



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA

NDT Briefing to the Portfolio Committee on Tourism

Annual Report 2011/12

October 2012

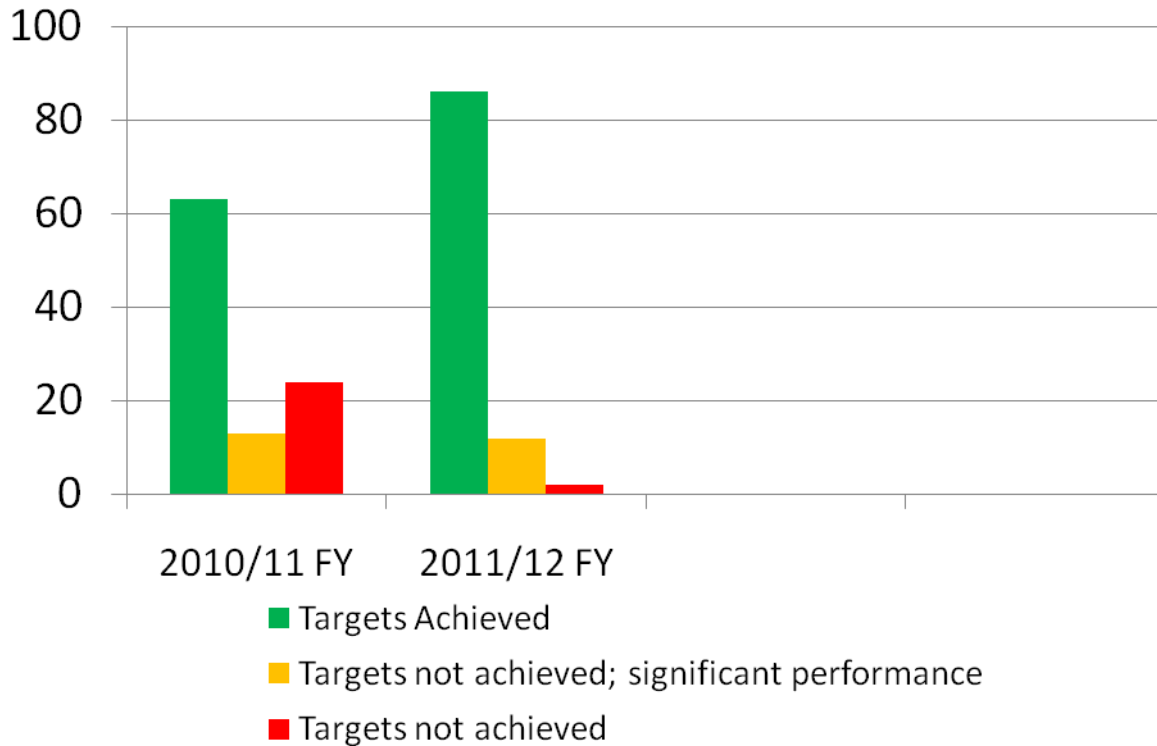
Introduction



Department's Performance

- The performance of the department improved during 2011/12 as compared to 2010/11 financial year. The improvement can be attributed to the following elements:
 - The review of the departmental strategy and improved planning.
 - Improvements in the internal performance management system.
 - Establishment of a Risk Management unit that assisted management in identifying and mitigating potential risks that can hinder the department from achieving its objectives within set timeframes.
 - The reduction of vacancy rate from 21.6% to 9.42%.

Performance Overview of 2010/11 and 2011/12



	2010/11	2011/12
	63%	86%
	13%	12%
	24%	2%

- The AG's finding that 71% of the 2010/11 targets were achieved and 29% were not achieved is based on the audit of only 2 branches. The graph above is based on the analysis of all 4 branches.

Auditor General's (AG) Report 2011/12 Audit

Trend on AG's report

Movement	2011/12 FY	2010/11 FY
Audit opinion	Unqualified with findings	From clean to unqualified with findings on PDO's and compliance
Supply Chain Management	Similar findings to prior year	From no findings to findings on SCM
Human Resource Management	Prior year findings were addressed	Leave, overtime & suspensions. Performance Management
Information Technology	Similar findings to prior year	From no findings to findings on IT
Predetermined Objectives	No findings	No findings

2011/12 Audit Focus Areas

Focus Area	Findings
Human Resource Management	No matters were identified.
Supply Chain Management	No significant findings.
Predetermined Objectives	Material audit adjustments to the annual performance report were made.
IT controls	
• IT Governance	No significant findings.
• IT Security Management (O/S, Network, Database)	No significant findings.
• IT User Access Control Network and Application level	No significant findings.
• IT Program Change Management	No significant findings.
Financial Health	No matters were identified at the department that raised any concerns regarding fiscal health.

Other matters

- **Compliance with laws and regulations: Transfer of funds**
 - NDT in number of instances did not maintain appropriate control measures related to EPWP.
 - Regular reporting procedures
 - Submission of external audit reports
 - Compliance with regular monitoring procedures and inspection visits
- **Other reports**
 - Investigations are in progress into the conduct of various EPWP implementers.

Actions to improve 2011/12 AG findings

- Action plans have been developed to improve the internal deficiencies that gave rise to audit findings.
- Internal Audit now conducts an audit on quarterly basis on validity, accuracy, and completeness of the reported performance against the pre-determined objectives.
- For new SRI contracts the department will appoint the auditors for each project to strengthen oversight.
- New SRI contracts structured to provide even more controls and to guide release of funds.
- In relevant cases qualified engineers/quantity surveyors will be appointed to certify projects.

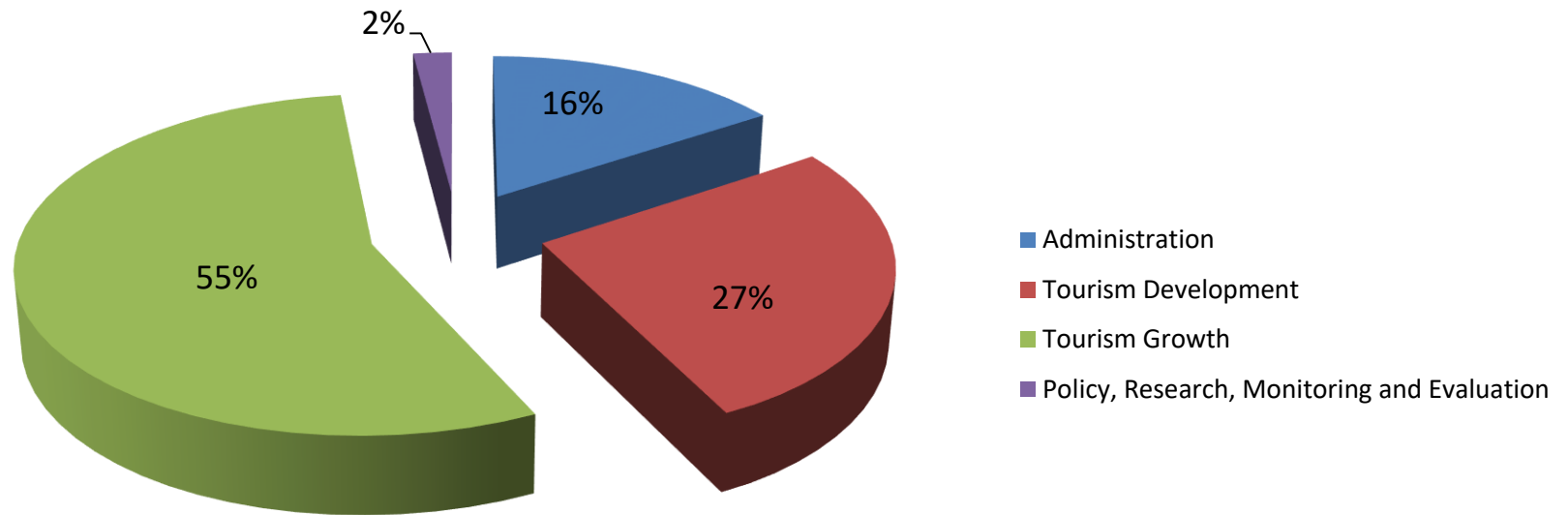
Financial Information

Budget and Expenditure Review for 2011/12

Programme	Final Appropriation 2011/12 R'000	Expenditure R'000	Over/ (Under) Expenditure R'000	Expenditure as per % of Final Appropriation R'000
1. Administration	197 837	196 513	(1 324)	99.3%
2. Tourism Development	346,175	338,577	(7 598)	97.8%
3. Tourism Growth	694,074	689,756	(4 318)	99.4%
4. Policy, Research, Monitoring and Evaluation	26,899	25,400	(1 499)	94.4%
Total	1 264 985	1 250 246	(14 739)	98.8%



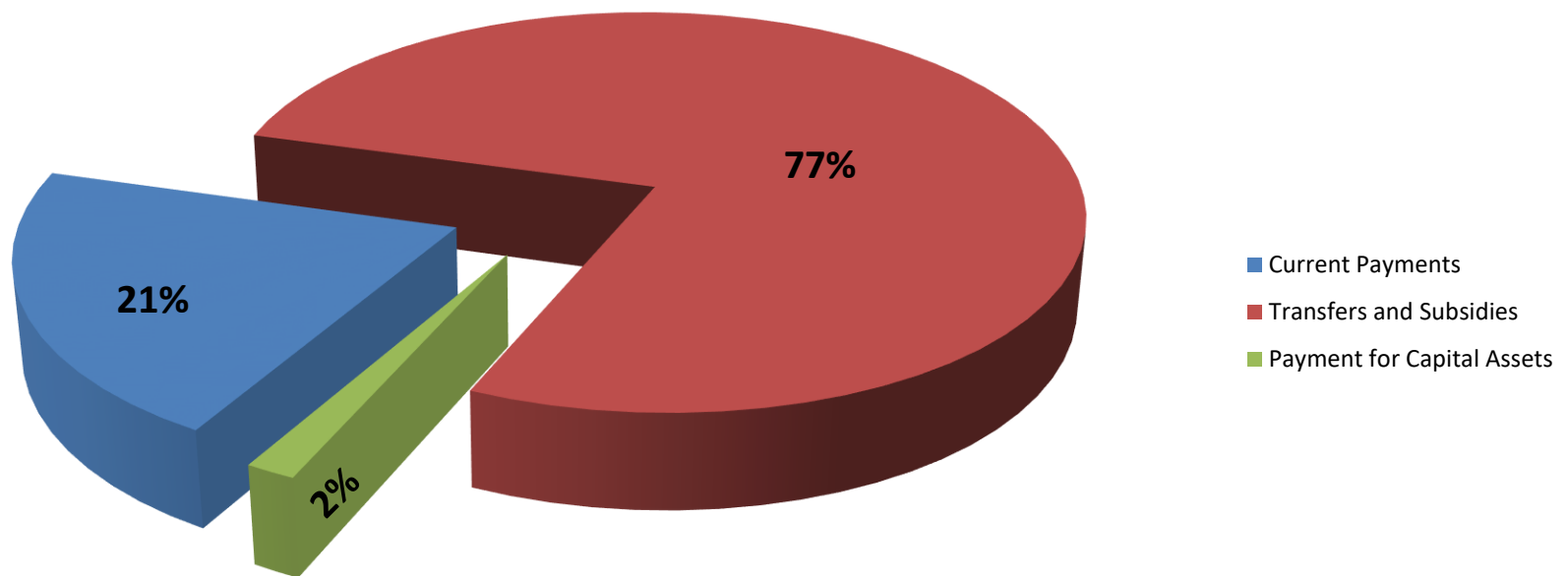
Actual Expenditure per programme



Expenditure per Economical Classification (Summary)

Economical Classification	Final Appropriation R'000	Expenditure R'000	Variance R'000
Current Payments	275 911	262 996	12 915
-Compensation of Employees	138 874	135 254	3 620
-Goods and Services	136 776	127 481	9 295
-Interest	261	261	-
Transfers and Subsidies	967 784	966 731	1 053
-Departmental Agencies and Accounts	668 613	668 613	-
-Universities & Technikons	1 875	1 875	-
-Foreign Governments	2 000	1 447	553
-Non-Profit Institutions	22 700	22 200	500
-Households	272 596	272 596	-
Capital Assets	21 290	20 519	771
-Software	939	939	-
-Machinery and Equipment	20 342	19 571	771
- Payment for Financial Assets	9	9	-
Total	1 264 985	1 250 246	14 739

Actual Expenditure per high level item



Details of Variance

Details	Amount R'000	Action
Compensation of employees -Vacancies	3 620	Returned to National Treasury.
Goods and services - Heritage DVD's - International Airport Transport Association(IATA) membership fees - Learnership support programme with Further Education and Training Colleges - MOU with Stellenbosch University to develop long term tourism scenarios	9 295	R 9 million was requested for roll over as it relates to commitments.
Transfer payments -Tourism Business Council MOU not finalised -Exchange rate savings – payment to the United Nations World Tourism Organisation	1 053	Returned to National Treasury.
Capital Assets -Savings through bulk purchases	771	Returned to National Treasury.
TOTAL	14 739	

Programme Performance Information

PROGRAMME 1

Administration

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Effective organisational performance management system		
Percentage of compliance with provisions of government's performance and risk management prescripts.	100%	100%
Intergovernmental policy integration and implementation support system developed and implemented.	Development and 100% implementation.	Internal Protocol was developed and 100% implemented.
SO: Capable and skilled workforce		
Percentage of vacancy rate.	Reduce funded vacancy rate to 10%.	9.42%
Percentage implementation of Workplace Skills Plan (WSP).	100% implementation.	118%
Percentage implementation of Performance Management Development System (PMDS).	100%	100%

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Capable and skilled workforce		
Number of interventions on HIV/ AIDS and Employee Health Wellness (EHW) conducted.	4 interventions.	4
Percentage representation of designated groups.	50% women.	54%
	2% disability.	2.97%
	Maintain minimum 82% black representation.	93%
SO: Efficient service delivery		
Percentage of implementation of Master Systems Plan (MSP).	Review NDT MSP.	NDT MSP was reviewed.
	Implementation of Phase 1.	100% of Phase 1 was implemented.
Business Process modelling and structures.	Audit of all NDT Business processes.	All NDT business processes were audited.
	Modelling 40% of business processes.	45% of processes were modelled.

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO) : Efficient service delivery		
Uptime of network and services availability.	97% uptime.	99%
SO: Positive image of the department		
Percentage implementation of the annual implementation plan of the Communication Strategy.	100%	92%
Percentage increase in the share of own voice in the media.	55%	61%
Number of high level media interventions that will lead to media coverage.	8	13
SO: Effective Internal Audit services		
Percentage of completion of approved rolling three (3) year strategic and one (1) year operational plan.	100% implementation.	100%

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Effective international cooperation and integration		
Tourism International Relations Strategy developed and implemented.	Development of Strategy.	Tourism International Relations Strategy was developed.
	100% of approved programme for the year implemented.	Programme for the year was not implemented.
SO: Corporate legal support		
Percentage compliance with case management requirements.	100%	100%
Percentage compliance with agreed service delivery standards.	100%	100%
SO: Economic, efficient and effective use of departmental resources		
Percentage compliance with regulatory requirements.	100%	100%

Key Performance Indicator	Target	Actual Performance
SO: Economic, efficient and effective use of departmental resources		
Percentage of expenditure on procurement from BBBEE and BEE enterprises.	59%	59%

PROGRAMME 2

Tourism Development

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Create employment opportunities by implementing tourism projects targeted at the unemployed		
Number of Full Time Equivalent (FTEs) jobs created.	5 270	5 036
Number of Full Time equivalent jobs created from MTEF baseline budget (TEP).	5 000	5 093
SO: To contribute to skills and people development within the tourism sector		
Number of unemployed youth and graduates trained as chefs and placed for experiential learning.	800	818 youth were enrolled in the programme, and 536 graduated.
Number of unemployed youth trained in the hospitality fields and placed for experiential learning.	300	422 youth were trained and placed.

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): To contribute to skills and people development within the Tourism sector		
Number of people trained as Tourist Buddies and placed for experiential learning.	975	<ul style="list-style-type: none"> • A total of 1 221 were enrolled and 1 170 placed for experiential learning. • 913 were assessed and found competent and should receive certificates.
SO: Facilitate and support economic empowerment through product and enterprise development		
Number of products in rural and less visited provinces supported.	Rural Tourism Development Strategy finalised.	The Rural Tourism Strategy was developed and finalised.
Number of products in rural and less visited provinces Supported.	2 products supported.	<p>4 products were supported:</p> <ul style="list-style-type: none"> • Maloti Drakensberg Route. • Dinosaur Project. • Bushbuckridge Community Project. • aMahlube Community Event.

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Facilitate and support economic empowerment through product and enterprise development		
Number of tourism projects funded through the EPWP funding.	45	76
Number of interventions implemented to facilitate, guide and support product development.	1 Tourism Development Master Plan developed.	1 Tourism Development Master Plan was developed and products were mapped.
Number of investment promotion activities.	4 investment promotion activities.	4 investment promotion initiatives were conducted.
Cultural Heritage Tourism Strategy.	Refine draft Cultural Heritage Tourism Strategy.	The Heritage and Cultural Tourism Strategy was finalised and launched.
Events Strategy.	1 Events Strategy.	1 Event Strategy was finalised.
Niche Tourism Strategy.	1 Niche product identified, approved and developed.	1 niche product was identified, approved and Niche Tourism Strategy developed.

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Facilitate and support economic empowerment through product and enterprise development		
Number of intervention in support of Social Tourism Development.	1 research conducted.	1 research was conducted.
Number of small rural tourism enterprises supported.	530	981
Number of enterprises supported to grow (5% revenue and/or 5% jobs).	25 (5 rural)	99
Number of businesses supported with market access.	170	186
Number of members of designated groups supported.	3 351	2 253 enterprises were supported.
SO: Enable and drive transformation in the sector as informed by the gazetted Tourism BEE Charter and the NTSS		
Number of MoU with action plans signed with strategic partners.	12	14 MoUs were signed with strategic partners (Five with public sector and nine with private sector).



Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Enable and drive transformation in the sector as informed by the gazetted Tourism BEE Charter and the NTSS		
System for monitoring compliance with BEE rating by tourism enterprises developed and implemented.	System piloted.	System was piloted and is operational. 136 tourism enterprises have registered.
Number of organs of state who report on levers they use to drive transformation in the sector.	25	30 organs of state submitted reports on levers they used to drive transformation in the sector.
National mentorship programme established to support the development of Black SMMEs.	20	22 SMMEs were accepted into the AMSCO programme.
Number of black graduates participating in the accelerated tourism graduate apprenticeship.	50	37 black graduates participating in the accelerated tourism graduate apprenticeship.
Annual report published on the impact of public sector partner spend on empowered tourism goods and services.	1	A final report was compiled.

Key Performance Indicator	Target	Actual Performance
SO: Key stakeholder engagement through strategic events platforms		
Number of events successfully executed informed by the departmental mandate and objectives.	5	<p>5 events were executed:</p> <ul style="list-style-type: none"> • Tourism Indaba. • World Tourism Day Celebrations. • Woman in Tourism –Mangaung • Hlabisa Crafts Woman Outreach. • NDT Woman Empowerment High Tea.

PROGRAMME 3

Tourism Growth

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): To provide excellent people development within the tourism sector targeting young people		
Revised skills audit report 2011 & implemented.	Revised skills audit report for 2012.	MoU between NDT and CATHSSETA is available and was signed by both parties.
Number of unemployed matriculants and tourism graduates trained and placed for experiential learning per year in the hospitality industry.	Recruitment, training and placement of 70 unemployed matriculants and tourism graduates facilitated.	249 unemployed matriculants and tourism graduates recruited, trained and placed for experiential learning in the hospitality industry.
Number of young people trained and placed as chefs per year in the hospitality industry.	Recruitment, training and placement of 800 young people facilitated.	810 candidates were selected and enrolled for the 1st phase pilot programme.
Number of tourism educator support programmes facilitated in the provinces.	9 tourism educator programmes facilitated.	27 educator programmes were facilitated in all nine provinces.
Tourism Leadership Dialogues held.	4	4



Key Performance indicator	Target	Actual Performance
Strategic Objective (SO): To provide excellent people development within the tourism sector targeting young people		
National Tourism Careers Expo 2011 held.	1 Expo held.	1 National Tourism Careers Expo (NTCE) 2011 was successfully held in Durban on 23-25 September 2011.
Number of higher education institutions engaged to provide professional training for scarce and critical skills for tourism.	Discussion Document on areas of co-operation developed.	The discussion document on areas of co-operation was developed.
	Report on institutional engagements.	A consolidated report on the outcomes of engagements is in place.
SO: Create conducive environment and contribution to economic growth through decent work		
Framework on decent work for the sector developed & implemented.	Draft Decent Work Framework for the tourism sector.	<ul style="list-style-type: none"> • Situational analysis report was done. • A draft framework for Decent work is available.

Key Performance indicator	Target	Actual Performance
Strategic Objective (SO): To improve service levels in the tourism industry		
Tourism Generic Service Excellence Standards and Norms implemented.	Tourism Generic Service Excellence Standards and Norms facilitated.	Tourism Generic Service Excellence Requirements developed and are in place.
Service Excellence Strategy implemented.	Implementation of phase one based on the recommendations of the strategy.	Implementation of phase one based on the recommendations of the strategy.
	Launch and national campaign.	Service excellence requirements and the national service excellence welcome campaign were launched.
SO: To professionalise tourist guiding services		
Implementation of the professionalisation of the Tourist Guiding Strategy.	9 Workshops and awareness programmes conducted on the implementation plan for the tourist guiding strategy.	11 Workshops were held on the implementation plan for the Tourist Guiding Strategy.

Key Performance indicator	Target	Actual Performance
Strategic Objective (SO): To professionalise tourist guiding services		
Implementation of the professionalisation of the tourist guiding strategy	4 SADC countries consulted on harmonising guiding standards.	All SADC Countries consulted through engagement with SADCSTAN secretariat.
	Draft framework for harmonising guiding standards developed.	Draft framework for harmonising guiding standards was developed.
	Monitoring and reporting on provincial tourist guides registration.	Monitoring of provincial tourist guides registration was done and a report was produced in this regard.
SO: To improve service levels in the tourism industry		
A Consumer satisfaction framework for tourism developed	Consumer Satisfaction Framework developed and communicated to the industry and spheres of government.	Consumer Satisfaction Framework was developed and communicated to the industry and spheres of government.

Key Performance indicator	Target	Actual Performance
Strategic Objective (SO): To promote responsible tourism best practice		
Establish & monitor Accreditation System and Accreditation of Certification Agencies for National Minimum Standards for Responsible Tourism (NMSRT)	SANAS approved Accreditation System in place.	SANAS approved Accreditation System is in place.
Universal Access in Tourism Action Plan developed and implemented	UA Action Plan finalised with annual action plan.	<ul style="list-style-type: none"> • Universal Access Action Plan and Sector Declaration with the annual action plans were adopted by stakeholders. • 18 workshops conducted and 4 400 brochures were distributed.
National Climate Change and Tourism Response Programme Formulated	National Climate Change and Tourism Action Plan developed.	<ul style="list-style-type: none"> • National Climate Change and Tourism Action plan was developed. • 18 Workshops conducted and 5 000 brochures were distributed.

Key Performance indicator	Target	Actual Performance
SO: To promote responsible tourism best practice		
National Responsible Tourism Strategy developed and implemented	National Responsible Tourism Strategy developed including annual action plan.	National Responsible Tourism Strategy including annual action plan was developed.

PROGRAMME 4

Policy, Research, Monitoring & Evaluation

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Monitoring and evaluation of tourism sector performance, strategies and policies		
Frequency of the state of tourism reports.	1	2009/2010 State of Tourism report was finalised and printed.
Number of impact evaluation reports for the tourism sector and NDT initiative.	2	<ul style="list-style-type: none"> • 1 report (SRI evaluation survey) was done. • Impact survey to evaluate the second report (TEP) is in the process of being developed. • Data has been collected, coded, captured and cleaned.
M & E Framework for NTSS developed and number of progress reports.	Monitoring and Evaluation Framework for NTSS finalised.	Monitoring and Evaluation Framework for NTSS was finalised.
Number of progress reports on tourism indicators for presidential outcomes.	Quarterly reports based on presidential timeframes.	All quarterly reports were done as per requests received.

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Monitoring and evaluation of tourism sector performance, strategies and policies		
Number of tourism forecasting models customized/ adapted.	1	1 model to estimate number of direct and indirect jobs created was developed.
M&E framework for Departmental entities developed and implemented.	M&E framework developed for entities.	Monitoring and Evaluation Framework for Tourism Enterprise Partnerships (TEP) was developed.
SO: Create an enabling policy environment and improve intergovernmental coordination		
Number of tourism related policies/ strategies/framework reviewed and/ or developed	5 (draft Domestic Tourism Strategy, approved Crisis Management Framework, approved Intergovernmental and Stakeholder Engagement Framework).	5 <ul style="list-style-type: none"> • Draft Domestic Tourism Strategy was developed • Crisis Management framework was developed. • Intergovernmental and stakeholder Engagement framework was developed.

Key Performance indicator	Target	Actual Performance
Strategic Objective (SO): Create an enabling policy environment and improve intergovernmental coordination		
Number of tourism related policies/ strategies / framework reviewed and/ or developed.	Development of Sector Budget Structure and Report on the review of national policies' implications to tourism development and growth).	<ul style="list-style-type: none"> • Sector Budget structure was developed. • Two policy papers on transport review and compendium of legislation with impact on tourism developed.
Number of Districts municipalities supported to implement tourism development and growth initiatives.	Draft local government tourism development and growth programme.	Local Government Tourism Development and Growth Support Programme were developed.
	Programme initiated in 2 District Municipalities.	2 District Municipalities supported to implement tourism growth and development Programmes.

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Create an enabling policy environment and improve intergovernmental coordination		
Number of reports on the integration and alignment of tourism Initiatives with the NTSS at provincial government level.	Report on the alignment of the provincial growth and development strategies (PGDS) with NTSS.	Report on the alignment of the provincial growth and development strategies (PGDS) with NTSS was done.
Number of District Municipalities influenced to align tourism initiatives with the NTSS.	15 District Municipalities.	19 District Municipalities were influenced to align tourism initiatives with the NTSS.
Number of platforms facilitated to secure additional aviation frequencies in key tourism portfolio markets.	2	5 platforms were facilitated to secure additional frequencies in key tourism portfolio markets (Botswana, Singapore, China, Swaziland and Hong Kong).

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Create an enabling policy environment and improve intergovernmental coordination		
Number of initiatives & platforms aimed at improving integration & alignment created.	2	2 National Stakeholder Forums were hosted to improve integration and alignment.
SO: Provide Knowledge Management for Tourism Sector		
Number of new information and knowledge systems and services developed (e-library, tourist guides register, events calendar etc.)	1	1 new information and knowledge system and service was developed & prototype available i.e. Tourism Knowledge Portal http://10.121.224.217:8401/SitePages/Home.aspx .
National Visitors Information Framework (NVIF) developed, approved and implemented in 4 phases	NVIF brand developed.	National Visitors Information Centres Framework and brand was developed.

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Provide Knowledge Management for Tourism Sector		
Number of national tourism information Gateways (NTIG) operational.	Framework for National Tourism Information Gateways developed.	National Tourism Information Gateways Framework and brand was developed.
Standardized Knowledge Management Framework for the tourism sector developed and Implemented.	Approved Knowledge Management Framework and commence with implementation.	<ul style="list-style-type: none"> Knowledge Management Framework was approved Implementation report for Knowledge Management Framework is available.
Number of information dissemination platforms developed.	1	Social Media Approach for the Social Media Strategy was developed.
Percentage of District Municipalities whose events are captured in the National Events Calendar.	50%	78% (35 out of 45) of the District Municipalities have their events captured in the National Events Calendar.

Key Performance Indicator	Target	Actual Performance
Strategic Objective (SO): Manage and conduct tourism research to inform tourism growth and development		
Number of research studies conducted to inform niche tourism product development.	2	2
Number of research studies conducted to inform the development of new markets.	2 initiated.	1 of the 2 reports was completed.
Number of research studies conducted on tourism indicators identified in the NTSS without baselines.	3	3
Standardised Research Framework for the tourism sector developed and implemented.	Approved Research Framework.	National Research Framework was approved.
	Commence with implementation.	Implementation of the framework commenced with research agenda compiled.

Human Resource

WORKFORCE REPRESENTATIVITY AS END OF 2011/2012

- **Total Establishment was 404.**
- Africans = 346: 86%
- Coloureds = 21: 5%
- Indians = 12: 3%
- Whites = 25: 6%

- **Senior Management were 55**
- Africans = 34: 66%
- Coloureds = 5: 9%
- Indians = 3: 6%
- Whites = 11: 20%

- Women in Senior Management: 27 out of 53 which makes 49%
- People living with disability were 11 people = 3%
- Staff Turnover rate: 25 People left the department which leaves us to 6%

Total number of Employees per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	0	0	0	0	0	0
Senior Management, Permanent	14	3	2	19	4	17	0	1	18	3	44
Professionally qualified and experienced specialists and mid-management, permanent	58	5	3	66	4	64	2	3	69	5	144
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	58	1	1	60	0	84	7	2	93	4	157
Semi-skilled and discretionary decision making, permanent	16	0	0	18	0	11	1	0	12	0	28
Contract (Top Management), permanent	2	0	0	2	3	2	0	0	2	1	8
Contract (Senior Management), permanent	0	0	0	0	0	1	2	0	3	0	3
Contract (Professionally qualified), permanent	2	0	0	1	1	1	0	0	1	0	4
Contract (Skilled technical) permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Semi-skilled), permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Unskilled), permanent	5	0	0	5	0	8	0	0	8	0	13
Total	156	9	6	172	12	190	12	6	208	13	404



tourism

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Thank You