation at SMS level was at 50.7% as at 31 March 2019.
	Maintain minimum of 3% people with disabilities representation.	People with disabilities representation was at 4.5% as at 31 March 2019.
	Maintain minimum of 91,5% Black representation.	Black representation was at 95.5% as at 31 March 2019.



Strategic Objective: To ensure economic, efficient and effective use of departmental resources.

Key Performance Indicator	Annual Target	Actual Performance
4. Percentage implementation of Workplace Skills Plan (WSP) with defined targeted training interventions.	Development and 100% implementation of WSP.	<p>75% development and implementation of WSP was achieved.</p> <p>Reason for variance:</p> <p>The 25% constituted of the following initiatives that were not implemented in the WSP: Internship intake and New bursaries. The internships are funded from the compensation of employees' budget which is currently constrained by NT's ceiling on CoE for all government departments. The once-off virement allowed by NT could not be used for long-term commitments.</p> <p>The department was able to support current bursaries but not new intakes due to budgetary constraints and concerns about the availability of funds in outer years.</p> <p>Corrective measure:</p> <p>For 2019/2020 the DPSA has been informed that the department will not have funds to take in interns. As for bursaries, the department has agreed to review the financial situation in the 3rd quarter, and reconsider possible bursary intakes for the 2020 academic year and outer years. This means that the HRD implementation plan is to be aligned to the above developments.</p>

Post the submission of the annual report for audit purposes, the department has since been able to raise and allocate funding for the intake of interns in the financial year 2019/20.



Strategic Objective: To ensure economic, efficient and effective use of departmental resources.

Key Performance Indicator	Annual Target	Actual Performance
5. Percentage compliance with prescripts on management of labour relations matters.	100% compliance in the management and handling of grievances, misconduct, disputes and collective bargaining.	100% compliance in the management and handling of grievances, misconduct, disputes and collective bargaining was achieved.
6. Implementation of Information Communication Technology Strategic Plan (ICTSP).	Revise and implement an ICTSP (2018/19 -2022/23).	ICTSP (2018/19-2022/23) was revised and implemented.
7. Number of quarterly and annual financial statements compiled and submitted.	<ul style="list-style-type: none"> • Three quarterly interim financial statements submitted to NT. • One annual financial statement submitted to NT and AGSA. 	<ul style="list-style-type: none"> • Three quarterly interim financial statements were submitted to NT. • One annual financial statement was submitted to NT and AGSA.
8. Percentage implementation of the annual internal audit plan.	100% implementation of the annual internal audit plan.	100% of the annual internal audit plan was implemented.



Strategic Objective: To enhance understanding and awareness of the value of tourism and its opportunities.

Key Performance Indicator	Annual Target	Actual Performance
9. Percentage implementation of the communication strategy (media engagement, branding, events management, internal and intergovernmental communications and community engagements / izimbizo).	100% implementation of the Department's communication strategy.	<p>98% (47 of 48 initiatives) of the Department's communication strategy was implemented.</p> <p>Reason for variance: A Ministerial project launch and Imbizo, scheduled to take place on 22 February 2019, was postponed to the next financial year following advice from SAPS Phuthaditjaba regarding public unrest and road barricades at Thaba Bosiu.</p> <p>Corrective measure: Izimbizo have a community outreach objective. The department will continue with outreach to ensure successful hosting of Izimbizo and institution of implementation mechanisms to ensure community awareness about and access to information about the department's programmes and initiatives.</p>
10. Percentage procurement from B-BBEE-compliant businesses.	100% of expenditure achieved on procurement from enterprises on B-BBEE contributor status levels 1 to 5.	100% of expenditure on procurement from enterprises on B-BBEE contributor status levels 1 to 5 was achieved.

3.2 Programme 2

Tourism Research, Policy and International Relations



Strategic Objective: To create an enabling legislative and regulatory environment for tourism development and growth

Key Performance Indicator	Annual Target	Actual Performance
1. Number of policy development initiatives undertaken.	Two tourism facilitation initiatives conducted: <ul style="list-style-type: none"> Quarterly analysis reports on airlift developed to inform stakeholder engagements. Quarterly analysis reports on visa requirements developed to inform stakeholder engagements. 	<ul style="list-style-type: none"> Quarterly analysis reports on airlift to inform stakeholder engagements were developed. Quarterly analysis reports on visa requirements to inform stakeholder engagements were developed.
2. Number of information dissemination platforms hosted.	Two platforms created: <p>Tourism Public Lecture hosted.</p> <p>Tourism Research Seminar hosted.</p>	<p>Tourism Public Lecture was hosted on 18 September 2018 in Mthatha, under the theme: “Inclusive and Quality Growth of the Tourism Sector Through Digital Transformation”.</p> <p>Tourism Research Seminar was hosted on 15 March 2019 in Pretoria.</p>



Strategic objective: To provide knowledge services to inform policy, planning and decision making

Key Performance Indicator	Annual Target	Actual Performance
3. Number of Tourism Monitoring and Evaluation Reports developed.	Twenty-two reports:	
	1. 2017/18 National Tourism Sector Strategy Implementation Report	2017/18 NTSS Implementation Report was developed.
	2. Draft 2017/18 State of Tourism Report (STR) developed.	Draft 2017/18 STR was developed.
	3. Quarterly Tourism Fact Sheets developed.	Quarterly Tourism Fact Sheets were developed.
	4. Monthly reports on the analysis of tourist arrivals developed.	Monthly reports on the analysis of tourist arrivals were developed.
	5. Report on the implementation of the monitoring plan for capacity-building projects.	Report on the implementation of the monitoring plan for capacity-building projects was developed.

Strategic objective: To provide knowledge services to inform policy, planning and decision making

Key Performance Indicator	Annual Target	Actual Performance
3. Number of Tourism Monitoring and Evaluation Reports developed.	Twenty-two reports ... continued:	
	6. Impact evaluation report on departmental capacity-building programmes commenced.	Impact evaluation report on departmental capacity-building programmes commenced was developed.
	7. Report on the implementation of the monitoring plan for infrastructure projects.	Report on the implementation of the monitoring plan for infrastructure projects was developed.
	8. Annual report on the implementation of signed bilateral agreement.	Annual report on the implementation of signed bilateral agreements was developed.



Strategic objective: To provide knowledge services to inform policy, planning and decision making.

Key Performance Indicator	Annual Target	Actual Performance
4. Number of information systems developed and maintained.	Three information systems:	
	Development of the National Tourism Information and Monitoring System (NTIMS): supply side database prioritised.	Development of the NTIMS: supply side database was finalised.
	Development of database of black-owned products and services.	Development of database of black-owned products and services was finalised.
	Development of a biometric time and attendance system for tourism Expanded Public Works Programme (EPWP) projects.	Development of a biometric time and attendance system for tourism EPWP projects was finalised.

Strategic objective: To enhance regional tourism integration

Key Performance Indicator	Annual Target	Actual Performance
5. Number of initiatives facilitated in multilateral fora and bilateral cooperation and regional integration.	Five initiatives:	
	1. Hosting of Indian Ocean Rim Association (IORA) Workshop on Coastal and Marine Tourism.	IORA Workshop on Coastal and Marine Tourism was hosted on 6-8 May 2018 in Durban.
	2. Hosting of IORA Tourism Experts Meeting.	IORA Tourism Experts Meeting was hosted on 7 May 2018 in Durban.
	3. Hosting of the IORA Tourism Ministers' Meeting.	IORA Tourism Ministers' Meeting was hosted on 21-23 October 2018 in Nelson Mandela Bay.
	4. Sharing of Best Practices Workshop targeted at African countries with whom SA signed tourism agreements hosted.	Sharing of Best Practices Workshop targeted at African countries with whom SA signed tourism agreements was hosted on 19 to 21 February 2019 in Durban.



Strategic objective: To enhance regional tourism integration

Key Performance Indicator	Annual Target	Actual Performance
5. Number of initiatives facilitated in multilateral fora and bilateral cooperation and regional integration.	Five initiatives ... continued:	
	5. Indaba Ministerial Session hosted.	Indaba Ministerial Session was hosted on 7 May 2018 in Durban.

Strategic objective: To facilitate tourism capacity-building programmes

6. Number of capacity-building programmes implemented.	<p>One programme:</p> <p>600 trained youth employed for National Tourism Information and Monitoring System (NTIMS) data collection.</p>	<p>549 youth were trained for the NTIMS data collection.</p> <p>Reason for variance:</p> <p>Limited number of qualifying youth in rural and remote municipalities affected the total numbers of youth recruited.</p> <p>Corrective measure:</p> <p>In line with the EPWP framework, the department commenced with addressing the shortfall by sourcing suitable youth for the outstanding municipalities by placing unemployed, qualifying youth from adjacent local municipalities within the same district municipalities and regions.</p>
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3.3 Programme 3

Destination Development



Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
I. Number of destination planning initiatives undertaken.	Eleven Destination planning initiatives undertaken:	
	1. Two facilitation sessions hosted in each of the nine provinces, as a platform to implement the destination planning manual as a planning tool.	Two facilitation sessions were hosted in each of the nine provinces, as a platform to implement the destination planning manual as a planning tool.
	2. Township (Khayelitsha) tourism precinct plans developed.	Precinct plans for Khayelitsha were developed.
	3. Karoo region tourism precinct plans developed.	Precinct plans for Karoo region were developed.
	4. Sutherland to Carnarvon/Square Kilometre Array (SKA) draft Master Plan.	Draft master plans for Sutherland to Carnarvon/SKA were completed.
	5. Hondeklip Baai to Port Nolloth draft Master Plan.	Draft master plans for Hondeklip Baai to Port Nolloth were completed.



Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
I. Number of destination planning initiatives undertaken.	Eleven Destination planning initiatives undertaken ... continued:	
	6. Port St Johns to Coffee Bay draft Master Plan.	Draft master plans for Port St Johns to Coffee Bay were completed.
	7. Orange River Mouth draft Master Plan.	Draft master plans for Orange River Mouth were completed.
	8. Kleinsee Beach Precinct Development concept developed.	Concept for Kleinsee Beach Precinct Development was developed.
	9. Hondeklipbaai and McDougalls Bay Campsites Precinct Development concept developed.	Concept for Hondeklipbaai and McDougalls Bay Campsites was developed.
	10. Develop and promote a pipeline of prioritised tourism investment projects and opportunities.	A pipeline of prioritised tourism investment projects and opportunities was developed and promoted.
	11. Develop an ownership and operational model for the budget resorts.	Ownership and operational model for the accommodation and related tourism products (budget resorts) was developed.



Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
2. Number of destination enhancement initiatives supported.	Fifteen initiatives	
	Eight destination enhancement projects supported, namely:	
	<p>Implementation of eight destination enhancement projects monitored, namely:</p> <ol style="list-style-type: none"> 1. Shangoni Gate. 2. Phalaborwa Wild Activity Hub. 	<p>The following destination enhancement projects were not supported:</p> <ol style="list-style-type: none"> 1. Shangoni Gate. 2. Phalaborwa Wild Activity Hub. <p>Reason for variance:</p> <p>There were delays in appointment of Civil engineer due to poor response by suitable candidates for Shangoni Gate, which further delayed the procuring of geotechnical and land surveyor services to enable finalisation of detailed plans. For Phalaborwa Wildlife Activity Hub, there was a delay in finalisation of the environmental impact authorisation.</p>



Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
2. Number of destination enhancement initiatives supported.	Fifteen initiatives	
	Eight destination enhancement projects supported, namely:	
	Implementation of eight destination enhancement projects monitored, namely: 1. Shangoni Gate. 2. Phalaborwa Wild Activity Hub.	<p>The following destination enhancement projects were not supported: Shangoni Gate and Phalaborwa Wild Activity Hub ... <i>continued.</i></p> <p>Corrective measure: Shangoni Gate: The engineer has been appointed mid-April 2019 and resumed work onsite from 1 May 2019, to provide analysis and land surveying. This will establish the Specifications and TORs to appoint the contractor.</p> <p>Phalaborwa: Follow-ups on the Environmental Impact Assessment (EIA) will be facilitated on a continued basis to ensure further processes begins promptly following the approvals being granted.</p>

Delays for the Shangoni Gate project were mainly attributed to the extensive consultation process to complete the Basic Assessment Report (BAR) and addressing the appeals lodged after the issuing of the Record of Decision (ROD). This was necessary in order to ensure the communities acceptance of the position of the entrance gate. In addition to the completing specialised studies for the environmental impact assessment application, SANParks was also requested to conduct flood line studies for the proposed gate, tented camp and camping sites. The Authorisation (the Record of Decision – ROD) was obtained in May 2018 for the construction of the Shangoni Gate. The delays in this process had a knock on effect on the rest of project schedule and therefore achievement of the original target."



Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
2. Number of destination enhancement initiatives supported.	Fifteen initiatives	
	Eight destination enhancement projects supported, namely:	
	<p>Universal Access (UA) projects at:</p> <ol style="list-style-type: none"> 3. Blyde River Canyon Tourism Sites in Mpumalanga. 4. Hilltop Rest Camp at Hluhluwe Game Reserve in KZN. 5. Gariep Dam Nature Reserve in Free State. 6. Dwesa Cwebe Nature Reserve in the Eastern Cape. 	<p>Destination enhancement projects were supported at the following UA projects:</p> <ul style="list-style-type: none"> • Blyde River Canyon Tourism Sites in Mpumalanga. • Hilltop Rest Camp at Hluhluwe Game Reserve in KZN. • Gariep Dam Nature Reserve in Free State. • Dwesa Cwebe Nature Reserve in Eastern Cape.



Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
2. Number of destination enhancement initiatives supported.	Fifteen initiatives	
	Eight destination enhancement projects supported, namely:	
	7. Dinosaur Interpretation Centre.	Dinosaur Interpretation Centre was supported.
	8. Leopard Trail and Interpretation Centre at Baviaanskloof WHS.	Leopard Trail and Interpretation Centre at Baviaanskloof WHS were supported.
	Interpretative signage implemented in six national iconic sites: 1. Hluhluwe Nature Reserve. 2. Mkambati Nature Reserve. 3. Dwesa Cwebe Nature Reserve. 4. Tsitsikamma National Park. 5. Blyde River Canyon. 6. Square Kilometres Array (SKA) Karoo Node.	Interpretative signage was implemented in the following six national iconic sites: • Hluhluwe Nature Reserve. • Mkambati Nature Reserve. • Dwesa Cwebe Nature Reserve. • Tsitsikamma National Park. • Blyde River Canyon. • SKA Karoo Node.

Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
2. Number of destination enhancement initiatives supported.	<p>Fifteen initiatives</p> <p>Eight destination enhancement projects supported, namely:</p> <p>One route development supported: Indi-Atlantic Route.</p>	<p>One route development project was supported: Indi-Atlantic Route.</p>
3. Number of (Full Time Equivalent (FTE) jobs created through Working for Tourism projects on the Expanded Public Works Programme (EPWP).	<p>6 355 FTE jobs created through the Working for Tourism Programme.</p>	<p>3 199 FTE jobs were created through the Working for Tourism Programme.</p> <p>Reason for variance: FTEs are realised through the implementation of EPWP funded projects. During the year under review, there were delays in implementation of certain EPWP funded projects for various reasons including:</p> <ul style="list-style-type: none"> • Detailed project planning processes with partners taking longer than anticipated. • Delays in procurement of implementers due to responsiveness of bids as well as administrative delays. • Necessary design improvement based on lessons learned in implementation of pilots. <p>Corrective Measure: Procurement for EPWP projects and contracting of service providers was initiated in the last quarter the 2018-19 financial year. The actual implementation will be aligned to start in quarter 1 of the next financial year. The numbers will be managed throughout the project life cycle.</p>

3.4 Programme 4:

Tourism Sector Support Services



Strategic objective: To accelerate the transformation of the tourism sector.

Key Performance Indicator	Annual Target	Actual Performance
I. Number of initiatives supported to promote Broad-Based Black economic Empowerment (B-BBEE) implementation	Three initiatives supported to promote B-BBEE implementation:	
	1. Monitoring report on the implementation of the amended tourism B-BBEE sector Code	Monitoring of the implementation of the amended Tourism B-BBEE Sector Code was done
	2. Secretariat services to the Tourism B-BBEE Charter Council provided	Secretariat services to the Tourism B-BBEE Charter Council was provided
	3. Women in Tourism empowerment initiatives conducted	Women in Tourism empowerment initiatives were conducted



Strategic objective: To accelerate the transformation of the tourism sector.

Key Performance Indicator	Annual Target	Actual Performance
2. Number of initiatives supported to stimulate domestic tourism.	Three initiatives supported to stimulate Domestic Tourism:	
	1. Framework for supporting tour operators to facilitate domestic tourism developed.	Framework for supporting tour operators to facilitate domestic tourism was developed.
	2. One social tourism scheme developed for travel facilitation.	One Domestic Tourism Scheme was developed for travel facilitation.
	3. Tours for designated groups supported (youth, the elderly and people with disabilities).	Tours for designated groups supported (youth, the elderly and people with disabilities) were conducted.



Strategic objective: To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
3. Number of enterprises supported for development.	Non-financial business development support provided to 400 Small, Medium and Micro Enterprises (SMMEs).	<p>Non-financial business development support was provided to 663 SMMEs</p> <p>Reason for variance: The department expanded its reach to SMMEs by using provincial and local government engagement platforms to include awareness sessions on services provided by the department to support tourism business.</p> <p>This increased uptake of this programme resulting in higher than targeted numbers.</p>



Strategic objective: To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
3. Number of enterprises supported for development.	Roll out a national tourism SMME financial literacy and management account and marketing skills and platforms development programme to 400 enterprises.	<p>Support was offered to 169 enterprises through EMPRETEC business management training conducted in partnership and co-funded with SEDA.</p> <p>Reason for variance: The department's implementation partner had to review its participation for its own operational reasons which affected achievement of project targets.</p> <p>Corrective measure: The outstanding SMMEs will be supported in 2019/20 financial year through partnerships with commercial banks.</p>

The EMPRETEC business management programme is a SEDA owned programme. In 2018/19 financial year the department had partnered with SEDA with a target to train 400 SMMEs. In year, our implementing partner indicated that their budget was reprioritised, affecting the continuation of the project. Therefore the project could not continue further due to the funding cut by SEDA.



Strategic objective: To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
4. Number of Incubators implemented.	Three existing incubators supported.	<p>Four existing incubators were supported: Pilanesberg, Mier, Phalaborwa and Manyeleti incubators.</p> <p>Reason for variance: After the 2019/20 plans had been finalised at the end of 2018/19, an additional incubator was established, increasing the number of incubators the department had to continue to support.</p>
	Two new incubators established.	<p>One new incubator was established:</p> <ul style="list-style-type: none"> The Maintenance Incubation Programme in Partnership with SANParks was approved by the department. A MoA and project proposal have been signed with SANParks <p>Reason for variance: Finalisation of the Barista Training Incubator was affected by project implementation delays. However, the project has since been finalised.</p>



Strategic objective: To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
5. Number of incentivised programmes implemented.	Four incentive programmes implemented: <ol style="list-style-type: none"> 1. Market Access Support Programme. 2. Tourism grading Support Programme. 3. Energy efficiency (Green Tourism Incentive Programme). 4. Sector Transformation (Tourism Transformation Fund). 	<p>Four incentive programmes were implemented:</p> <ol style="list-style-type: none"> 1. Market Access Support Programme. 2. Tourism Grading Support Programme. 3. Energy Efficiency (Green Tourism Incentive Programme). 4. Sector Transformation (Tourism Transformation Fund).



Strategic objective: To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
6. Number of community tourism enterprises supported to enter the tourism value chain.	<p>Community tourism enterprises supported to enter tourism value chain in five communities</p> <ol style="list-style-type: none"> 1. Free State - Witsieshoek 2. KwaZulu-Natal - Khula Village 3. KwaZulu-Natal - eMazizini 4. North West - Rampampa 5. Gauteng – Vilakazi 	<p>Stakeholder consultation in the five communities and the feasibility study have been completed.</p> <p>Reason for variance:</p> <p>Feasibility study as the necessary step to provide relevant support to the enterprises needed to be completed before the work to provide support could be initiated.</p> <p>Corrective measure:</p> <p>Business plans have been drafted to initiate the provision of support to the five identified communities.</p>



To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
7. Number of initiatives for improving visitor services implemented.	<p>Six initiatives for improving visitor services implemented:</p> <p>Application of Service Excellence Standards (SANS) 1197 in three Visitor Information centres located in three nodes:</p> <ol style="list-style-type: none"> 1. St Lucia (Khula Information Centre) in KZN. 2. Port St Johns Visitor Information Centre in EC. 3. Pilanesburg National Park Visitor Information Centre in North West. 	<p>Application of Service Excellence Standard (SANS 1197) was done in three (3) Visitor Information centres (VICs) located in three nodes:</p> <ul style="list-style-type: none"> • Pilanesberg National Park Visitor Information Centre in North West. • Kimberley Visitor information Centre.* • West Rand Development Agency Visitor Information Centre.* <p>Reason for variance:</p> <p>The deviation had been duly motivated and approved.</p>

*The department changed sites where the project was implemented, i.e. Kimberley Visitor information Centre and West Rand Development Agency Visitor Information Centre



To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
7. Number of initiatives for improving visitor services implemented.	Six initiatives for improving visitor services implemented.. <i>Continued:</i>	
	Journey to Service Excellence (J2SE) Programme in two municipalities as part of the small town revitalisation implemented: 1. Jozini – KZN. 2. Port St Johns – EC.	J2SE Programme in two (2) municipalities as part of the small town revitalisation was implemented in: 1. Jozini - KZN . 2. Port St Johns – EC.
	100% compliance with the service delivery charter in the management of tourist complaints.	100% compliance with the service delivery charter in the management of tourist complaints.
	Development of framework for accreditation of tourism scheme.	A framework for accreditation of tourism schemes was developed.



To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
7. Number of initiatives for improving visitor services implemented.	<p>Six initiatives for improving visitor services implemented.. Continued:</p> <p>Three joint awareness campaigns implemented for:</p> <ul style="list-style-type: none"> • Complaints Management • Service Excellence • Tourist Guiding • Tourism Safety 	<p>Four joint awareness campaigns were implemented for:</p> <ul style="list-style-type: none"> • Complaints Management • Service Excellence • Tourist Guiding • Tourism Safety <p>Reason for variance:</p> <p>Consumer Protection Forum in KZN had planned a Joint Awareness Campaign to celebrate Consumer Protection week on 11 – 15 March 2019. Considering this to be an opportunity to broaden tourism awareness initiatives, negotiations were held with the Forum organisers to include specific tourism issues in their Programme from 12 to 13 March 2019.</p>



To facilitate the development and growth of tourism enterprises to contribute to inclusive economic growth and job creation.

Key Performance Indicator	Annual Target	Actual Performance
7. Number of initiatives for improving visitor services implemented.	Six initiatives for improving visitor services implemented.. Continued:	
	<p>I 450 Tourism Monitors enrolled:</p> <ul style="list-style-type: none"> • Gauteng (200) • Mpumalanga (250) • Eastern Cape (200) • Western Cape (100) • KwaZulu-Natal (250) • Northern Cape (50) • Free State (50) • North West (100) • Limpopo (250) 	<p>Training was implemented in the following three provinces:</p> <ul style="list-style-type: none"> • Gauteng (194) • Mpumalanga (238) • Eastern Cape (167) <p>Reason for variance: Using lessons learned from implementation in the first 3 provinces, the department decided to revisit the programme design and review numbers in the new provinces.</p> <p>Corrective measure: Implementations in the other 6 provinces will be informed by this review exercise in order to meet programme objectives.</p>



Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Nine skills development programmes Tourism Human Resource Development (THRD) initiatives implemented:	
	1. 577 unemployed youth enrolled in NYCTP.	588 unemployed youth were enrolled in the NYCTP. Reason for variance: To manage high drop outs rates and avoid the risk of not achieving, additional learners were enrolled since inception.
	2. 200 unemployed youth enrolled in the Blue Flag Beach Training Programme in: <ul style="list-style-type: none"> • Western Cape (100) • Eastern Cape (50) • KwaZulu-Natal (50) 	200 unemployed youth were enrolled in the Blue Flag Beach Training Programme in 2016 for the duration of 2 years and four months. However, at 31 March 2019, 157 youth remained in the programme due to drop outs and other employment opportunities.



Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Nine skills development programmes Tourism Human Resource Development (THRD) initiatives implemented:	
	3. 300 unemployed youth enrolled in Sommelier Training Programme.	300 unemployed youth were enrolled in Sommelier Training Programme. However at 31 March 2019, 272 youth remained in the programme due to drop outs and other employment opportunities.
	4. 1 500 unemployed youth enrolled in Food Safety Programme.	<p>1 500 unemployed youth in the Food Safety Programme were not enrolled</p> <p>Reason for variance: The procurement process did not identify a suitable supplier to implement the programme.</p> <p>Corrective measure: The procurement process for an implementer has been re-started in order to continue with the programme.</p>



Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Nine skills development programmes Tourism Human Resource Development (THRD) initiatives implemented:	
	5. Hospitality Youth Programme Implemented: <ul style="list-style-type: none"> • 600 learners enrolled in Accommodation, Food and Beverage. 	Hospitality Youth Programme was implemented with 643 learners enrolled in Accommodation, Food and Beverages. However, as at 31 March 2019 there were 581 learners in the Programme distributed as follows: <ul style="list-style-type: none"> • NW (203) • FS (93) • Limpopo (285)



Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Nine skills development programmes Tourism Human Resource Development (THRD) initiatives implemented:	
	<p>2 375 unemployed youth trained and placed in Restaurants for experiential training:</p> <ul style="list-style-type: none"> • Gauteng (575) • Mpumalanga (350) • Eastern Cape- (200) • Western Cape (575) • Kwazulu-Natal (575) • Northern Cape (100) 	<p>1 780 unemployed youth were trained and placed in restaurants for experiential training. However as at 31 March 2019 there were 1 637 in the programme, distributed as follows:</p> <p>Gauteng (515); Mpumalanga (318); Eastern Cape (164); KwaZulu-Natal (640); Northern Cape (0); Western Cape (0).</p> <p>Reason for variance: The shortfall is accounted for by Northern Cape and Western Cape where recruitment was not finalised as the project was still at planning phase.</p> <p>Corrective measure: Procurement for Western Cape and Northern Cape has since been finalised and implementation of the project will commence.</p>



Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Nine skills development programmes (THRD) initiatives implemented:	Tourism Human Resource Development
	6. NTCE convened.	NTCE was convened.
	7. Training of forty Women in the Executive Development Programme facilitated.	Training of forty Women in the Executive Development Programme was facilitated.
	8. Three programmes to capacitate tourist guides implemented: <ul style="list-style-type: none"> • Upskilling of tourist guides in iSimangaliso Wetland Park and Cape Floral Kingdom. • Up-skilling of tourist guides at Kruger National Park. • Training of new entrants as tourist guides in the Eastern Cape and Limpopo provinces. 	Two programmes to capacitate tourist guides were fully implemented and one was partly implemented: <ul style="list-style-type: none"> • Upskilling of tourist guides in IsiMangaliso Wetlands Park was completed. • Up-skilling of tourist guides at Kruger National Park was done. • New entrants as tourist guides in the Eastern Cape and Limpopo provinces were trained. <p>Reason for variance: The widespread fires in the Western Cape have delayed the commencement of the training.</p>



Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Nine skills development programmes Tourism Human Resource Development (THRD) initiatives implemented:	
	8. Resource Efficiency Training Programmes implemented for sixty learners in three provinces: <ul style="list-style-type: none"> • Eastern Cape • Free State • Western Cape 	60 learners were recruited in the Programme in the Eastern Cape, Free State and Western Cape. However, as at 31 March 2019, only 47 learners were in the programme due to drop outs.
	Provincial and local government Capacity-Building Programme: Four provincial and local government tourism information sharing sessions coordinated in municipalities linked to rural nodes.	Four provincial and local government tourism information sharing sessions were co-ordinated in municipalities linked to rural nodes.



4. Human Resource Information



Employees Per Occupational Bands: March 2019

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	2	3	0	1	1	8
Senior Management.	25	1	3	1	20	3	3	3	59
Professionally qualified and experienced specialists and mid-management.	96	3	4	4	109	8	6	7	237
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents.	44	4	0	0	75	6	1	3	133
Semi-skilled and discretionary decision making.	16	0	0	0	13	0	0	0	29
Unskilled and defined decision making.	1	0	0	0	0	0	0	0	1
TOTAL	183	8	7	7	220	17	11	14	467



Workforce Representativity as at end of 31 March 2019

Total Establishment

Race	Number	Percentage
Africans	403	86.3%
Coloureds	25	5.4%
Indians	18	4%
Whites	21	4.5%
TOTAL	467	
Persons with Disabilities	21	4.5%



LIST OF ACRONYMS AND ABBREVIATIONS

AGSA	Auditor-General of South Africa	NTIMS:	National Tourism Information and Monitoring System
APP	Annual Performance Plan	NTSS:	National Tourism Sector Strategy
BAR	Basic Assessment Report	NYCTP	National Youth Chefs Training Programme
B-BBEE	broad-based black economic empowerment	NW	North West
CoE	Compensation on Employees	RMC	Risk Management Committee
DPSA	Department for Public Service and Administration	RoD	Record of Decision
EC	Eastern Cape	SADC	Southern African Development Community
EIA	Environmental Impact Assessment	SANS	South African National Standard
EPWP	Expanded Public Works Programme	SANParks	South African National Parks
FS	Free State	SA Tourism	South African Tourism
FTE	full-time equivalent	SEDA	Small Enterprise Development Agency
GP	Gauteng	SKA	Square Kilometre Array
GTAC	Government Technical Advisory Centre	SMME	Small, medium and micro-enterprise
HRD	Human Resource Development	SMS	Senior Management Services
ICTSP	Information Communication Technology Strategic Plan	SP	Strategic Plan
IORA	Indian Ocean Rim Association	SRI	Social Responsibility Implementation
J2SE	Journey to Service Excellence	TSHRD	Tourism Sector Human Resource Development
KZN	KwaZulu Natal	UA	Universal Access
LP	Limpopo	VIC	Visitor Information Centre
MoA	Memorandum of Agreement	WC	Western Cape
MP	Mpumalanga	WHS	World Heritage Site
NC	Northern Cape	WSP	Workplace Skills Plan
NT	National Treasury		
NTCE	National Tourism Careers Expo		



Thank You

