

Briefing to the Portfolio Committee on Tourism

Department of Tourism Annual Report for 2017/18

10 October 2018

broadening horizons



tourism

Department:
Tourism
REPUBLIC OF SOUTH AFRICA



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I. Auditor-General South Africa's (AGSA) Report: 2017-18 Audit.



Auditor-General's Report

- **Unqualified audit**
 - The Department received an unqualified audit for the 2017/18 financial year.
- **Pre-determined Objectives:**
 - No material findings on the usefulness and reliability of the reported performance information for the selected Programmes: Programme 2 - Tourism Policy and Planning, Programme 3 - Destination Development and Programme 4 - Enterprise and Visitor Support Services.
 - Reported performance information is useful and reliable in all material respects.
- **Financial Statements:**
 - Financial statements present fairly, in all material respects, the financial position of the Department of Tourism as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the modified cash standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).



Auditor-General's Report...Continued

- **Compliance with Laws and Regulations:**

Material non-compliance with key applicable legislation was identified.

- Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.
- Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A 6.1.

- **Internal Controls:**

Internal control deficiency was identified.

- Management did not review and monitor compliance with applicable legislation relating to Supply Chain Management processes relating to obtaining of quotations as required. The preparation of financial statements was not done in line with the PFMA and the MSC except for disclosure notes relating to Prepayments, Advances and Capital Work in Progress.



Auditor-General's Report...Continued

- **Other reports:**

- As previously reported, the Government Technical Advisory Centre (GTAC) has been requested to review the Expanded Public Works Programme (EPWVP) projects to ensure finalisation of these projects in an effective and efficient manner. The review covered a sample of EPWVP projects not yet finalised since inception of the department until 31 March 2018. At the date of the report, the review was still in progress.



2. Financial Information

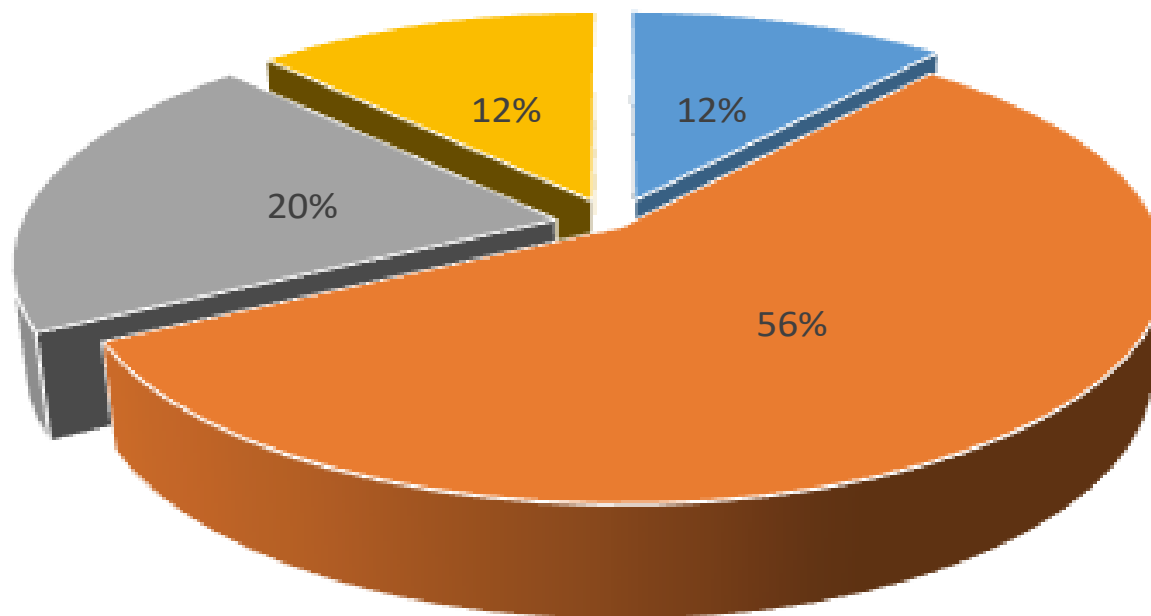


Budget and Expenditure Review for 2017/18

Programme	Final Appropriation (R'000)	Expenditure (R'000)	Expenditure as per % of Final Appropriation	Explanation of material variances
Administration	241 878	241 878	100%	-
Tourism Policy and Planning	1 197 141	1 196 743	100%	-
Destination Development	434 437	433 529	99.8%	-
Enterprise and Visitor Support Services	266 700	261 826	98.2%	The variance is due to payments held back for the Kruger National Park Energy Efficiency project falling within the Tourism Incentive Programme, resulting from the project not meeting the last milestone for final payment within the 2017/18 financial year.
Total	2 140 156	2 133 976	6 180	



Actual Expenditure Per Programme



■ Administration

■ Destination Development

■ Tourism Policy and Planning

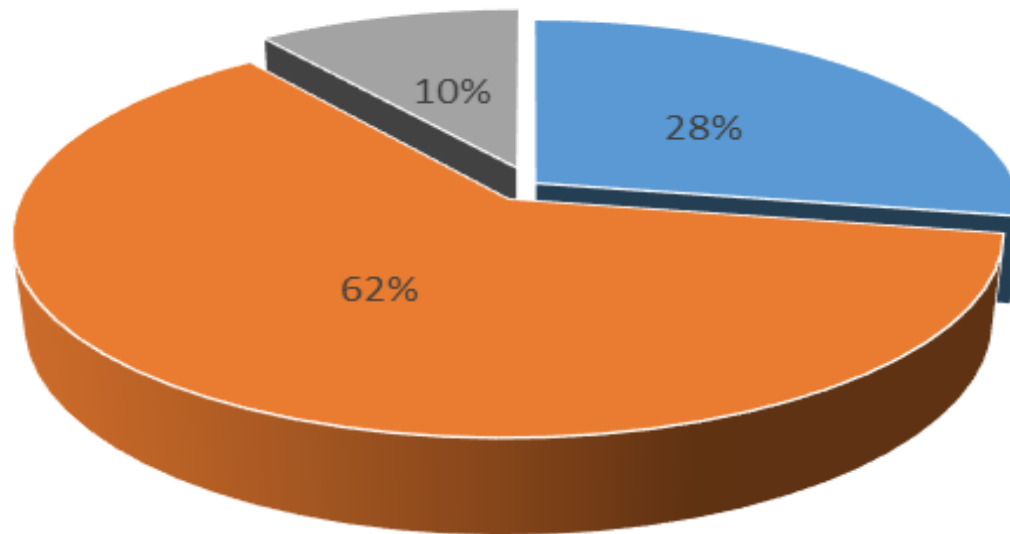
■ Enterprise and Visitor Support Services

Expenditure Per Economic Classification (Summary)

Economic Classification	Final Appropriation R'000	Expenditure R'000	Variance R'000
Current Payments	596 713	591 098	5 615
- Compensation of Employees	296 853	296 240	613
- Goods and Services	299 860	294 858	5 002
Transfers and Subsidies	1 320 704	1 320 143	561
- Departmental Agencies and Accounts	1 174 097	1 174 097	-
- Higher Education Institutions	-	-	-
- Public Corporations and Private Enterprises	48 279	47 966	313
- Foreign Governments and International Organisations	6 638	6 394	244
- Non-Profit Institutions	560	560	-
- Households	91 130	91 126	4
Capital Assets	222 620	222 616	4
- Buildings and other fixed structures	214 527	214 526	1
- Machinery and Equipment	6 652	6 649	3
- Software and other intangible Assets	1 441	1 441	-
Payment for Financial Assets	119	119	-
Total	2 140 156	2 133 976	6 180



Actual Expenditure per Economic Classification Per High Level Item



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



Details of Variance Per Economic Classification

Details	Amount R'000	Action
Current Payments <ul style="list-style-type: none"> - Compensation - Goods and Services (Accruals) 	5 615	Surrender funds to National Treasury.
Transfer and Subsidies <ul style="list-style-type: none"> - Foreign governments and international organisations - Public corporations and private enterprises - Households 	561	Surrender funds to National Treasury.
Payments for Capital Assets <ul style="list-style-type: none"> - Buildings and other fixed structures - Machinery and Equipment 	4	Surrender funds to National Treasury.
Payment for Financial Assets	-	
TOTAL	6 180	

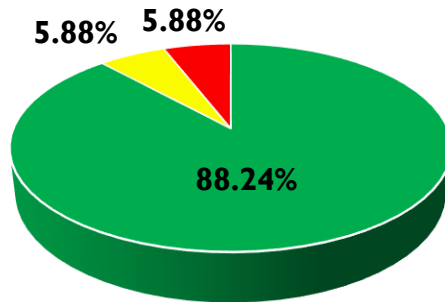


3. Programme Performance Information

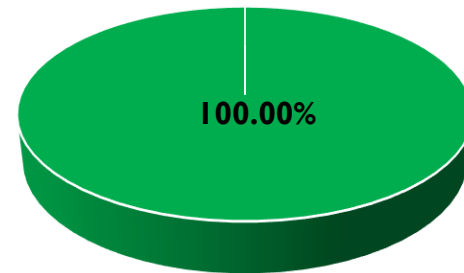


BRANCHES ANNUAL PERFORMANCE OVERVIEW

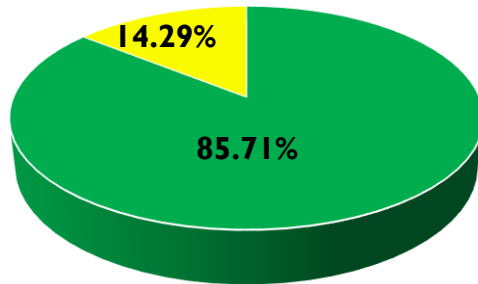
Corporate Management



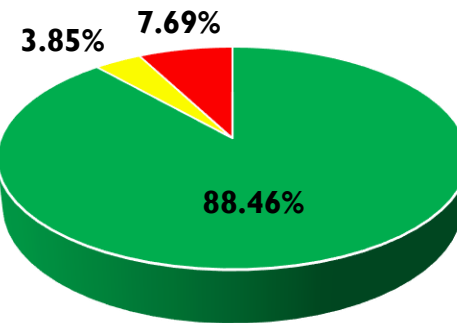
Tourism Policy and Planning



Destination Development



Enterprise and Visitor Support Services



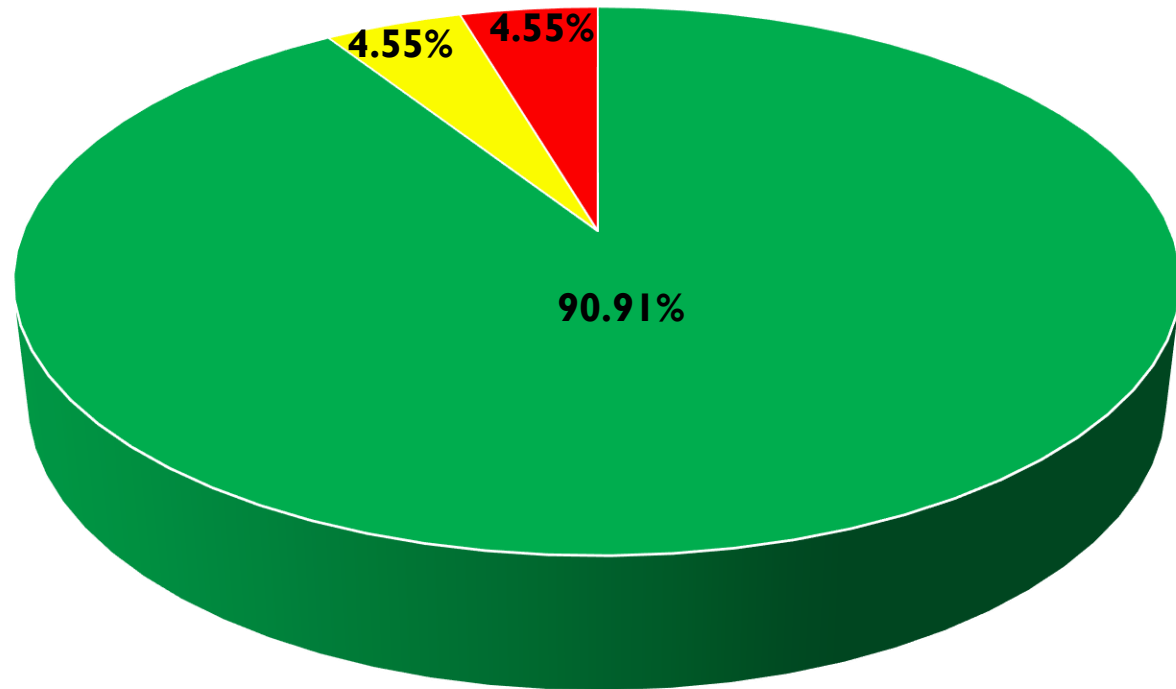
2017-18 ANNUAL PERFORMANCE OVERVIEW

Branches / Programmes	Achieved	Not achieved; significant work done	Not achieved; intervention required	Insufficient information to express opinion
Corporate Management	88.24% (15 of 17)	5.88% (1 of 17)	5.88% (1 of 17)	0.00% (0 of 17)
Tourism Policy and Planning	100.00% (16 of 16)	0.00% (0 of 16)	0.00% (0 of 16)	0.00% (0 of 16)
Destination Development	85.71% (6 of 7)	14.29% (1 of 7)	0.00% (0 of 7)	0.00% (0 of 7)
Enterprise and Visitor Support Services	88.46% (23 of 26)	3.85% (1 of 26)	7.69% (2 of 26)	0.00% (0 of 26)
Total	90.91% (60 of 66)	4.55% (3 of 66)	4.55% (3 of 66)	0.00% (0 of 66)



2017-18 ANNUAL PERFORMANCE OVERVIEW

2017/18 Annual Performance Overview



- Achieved
- Not achieved; however significant work done
- Not achieved
- Insufficient information to express opinion



3.2 PROGRAMME 2

TOURISM POLICY AND PLANNING



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

Key Performance Indicator	Annual Target	Actual Performance
I. Number of platforms facilitated to improve tourism-sector stakeholder engagement and NTSS implementation.	Three platforms created:	
	Annual Tourism Stakeholder Forum hosted.	<p>Two Annual National Tourism Stakeholder Forums (NTSF) were hosted on 22 September 2017 and 8 March 2018 respectively. Following Cabinet's approval of the National Tourism Sector Strategy (NTSS) in the 3rd quarter, one additional NTSF meeting was coordinated in quarter four to create awareness, to concur on the implementation plan, monitoring and reporting mechanisms to facilitate effective implementation of the NTSS.</p> <p>September 2017 NTSF: Discussed key developments within the sector, e.g. macroeconomic outlook of the country and implications for tourism; amalgamation of SA Tourism and Stats SA domestic tourism surveys; outcomes of sharing economy dialogue; Coastal and Marine Tourism; progress on NTSS Review; draft plan for SA's chairship of BRICS.</p> <p>March 2018 NTSF: Discussed how the industry can live up to SONA; Draft Implementation Plan for Approved NTSS (2016 – 2026); Proposed Institutional Mechanisms for Implementation, Monitoring and Reporting on the NTSS; Tourism Sector Human Resource Development Strategy; Repositioning /review of Tourism Month.</p>



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

Key Performance Indicator	Annual Target	Actual Performance
I. Number of platforms facilitated to improve tourism-sector stakeholder engagement and NTSS implementation.	Three platforms created ... continued:	
	Annual Public Lecture hosted.	Annual Public Lecture was hosted on 26 September 2017 in Mbombela in partnership with the Mpumalanga Tourism and Parks Agency, Department of Economic Development and Tourism, University of Mpumalanga and Tshwane University of Technology. It was hosted under the theme “Sustainable Tourism – a tool for development”.
	Annual Tourism Research Seminar hosted.	Annual Tourism Research Seminar was hosted on 23 March 2018 at the School of Tourism and Hospitality, University of Johannesburg and attended by 143 delegates including tourism practitioners, researchers, sector representatives, academics, etc. The Seminar was held to disseminate the findings of the five research studies conducted by the Universities of Pretoria (2), Venda (1) and Zululand (2).



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

<p>2. Number of policy bulletins developed.</p>	<p>Two policy development initiatives:</p> <p>Two tourism policy bulletins published.</p>	<p>Two tourism policy bulletins were published in October 2017 and March 2018. These focus on proactive tracking and analysis of global and national policy developments with impact to tourism. These were published in departmental website</p>
	<p>Policy position in relation to negative unintended implications of developments in the sharing economy.</p>	<p>Policy position in relation to negative unintended implications of developments in the sharing economy was developed. Report developed covers definition of sharing economy, technological trends, opportunities and challenges, international regulatory practices and response to sharing economy, lessons learned from international regulatory practices, policy options on sharing economy and recommendations.</p>



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

Key Performance Indicator	Annual Target	Actual Performance
3. Number of monitoring and evaluation reports on tourism projects and initiatives developed.	Four reports developed: 2016 State of Tourism (STR).	2016 STR was developed, and has since been published on the departmental website. The report provides analysis of performance of tourism industry in SA and globally, focusing on tourism key sub-sectors. Global tourism performance includes analysis of global tourist arrivals, economic impact of tourism globally, global aircraft and passenger movement. SA performance focuses on tourist arrivals, spending, length of stay, geographical spread, contribution of tourism to economy (employment and GDP), performance of domestic tourism.
	Evaluation report on Food Safety Programme.	Report on the evaluation of Food Safety Programme (FSP) was developed. FSP was implemented by department in partnership with FEDHASA and the South African Food Safety Corporation to respond to the demand in the hospitality sector (both the domestic and international markets) for food safety and security. The report covers the rationale for evaluation, importance of skills development in SA, overview of food safety systems, food safety control legislation in SA, methodology, findings and recommendations.



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

Key Performance Indicator	Annual Target	Actual Performance
3. Number of monitoring and evaluation reports on tourism projects and initiatives developed.	Four reports developed ... continued:	
	Evaluation report on Tourism Incentive Programme (Market Access Incentive).	Evaluation report on Tourism Incentive Programme (market access incentive) was developed. The programme was implemented to empower SMMEs by providing them with subsidised costs to access new and existing markets through attendance of trade shows or platforms. The report covers rationale for evaluation, role of trade fairs in marketing enterprise, implementation of Programme, extent to which Programme has unlocked untapped market potential for tourism enterprises, contribution of Programme towards promotion of sector transformation, performance of tourism enterprises in terms of sales versus costs, job creation, etc., and recommendations.
	2016/17 National Tourism Sector Strategy (NTSS) implementation report.	2016/17 NTSS implementation report was developed. Report is developed to track progress made towards the achievement of the NTSS objectives and targets. Aspects covered include tourism performance (global and SA overview), NTSS implementation and performance review (tourism growth and the economy, increase of domestic tourism's contribution to the economy, regional tourism economy, visitor experience and the brand, tourism culture among south Africans, transformation within the tourism sector, geographic, seasonal and rural spread, responsible tourism practices, etc.).



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 and frameworks developed and maintained.	Concept on the design and implementation plan of the National Tourism Information and Monitoring System (NTIMS) developed.	Concept on the design and implementation plan of the NTIMS was developed. It is informed by benchmark and analysis on NTIMS requirements, as well as international best practices on tourism business information systems including findings on various business registration models.
	Training of youth as data capturers for collection the NTIMS data (2 per municipality).	Training of youth as data capturers for collection of the NTIMS data (2 per municipality) was conducted. Youth will collect data and information from tourism businesses, services and products across the country, required to support the development of NTIMS and for understanding the entire tourism footprint, geographical spread and capacity of tourism to support planning and decision-making.
	Two mobile applications maintained (Tourist Guides & VICs).	Two mobile applications (tourist guides & VICs) were maintained. Maintenance included enhancement and support. The mobile applications (South African Travel Guide Directory (Visitor Information Centre) and Tourist Guide Directory) assist to disseminate content for both the Tourist Guide and VIC Databases currently stored within the Tourism Knowledge Portal. The apps enable the department to meet information needs of technology savvy tourist, who travels with handheld internet connected mobile devices and predominantly uses mobile devices for accessing information.



Strategic objective: To enhance regional tourism integration.

Key Performance Indicator	Annual Target	Actual Performance
5. Number of initiatives facilitated in multilateral fora.	Two initiatives:	
	Draft plan for hosting of a tourism workstream during the 2018/19 BRICS summit developed.	Draft plan for hosting of a tourism workstream during the 2018/19 BRICS Summit was developed. Workstream would coordinate tourism related issues within BRICS, and provide opportunity for public sector to address barriers to tourism growth among the BRICS countries such as travel facilitation. Plan included institutional arrangement, strategic importance, SA's chairship of BRICS and Proposed actions relating to BRICS Tourism concept document and Terms of Reference; SA BRICS Tourism Task Team; Convening of a BRICS Tourism Senior Officials Meeting; Forum of Tourism Ministers).
	Final plan for the hosting of a Tourism Workstream during South Africa's chairship of IORA developed.	Final plan for the hosting of a Tourism Workstream during South Africa's chairship of IORA was developed. The Plan included hosting of a coastal and marine workshop, 3rd meeting of IORA tourism experts and senior officials, establishment of tourism core group and hosting of 2nd meeting of IORA Tourism Ministers.



Strategic objective: To enhance regional tourism integration.

Key Performance Indicator	Annual Target	Actual Performance
6. Number of initiatives facilitated for regional integration.	Two initiatives:	
	Ministerial Session at the 2017 Tourism Indaba hosted.	Ministerial session at the 2017 Tourism Indaba was hosted on 15 May at the Inkosi Albert Luthuli International Convention Centre. The session Theme explored the impact of technology on the growth of tourism on the continent, government's response to technological developments in the tourism space, issues pertaining to regulation of technological developments in tourism.
	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 in Mbombela (Mpumalanga) from 19 to 23 February 2018. Presentations made included management of tourism statistics; promotion of tourism along the heritage and cultural sites, sustainable tourism; grading and classification systems of tourism, investment opportunities, etc.



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 enhancement initiatives implemented.	Monitor the implementation of Four destination initiatives: <ul style="list-style-type: none"> • Shangoni Gate tourism development in Kruger National Park • Phalaborwa Wild Activity Hub in Kruger National Park. • National Heritage Monument Park Interpretation Centre. • Signage at identified National Heritage sites: (SANParks Kgalagadi Transfrontier Park, Golden Gate National Park, Gugulethu Seven Memorial, Sarah Baartman Heritage Site). 	Implementation of three destination enhancement initiatives was monitored at: <ul style="list-style-type: none"> • Shangoni Gate tourism development in Kruger National Park. • Phalaborwa Wild Activity Hub in Kruger National Park. • National Heritage Monument Park Interpretation Centre. • Interpretation Centre Signage at identified National Heritage sites: (Kgalagadi Transfrontier Park, Golden Gate National Park, Gugulethu Seven Memorial, Sarah Baartman Heritage Site).



Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
I. Number of destination enhancement initiatives implemented.	One programme (facilitating the implementation of the Blue Flag programme at additional 25 South African beaches).	Monitoring of the Blue Flag Programme on 75 Beaches was done. The Programme trains unemployed youth from coastal households in the National Certificate in Environmental Education Training and Development Practices NQF 5 specialising in Tourism. The Programme is well established on 50 beaches and has commenced on 25 additional beaches. Participants at the 25 additional beaches were recruited in March 2018.
	One route development project supported: <ul style="list-style-type: none"> Indi-Atlantic Route 	One route development project was supported - Indi-Atlantic Route. This is a prioritised initiative for Coastal and Marine Tourism under the auspices of Operation Phakisa Oceans economy programme. This is a tourism route that covers 4 coastal provinces of Northern Cape, Western Cape, Eastern Cape and KwaZulu Natal. The purpose is to link the existing tourism routes and create a major route that will cover the entire SA coastline which will have a single brand. The establishment of route will open opportunities and provide ways in which different offerings and tourism gems can be identified to the benefit of local communities.



Strategic objective: To diversify and enhance tourism offerings.

Key Performance Indicator	Annual Target	Actual Performance
I. Number of destination enhancement initiatives implemented.	Destination planning manual developed.	Destination planning manual was developed. The manual aims to provide guidance in respect of tourism destination planning, particularly for local and district municipal officials working on municipal planning and local economic development (including tourism-specific officials) to assist with a better understanding of tourism and how it can be integrated into the planning for the municipality as a whole.
	Methodology for the development of tourism precincts.	Methodology for development of tourism precincts was developed. The methodology provides insights from the tourism, planning, development and marketing disciplines with the objective of providing a user-friendly reference guide for those involved in the delivery and management of tourism precincts.



Strategic objective: To create employment opportunities by implementing tourism projects.

Key Performance Indicator	Annual Target	Actual Performance
2. Number of Working for Tourism projects funded through EPWP.	Seven projects funded: <ul style="list-style-type: none"> NW Letlamoreng Dam Phiphidi Waterfall Platfontein Game Farm National Youth Chefs Sommelier Training Course Youth in Hospitality Service Training Programme Food Safety Programme 	Six projects funded: <ul style="list-style-type: none"> LP Phiphidi Waterfall Platfontein Game Farm National Youth Chefs Sommelier Training Course Youth in Hospitality Service Training Programme Food Safety Programme <p>Reason for variance: No funding was made to one project namely NW Letlamoreng Dam funded during the 2017/18. This project was however assessed by GTAC during this period. The technical advice received by the GTAC team has recommended reconceptualization of this project which is in the planning phase, this work has commenced.</p>
3. Number of full-time equivalent jobs (FTE) created through Working for Tourism programme per year.	3 085 FTE jobs created.	<p>3 457 FTE jobs were created.</p> <p>Reason for variance: This target was exceeded as implementation prioritised skills development programmes and recruitment took into account the risk of dropouts by initially recruiting more participants than the final targeted numbers.</p>



3.4 PROGRAMME 4

ENTERPRISE AND VISITOR 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 B-BBEE implementation.	Four initiatives supported to promote B-BBEE implementation:	
	Monitoring report on the implementation of the amended tourism B-BBEE sector code developed.	Monitoring report on the implementation of the amended tourism B-BBEE sector code was developed. The report reflects on the areas of ownership, management control, skills development, enterprise and supplier development, socio-economic development, and compliance acceleration.
	Tourism Sector Transformation Indaba.	Tourism Transformation Indaba was held on 30-31 October 2017 at Kopanong Conference Centre in Benoni. Indaba provided a platform to dialogue and exchange tourism sector transformation strategies and investment opportunities towards radically improving the participation of black people and black women specifically across the value chain with industry growth and sustainability.



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

Key Performance Indicator	Annual Target	Actual Performance
I. Number of initiatives supported to promote B-BBEE implementation.	Four initiatives supported to promote B-BBEE implementation ... continued:	
	Guidelines for commercialisation of state-owned attractions.	Guidelines for commercialisation of state-owned attractions were developed. The objectives of the Guidelines include, amongst others, to commercialise state owned attractions through concessions; to transform the tourism sector through facilitation of community beneficiation, market access and skills transfer to black operators; to enhance conservation and maintenance of state owned tourism attractions.
	Establish funding mechanisms through partnerships with development finance institutions (DFIs) to support tourism sector transformation.	Funding mechanisms through partnerships with development finance institutions (DFIs) to support tourism sector transformation were established. A Memorandum of Understanding was signed with National Empowerment Fund to establish the Tourism Transformation Fund which will focus exclusively on the transformation of the South African Tourism Sector.



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

Key Performance Indicator	Annual Target	Actual Performance
2. Number of social tourism initiatives undertaken.	Two social tourism initiatives undertaken:	
	Framework for supporting tour operators to facilitate social tourism.	<p>Draft Framework for supporting tour operators to facilitate social tourism was developed. The Framework aims to assist the tour operators to expose large number of South Africans, especially those from previously disadvantaged backgrounds, to travel and do tourism in their country.</p> <p>Reason for variance: Finalisation of the Framework was affected by capacity constraints. A service provider was however appointed to carry out the work in the new financial year - 2018/19. Draft documents of the scheme and framework for tour operators are in place.</p> <p>Corrective measure: Some work on the framework and scheme commenced before the end of the financial year. Finalisation will be at the end of 2018/19.</p>



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

Key Performance Indicator	Annual Target	Actual Performance
2. Number of social tourism initiatives undertaken.	Two social tourism initiatives undertaken ... continued:	
	Develop one social tourism scheme.	<p>One draft social tourism scheme was developed internally.</p> <p>Reason for variance: Finalisation of the Framework was affected by capacity constraints. The service provider was however being appointed to carry out the work in the new financial year, 2018/19. Draft documents for the scheme and framework for tour operators are in place.</p> <p>Corrective measure: Some work on the framework and scheme commenced before the end of the financial year. Finalisation will be at the end of 2018/19.</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. Implementation of the enterprise development programme.	400 enterprises supported for development.	400 enterprises were supported for development. The Programme seeks to respond to acute needs for development of tourism enterprises by providing appropriate support to SMMEs through internal resources, partnerships and third party contractors that specialise in provision of required services. The aim is to assist enterprises to grow and expand in a sustainable way.
	Development of the Long-Term Framework for enterprise development based on current policy pronouncement.	Long-Term Framework for enterprise development based on current policy pronouncement was developed. The Framework provides guidelines for department's efforts to support the growth and development of SMMEs in the travel, hospitality and tourism industry.



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.	<ul style="list-style-type: none"> • 2 existing incubators supported. • 1 new incubator established. 	<ul style="list-style-type: none"> • Two existing incubators were supported. • Two new incubators were established on 2 March 2018 in Phalaborwa (Limpopo) and on 20 March 2018 in Mier (Northern Cape). <p>These are part of the enterprise development and support programme. The aim is to achieve economic growth, reduce poverty and unemployment by providing needs based enterprise development support through needs assessment, gap identification, growth planning, mentorship, coaching, increasing access to information, funding networks, market exposure, and general business advisory services.</p> <p>Reason for variance: It was a top management decision to establish an additional incubation site.</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 programme implemented.	Four incentive programmes supported with funding: <ul style="list-style-type: none"> • Market access • Tourism grading • Energy efficiency • Universal accessibility (pilot) 	Four incentive programmes were supported with funding: <ul style="list-style-type: none"> • Market access • Tourism grading • Energy efficiency • Universal accessibility (pilot) <p>The incentive programmes support tourism businesses to become graded, access new markets and enhance their product offering. It serves a tool to stimulate growth, development and transformation in the tourism sector.</p>
6. Number of priority areas to support the implementation of Responsible Tourism.	Five Community Tourism enterprises supported to enter tourism value chain.	Five Community Tourism enterprises were supported to enter tourism value chain, by supplying goods and services. <p>These are Witsieshoek and Phuthaditjaba (Free State), Rampapa, Pilanesburg to Madikwe Corridor (North West), Vilakazi Street Precinct, Soweto (Gauteng), Khula Village outside St Lucia in the Isimangaliso Wetlands Park – World Heritage Site (KwaZulu / Natal), and eMazizini in the heart of the Amphitheatre – Northern Drakensburg (KwaZulu / Natal).</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.	Initiate audit of the tourist guides register.	Audit of the tourist guides register was initiated.
	Upgrade on the security features on the tourist guides' identification badges.	Upgrade on the security features of the tourist guides' identification was completed. This is to ensure that illegal guiding activities are reduced and compliance levels are increased.
	Two National Tourism Information Gateways (NTIGs) maintained and enhanced: <ul style="list-style-type: none"> • ORTIA NTIG • KSIA NTIG 	Two NTIGs were maintained: ORTIA and KSIA. Reports were developed and cover general operations, enhancements, capacity building, visitor statistics, etc.



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
<p>7. Number of initiatives for improving visitor services implemented.</p>	<p>One NTIG developed:</p> <ul style="list-style-type: none"> • Cape Town International Airport (CTIA). 	<p>One NTIG was not developed – CTIA.</p> <p><i>Reason for variance:</i></p> <p>A report was developed on the engagement regarding the remodelling of NTIGs countrywide. For CTIA NTIG, ACSA has given the airport space to Cape Town Tourism, to which the department was referred for negotiation of space. The stakeholders however, require a different model in order to develop the NTIG.</p> <p><i>Corrective measure:</i></p> <p>The department will further engage the stakeholders concerned and reconsider the model for NTIGs future development.</p>



Strategic Objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
7. Number of initiatives for improving visitor services implemented.	100% of tourist complaints referred to appropriate authorities for resolution within the agreed timeframes.	100% of tourist complaints were referred to appropriate authorities for resolution within the agreed timeframes.

Strategic objective: To facilitate tourism capacity-building programmes.

8. Number of capacity-building programmes implemented.	Ten capacity-building programmes:	
	1. Implement the National Youth Chefs (NYC) programme targeting 577 trainees.	The NYC programme targeting 577 trainees was implemented. The Programme trains unemployed youth between the ages of 18-35 for a period of three years towards becoming professional chefs.
	2. 300 Youth enrolled in the Sommelier training course.	300 youth were enrolled in the Sommelier training course. The programme seeks to skill the unemployed youth to make sure that they are employable within the hospitality and wine industry.
	3. Training facilitated for 2 000 trainees in the Youth in Hospitality Service Training Programme.	2 000 youth were enrolled in the Hospitality Service Training Programme. The Programme trains unemployed youth to enable them to acquire skills and gain work experience to enhance employability in the hospitality and tourism sector.

Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Ten capacity-building programmes ... continued:	
	4. 500 learners enrolled in the Food Safety programme.	500 learners were enrolled in the Food Safety programme. The Programme trains unemployed graduates with hospitality qualifications from TVET Colleges, with the aim to give them practical experience and exposure to possible placement opportunities.
	5. Establishment of a coordinating body for THRD.	A coordinating body was established. It aims to facilitate an appropriate THRD Strategy implementation process that is coherent and integrated).
	6. Local government tourism induction programme, with a focus on rural areas with tourism potential (eight municipalities).	Local government tourism induction programme, with a focus on rural areas with tourism potential (ten municipalities) was conducted.
	7. NTCE convened.	The National Tourism Careers Expo (NTCE) was convened. It provides a platform for the sector to create awareness and promote tourism as a career, profession and business whilst simultaneously promoting the industry as an employer of choice as well as instill the value and culture of tourism in the country.



Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Ten capacity-building programmes ... continued:	
	8. Twenty Black women trained at an institution of higher learning.	<p>A total of 40 Black women were enrolled at an institution of higher learning for the Executive Development Programme. This is to facilitate a structured Executive Development Programme targeting 40 Women in order to promote transformation of the tourism industry through mentorship</p> <p>Reason for variance: Initially 37 applications were received and 19 were approved. The nomination process was opened again and additional 63 applications were received, from which 21 were approved.</p>



Strategic objective: To facilitate tourism capacity-building programmes.

Key Performance Indicator	Annual Target	Actual Performance
8. Number of capacity-building programmes implemented.	Ten capacity-building programmes ... continued:	
	9. Two tourist guiding skills development programmes identified and implemented: <ul style="list-style-type: none"> • Up-skilling of existing tourist guides at WHS (Mapungubwe and uKhahlamba) • Training of new entrants in adventure guiding. 	Two tourist guiding skills development programmes were developed and implemented: <ul style="list-style-type: none"> • Up-skilling of existing tourist guides at WHS (Mapungubwe and uKhahlamba). • Training of new entrants in adventure guiding.
	10. Training of 60 youth on Resource Efficiency (National Cleaner Production Centre of South Africa) assessment methodology.	Training of 60 youth on Resource Efficiency (National Cleaner Production Centre of South Africa) assessment methodology was conducted.



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
1. Number of strategic documents developed.	Review of the Strategic Plan (SP) and Annual Performance Plan (APP) for 2018/19.	The SP and APP for 2018/19 were reviewed.
	Annual Performance Report for 2016/17 as well as four quarterly reports on the implementation of the SP and APP developed.	Annual Performance Report for 2016/17 as well as four quarterly reports on the implementation of the SP and APP were developed and submitted to AGSA and Parliament. Four quarterly reports were submitted to DPME and NT as prescribed.
	Four quarterly risk analysis reports prepared.	Four quarterly risk mitigation reports were analysed and submitted to Risk Management Committee.
2. Number of public entity oversight reports prepared.	Four SAT oversight reports prepared.	Four SA Tourism oversight reports were prepared.



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

Key Performance Indicator	Annual Target	Actual Performance
3. Vacancy rate.	Vacancy rate not to exceed 8%.	Vacancy rate as at 31 March 2018 was at 6.2%.
4. 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.	<p>Woman Representation at SMS level was maintained at 49.3% as at 31 March 2018.</p> <p>Reason for variance: The departure of a female SMS member and her replacement by the appointment of a male SMS member reduced the percentage of women representation at SMS level.</p> <p>Corrective Measure: The department will endeavour to enable the promotion and appointment of women at SMS level in order to meet its target of 50% on women representation at SMS level.</p>



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

Key Performance Indicator	Annual Target	Actual Performance
4. Percentage women representation in senior management service (SMS), representation for people with disabilities, and black representation.	Maintain minimum of 3% people with disabilities representation.	Representation of people with disabilities was maintained at 4.7% as at 31 March 2018.
	Maintain minimum of 91.5% black representation.	Black representation was maintained at 95.3 as at 31 March 2018.
5. Development and percentage implementation of Workplace Skills Plan (WSP) with targeted training interventions.	Development and 100% implementation of WSP.	100% development and implementation of WSP. This comprised of Compulsory Induction Programmes, internal and external bursaries, and skills programmes such as supply chain management, protocol training. A total of 20 internal bursaries (part-time) 30 full-time external bursaries were awarded.



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

Key Performance Indicator	Annual Target	Actual Performance
6. 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.
7. Implementation of Information Communication Technology Strategic Plan (ICTSP).	Implementation of the ICTSP.	ICTSP was implemented. The plan covered general ICT services, EDMS, tourism website and tourism knowledge portal.



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

Key Performance Indicator	Annual Target	Actual Performance
8. Number of quarterly and annual financial statements compiled and submitted.	<ul style="list-style-type: none"> • Three quarterly interim financial statements compiled and submitted to NT. • One annual financial statement compiled and submitted to NT and AGSA. 	<ul style="list-style-type: none"> • Three quarterly interim financial statements were compiled and submitted to NT. • One annual financial statement was compiled and submitted to NT and AGSA.
9. Percentage implementation of the annual internal audit plan.	100% implementation of the annual internal audit plan.	100% implementation of the annual internal audit plan.



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

Key Performance Indicator	Annual Target	Actual Performance
10. 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.	100% implementation of the Department's communication strategy. The strategy involved departmental events, corporate identity and branding, events, publications, social media presence, media monitoring, etc.



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

Key Performance Indicator	Annual Target	Actual Performance
11. Amendments to the Tourism Act drafted.	Tourism Amendment Bill to improve governance of Tourism institutions and the performance of the sector.	<p>Tourism Amendment Bill to improve the governance of Tourism government institutions and the performance of the sector was not submitted to Parliament for approval.</p> <p>Reason for variance: Introduction of the Draft Amendment Bill to Parliament was affected by the need to finalise policy review and analysis to inform the drafting of the Bill in the following areas: sharing economy, grading of tourism establishments and professionalising of tourist guiding.</p> <p>Corrective Measure: Drafting of, and consultation on the amendments has commenced. The department is consulting with relevant departments. Thereafter, it will go to Cabinet for approval for gazetting.</p>

Strategic Objective: To contribute to economic transformation of South Africa.

Key Performance Indicator	Annual Target	Actual Performance
12. Percentage procurement from B-BBEE compliant businesses.	100% procurement from B-BBEE compliant businesses.	100% procurement from B-BBEE compliant businesses.



4. Human Resource Information



Employees per Occupational Bands: March 2018

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	2	3	0	1	1	9
Senior Management.	26	1	4	1	22	2	3	3	62
Professionally qualified and experienced specialists and mid-management.	101	3	5	5	112	8	5	7	246
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents.	47	4	0	0	78	7	2	4	142
Semi-skilled and discretionary decision making.	15	0	0	0	13	0	0	0	28
Unskilled and defined decision making. *Including 25 Interns & 1 Cleaner (SL2)	11	0	0	0	15	0	0	0	26*
TOTAL	202	8	9	8	243	17	11	15	513



Workforce Representativity as at end of 31 March 2018

TOTAL ESTABLISHMENT

Race	Number	Percentage
Africans	420	86.1%
Coloureds	25	5.1%
Indians	20	4%
Whites	23	4.7%
TOTAL *Excluding Interns	488	100%
Persons with Disabilities	23	4.7%



LIST OF ACRONYMS AND ABBREVIATIONS

AGSA:	Auditor-General of South Africa	SCM:	Supply Chain Management
ACSA:	Airports Company South Africa	SMS:	senior management service
APP:	Annual Performance Plan	SP:	Strategic Plan
B-BBEE:	broad-based black economic empowerment	STR:	State of Tourism Report
BRICS	Brazil, Russia, India, China and South Africa	THRD:	Tourism Human Resource Development Strategy
CTIA	Cape Town international Airport	VICs:	Visitor Information Centres
DFIs	Development Finance Institutions	WHS:	world heritage site
FTE:	full-time equivalent	WSP:	Workplace Skills Plan
GTAC	Government Technical Advisory Centre		
ICTSP:	Information Communication Technology Strategic Plan		
IORA	Indian Ocean Rim Association		
KSIA:	King Shaka International Airport		
NT:	National Treasury		
NTCE:	National Tourism Careers Expo		
NTIGs:	national tourism information gateways		
NTIMS:	National Tourism Information and Monitoring System		
NTSS:	National Tourism Sector Strategy		
NYC:	National Youth Chefs		
ORTIA:	OR Tambo International Airport		
RMC:	Risk Management Committee		
SAT:	South African Tourism		

Thank You

